

One year since the election of Barack Obama

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One year ago today, on November 4, 2008, Barack Obama won the US presidential election in what was, for all practical purposes, a political rout. The Democratic candidate defeated his Republican rival by a margin of 10 million votes, the biggest victory for a non-incumbent candidate in more than 50 years. He carried 28 states and won 338 electoral votes, while the congressional Democratic Party won its largest majorities in 30 years in both the House and Senate.

The election result constituted a popular repudiation of the right-wing policies pursued by the Bush administration over the previous eight years. Tens of millions turned out at the polls—including an unprecedented number of first-time, minority and youth voters—to express their opposition to the war in Iraq, the deepening recession, attacks on democratic rights, and a government that openly favored the rich while demonstrating indifference to mass suffering, expressed most starkly in Bush's response to Hurricane Katrina.

Within the framework of the two-party system in the United States, hatred for the Republican administration could find mass expression only in a victory for the Democrats, despite the fact that the Democratic congressional leadership had collaborated with the Bush White House and provided the support it needed to pursue its policies of war and social reaction.

Many who voted for Obama undoubtedly believed that an African-American president, by virtue of his ethnic background, would be more sympathetic to the needs of working and poor people, and that the victory of the candidate of "change" would signal a break from decades of political reaction and the initiation of progressive policies.

One year later, these illusions are turning to anger, frustration and a sense of having been sold a bill of goods. Millions of workers are making a fundamental experience not only with the Obama administration, but with the entire political and economic system. What is emerging in response to the administration's servility to Wall Street and indifference to the social crisis facing the working class, as well as its continuation of a foreign policy based on imperialist war, is a dawning recognition that the entire political system serves the class interests of a financial oligarchy.

The 2008 election reflected a movement of the working population to the left. Obama, however, was not the standard-bearer of this movement. Rather, he was the instrument of the

most powerful sections of the ruling elite. They threw their support to Obama in order to make certain tactical changes in foreign policy and improve the international image of the United States after the debacle of the Bush years, and to derail growing domestic opposition to the program of big business.

As the *World Socialist Web Site* wrote one week after the election:

"To deal with the protracted and visible decline of American capitalism, whose iconic banks and industrial firms are verging on collapse, these sections sponsored and financed the campaign of Obama, with an eye to installing a more popular and at the same time entirely reliable representative of the class interests and global aims of American imperialism. American industry may be all but bankrupt, but America remains the world's leader in marketing. A well-oiled and lavishly funded marketing campaign was launched to give American imperialism a new brand, in the form of the young, African-American senator from Illinois."

Obama's victory in the contest for the Democratic presidential nomination was in large part due to his professed opposition to the war in Iraq. His main rival, Hillary Clinton, had voted for the Iraq war authorization in the Senate. But once elected, Obama quickly scrapped his pledge to bring change to Washington, filling top White House and cabinet posts with a combination of leading congressional Democrats, such as Clinton and Rahm Emanuel, and Bush administration holdovers such as Robert Gates, who, as Bush's defense secretary, had overseen the military "surge" in Iraq.

Obama filled his key economic and budget posts with investment bankers or those, such as New York Federal Reserve President Timothy Geithner, who had longstanding ties to Wall Street.

The past year has featured certain cosmetic changes in style, but in substance the reactionary policies of the Bush administration have been continued.

In foreign policy, Obama has continued the US occupation of Iraq, adhering to the troop levels decided on by Bush before he left the White House. He dispatched an additional 21,000 US troops to Afghanistan, and is on the brink of deciding on a further escalation of the war in the "Afpak" theater.

In domestic policy, Obama embraced the most important decision of the Bush administration, the \$700 billion bailout of the banks, and greatly expanded it, making available up to

\$23.7 trillion in loans, guarantees, subsidies and cash infusions to Wall Street. The stock market plunged during the transition period from Bush to Obama, reaching its low in early March, but rallied when the big financial interests became certain that the new administration would make unlimited resources available through the Treasury and Federal Reserve. Since the low point, the Dow Jones average has risen by 50 percent—a vote of confidence by Wall Street—even as the economic crisis has wreaked havoc with the jobs and living standards of working people.

Subsequent domestic initiatives have flowed from the fundamental class nature of the Obama administration as a government of Wall Street: the forced bankruptcy and wage-cutting at General Motors and Chrysler, a restructuring of health care to cut costs for business and the government at the expense of millions of workers and retirees, a continuation of the Bush administration's offensive against democratic rights and civil liberties.

These measures have been carried through with, until now, relatively little open popular opposition. That is the critical service rendered the ruling elite by Obama. A McCain-Palin administration would have likewise bailed out Wall Street at the expense of working people, escalated the war in Afghanistan, and demanded wage cuts for auto workers, but with far greater risk of provoking a social and political explosion, especially as unemployment rocketed towards 10 percent.

This process has definite limits, however. Despite the adulation on Wall Street and in the media, the economic policies of the Obama administration have neither resolved the global economic crisis nor reversed the long-term historical decline of American capitalism.

On November 4, 2008, an ounce of gold was worth \$741.85. A year later, the price of gold has hit a record \$1,085.07 an ounce, representing a 32 percent decline in the value of the dollar. This figure, not the Dow Jones Industrial Average, indicates the real state of affairs for American capitalism. The massive Treasury outlays to prop up Wall Street are bankrupting the US economy, and the price will be paid by working people, through inflation, wage-cutting and the slashing of federal spending on social necessities like health care, education and Social Security.

The erosion of popular illusions in Obama is reflected in a limited way in opinion polls, which show growing disgust with both the big business parties, and in the off-year election results, where there was a disproportionate collapse in the Democratic vote as a result of widespread disappointment in the administration.

The clearest signal of the shifting sentiments in the working class came in the vote by rank-and-file Ford workers on the concessions contract demanded by the company and backed by the United Auto Workers. More than three quarters of those voting rejected a contract that would have imposed on them the

same cuts inflicted on GM and Chrysler workers by the Obama administration.

While the working class is moving into opposition, middle class liberals and ex-radicals have closed ranks with Obama. His administration has become the political vehicle through which these political forces have moved further to the right, lining up behind a right-wing, anti-working class government and defending the interests of American imperialism abroad. Their evolution is bound up with their rejection of class as the fundamental social category and their embrace of politics based on race, gender, etc.

Meanwhile, Obama is providing an object lesson that the fundamental divisions in society are those of class, not race. The outcome of his election underscores the futility of seeking genuine change through the existing political system and its official institutions, all of which are dominated by the class that owns and controls the means of production.

The day after Obama's election, the *World Socialist Web Site* declared:

“Whatever satisfaction the Democratic Party draws from its victory is tempered by the realization within President-elect Obama's inner circle, the party leadership and the political establishment that the mass expectations and hopes aroused by the election will not be easily contained. The outcome of the election sets the stage for a new and protracted period of intense class conflict in the United States.”

This forecast will be vindicated in the coming weeks and months as working people take up the struggle to defend their jobs, living standards and social benefits, and to oppose imperialist war. That struggle requires a new political strategy. The working class must make a conscious break with the Democratic Party and take the road of political struggle against the capitalist profit system, based on a socialist and internationalist program.

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