

Barely Making the Grade:

# OBAMA'S FIRST YEAR



A Study by the Institute for Policy Studies

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# BARELY MAKING THE GRADE

## OBAMA'S FIRST YEAR

BY JOHN FEFFER

After the first 100 days of the Obama administration, the Institute for Policy Studies introduced our Change Index to evaluate the policies and performance of the new president. Did the candidate who promised change deliver on his promises?

Back in April, we gave the administration a score of 7 out of 10. "In other words, President Obama has certainly raised the level of U.S. foreign and domestic policy," we wrote in our report *Thirsting for Change*. "But honestly it wouldn't have taken much to improve on the legacy left by the previous administration. We're still a long way off from reaching the top and earning a wholehearted 'cheers' from our Change Index contributors."

Nine months later, the president has had more time to act on his agenda. And the result has been mixed. He has spent a lot of time and energy to get a health care plan to Congress, but the final product is flawed in many ways. The stock market has regained much of its lost value, but the unemployment rate remains a staggering 10 percent and average Americans are still hurting. The president received his Nobel Peace Prize in Oslo, but was simultaneously increasing the number of U.S. troops in Afghanistan and ordering air strikes in Pakistan.

### GRADE

6.5



*After the first year in office, Obama fell short of what he outlined as a candidate and what we had hoped for during the campaign.*

After his first year in office, Obama emerged as the "have it both ways" president: hawk and dove, populist and pragmatist, principled and political.

Obama's balancing act is reflected in his approval rating, which crested at 65 percent in March and dropped to 50 percent by December. Like the public at large, we're looking at the glass of water that is the Obama administration and trying to decide whether it's half full or half empty. It's certainly half full when compared to what might have been if John McCain had won and continued, uninterrupted, the policies of his predecessor. The unemployment rate would likely be higher, health care reform further from implementation, and America involved in yet another major war in Iran or North Korea. But the glass is half empty when compared to what Obama the candidate promised and what other presidents, like Lyndon Johnson or even Jimmy Carter, accomplished in their first year, at least on the domestic front.

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

After the first year in office, Obama fell short of what he outlined as a candidate and what we had hoped for during the campaign. As a result, we lowered our mark from 7 to 6.5. In our Change Index, the middle figure of 5 represents no change from the Bush administration. So, there has been change, but it's been modest. The new team squeaked by with a C- and a note in the margin: needs improvement.

| Obama's First Year: Report Card |            |           |
|---------------------------------|------------|-----------|
| Topic                           | Grade      | Grade     |
| Foreign Policy                  | 6.5        | C-        |
| Domestic Policy                 | 6          | D+        |
| Health Care                     | 6.5        | C-        |
| Energy and Climate              | 7.5        | C+        |
| Global Economy                  | 7          | C         |
| War and Peace                   | 5.5        | D         |
| <b>Overall Grade</b>            | <b>6.5</b> | <b>C-</b> |

# FOREIGN POLICY

BY JOHN FEFFER

In his first year in office, Barack Obama gave several exceptional speeches on foreign policy. In Prague, he endorsed nuclear disarmament in Prague. In Cairo, he called for a new engagement with the Islamic world. In Oslo, he repudiated torture. At these moments, the new president firmly broke with the policies of his predecessor and provided a glimpse of what a new, cooperative, just U.S. foreign policy could be.

But Obama the exceptional speaker also remained anchored in an exceptionalist tradition. In other words, he is the president of a country that has historically considered itself an exception to the rules and realities governing other countries.

This exceptionalist tradition was no more apparent than in the administration's policy in Afghanistan. After considerable internal discussion, which in itself was a marked departure from the rush to judgment of past administrations, the president committed in December to a second increase in troops in Afghanistan on top of the initial surge announced in February. This second escalation came at a time when five indicators should have pushed Obama in the other direction. By the end of the summer, public opinion in the United States had turned decisively against the war, with only 24 percent supporting U.S. troop increases. In Afghanistan, meanwhile, positive assessment of U.S. activity in the country dropped

## GRADE

6.5



*The actions undertaken by the administration have undercut the impressive rhetoric of the president's speeches.*

from 68 percent in 2005 to 32 percent in 2009, and only 18 percent supported troop increases. Among NATO allies, public opinion turned even more sharply against the war, prompting NATO governments to set timetables for withdrawal. And finally, elite opinion shifted, as even conservative pundits like George Will and Joe Scarborough called on the president to start withdrawing troops.

