

BUSINESS AS USUAL OR A

Jayantha Dhanapala previews the US President's second term and notes that Obama has an

The US presidential inauguration ceremony will be held in Washington DC on 21 January, with the official theme being 'Faith in America's Future.' For many Americans and indeed for many international observers, that faith is in desperate need of reaffirmation not only because of the domestic economic crisis and the political paralysis in the US Congress over its resolution, but also because of the decline of the US' political power and influence internationally.

President Barack Obama's second inauguration day falls in the same month as the 150th anniversary of the US Emancipation Proclamation issued by President Abraham Lincoln on 1 January 1863, during the American Civil War.

Based on his constitutional authority as commander-in-chief of the armed forces, Lincoln proclaimed all slaves in Confederate territory to be forever free, ordering the army to treat the slaves in the 10 states that were still in rebellion as free men, thus liberating 3.1 million of the four million slaves in the US. The Proclamation immediately resulted in the freeing of 50,000 slaves, with nearly all the rest (of the 3.1 million) actively freed as Union armies advanced.

Obama has the remarkable opportunity of making the same kind of Lincoln-esque impact on the USA, liberating the economic under-classes, the

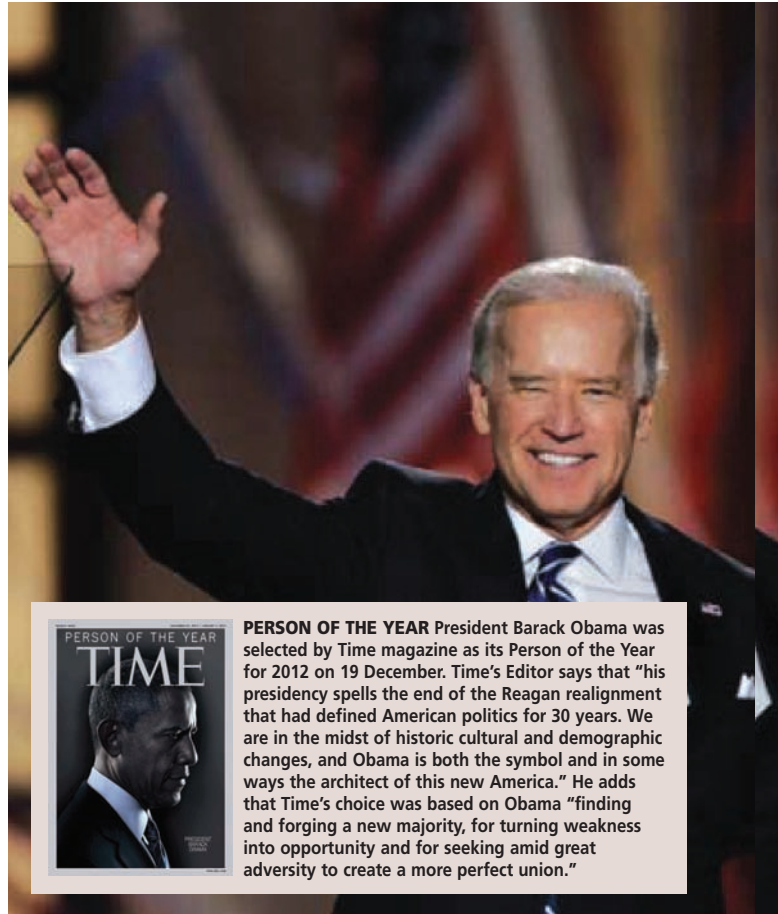
minorities and the illicit immigrants in US society from the dominance of what the Occupy Wall Street protesters call the 'one percent.'

If a second term for President Obama is going to be more of the same as his first term, belying the soaring expectations of his supporters, then a series of expeditious and unprincipled compromises will be repeated, paving the way for the return of the right-wing to the White House – with disastrous consequences for the US and the world.

On the other hand, if the real Obama stands up for what he has espoused, matching his eloquent rhetoric with decisive practical actions, we may still see – domestically – a new USA, with its social injustices righted and internal divisions bridged. Internationally, Obama could ensure an America participating in a global economic recovery and in an enlightened multipolar world order with the Arab Spring being transformed into a Global Spring of international peace and security, sustainable development and respect for human rights – finally proving that he deserved that Nobel Peace Prize back in 2009.

Obama won the 2008 election as the first African-American President, leading an enthusiastic coalition of liberals and moderates, minority Afro-Americans and Hispanics, women, youth and lower-income groups. That coalition held together for 2012 – albeit much less enthusiastically, because of their disappointments with Obama's first term.

Paul Krugman, renowned Professor of Economics at Princeton and op-ed columnist at the New York Times, has perceptively seen the last US



PERSON OF THE YEAR President Barack Obama was selected by Time magazine as its Person of the Year for 2012 on 19 December. Time's Editor says that "his presidency spells the end of the Reagan realignment that had defined American politics for 30 years. We are in the midst of historic cultural and demographic changes, and Obama is both the symbol and in some ways the architect of this new America." He adds that Time's choice was based on Obama "finding and forging a new majority, for turning weakness into opportunity and for seeking amid great adversity to create a more perfect union."

presidential election as a class war. Writing in the New York Times on 29 November, he says: "The important thing to understand now is that while the election is over, the class war isn't. The same people who bet big on Mr Romney, and lost, are now trying to win by stealth – in the name of fiscal responsibility – the ground they failed to gain in an open election."

