

THE OBAMA YEARS

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Obama swept into office at the height of a global financial crisis, and had a broad public mandate for “hope and change.” But caution, delay, and his own choices squandered much of that potential. Two years of a Democratic Congress were followed by six years of near-total gridlock, after the GOP retook the House in the 2010 elections and the Senate in the 2014 elections. And Senate Republicans blocked more presidential appointees than ever before in history. Dogged opposition also made every budget a budget battle. “Debt limit,” “sequestration”, and the “fiscal cliff” became words of the day. But it wasn’t the GOP that made Obama appoint Wall Streeters like Larry Summers, Timothy Geithner and Rahm Emanuel to top posts, or take forever to use executive power.

Executive power became the only way to enact an agenda for the last six of his eight years in office — through how he

interpreted and enforced existing laws, and the extent to which he was able to make policy by executive order. But even there, Obama’s record proved to be one of caution and delay: Reforms advocated by organized labor were held up for years only to finally be enacted too late to take effect before he left office. An exception was Obama’s use of executive orders on immigration — after Congress failed to act. In 2012, Obama ordered a halt to deportation of undocumented young adults who’d entered as minors, and in 2014, an executive order allowed undocumented parents of U.S. citizens to apply for work authorization and relief from deportation if they could show they’d been in the country for at least five years.

As Obama heads into retirement, polls say the public mostly likes him personally, but doesn’t think he got much done. Only 32 percent say he kept his campaign promises in general; and only 44 percent say he tried to. Maybe the public was paying attention. Read on.

The stimulus that failed to stimulate

Obama signed the American Recovery and Reinvestment Act (ARRA) just four weeks after inauguration, but as labor leaders warned, it was too small to turn the economy around. Congress had authorized \$700 billion to bail out banks just months before, but Obama told Congress the stimulus bill must cost no more than \$800 billion, and must include tax cuts he’d promised. If ARRA produced hardly any jobs, that’s because it wasn’t a jobs bill: Tax cuts were two-fifths of its cost, and their impact was barely felt. The average worker got an \$8 a week reduction in income tax withholding. Only about a tenth of ARRA’s price tag went to traditional job-creation efforts like infrastructure spending. Much of the ARRA would be best described as relief spending, like longer and more generous unemployment benefits, increased Medicaid funding, increased food stamp benefits, and one-time \$250 bonuses for Social Security recipients. It helped people in need, but didn’t put them back to work. The ARRA’s \$50 billion in aid to the states prevented teacher layoffs — for a year. When it expired, hundreds of thousands of public employees were laid off, further depressing the recovery. Unemployment was 8.9 percent when Obama signed the ARRA in February 2009. By the end of the year it was 10 percent. Obama ignored calls by organized labor for a second stimulus with more infrastructure spending. And by January 2010, his attention shifted to deficit spending. His Simpson-Bowles commission looked at ways to cut programs like Social Security and Medicare. Their recommendations, politically toxic, were never adopted.



A green retrofit of the Portland federal building was one of just a few local ARRA projects that created jobs.

Obama the insurance reformer

Running in 2008, Obama repeatedly talked of his plan for a “public option,” a government insurance offering that would compete with private insurers in new government-brokered insurance exchanges. But in office, he never once advocated for the public option. So the most basic feature of Obamacare, also known as the Affordable Care Act, is that it requires all otherwise uninsured Americans to buy private insurance on publicly regulated state-level exchanges, or else face a tax penalty. Mid to low income earners get a subsidy. The poorest get Medicaid (except in states that refused federal money after a Supreme Court case.) Insurers can’t impose lifetime caps, or refuse to insure people with “pre-existing conditions,” and must make preventive care and birth control available free of charge to the insured. Children can stay on their parents plans til age 26. Small businesses get a 50 percent tax credit for providing insurance. Big businesses get a tax penalty for not providing insurance. And an array of taxes helps pay for all this, including an extension of the Medicare tax to “unearned” investment income and to high-income earners. Obamacare is mindbogglingly complex, but that’s it, in a nutshell. And labor was largely left out. Neither Obama nor those who crafted the Senate bill that became Obamacare consulted the union movement. As a result, Obamacare is written as if its authors were unaware of the union health and welfare trusts that provide health insurance to as many as 20 million union members, retirees and dependents. If union small employers participate in union health trusts, they don’t get the Obamacare tax credits, but their nonunion competitors do on the exchanges. Obamacare is even set up to penalize some union health trusts for being too generous: The so-called “Cadillac tax,” if it ever takes effect, would charge a 40 percent excise tax whenever premiums exceed \$10,200 a year for individual coverage or \$27,500 for family coverage. [It was scheduled to take effect in 2018, but was delayed by a 2015 act of Congress until 2020.] Unions fought hard to eliminate the Cadillac tax. Obama administration officials fought hard to keep it.