The fifth indicator, the historical record, should have been the clincher. Afghans successfully resisted the Greeks, the British, and the Soviets. The failure to capture Osama bin Laden and eradicate the Taliban under the Bush administration should have suggested that the United States isn't an exception to the rule. Like the Vietnam War for Lyndon Johnson, the Afghanistan War is shaping up to be the defining foreign policy of the Obama administration. Because of its cost and unpopularity, the war threatens the viability of the president's domestic agenda.

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

Indeed, the administration's myriad domestic programs — health care, stimulus package, jobs bill — all require hundreds of billions of dollars. But the one place the president hasn't touched is the Pentagon lockbox. The Afghanistan and Iraq wars have pushed Pentagon spending to \$630 billion for 2010 (which doesn't include the nuclear budget and several other pots of military spending). The Obama administration, despite its need to find money for domestic priorities, increased military spending. True, it successfully took aim at some Cold War weapons systems, like the F-22 fighter aircraft. It canceled the missile defense bases in Poland and the Czech Republic (thus improving relations with Russia and making a treaty on nuclear weapons reductions more likely). But here too the Obama administration apparently believes that it's an exception to the rule that buying lots of guns and lots of butter ultimately breaks the bank.

On international law, the Obama administration signaled that the United States would again respect certain universally accepted norms when it outlawed torture and recommitted to the Geneva Conventions. But the administration also refused to back away from the policy of extraordinary rendition whereby suspects are seized outside the United States and then flown to yet another country for interrogation. It has also not succeeded in closing the Guantánamo detention facility. On multilateralism, the administration agreed to pay U.S. arrears to the United Nations and signed the UN Convention on Disabilities. But Washington continues to be an outlier on the Law of the Sea, the conventions on landmines and child soldiers, the Comprehensive Test Ban Treaty, and the International Criminal Court.

As a candidate, Obama promised to reach out to U.S. adversaries that unclenched their fists. It is perhaps too early to judge the success of what amounts to slow and deliberate diplomacy. The United States is at least talking with North Korea and has begun to explore options with Burma. The negotiations with Iran haven't achieved any success, but at least the Pentagon hasn't conducted bombing raids on suspected nuclear facilities. The move to include development as a consideration in the human rights realm and the lifting of the global gag rule that restricted U.S. funding for family planning were both welcome shifts in policy.

In other respects, however, the actions undertaken by the administration have undercut the impressive rhetoric of the president's speeches. In the Cairo speech, Obama showed great sensitivity in reaching out to the Islamic world, but U.S. military actions have killed thousands of Muslim civilians in "collateral damage" and the president has refused to apply real pressure on Israel to compromise to achieve genuine Palestinian self-determination. The administration's support of an overall missile defense plan (even without bases in Central Europe) and the Pentagon's upgrading of conventional strike capabilities have also reduced the chances of achieving meaningful nuclear arms reductions with the Russians. The U.S. policy of using drones and paramilitary teams to assassinate adversaries—which violates not only international law but also a U.S. executive order that originated in the Ford administration—undermines the lofty statements of principle articulated by Obama in his Nobel Prize acceptance speech. And the promise at the Summit of the Americas, of "engagement based on mutual respect and com-

mon interests and shared values,” was belied by the administration’s reversal of its opposition to the coup leaders in the lead-up to the November elections in Honduras.

There is, of course, still time for the Obama administration to fashion a different kind of exceptionalism. As the world’s biggest emitter of greenhouse gasses after China, the United States could take the lead in climate negotiations by promising to reduce emissions by 80 percent of 1990 levels by 2050. As the country most responsible for the financial deregulation that threw the global economy into recession, the United States could take the lead by supporting the Tobin tax on financial transactions. As the world’s biggest military spender, the United States could freeze and then cut the Pentagon budget, challenging other big spenders to do the same.

The Obama administration is certainly an improvement over the Bush years. Its several achievements—banning torture, lifting the global gag rule, canceling missile defense bases in Europe—are worthy of praise. But the decision to escalate in Afghanistan—while escalating in Pakistan and intervening militarily in Yemen — brings down the score. The president’s inability to translate rhetoric into meaningful action forces us to lower his grade on foreign policy from 7 to 6.5.

BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**



# DOMESTIC POLICY

BY DEDRICK MUHAMMAD

In terms of domestic policy, Barack Obama has had the most successful first year of a presidency since Jimmy Carter. This might seem like damning with faint praise. Although he is not remembered as a very successful president, Carter pushed through important environmental regulation in his first year, such as the Clean Water Act and the Surface Mining Control and Reclamation Act. Even more impressively, Congress that year passed major legislation regulating corporate behavior with the Corporate Reinvestment Act and the Unlawful Corporate Payments Act of 1977.

Obama likewise shepherded through important domestic legislation. In its first year, the administration strengthened the ability of Americans to challenge discriminatory pay, increased health insurance coverage for children of working-class families, invested more money in the social safety net than in past decades, cut taxes for middle-class America, extended unemployment insurance, and most recently made a bid to provide health care to tens of millions of uninsured Americans.

These accomplishments are even more impressive when compared to the first years of conservative presidents, like George W. Bush and Ronald Reagan. Both of these presidents came to power in the midst of recessions and passed legislation that cut taxes primarily for higher-income Americans, thereby

## GRADE

6



*The administration is clearly more interested in maintaining rather than challenging the status quo.*

concentrating wealth and lowering federal revenue so there was less government money to invest in job creation.

An African-American progressive like me should have been jumping up and down with excitement over Obama's track record. Instead, Obama's first year has had me jumping up and down...in anger and frustration.

After a year in office, the Obama administration is clearly more interested in maintaining rather than challenging the status quo. Obama's incrementalism will help Americans survive the "Great Recession," for instance by extending unemployment benefits, but the president hasn't substantively reversed regression of the middle-class economy. This holds true particularly for disenfranchised minorities like African Americans and Native Americans, whose unemployment rates are over 150 percent that of white Americans. Obama will most likely follow the basic policy path of former President Clinton, who

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

pushed through liberal policy reforms on medical leave and handgun control, but also signed the business-backed North American Free Trade Agreement. The key difference is that there won't be a booming economy to buoy the Obama presidency, even if he wins a second term.

Like Clinton, Obama has attempted health care reform. But he has learned from the Clinton administration's failures by ensuring that the health insurance industry benefits as much as (some would say more than) anyone else through the current legislation. Herein lies the problem with the Obama presidency. Obama has won the highest office in the land in a political system beholden to elite special interests. These interests do not make room for the type of bold political action necessary to meet the challenges our country now faces.

For all of his attempts to depict his campaign as a mass grassroots venture, the Obama win relied on corporate cash, as do most successful candidacies for national office. These funders have disproportionately influenced Obama's domestic policy. As a senator, Obama provided for his corporate sponsors by supporting Bush's bailout of Wall Street. As president, Obama extends unemployment insurance and finds other ways to help the middle and working class survive the economic cataclysm. Yet funds to substantively invest in restructuring the economy and address the greatest concentration of wealth since the Great Depression have not been forthcoming.

President Obama receives two scores for his first year in office: one that is relative to other American presidents' first years and another that rates him

on adequately addressing the country's domestic challenges. Compared to presidents over the last 45 years, Obama gets a 7.5. I rank him slightly ahead of Clinton (7), but behind Carter (8) and Lyndon B. Johnson (9). Johnson, in his first year in office, passed the Clean Air Act, the Civil Rights Act of 1964, the Urban Mass Transportation Act, the Economic Opportunity Act of 1964, the Food Stamp Act of 1964, the Wilderness Act, and the Nurse Training Act. In terms of domestic policy, Johnson set the country on the right track by dealing with racial inequality, environmental policy, and trying to strengthen economic opportunity for all Americans.

Obama can learn how to strengthen his domestic policy by following Johnson's example, taking a lead on racial inequality and an Economic Opportunity Act of 2010 that invests in working-class America. Obama can also learn from Johnson about how foreign unpopular wars can undermine even the best domestic policy.

My score for Obama on dealing with the country's current challenges is a six. A six, in a 1–10 scale, translates into a D, which is a passing letter grade in some classes and a failing one in others. A 6 might be all that's needed to get re-elected. For our political system, this is all that matters. But for the people of this country, another three years of near-failing grades will lead to a greater failing for the American people.