Another commentator, Francis Fukuyama, writing before the elections said: "Money, power and class continue to play out in American politics in highly complex and puzzling ways. Plutocracy has kept the system going, despite the enormous

policy failures it has generated, not to exclude the recent crisis."

The battleground of the class war will be the social and economic agenda of the US and there, the fact that Obama will have the power to fill two vacancies in the Supreme Court in his second term is encouraging.

The 'class war' aspect of the 2012 election could be traced to a controversial decision of the conservative-dominated US Supreme Court. Citizens United vs. Federal Election Commission was a landmark case in 2010, when the court held that the First Amendment of the US Constitution prohibited the government



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21ST-CENTURY LINCOLN?

opportunity to make a “Lincolnesque impact” on the most powerful nation on Earth



MEDIA SERVICES PHOTOFILE (US EMBASSY)

from restricting independent political expenditure by corporations and unions. By this narrow 5-4 ruling, the Supreme Court removed the previous ban on corporations and organisations using their treasury funds for direct advocacy. Thus, special interests groups were now free to expressly endorse or call to vote for or against specific candidates – actions that were previously prohibited.

Most Democrats and liberal commentators condemned the decision as tilting the scales in favour of the rich. Obama himself said in his State of the Union speech in 2010 that “last week, the Supreme Court reversed a century of law to open the floodgates for special interests – including foreign corporations – to spend without

limit in our elections.” Predictably, the 2012 presidential election was the most expensive ever, with an estimated US\$ 5.8 million spent on the two campaigns. While the Republican candidate Romney was the richest in history, Obama was not far behind in his campaign expenses.

While Obama’s victory in terms of the Electoral College was less impressive than in 2008, his popular vote margin was even thinner. The pressures of the ‘class war’ will therefore, persist in a highly polarised country.

The debate about the ‘fiscal cliff’ now revolves essentially on whether or not to raise the taxes of the super-rich and enforce spending cuts in order to bring or at least reduce the

deficit. Obama will need all his political skills to craft a compromise with the Republican-dominated House. Also on the domestic policy agenda is the problem of immigration, which will again raise strong sentiments.

On energy policy, the discovery of abundant quantities of shale gas is an unexpected bonanza that could put the USA – according to one estimate – ahead of Saudi Arabia as the world’s largest energy supplier five years hence. This will test Obama’s environmental policies, especially on climate change – brought into sharp focus by Hurricane Sandy – over which he had already compromised in his first term. Reduced US dependence on foreign oil and its accompanying pressures to interfere in Middle East affairs may be another consequence.

On foreign policy, the ‘pivot’ to the Pacific from the Atlantic – because of the growing power of Asia in general and China in particular – will continue. It will be important for Obama to exercise restraint in fomenting the problems China has with its South-East Asian neighbours over the disputed islands in the South China Sea and to engage in other aggressive moves to ‘contain’ China. The management of economic relations with China and its harmonious meshing with the Trans-Pacific Partnership will be a priority. Protectionist pressures within the US will not help, especially as the new Chinese leadership is in its early days.

On Russian relations, a further nuclear disarmament treaty will have to be negotiated, but the problem of Ballistic Missile defence systems deployed in Europe remains an obstacle. The resetting of the US-Russian relations button, which began in the first Obama term, has

been stuck in this groove for too long. Relations with the European Union will remain harmonious but dependent on the economic recovery of both partners.

Benjamin Netanyahu and his extremist Foreign Minister thwarted Obama, in his earlier efforts to negotiate a Middle East peace. That stalemate is unlikely to be broken if Netanyahu is re-elected as Prime Minister of Israel on 22 January.

Moreover, the problems over Iran’s nuclear programme will be acute unless the end of the Mahmoud Ahmadinejad presidency on 3 August this year signifies a policy change. Preventing an attack on Iran by Israel will have to be the primary aim, relying on diplomacy to arrive at a solution that is acceptable to all.

The Arab Spring will encourage democracies to replace monarchies and dictatorships, but preventing this from deteriorating into sectarian wars will be a major challenge especially with the wealth of Saudi Arabia and Qatar supporting particular groups. The withdrawal of US troops from Afghanistan in 2014 will finally result in the US not being at war anywhere in the world. And that will provide a great opportunity to cut military expenditure drastically. Nevertheless, the insatiable military industrial complex of the US will want to provoke another conflict to sell its arms and Obama’s foreign policy will be put to a severe test.

However, as Jessica Tuchman Mathews of the Carnegie Endowment for International Peace puts it, “no ‘foreign policy’ issue in 2013 will matter as much to global economic, political and ultimately security conditions as whether the United States and Europe are able to deal with their economic crises.”