

Karol Janas¹, Rudolf Kucharcik²

ECONOMIC AND SOCIAL ISSUES IN THE SECOND TERM OF BARACK OBAMA *

The article identifies and analyzes in detail the key social and economic issues for contemporary American society, comparing the differences in priorities in attitudes between political parties' sympathizers and by social groups.

Keywords: USA; Barack Obama; socioeconomic problems; middle class; healthcare.

Карол Янас, Рудольф Кухарчик

ЕКОНОМІЧНІ І СОЦІАЛЬНІ ПИТАННЯ ПІД ЧАС ДРУГОГО ПРЕЗИДЕНТСЬКОГО ТЕРМІНУ БАРАКА ОБАМИ

У статті ідентифіковано та детально проаналізовано соціально-економічні проблеми, які є ключовими для сучасного американського суспільства. Визначено різницю в пріоритетах та ставленнях між прихильниками різних політичних партій та між соціальними групами.

Ключові слова: США; Барак Обама; соціально-економічні проблеми; середній клас; охорона здоров'я.

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Карол Янас, Рудольф Кухарчик

ЭКОНОМИЧЕСКИЕ И СОЦИАЛЬНЫЕ ВОПРОСЫ ВО ВРЕМЯ ВТОРОГО ПРЕЗИДЕНТСКОГО СРОКА БАРАКА ОБАМЫ

В статье идентифицированы и детально проанализированы социально-экономические проблемы, которые являются ключевыми для современного американского общества. Определены различия в приоритетах и отношениях между сторонниками разных политических партий и между социальными группами.

Ключевые слова: США; Барак Обама; социально-экономические проблемы; средний класс; здравоохранение.

Introduction. The United States were the only hegemon in the world politics after the Cold war. The reasons were obvious – triumph in the Cold war, geography, economic power, innovations in technology, propaganda, cultural impacts, the ability to justify and promote the so-called universal values. The period of presidency of the predecessor Barack Obama – George W. Bush was described by unilateralism, erosion of trust by some European partners, readiness for preemptive action, rejection of multilateralism, controversial position to international laws and international institutions (UNSC).

Barack Obama came into office in 2009, during the global economic crisis. The United States took part in two wars in Iraq and in Afghanistan; the trust to the United States and their steps was at the historical minimum.

And although foreign activities were visible, Americans struggling with the global crisis impacts, recession and growing unemployment were more interested in domestic (mainly) economic issues.

¹ Alexander Dubcek University of Trencin, Slovak Republic.

² Alexander Dubcek University of Trencin, Slovak Republic.

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Literature review. The basic sources for the paper were political platforms of relevant political parties (Democrats, Republicans, The State of Union Address), research results of relevant poll agencies (Pew, Gallup) as well as opinions of relevant scholars (Adaskova, 2013; Brzezinski, 2004; Cech, 2011; Kazansky, 2008; Nye, 2009).

The purpose of the study. The main objective is to identify key social and economic issues for contemporary American society. The article also analyzes and compares different views of relevant political parties' sympathizers and proposes views of relevant scholars on future position of the United States in the world politics.

The main results. During the last 25 years the world was confronted with presidencies of 4 US presidents – George Bush, Bill Clinton, George W. Bush, Barack Obama – two republicans, two democrats. Each of them performed his own political vision, proposals; each of them faced international conflicts arena (Kazansky, 2008). The United States took part in wars in Iraq, Somalia, former Yugoslavia, and Afghanistan. They tried to solve the Middle East crisis, to fortify old alliances and create the new ones. The economic and military power seemed to be unbeatable.

Is the world with American hegemony safer than 25 years ago? Hard to say. The world is different. The United States are still the most powerful country – in military as well as in economy sphere. But there emerged new powers that must not be marginalized – China, Russia, India, European Union, Brazil etc. (Adaskova, 2013; Kucharcik, 2012, 2013).

Economic and social issues are integral part of everyday politics in all countries including the United States. When a country is facing serious problems, they affect mainly middle and low classes. During the last 5 years relevant part of the society has seen its live standard worsening – in 2008 25% of the Americans identified themselves as lower class – in 2014 it was 40% of them. For middle (and upper) classes the trend is reverse – in 2008 21% of the Americans thought they are part of upper class – and in 2014 it was 15% of them. In 2008 53% of the Americans identified themselves as middle class – in 2014 only 44% of them (Figure 1).

