

## **Op-Ed Columnist**

### **The Big Deal**

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On the day President Obama signed the Affordable Care Act into law, an exuberant Vice President Biden famously pronounced the reform a “big something deal” — except that he didn’t use the word “something.” And he was right.

In fact, I’d suggest using this phrase to describe the Obama administration as a whole. F.D.R. had his New Deal; well, Mr. Obama has his Big Deal. He hasn’t delivered everything his supporters wanted, and at times the survival of his achievements seemed very much in doubt. But if progressives look at where we are as the second term begins, they’ll find grounds for a lot of (qualified) satisfaction.

Consider, in particular, three areas: health care, inequality and financial reform.

Health reform is, as Mr. Biden suggested, the centerpiece of the Big Deal. Progressives have been trying to get some form of universal health insurance since the days of Harry Truman; they’ve finally succeeded.

True, this wasn’t the health reform many were looking for. Rather than simply providing health insurance to everyone by extending Medicare to cover the whole population, we’ve constructed a Rube Goldberg device of regulations and subsidies that will cost more than single-payer and have many more cracks for people to fall through.

But this was what was possible given the political reality — the power of the insurance industry, the general reluctance of voters with good insurance to accept change. And experience with Romneycare in Massachusetts — hey, this is a great age for irony — shows that such a system is indeed workable, and it can provide Americans with a huge improvement in medical and financial security.

What about inequality? On that front, sad to say, the Big Deal falls very far short of the New Deal. Like F.D.R., Mr. Obama took office in a nation marked by huge disparities in income and wealth. But where the New Deal had a revolutionary impact, empowering workers and creating a middle-class society that lasted for 40 years, the Big Deal has been limited to equalizing policies at the margin.

That said, health reform will provide substantial aid to the bottom half of the income distribution, paid for largely through new taxes targeted on the top 1 percent, and the “fiscal cliff” deal further raises taxes on the affluent. Over all, 1-percenters will see their after-tax income fall around 6 percent; for the top tenth of a percent, the hit rises to around 9 percent. This will reverse only a fraction of the huge upward redistribution that has taken place since 1980, but it’s not trivial.

Finally, there's financial reform. The Dodd-Frank reform bill is often disparaged as toothless, and it's certainly not the kind of dramatic regime change one might have hoped for after runaway bankers brought the world economy to its knees.

Still, if plutocratic rage is any indication, the reform isn't as toothless as all that. And Wall Street put its money where its mouth is. For example, hedge funds strongly favored Mr. Obama in 2008 — but in 2012 they gave three-quarters of their money to Republicans (and lost).

All in all, then, the Big Deal has been, well, a pretty big deal. But will its achievements last?

Mr. Obama overcame the biggest threat to his legacy simply by winning re-election. But George W. Bush also won re-election, a victory widely heralded as signaling the coming of a permanent conservative majority. So will Mr. Obama's moment of glory prove equally fleeting? I don't think so.

For one thing, the Big Deal's main policy initiatives are already law. This is a contrast with Mr. Bush, who didn't try to privatize Social Security until his second term — and it turned out that a “khaki” election won by posing as the nation's defender against terrorists didn't give him a mandate to dismantle a highly popular program.

And there's another contrast: the Big Deal agenda is, in fact, fairly popular — and will become more popular once Obamacare goes into effect and people see both its real benefits and the fact that it won't send Grandma to the death panels.

Finally, progressives have the demographic and cultural wind at their backs. Right-wingers flourished for decades by exploiting racial and social divisions — but that strategy has now turned against them as we become an increasingly diverse, socially liberal nation.

Now, none of what I've just said should be taken as grounds for progressive complacency. The plutocrats may have lost a round, but their wealth and the influence it gives them in a money-driven political system remain. Meanwhile, the deficit scolds (largely financed by those same plutocrats) are still trying to bully Mr. Obama into slashing social programs.

So the story is far from over. Still, maybe progressives — an ever-worried group — might want to take a brief break from anxiety and savor their real, if limited, victories.

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