Obama the free trader

As a candidate in 2008, Obama said he’d renegotiate NAFTA. He didn’t mean it even then. As a leaked memo at the time reported, Obama’s senior economic adviser Austan Goolsbee told Canadian consular officials in a private meeting in February 2008 that Obama’s protectionist rhetoric about NAFTA was more reflective of political maneuvering than his policy plans. Once in office, Obama never tried to renegotiate NAFTA. Instead, he got Congress to ratify NAFTA-style trade deals that George W. Bush had negotiated with Korea, Panama and Colombia. He then put enormous effort into the Trans-Pacific Partnership (TPP), a trade deal that was to be his legacy. TPP was negotiated in extreme secrecy, with labor left out in the cold. In impact, it would have been NAFTA times four, bringing low-wage human rights abusers like Vietnam and Malaysia into a Pacific Rim common market where investors would be protected, but workers not so much. Obama worked very hard to get fast-track legislation approved (whereby Congress ties its own hands and agrees to vote trade agreements up or down quickly with no amendments.) TPP’s failure to win passage — a defeat for Obama — was the biggest victory for NAFTA critics since the derailment of World Trade Organization talks in Seattle in 1999.

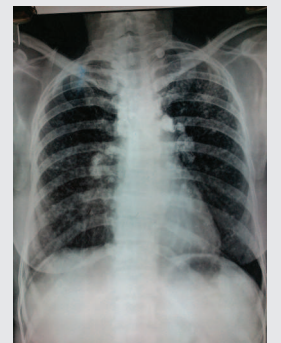


Obama the timid executive

The U.S. government buys half a trillion dollars of goods and services from the private sector each year, so executive orders on procurement policy can have far-reaching effects on corporate behavior. In his first few weeks of taking office, Obama rescinded a George W. Bush executive order that banned all-union project labor agreements on federal construction projects and another that required federal contractors to post notice about how union-represented workers could avoid paying union dues. But otherwise, Obama took his time in using the executive order to help working people. In 2011, it was announced that Obama was considering an executive order to require companies with federal contracts to disclose their election spending, but he backed off when the business lobby opposed it, and took no other significant procurement action in his first four years. In his second term, he issued a raft of pro-worker executive orders. Executive orders in 2014 required federal contractors to pay at least \$10.10 an hour; and prohibited contractors from discriminating against gay or transgender workers, or retaliating against employees who discuss their compensation. But Obama waited so long that many orders don’t take effect until this year, and aren’t likely to continue under Trump. For example, a 2015 order guaranteeing workers under federal contracts up to seven paid sick days a year didn’t take effect until Jan. 1, 2017. Another order requires contractors to tell the government if they’ve been found guilty of egregious violations of safety and labor laws during the previous three years; it took effect last October.

Obama the reluctant enforcer

Presidents appoint and oversee those who interpret and enforce the laws, including workers rights and safety laws that are vital to the wellbeing of working people. Top union policy advisers gave Obama’s team a book’s worth of suggestions that mostly gathered dust the first four years. A number were enacted in his second term, but so late they don’t take effect until Obama’s out of the White House. OSHA’s silica rule is an example: Up to 2.3 million workers in construction, shipyards and other industries breathe in tiny particles that can lead to fatal illnesses. Prevention is straightforward, but OSHA delayed action for decades. Obama officials said in 2009 that a new silica rule would be one of their regulatory priorities, but not until the AFL-CIO and several senators publicly shamed the administration did it go the final mile. The rule finally took effect in June 2016 — but OSHA said it won’t begin enforcing it until 2017 in construction, 2018 in general industry, and 2021 in the fracking industry. Then there’s the overtime threshold for salaried workers, last updated in 2004 under Bush Jr. Millions of low-wage “managers” can be made to work unlimited overtime if they’re salaried and make at least \$23,660 a year. The Obama administration raised that to \$47,476, but waited so long to do so that its fate is in doubt. It was supposed to take effect Dec. 1, but businesses sued to stop it, and it’s held up in the court. Now Trump appointees will be in charge of defending it, yet Trump’s nominee for Labor Secretary vigorously opposed it. The Obama administration did get one important rule change on its watch: In 2011, the administration determined that 2 million home care workers are entitled to the protection of federal minimum wage and overtime laws. The administration wasn’t in a hurry to implement that either, but it went into effect in 2015.



It took public shaming by Senate Democrats before Obama would move to protect workers from silica, which can lead to fatal diseases like silicosis, above.

The NLRB: The Obama-era mouse that roared

Led by Obama appointees, the National Labor Relations Board truly became the mouse that roared during the Obama years. Against unprecedented opposition from business groups and Republicans in Congress, the tiny agency strived mightily to fulfill its mission of protecting the right of private sector workers to organize and bargain collectively. It sped up the timetable for union elections. It added interest payments and adverse tax consequences and look-for-work expenses to backpay awards when companies illegally fire union supporters. It required employers to provide employee email and phone numbers, not just addresses, during union campaigns. It ruled that graduate student employees have the right to unionize. It found that franchisers like McDonald’s can be held responsible for lawbreaking by franchisees. It ruled that workers have at least some right to criticize their employers on social media like Facebook. It even had the audacity to declare illegal a Boeing decision to locate a factory in South Carolina — because it was motivated by a desire to punish union workers for striking.