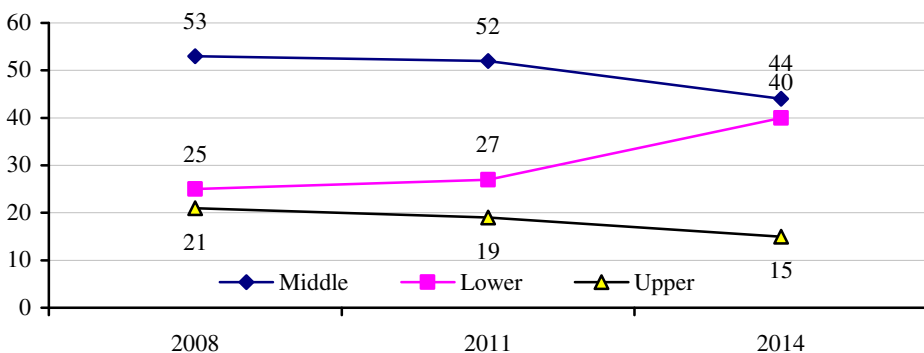


Figure 1. **Class self-identification in the United States, %** (www.pewresearch.org)

The second problem in the social sphere is the long-term problem of people being below poverty line (Figure 2).

In reality no government is able to find the solution as the portion of the society below poverty line seems to be roughly same for about 30 years. The critical number

of about 20% in 1963 declined to 11% in 1973 but looking to figures in 1983, 1993, 2013 – it is still about 15% (only in 2003 it was less than 13%).

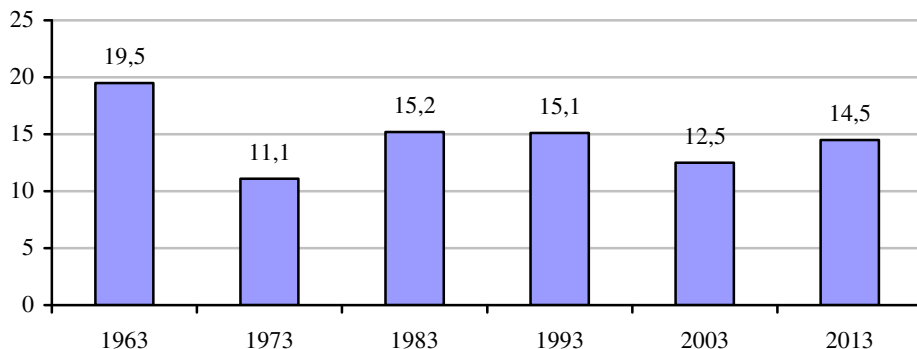


Figure 2. Population below poverty line, % (www.census.gov)

The major precondition for improving the living standards of citizens is of course real GDP growth (reaching more than 3%). Although Barack Obama's administration numbers were not worse than those of i.e. Japan or Germany (Figure 3) they were not good enough.

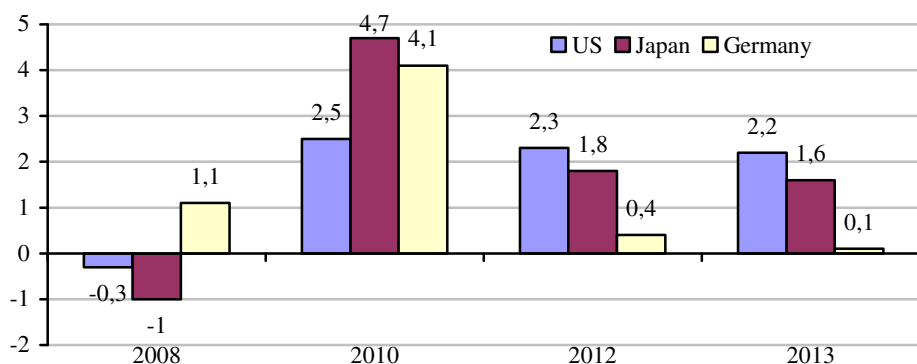


Figure 3. GDP rates, % (data.worldbank.org)

Looking at social, political and economic priorities of American society it is evident that social and economic issues are the most important ones. Comparing (Table 1) them it is visible that 75% of the Americans think it is still necessary to strengthen national economy (in 2013 it was 86%). More than half of them (in 2013 and in 2015) mention among the key issues improving job situation, improving educational system, making social security system sound, reducing budget deficit, and healthcare costs, making Medicare system sound, dealing with problems of the poor and needy.

The situation is little different comparing the attitudes of sympathizers of Republicans, Democrats or Independents. For Republicans the top priorities are (Table 2): terrorism, economy, budget deficit, job situation, social security (only for 40% of them it is the priority to solve problems of the poor and needy). Democrats among their priorities include (Table 2) education, economy, job situation, terrorism, poor and needy, healthcare. Independents see as the top problems (Table 2) to solve

economic problems, terrorism, social security, deficit, education, Medicare (poor and needy problems are important for 52% of them).