# HEALTH CARE

BY KAREN DOLAN

The Obama administration, mainstream Democrats, and even many progressives are asserting that we are on the verge of a historical step forward for health reform, bringing us closer to desired affordable quality health care for all. Obama deserves credit for making health reform his top priority and likely will preside over a bill that historically covers many of the 46 million Americans currently uninsured.

The current health care legislation promises to cover about 31 million Americans who currently lack coverage, and eliminate denial of coverage due to pre-existing medical conditions. However, delay in implementation, significant loopholes to proposed benefits, huge transfers of public money to subsidize private coverage for the currently uninsured, and lack of uniform, effective cost-controls greatly temper an enthusiastic assessment.

The soup is not yet done, so judging its flavor is premature. The House and Senate bills must yet be reconciled. Among the good features of both is the historic expansion of coverage and attempts to end the use of pre-existing conditions to deny coverage. The House bill notably has one distinct potential cost-cutting provision lacking in the Senate version, namely, a public option. Weak though it is, the House public option could be strengthened to begin the move toward universal health care. It could also control costs by providing a cheaper, government-

## GRADE

6.5



*The president chooses the right focus but errs on follow-through.*

funded plan to compete with private insurers. Without a publicly funded plan with the leverage needed to control costs, challenge private monopolies, and achieve universal coverage, medical costs would continue to skyrocket and the quality of care would continue to plummet.

Insurance and pharmaceutical companies stand to gain the most from any health plan without a public option. These industries benefit from compulsory private insurance and the prohibition of lower-cost drug imports.

There are other flaws in the current legislation. Women's reproductive rights would diminish, as a result of amendments restricting federal funding for abortions and abortion-related services. Public hospitals and clinics could become dumping grounds for high-risk people that private insurers won't cover. Insurers in proposed exchanges would be able to sell policies across state lines. And insurance companies might be able to override patient protections in

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

states with more protective regulations. The proposed reforms banning denial based on pre-existing conditions and cancellation of policies due to illness also contain major loopholes.

The much-anticipated health care bill looks more like a boon for private industry than a step toward affordable quality health care for all.

The Obama administration started the year off well by expanding health insurance coverage for children (through SCHIP) and allocating \$140 billion of the economic stimulus to health care. But it made a wrong move by taking single-payer universal health care off the table. Beginning with the compromise one hopes to achieve, namely the public option, ensures that the end result will be far less.

Further, Obama failed to adequately lead in this debate by insisting on bipartisanship and the privileged inclusion of industry. The opposition party and the industry most in need of reform were both intent on obstructing real reform and preserving private profits over public welfare. The president's support was lackluster for a public option and importation of lower-cost pharmaceutical drugs; his opposition was weak to compulsory private policies and the diminution of women's reproductive rights. He focused instead on getting a bill passed that could count as a historic victory. The final product, marred by political compromises, may only be a hollow victory.

# ENERGY AND CLIMATE CHANGE

BY DAPHNE WYSHAM

When Barack Obama was elected president, many climate activists were thrilled. With the concentration of carbon dioxide in the Earth's atmosphere reaching dangerous levels, and Democrats controlling the House and Senate, hopes couldn't have been higher among climate campaigners that Obama would act swiftly to make energy and climate change one of his top priorities.

In his first few months in office, Obama did in fact take some significant actions. In the stimulus package, according to budget analysts, he provided \$32.80 billion in funding for clean energy projects, \$26.86 billion in energy efficiency initiatives, and \$18.95 billion for green transportation, giving a total of \$78.61 billion directly earmarked for green projects.

In May, Obama announced tough new vehicle gas-mileage standards. The agreement requires automakers to meet a minimum fuel-efficiency standard of 35.5 miles per gallon, roughly 30 percent greater than today, by model year 2016 — four years earlier than Congress currently requires. However, compared to the Obama plan, California's clean car laws would achieve 41 percent more greenhouse gas emissions reductions by 2020.

Obama's "cash for clunkers" program was somewhat misguided on several fronts. Instead of encourag-

## GRADE

7.5



*High expectations  
but a mixed record of  
achievement.*

ing U.S. consumers to buy fuel-efficient U.S. cars, and help out the ailing auto industry in Detroit, it handed a major taxpayer subsidy to mostly foreign auto manufacturers. The program also did not set the fuel efficiency standards for a car trade-in high enough, thereby allowing people to get cash for new cars that were still relatively fuel inefficient.

