

Time for Obama to Start Spending Political Capital

Lincoln Mitchell, Harriman Institute, Columbia University

Posted: June 18, 2009 08:13 AM

Throughout his presidential campaign, but more notably, during his presidency, President Obama has shown himself to have an impressive ability to accumulate political capital. During his tenure in the White House, Obama has done this by reaching out to a range of constituencies, moderating some of his programs, pursuing middle of the road approaches on key foreign policy questions and, not insignificantly, working to ensure that his approval rating remains quite high.

Political capital is not, however, like money, it cannot be saved up interminably while its owner waits for the right moment to spend it. Political capital has a shelf life, and often not a very long one. If it is not used relatively quickly, it dissipates and becomes useless to its owner. This is the moment in which Obama, who has spent the first few months of his presidency diligently accumulating political capital, now finds himself. The next few months will be a key time for Obama. If Obama does not spend this political capital during the next months, it will likely be gone by the New Year anyway.

Much of what President Obama has done in his first six months or so in office has been designed to build political capital, interestingly he has sought to build this capital from both domestic and foreign sources. He has done this by traveling extensively, reintroducing to America to foreign audiences and by a governance style that has very cleverly succeeded in pushing his political opponents to the fringes. This tactic was displayed during the effort to pass the stimulus package as Republican opposition was relegated to a loud and annoying, but largely irrelevant, distraction. Building political capital was, or should have been, a major goal of Obama's recent speech in Cairo as well.

Significantly, Obama has yet to spend any of his political capital by meaningfully taking on any powerful interests. He declined to take Wall Street on regarding the financial crisis, has prepared to, but not yet fully, challenged the power of the AMA or the insurance companies, nor has he really confronted any important Democratic Party groups such as organized labor.

This strategy, however, will not be fruitful for much longer. There are now some very clear issues where Obama should be spending political capital. The most obvious of these is health care. The battle for health care reform will be a major defining issue, not just for the Obama presidency, but for American society over the next decades. It is imperative that Obama push for the best and most comprehensive health care reform possible. This will likely mean not just a bruising legislative battle, but one that will pit powerful interests, not just angry Republican ideologues, against the President.

The legislative struggle will also pull many Democrats between the President and powerful interest groups. Obama must make it clear that there will be an enormous political cost which Democrats who vote against the bill will have to pay. Before any bill is voted upon, however, is

perhaps an even more critical time as pressure from insurance groups, business groups and doctors organizations will be brought to bear both on congress, but also on the administration as it works with congress to craft the legislation. This is not the time when the administration must focus on making friends and being liked, but on standing their ground and getting a strong and inclusive health care reform bill.

Obama will have to take a similar approach to any other major domestic legislation as well. This is, of course, the way the presidency has worked for decades. Obama is in an unusual situation because a similar dynamic is at work at the international level. A major part of Obama's first six months in office have involved pursuing a foreign policy that implicitly has sought to rebuild both the image of the US abroad, but also American political capital. It is less clear how Obama can use this capital, but now is the time to use it.

A cynical interpretation of the choice facing Obama is that he can remain popular or he can have legislative and other policy accomplishments, but this interpretation would be wrong. By early 2010, Obama, and his party will, fairly or not, be increasingly judged by what they have accomplished in office, not by how deftly they have handled political challenges. Therefore, the only way he can remain popular and get new political capital is through converting his current political capital into concrete legislative accomplishments. Health care will be the first and very likely most important, test.