



## OBAMA'S FIRST YEAR IN OFFICE & THE CHALLENGES OF A CHANGING WORLD <sup>1</sup>

*The fatigue and anger accumulated against Bush's administration, the Afro-American background of Barack Obama and the obvious need for dynamic change in American politics created euphoric super-expectations personified by Obama himself. The wave of super-expectations, however, could not endow him with the resources to solve the problems that he inherited.*

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The hard landing of the Obama myth within the knot of crises that envelopes America and the world jeopardises even the partial success of the 44th US president in delivering on his promises to the voters. The dilemmas that Barack Obama faces are a complex web of international - global and internal problems inherited from the past but waiting to be solved in the present. Obama's predecessor George W. Bush inherited from Bill Clinton an affluent and internationally respected America. It is true, the country was entering a recession – at last – after a decade of continuous growth. Clinton's administration also left a number of hidden "time bombs" in the financial system regulation and in the system of international security - for example, the effective global control over Islamic terrorism. Meanwhile, his two administrations did away with the federal deficit inherited from the Cold War, carried out the first NATO enlargement towards Central Europe and established a reputation of America as a global super-power by keeping a reasonable balance between "soft" and "hard" military power.

The Neo-Conservative strategists of George Bush found that balance to be inert and ineffective. They believed that the huge military and financial power of America was useless unless it was employed in a real "hard" battle to expand the global influence of the US. Iraq – and then Iran - were the real targets of the military and political expansion in the Neo-Conservative strategies, and September 11th only served to add the imperative attack against Afghanistan. The rest of the story is well-known: America bogged down in Iraq, losing the global strategic initiative; the immense cost of the Iraq campaign, combined with the extraordinarily high cost of the overall anti-terrorist strategy at home and abroad (known as the "war on terror"), depleted the American economy and inflated the federal deficits. The questionable legitimacy of the Iraq war, the events in Fallujah and the Abu Gharib scandal gave a strong push to the anti-American feelings around the world and especially in the Islamic world. The orthodoxy of Neo-Liberalism (the economic doctrine of the Neo-Conservatives) weakened even more the state regulation of the financial markets and was one of the prerequisites for the collapse of the mortgage market, followed by the Wall Street "explosions".

The review of those events gives us the overall context in which Barack Obama had to take on the most highly reputed public office in the modern world. The fatigue and anger accumulated against Bush's administration, the Afro-American background of Barack Obama and the obvious need of dynamic change in American politics created euphoric super-expectations personified by Obama

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himself. His election looked like one more confirmation that the American dream was still possible, something that both America and the world were in dire need of. The wave of super-expectations carried Obama to the position of the first black president in US history, but it could not endow him with the resources to solve the problems that he inherited. Let's start with the fact that Obama won the elections as the leading candidate of the Democratic Party, which was in a deep identity crisis and lacked a coherent strategy regarding the role of America as the only super-power. Ronald Reagan's election for President in 1980 put an end to the progressive social coalition built by F.D. Roosevelt in the 30s. Today, three decades after the first electoral victory of Reagan, the Conservative coalition formed by him is undergoing a deep crisis, but this does not automatically translate into advantages for the Democrats.

The inability of the Democratic Party to rebuild its societal majority on the ruins of Neo-Conservatism is further reinforced by the failure of the Democratic elite to programmatically and strategically integrate the old and new components in its identity of values. The growing gaps between the leftist, multicultural periphery, rich in avant-garde and exotic social movements, the traditional trade union base in industry, the new technological currents in business and the traditional, moderately conservative democratic center make it difficult, if not impossible, to formulate a policy of a democratic administration such as Obama's deeply rooted in the public expectations. The lack of a social coalition built on principles and the lack of sufficient conceptual integration of the separate components of the Democrats' social base enhance the effects of the policy of cynical bargaining among lobbyist groups and fractions in Congress and the Senate, aiming at passing key legislative texts proposed by the administration. The policy of "ad-hoc deals" repels and disillusiones the more uncertain voters, who supported Obama in the elections but are now withdrawing in favor of alternative political options such as the one offered by the newly elected Republican Senator from Massachusetts Scott Brown.