Similarly, the stimulus dollars invested in roads, another subsidy for the more polluting automobile, could have been invested in public transportation.

Obama took a hands-off approach with the climate and energy legislation as it moved through the House. Despite his campaign pledge that there would be a 100 percent auction of pollution allowances, he remained silent as the Waxman-Markey bill (officially known as the American Clean Energy and Security Act of 2009) became weighted down with giveaways to polluters, including a free allocation of over 80 percent of pollution permits. Yet the budget submitted to Congress counts on raising

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

\$627 billion through a 100 percent "cap and trade" auction from 2012-19, with 20 percent dedicated to clean energy investments (\$15 billion/year) and the rest funding the "Making Work Pay" tax credit for working families. The free giveaway will reduce this revenue stream and adversely affect the intended beneficiaries.

An expanding cast of characters has come to recognize climate change as, among other things, a security issue. The last Bush administration budget, however, allocated \$88 to its military forces for every \$1 spent on climate change. The Obama administration significantly narrowed this gap to a proportion of \$9 to \$1. But the vast majority of the investment—87 percent—came in the American Recovery and Reinvestment Act (ARRA). In the future, these investments will need to be made in the regular budget.

Obama's efforts in Copenhagen did break down one obstacle imposed by the U.S. Senate: In the so-called Copenhagen Accord, major developing countries (China, India, Brazil and South Africa) and the U.S.—representing roughly 50 percent of global emissions—agreed to a target of 2 degrees Celsius as an upper limit in the rise in global average temperature. However, in reaching this agreement outside the formal UN process, the Copenhagen Accord has given a boost to the Major Economies Forum to the detriment of multilateralism. The challenge now is to make these commitments legally binding, to strengthen them to reach a target of 350 parts per million CO<sub>2</sub> in the Earth's atmosphere, and to reaffirm and restore a multilateral approach.

So, too, Secretary of State Hilary Clinton's pledge to help raise \$10 billion per year in climate adaptation and mitigation funds by 2012 and \$100 billion per year by 2020 (as noted in the Copenhagen Accord) is ambitious but open to criticism. While the United States is at least rhetorically supporting a significant cash infusion to a global climate fund, critical in building trust with developing countries, the U.S. contribution has yet to be put on the table. The challenge remains: to push the Obama administration to support an adequate and unconditional U.S. contribution beyond existing development aid spending, to shift the fund's sourcing from carbon markets to a financial transaction tax and other mechanisms, and to house the new body in the United Nations and not the World Bank.

# GLOBAL ECONOMY

BY SARAH ANDERSON

Barack Obama raised the hopes of global justice advocates by committing to significant changes in our international economic policies. As president, however, his efforts to implement alternatives have been slow to get off the ground.

When the economic crisis hit, the need to overhaul our whole approach to globalization became all the more urgent. Countries that had gone the furthest to liberalize trade and investment proved to be the most vulnerable to volatile global export and investment markets. Obama took the opposite view, pointing to the crisis as a reason for postponing promised reforms, such as renegotiating the North American Free Trade Agreement.

On the positive side, the president did not expand the failed "free trade" agenda. Trade officials did not twist arms on Capitol Hill to secure approval of deals negotiated by the Bush administration, nor did they pull out the stops to break the impasse at the World Trade Organization (WTO). However, Obama has expressed a desire to conclude the WTO talks. And in December, he reportedly told congressional leaders he wants to advance the pending bilateral agreements. Harmless lip service? Hard to tell.

One area in which the administration showed great openness to discussing serious change was investment policy. There has been growing controversy

## GRADE

7



*President identifies the need for alternatives but doesn't implement any.*

over rules in trade agreements and bilateral investment treaties, which give foreign investors the right to sue governments in international tribunals over actions that may reduce the value of investments, including public interest regulations.

Obama has committed to reforming these rules and established an investment advisory committee that included a number of progressive experts. However, even before the advisory process had concluded, U.S. officials began negotiating investment deals with China, India, and several other countries. Although they explained that these discussions would not go beyond the technical phase, this raised concerns that some in the administration may be pushing for more "business as usual."

