



## Talking point



### Good luck, Barack! The seven burning issues facing the 44th US president

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**The new US government will not only have to avert the danger of a depression, it will also have to pass a series of other exacting examinations. These include reorganising the US financial system, overhauling the social security system, charting new courses in the energy sector and climate protection, and ending foreign wars. Furthermore, it is these policy areas that will decide whether America's reputation in the world can be rebuilt and US citizens can regain their self-confidence.**

The position of American President is commonly referred to as the most powerful political office in the world. This stems from the uninterrupted democratic tradition of the US, the size of the country and its economy, its military might, its ability and will to exercise force worldwide, the appeal of its social order and its ideal of liberty and equality of opportunity. And of course this must also be exercised accordingly by the person of the president with conviction, expertise and the ability to captivate and motivate. It is not just since Inauguration Day that hopes have been high around the world that the new president will not only display all these personal qualities in office but will also renew the multi-faceted power resources, for the sake of social advancement in America and for peace, prosperity and protecting the environment worldwide.

President Obama required precisely one-and-a half minutes of his inaugural address to make it clear to the citizens of the United States and the world that the US finds itself in its most dire economic mess for decades, embroiled in two bitter wars, and facing housing, healthcare, education and energy crises, and thus a crisis of confidence. However, he immediately followed this by saying that all of these challenges will be met.

Unfortunately, President Obama – and with him the entire US society – will have 7 burning issues to deal with over the coming years:

#### 1. Avert a depression

The US economy not only finds itself in a recession, it is also on a dangerous downward spiral. Despite massive rate cuts and expected strong fiscal stimuli the risk of implosion has not yet been eradicated. President and Congress will relieve overly indebted households of their burdens, get the banks and financial markets working again and send America's workers back to their workbenches, building sites and offices. The US will have to tackle the burning issue of state intervention in order to emerge from the disaster and ascend to renewed economic freedom.

#### 2. Overhaul the financial system and base it on solid foundations

Fixing finance will be the second burning issue facing policymakers. The entire market infrastructure, the rules and regulations for real estate markets and financial institutions and the supervisory regime need to be subjected to thorough examination. Without fundamental corrections the financial system will lack the foundations to make a sustainable contribution to prosperity. As Richard E. Neustadt, the presidential researcher, once stated, the key to success for a president lies in his powers of persuasion, with regard to members of Congress and the financial industry.

#### 3. Restructure America's social security system

The third burning issue for the US will be a transparent assessment of the shortcomings and failings of the social security system. There have already been eight attempts to introduce a healthcare system providing affordable nationwide coverage. Attempts to reform the pension system have been less frequent, but have been equally unsuccessful. In education there is a huge gulf between Ivy League universities and hopeless inner-city schools. The American promise of equality of opportunity needs to be fulfilled.

#### 4. Regain leadership in climate protection

America's ambitions on the environmental and climate protection fronts were already exemplary in the 1970s – then its eagerness waned. Everyone realises that only fundamental changes in America's energy supply, industrial production and transportation can bring about the medium-term rectification of the country's status as one of the world's two biggest emitters of greenhouse gases. The key issues are emission trading, public transport infrastructure and electromobility, renewable energies: consequently, regulation plus innovation, laws plus venture capital, tough policies here and far-sighted incentives there.

#### 5. End wars and conflicts

America's foreign policy assignment is to bring an end to the conflicts in the Near and Middle East and in south-west Asia with good outcomes. This requires not only bringing peace to Iraq and Afghanistan, a comprehensive policy towards Iran and containment of the Palestinian conflict, but also a regional concept that sensibly involves the other powers and nations. America's might is certainly not sufficient to extinguish the global hotspots on its own.

#### 6. Raise America's standing in the world

President Obama is also aware that America's standing in the world has taken a pounding due to the abandonment of some of its main traditional values. This standing can only be restored by correcting the way it performs its international leadership role in a constructive dialogue.

#### 7. Renew America's self-confidence

As if this weren't already too much for one president and the 111th Congress, the coming days in the United States will confirm that democracies cannot operate without strong popular participation in society's institutions. It is simply inconceivable that the huge range of tasks ahead can be performed by the government alone. Obama's presidency can only be a success if he can mobilise social action, political participation and the assumption of political and civil responsibility at the local and state levels on a grand scale. Infrastructure renewal, an education offensive and sweeping change in the energy sector require the broadest grass-roots support.

The seven burning issues facing America's policymakers rage with differing intensities. If the blazing economic problem cannot be extinguished then there will be no political or spiritual basis for the examinations in all the other areas. The rest of the world can only do one thing: cooperate and send best wishes to the president: Good luck, Barack!



Klaus Deutsch (+49) 30 3407 3682

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