

Obama touts an economic "legacy" of inequality and poverty

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In an interview published Thursday in the *New York Times*, US President Barack Obama expressed his “frustration” at the persistent belief of the American people that their economic circumstances are not improving.

Obama declared that despite the fact that his administration managed the 2008 financial crisis “better than any large economy on Earth in modern history,” leading to an economic recovery that “outpaced that of every other advanced nation,” his efforts were, in the words of reporter Andrew Ross Sorkin, “vastly under-appreciated” by the US population, a fact that left the president “frustrated.”

Obama’s comments were a continuation of a theme laid out by Obama in March, when he declared “America is pretty darn great right now” and disparaged “an alternative reality out there from some of the political folks that America is down in the dumps.”

The problem according to Obama, channeling the sadistic prison warden in the 1967 film *Cool Hand Luke*, is a “failure to communicate.” He told Sorkin, “We were moving so fast early on that we couldn’t take victory laps. We couldn’t explain everything we were doing. I mean, one day we’re saving the banks; the next day we’re saving the auto industry; the next day we’re trying to see whether we can have some impact on the housing market.”

Obama attributed the feelings of the US population—according to one poll, 64 percent believe the economy is still in recession—to disaster-mongering by the Republican Party. “If you have a political party—in this case, the Republicans—that denies any progress and is constantly channeling to their base, which is sizable, say, 40 percent of the population, that things are terrible all the time, then people will start

absorbing that.”

Obama made these statements in the context of an election campaign that has been dominated by enormous anger over social inequality and Wall Street criminality, which has found expression in broad support for the campaign of “socialist” Bernie Sanders, as well as, in distorted form, that of the quasi-fascistic Donald Trump.

The fact that in the midst of such a tumultuous election campaign, Obama feels it is appropriate to make such statements is a testament to the contemptuous attitude of the financial elite of which he is a part, who see the great majority of the population as ignorant dupes who would be happy if they only realized how good they have it.

Any serious look at economic realities for working people in the US makes clear that this widespread anger is entirely justified.

During the decade between 2005 and 2015, seven years of which Obama was president, all net job growth was accounted for by people working in “alternative work arrangements,” or those working as independent contractors, temps, through contract agencies or on-call. In 2013, a typical American household had 40 percent less wealth than it did in 2007. The yearly income of a typical US household dropped by a massive 12 percent, or \$6,400, in the six years between 2007 and 2013.

Suicide and mortality rates are soaring, while life expectancy is falling for a significant share of the population. Drug overdoses are becoming an epidemic, and the gap between the expected lifespan of the top and bottom 1 percent has reached nearly 15 years.

To the extent that Obama accepts the existence of any of these social realities, he merely presents them as inevitable byproducts of “sweeping changes

transforming the global economy,” outside of and working counter to his administration’s supposedly egalitarian economic policies. Sorkin sums up Obama’s views with the statement, “We’re not only losing jobs to overseas competition, we’re losing them to technology.” In other words, automation and globalization, and not the White House, are to blame for the growing economic distress felt by broad sections of the American population.

But any sober assessment of the policies described in Obama’s interview makes clear that the growth of social inequality and the impoverishment of working people under the Obama administration were the deliberate and predictable outcome of the White House’s economic agenda.

The Obama administration presided over a sweeping restructuring of social relations in the US in the aftermath of the 2008 financial crisis, eliminating decent jobs, incentivizing companies to gut health care, and carrying out an all-out assault on workers’ pension benefits, while providing essentially unlimited amounts of cash for the financial elite.

Even before taking office, Obama proved himself a vociferous defender of the social prerogatives of the financial oligarchy. In his interview with the *Times*, he recalls his role as a presidential candidate in whipping the Democratic Party into line behind the Bush administration’s 2008 plan to bail out the banks, lending them trillions of dollars essentially interest-free, while doing nothing to hold those responsible for the financial crash to account.

With large sections of the Republican Party coming out in opposition to the Bush administration’s bank bailout, and some Democrats inclined to make at least a rhetorical show of opposition, candidate Obama, “convinced that anything short of a major bailout could lead to economic catastrophe, said Democrats should back [Treasury Secretary] Paulson’s plan. They did.”

Once Obama came into office, the White House imposed wage and benefit cuts on workers. The Obama administration’s much-touted 2009 auto bailout was contingent on slashing the wages and benefits of autoworkers, helping produce record profits for auto makers.

These policies were designed to have precisely the effect they did: driving the stock market, as Obama boasted in the interview, “from in the 6,000s to 16,000

or 17,000.” This helped ensure that the wealth of America’s richest 400 individuals nearly doubled, from \$1.27 trillion in 2009 to \$2.34 trillion in 2015.

Despite their occasional invocations of the growth of social inequality and the economic distress facing large sections of the US population, the campaigns of Democratic presidential nominees Hillary Clinton and Bernie Sanders are notable for the complete absence of any criticism of Obama’s economic policies, which they consistently single out for praise.

Moreover, given the fact that Clinton, the Democratic frontrunner, has wrapped herself in Obama’s mantle, the president’s statements are a clear indication that her presidency would be even more hostile to the needs and sentiments of broad masses of the population than that of Obama.

This fact underscores one fundamental reality: The Democratic Party, no less than the Republicans, is nothing more than the tool of Wall Street, impervious to reform or popular pressure. In the 2016 election, there is only one political party that represents the interests of working people—the Socialist Equality Party and its presidential and vice-presidential candidates, Jerry White and Niles Niemuth.



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