Obama chose health care reform as the key symbol of his campaign, but he finds it more and more difficult to balance between its successful implementation and the growing need of budget cuts in order to curb the escalating federal deficit of 13 trillion dollars. Social reforms such as the health care reform are pursued successfully in times of economic growth and not during a serious economic crisis like the one today. This is why Obama's health care reform looks like a lavish luxury to many people who are witnessing the rising unemployment and the structural crises in many sectors of the real economy. Barack Obama, who came to power with a mandate to carry out radical changes, is more and more engaged in routine crisis management activities. Strategically, the situation requires him to give up any radical and explicit political identification - left or right - associated with radical changes and to move to the center in an attempt to gain the support of the moderate circles at both ends of the political spectrum. In his first State of the Union Address Obama tried such stylistic positioning in the center, but his options in this direction are limited. The aforementioned pragmatical, cynical political deals in Congress are made in the context of growing ideological and value polarization at both ends of the political spectrum. Observing the fierce battles between the radical Conservatives and the left Radicals on issues such as abortion, same sex marriages, health insurance, education, and the crisis management strategy one cannot help it but be reminded of the old prophecy that "the civil war in America is not over, it is yet to take place".

Last but not least when analyzing President Obama's first year in office is the assessment of the personal qualities he manifested in government. One thing is for sure - America today needs a strong president. It cannot be stated with certainty that Obama possesses the qualities necessary for that. After a decade of too generous use of American "hard power" by the Bush administrations, Obama inherited an America of an unprecedented low standing ever since the end of the Cold War. The need to restore American "soft power", reputation, influence and the cultural and technological appeal of the American model in the world was evident. Obama's very appearance as a candidate and later as a President was a process of imposing a new charisma as "soft power".

The loss of the global strategic initiative by Washington after the Iraq fiasco resulted in the resurgence of other international factors and regional forces which had waited for their chance to oppose the unipolar **Pax Americana**. Putin's Russia emerged from the ruins of the Soviet empire and more and more frequently demonstrates its potential as a veto-power (unable to restore itself to a global super power, Moscow is increasingly successful in blocking the American and European strategies for Trans-Atlantic hegemony in different parts of Eurasia). Iran is balancing on the razor's edge with its nuclear program, making good use of the support of Moscow and Beijing against the pressure of the West. China is increasingly comfortable in its status of an emerging super power, sometimes even resorting to unacceptable means - like for instance imposing a veto on international efforts to stop the genocide in Darfour. The war against the Taliban in Afghanistan, described as a priority and a test for the successful anti-terrorist strategy of America and NATO by Obama himself, threatens to become an endless war of attrition in a place which led to the frustration of many ambitions - from the British colonial aspirations to the Soviet expansion attempts to impose control.

In this extremely complex and fragmented international environment, Obama's attempts to use "soft power" and to play the role of a peacemaker produces a double effect. On the one hand, initiatives such as his reconciliation speech to the Islamic world in Cairo, the "reset" of relations with Moscow and the attempts to be pragmatic with Beijing thus bypassing key problems and disagreements between the two countries, really result in the creation of a new image of the US as a mediator and peacemaker, as the driving force of a new and just international system. On the other hand, the insufficient toughness and demonstrated willingness by Obama to exercise force where the interests of the Trans-Atlantic community are seriously threatened is interpreted as an unequivocal sign of weakness on the part of Washington. Such weakness - perceived or real - has always produced the same result: attempts to change the status quo by force - by Moscow during the Cold War, and by Putin, Ahmadinejad, Kim Ir Chen and Ugo Chavez today. The balance between "hard" and "soft" power, employed by the American President today, is key for stabilizing the system of international relations and for the successful maintenance of international order. And what is most significant in keeping this balance is not only the personal qualities and determination of Barack Obama, but above all the strategic definition that Washington will assign to the role and place of America in the world.

