

# Obama begins bid for second term: A president of war and social reaction

**Patrick Martin**  
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US President Barack Obama announced his candidacy for reelection in 2012 in a video statement posted on the Internet Monday and delivered via e-mail. He became the first candidate to formally declare for the 2012 presidential election, filing papers with the Federal Election Commission, a legal requirement to begin campaign fundraising.

Obama has already been dubbed the “billion-dollar candidate,” since his campaign is expected to be the first in US history to raise and spend that enormous sum. The number is appropriate and symbolic, given that the Obama presidency has served the billionaires at the expense of American working people.

The financial aristocracy—and Wall Street in particular—backed Obama heavily over Republican John McCain in 2008, as he raked in a record \$779 million in contributions, more than double the previous record set by George W. Bush in 2004. Despite claims that this fundraising edge was due to a surge in small donations, the majority of both Obama’s primary campaign and general election funding came from those able to contribute \$1,000 or more.

High rollers will be called upon to do even more in the 2012 campaign. At a meeting last month, campaign manager Jim Messina asked 450 top “bundlers” to raise \$350,000 apiece in 2011—the year before the election—double what they were asked to raise for the whole 2008 campaign. This effort alone would give Obama a war chest of more than \$150 million going into January 2012, far more than any of his potential rivals in either big business party. In accumulating such vast sums of money so quickly, the administration is seeking to preclude any possibility of a challenge to the pro-corporate policies that both political parties uphold.

In an address to a group of well-heeled supporters last week, Obama declared, “We have delivered on change that we can believe in. But we aren’t finished. We’ve got more work to do.”

In fact, all of the administration’s policies represent a continuation and deepening of the rightwing policies of the Bush administration. The Obama administration expanded the bailout of Wall Street begun under the Bush administration, devoting the full resources of the federal treasury to rescuing the banks and safeguarding the accumulated wealth of the financial elite.

Two-and-a-half years later, corporate profitability has been restored, reaching the highest level ever, \$1.68 trillion, in 2010, up 36.8 percent in a single year. Profits have increased 61.5 percent from the low point in the 2008 financial crisis that triggered the

ongoing economic slump.

The stock market has rebounded, with prices up 70 percent from the low point in 2008-2009, and a whopping \$1 trillion added to stock values in 2010 alone. CEO pay is back to the stratospheric levels that prevailed before the crash, up 50 percent from 2009 to 2010, while pay levels for average workers have stagnated.

For the working class, there has been no recovery. Instead, the Obama administration has spearheaded a drive by corporate America to make the working class pay for the financial crisis and bailout, through the destruction of seven million jobs, the slashing of pay and benefits, and an unprecedented attack on public services and social programs.

At a campaign-style rally at a UPS facility Friday, Obama hailed the official jobless figures released that day, which showed a drop of a full percentage point in the unemployment rate over the past four months, from 9.8 percent to 8.8 percent. “The last time that happened,” Obama boasted, “was during the recovery in 1984.”

However, analysis of the Labor Department figures establishes that the decline in the official unemployment rate is due not to unemployed workers being hired, but to discouraged workers leaving the work force in despair over the lack of jobs.

Corporate economic forecasters now project—based on the optimistic assumption that the US economy will not slide back into recession under the impact of financial crisis, war and budget cutting—that the official unemployment rate in November 2012 will be 8 percent or more, the highest level on an election day since World War II.

The slump of 2008 to the present has created an entire class of long-term, more or less permanently unemployed. Six million Americans have been out of work for six months or longer, not counting the additional millions who have dropped out of the labor force, and the average duration of unemployment for a newly laid-off worker is 39 weeks.

The big business politicians of the Democratic and Republican parties are seeking to add to the social misery by cutting or eliminating the benefits that are all that stand between tens of millions of working people and complete destitution. Millions of low-paid workers will get a tax increase this year while the Bush tax cuts for the wealthy were extended for two years with Obama’s blessing.

State and local governments have slashed 400,000 jobs over the past two years, and are now engaged in the biggest attacks on jobs, social benefits and workers’ rights since the Great Depression.

Wisconsin has provided the most publicized example, but Democratic governors as well as Republicans are engaged in slashing wages and benefits for public employees, cutting or eliminating Medicaid benefits and other state services.

These state cuts will be dwarfed by the impact of the coming attack on federally funded social programs. The down payment will come in the cuts in current federal spending, some \$30 to \$60 billion, which the Obama administration and Congress are expected to finalize this week.