The administration also gave mixed signals on debt. As a senator, Obama supported the Jubilee movement, agreeing that it makes no sense for the poorest countries to spend more on interest payments to rich financial institutions than on education or health

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

care at home. Some key Obama Treasury officials are sympathetic. But the administration has not yet pushed for a global debt deal, opting instead to give crisis-related aid in the form of loans through the International Monetary Fund.

On another key issue for global civil society—financial transactions taxes—the administration has also been difficult to read. In November, Treasury Secretary Geithner seemed to throw cold water on the idea of setting small levies on stock trades and other transactions as a way to curb speculation and raise revenues for public goods. More recently, Geithner has reportedly expressed more openness.

After one year, it's hard to point to new global economic policies that are better for people and the planet. But the Obama administration has helped bust open the debate over globalization policies that have been marching forward, largely unchallenged, for several decades.



# WAR AND PEACE

BY PHYLLIS BENNIS

Barack Obama accomplished one very important thing during his first months in office. He began to transform foreign policy language and ideology away from the proudly unilateralist militarism of George W. Bush. He spoke of the importance of diplomacy over military action, global cooperation rather than global domination, re-engaging with the Muslim world, and respecting the United Nations and perhaps even international law.

But Obama's actions continue to belie those words. He said he would end torture and close Guantánamo. But the prison has not been closed, extraordinary rendition continues, and Bagram's prisoners may well face the same tortures as Gitmo's (even if Afghan officials "take over responsibility" for running Bagram). So far the administration is abiding by the letter of the U.S.-Iraqi terms on withdrawal from Iraq, but no more rapidly than Bush grudgingly agreed to do. Bush hold-over Secretary of Defense Robert Gates has already acknowledged that U.S. troops will remain in Iraq even after the "final" withdrawal scheduled for the end of 2011. And no one even talks about the mercenaries.

Then there's Afghanistan, Obama's war. Candidate Obama warned us of his intention to escalate in Afghanistan, perhaps because an antiwar candidate on Iraq had to find some other war to claim as his own, or perhaps because he improbably convinced

## GRADE

5.5



*the Obama administration has remained locked in the mindset of militarism.*

himself that escalating a failing war would somehow still end up with "victory." But that doesn't mean the escalation makes any sense. In Afghanistan, Obama is encouraging, rather than ending, the mindset that leads to war.

Obama promised early and often he would make Israel-Palestine a priority from day one. He started badly by standing silent during the Israeli devastation of Gaza, which ended just hours before he was sworn in as president, and agreeing to implement Bush's promise of \$30 billion in military aid to Israel. But then he appointed former Senator George Mitchell, known for his work in Northern Ireland where he learned that if negotiations are to succeed, "everyone must be at the table." That augured well for the United States talking to Hamas and putting real pressure on Israel to end its occupation and apartheid policies. But instead, all the Obama administration did was to request—several times—that Israel freeze its settlements. Israel said no each time. So Obama stopped requesting. Obama never made

## BARELY MAKING THE GRADE: **OBAMA'S FIRST YEAR**

the \$30 billion in military aid contingent on a settlement freeze.

Elsewhere in the renamed global war on terror, Obama made good on his promise to engage with Iran. It has been dishonest diplomacy — undermined by administration assertions that the goal of diplomacy is to provide political cover for escalating sanctions. But diplomacy is still better than war. In Yemen, war looms. The Obama administration is sending \$70 million in counterterrorism, intelligence, and covert military aid to Yemen. Twenty years ago, the Bush Senior administration cut its entire aid budget to Yemen—at that time development and economic aid, not CIA agents and Special Forces. Coincidentally it was also \$70 million.

Imagine what might have happened differently if, instead of cutting that aid, the United States had flooded Yemen and its people with agricultural assistance, training for midwives and doctors, and lots of money for Yemenis to build up their own country's social and physical infrastructure as they chose, not as U.S. “experts” imposed.

In Yemen, as in Afghanistan, Pakistan, and other fronts in the continuing war on terror, the Obama administration has remained locked in the mindset of militarism. For that reason, his first-year score on war and peace issues is just above failure: a low 5.5.

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This report builds on IPS' book "Mandate for Change." The project is aimed at strengthening the Obama administration at a time when the need for progressive policies—and appointing progressive people to lead such efforts—is most urgent.

The volume offers a set of specific policy proposals for the administration on every major domestic and international topic, written specifically for the book by leading thinkers and activists.

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