In the 1990s America played the role of a "world policeman" with varying success, mostly by setting the parameters for what was acceptable and unacceptable behavior in international relations. In this era of relatively small challenges, the global policing role was played by running selective punishment operations and interventions in one conflict or another with varying success - in Bosnia and Kosovo more successfully than in Somalia and Burundi. With the enlargement of NATO and the voluntary expansion of the Euro-Atlantic community, Moscow, Beijing, Tehran and even Brasilia and Delhi raised their voices in favor of a "multi-polar world". The long-term crisis in the Middle East has always underpinned the position of the Islamic world against the international hegemony of the US, due to the close relations between the US and Israel. Iraq and the "war on terror" visibly weakened America's position as the only pole of global power, but the multi-polar alternative raises at least two very important questions. **Firstly**, how stable would a multi-polar world be and to what extent would the international community be able to contain conflicts between the interests of opposing sides in times of collapsing interpretations of international law? The achievement of a normative and value consensus such as the European Concert of the 19th century by the international community today seems highly unlikely. **Secondly**, while it is almost impossible for America of today to be an effective "world policeman", in terms of military, economic, technological and "soft" power the US is incomparably more powerful than any other contender in the "multi-polar" world. Where is the crossing point between the role of a powerful mediator and the role of a world hegemon? It is at this crossing point where the effective US presence in today's and tomorrow's world will be positioned, but finding it is a matter of Washington successfully developing and implementing a global strategy.

The administration of Barack Obama has not yet given indications that such a strategy is in place or is being drawn up. It should consist of several key components. **Firstly**, a model of relations with Russia. Moscow does not trust good intentions; it responds to force and the will to apply it. This predator's instinct, however, could be toned down by the negative long-term strategic prospects for Russia – demographic drop, dynamic growth of neighboring China, and lack of resources to contain the Islamic expansion to the South. The West is and the only possible ally of Russia in this context, and the debate will be on the price of Russian partnership rather than on the dividing lines and "spheres of influence" between the West and Russia, as is Kremlin's desire today. **Secondly**, a strategy to contain the Islamic expansion. It is wrong to think that only radical Islam is expanding; moderate Islam is also expanding demographically (in Africa and Europe), both in terms of growing confidence and as a future projection. The hopes for a successful modernization and convergence with the West in the medium term are not realistic. The problem boils down to how to leave the Islamic world to its own ways and let it solve its own dilemmas in a world of globalization and an interlocking global community. **Thirdly**, how to contain the strategic aspirations of dynamically developing societies governed by authoritarian political regimes. The assumptions of the past decades that free market and democracy cause and reinforce each other turned out to be an illusion. Russia, China - the list is to be extended in the future - would undoubtedly make use of the combination of market success and concentration of non-representative power in order to achieve the goals of their authoritarian regimes. What is the future of the democratic world given the power of the authoritarian temptation?

The answer is in the potential for social and technological innovation which America and the West as a whole control, unlike the new industrial powers (built on the basis of standardized technologies). Will Obama's administration have the determination and resources to make a fast technological leap in the avant-garde "knowledge industries"? Will the reformist elites behind Obama win the battle for a radical change in the energy paradigm based on the supremacy of hydrocarbons? Should the world be given a chance to use the unlimited energy of hydrogen, to improve technologically and lower the cost of nuclear and solar power - what is the future of parasite oil and gas owners around the world?

This type of change does indeed have cosmic dimensions. The industrial and energy status quo's mighty interests and lobbying infrastructure would oppose it. But in a sense this change is the only chance of the 44th President of the United States to succeed. Because the status quo has already become unfavorable for America and its allies. This status quo will get more and more unfavorable, unless the main parameters in the equation of the global economic, political and cultural power are actively changed. This change will affect both the "soft" and "hard" power available to the key factors in the modern international system. This change is a challenge equal in scope with the challenge of containing and defeating the totalitarian ideologies and regimes of the 20th century, which America and the West successfully overcame.