Today the Republican-controlled House of Representatives will unveil its proposed budget for 2012, which will set the stage for a staggering \$4 trillion reduction in programs like Medicare, Medicaid and Social Security, the lifeblood for tens of millions of elderly and poor working people.

In this, they are only following the trail blazed by Obama in his so-called healthcare “reform,” whose goal was not to make medical care a basic right for all Americans, but to cut the cost of providing healthcare, for both the federal government and corporate America.

These cuts are promoted with phony claims that “there is no money” for jobs, wages, education, healthcare and housing, by the very same politicians who lavish trillions on the Pentagon and on tax breaks for the corporations and the wealthy.

In the run-up to his reelection announcement, Obama has punctuated his pledges to cut federal spending and the deficit by firing hundreds of cruise missiles at Libya, while continuing the open-ended wars in Afghanistan and Iraq that have killed a million people and squandered trillions of dollars.

The White House and the Democratic Party engaged in a series of populist pretenses as part of the kickoff of the Obama reelection campaign.

Despite the huge financial advantage and ruling class support, there is an undercurrent of nervousness, even trepidation in the Obama camp. This is not because of any concern over the Republican opposition, since Obama has embraced the same policy framework.

But there are increasing signs of popular distrust of both parties and growing opposition to the entire structure of corporate-controlled politics. A Gallup poll released in February found that support for the Democratic Party has fallen in every state, and particularly in the belt of industrial states from Pennsylvania through Minnesota, where the slump has hit hardest. Support has fallen for the Republican Party as well, and for Congress, in the wake of the Republican takeover of the House last fall. In a poll taken just after the start of the war in Libya, Obama’s job rating fell to 42 percent, the lowest of his presidency.

More significant than declining poll numbers is the evidence of increasing militancy and social anger in the working class. The struggle that exploded in Wisconsin in February and March serves as a warning of much broader social conflicts that are on the agenda.

The driving force of these social conflicts—and the central fact of American life, albeit largely unacknowledged in the political system—is the unprecedented growth of social inequality. A layer of the super-rich is heaping up untold wealth, while the vast majority of the population struggle to survive from day to day.

From Obama to the Tea Party, all factions of the American political establishment defend the capitalist system, which continually generates and deepens this inequality.

Economist Joseph Stiglitz writes about the impact of social inequality in a revealing commentary in the current issue of *Vanity Fair* magazine, headlined, “Of the 1%, by the 1%, for the 1%.”

He cites well-established facts about the economic polarization in America—the top one percent take 25 percent of national income and control 40 percent of its wealth; their incomes rose 18 percent over the past decade, while the incomes of the vast majority of the population fell.

He notes the impact of this polarization on social policy and on political life:

“The more divided a society becomes in terms of wealth, the more reluctant the wealthy become to spend money on common needs. The rich don’t need to rely on government for parks or education or medical care or personal security—they can buy all these things for themselves...”

“Virtually all U.S. senators, and most of the representatives in the House, are members of the top 1 percent when they arrive, are kept in office by money from the top 1 percent, and know that if they serve the top 1 percent well they will be rewarded by the top 1 percent when they leave office. By and large, the key executive-branch policymakers on trade and economic policy also come from the top 1 percent.”

A liberal who fears the consequences of such a top-heavy society, Stiglitz is warning the ruling class not to push the population too far. He writes:

“In recent weeks we have watched people taking to the streets by the millions to protest political, economic, and social conditions in the oppressive societies they inhabit... As we gaze out at the popular fervor in the streets, one question to ask ourselves is this: When will it come to America? In important ways, our own country has become like one of these distant, troubled places.”

Such a revolutionary upheaval is increasingly inevitable in America. The critical challenge is to develop the leadership and perspective required to establish the political independence of the working class from both the Democratic and Republican parties, and build a mass movement for socialist policies.

This is the basis for the conferences on “The Fight for Socialism Today” that the Socialist Equality Party, the International Students for Social Equality and the *World Socialist Web Site* are holding this month, beginning this coming weekend in Ann Arbor, Michigan.

These conferences will discuss a socialist program to secure the basic social rights of the working class, oppose imperialist war, and halt the assault on democratic rights. We urge all of our readers and all those looking for a perspective to fight the attacks on working people and youth to make plans to attend.



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