Table 1. Top Priorities for American Society (www.pewresearch.org)

<i>Topic</i>	<i>2013</i>	<i>2015</i>
Defending the country from terrorism	71	76
Strengthening the economy	86	75
Improving job situation	79	67
Improving educational system	70	67
Making social security system sound	70	66
Reducing budget deficit	72	64
Reducing healthcare costs	63	64
Making Medicare system sound	65	61
Reducing crime	55	57
Dealing with problems of the poor and needy	57	55

Table 2. Priorities of Republicans/Democrats/Independents
(www.pewresearch.org, 2015)

<i>Republicans</i>	<i>Democrats</i>	<i>Independents</i>
87% Terrorism	77% Education	75% Economy
75% Economy	74% Economy	74% Terrorism
72% Budget deficit	72% Job situation	70% Social Security
71% Military	71% Terrorism	68% Deficit
70% Job situation	70% Poor and needy	67% Education
65% Social Security	70% Healthcare	67% Medicare

Clear differences in the priorities is also observed when comparing youngsters and older part of the society (Table 3). For youngsters it is necessary to solve education system problems, improving job situation, fight terrorism and crime. On the other hand, the older have their priorities in the following order – terrorism, national economy, job situation, social security system, healthcare issues.

Table 3. Priorities of Young vs. Older (www.pewresearch.org, 2015)

<i>Young</i>	<i>Older</i>
74% Educational system	84% Terrorism
73% National economy	73% National economy
69% Improving job situation	71% Improving job situation
69% Terrorism	69% Social security system
61% Reducing crime	68% Medicare/Health system issues

Economic and social issues perception was analyzed by political parties' leaders and presented in their platforms before elections 2012 and 2014. Comparing and summarizing them into proposals and marketing slogans (Lincenyi, 2011) the parties suggest the following solutions for economic recession:

- Democrats: the best way to grow the economy is from the top down, rebuilding middle class security, putting Americans back to work, Obamacare, Middle class tax cuts, stabilizing the housing market, standing up for workers, Wall Street reform, and human rights protection (Moving America Forward, 2012).

- Republicans: getting Americans back to work, simplification of tax system, protecting taxpayers: no more "Too Big to Fail", support for small business and entrepreneurship, support for American competitiveness, balancing the budget, rebuilding homeownership, opposing Obamacare (We believe in America, 2012).

Conclusion. The absolute power of the United States of America is declining. According to (Nye, 2009) today's world resembles a three-dimensional chess game. On the top chessboard, military power is largely unipolar, and the US is likely to remain the only superpower for some time. On the middle chessboard, economic power has already been multi-polar for more than a decade, with the US, Europe, Japan, and China as major players, and others gaining importance. The bottom chessboard is the realm of cross-border transactions that occur outside the government control. It includes diverse non-state actors, such as bankers electronically transferring sums larger than most national budgets, and, at the other extreme, terrorists transferring weapons or hackers threatening cyber-security. It also includes new challenges like pandemics and climate change. Zbigniew Brzezinski in his book "Choice" wrote that global hegemony of the US belonged to previous life. But in politics as in life generally everything fades. Finally (maybe not right now) American hegemony would be over (Brzezinski, 2004).

Despite the discussion about the current role of the country in the world politics, economy matters. President Barack Obama in his 2015 State of Union speech highlighted some topics. Will the US accept an economy where only a few do spectacularly well? Is it prepared to commit to an economy that generates rising incomes and chances for everyone who makes the effort? He pointed out that the United States is the only advanced country on the Earth that doesn't guarantee paid sick leave or paid maternity leave to workers and that the United States as a country where too many bright, striving Americans are priced out of education they need (Obama, 2015).

Some of the issues mentioned in the speech were evaluated by the public immediately and the answers to some of them are as follows (Gallup, 2015): Raising the minimum wage from 7.25 USD to 9 USD (76% of the Americans are in favor). Laws to strengthen unions (35% of the Americans agree and 27% prefer less influence). Increased spending on infrastructure in order to create jobs (72%). Reform tax code for working/middle class (49% think that middle class pay too much and 61% think that upper class pay too little).

The character of the questions and the answers prove that American society is not an exception – it is solving the issues that are typical for developed countries of the second decade of the 21st century. It is up to political representatives to offer the solutions acceptable for the majority and on the other hand to offer solutions that are the real basis for continual growth of living standards in the future.

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