



## Barack Obama is no Bill Clinton

By [Rick Esenberg](#)  
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Tonight at the Democratic Convention is, as I understand it, Bill Clinton Night. Despite persistent reports that the two men are not much enamored of each other, former President Clinton has decided to go Full Bubba in support of President Obama's re-election. That's not surprising. I rather doubt that Mitt Romney is a personal favorite of Newt Gingrich or Rick Santorum either. Parties pull together.

The Clintonian move is to claim that Obama is doing - or will do - the same things that Clinton did. These things supposedly led to a strong economy in the mid to late 90s - at least until the tech bubble burst. We've seen the commercials in which Clinton argues that we need to adhere to some unspecified Obama policies that are supposedly just like his own.

Details are not provided.

So I guess we'll have to figure it out. Let's pull up some Nirvana from Paul Ryan's playlist and review federal economic policies in the 90s.

Tax rates were a little higher and, to be sure, President Obama says he wants to return to Clinton era rates for high earners. But actually, as [Michael Tanner](#) of the Cato Institute points out, Obama wants these rates to be significantly higher - about a point higher on ordinary income and a staggering 40% higher on investment income.

Is that the answer? We know that these rates won't put a ding in the federal deficit. They may, in an economy as weak as ours, be counterproductive. That's about the range of possibility - meaningless to harmful.

In fact, after Clinton raised taxes in 1993, he cut them in 1997. Not only did he cut them - [he cut them on rich people](#). He reduced the capital gains rate by almost 50%. Revenues rose sharply.

So - no - that's not the Clinton magic that Obama has or will or might bring back.

We did have balanced budgets back in the 90s. These were largely a product of the "peace dividend" following the end of the Cold War, the tech boom and, note this carefully, divided government. But maybe it is the Clinton record of fiscal restraint that our current President has sought to emulate - or might seek to emulate - or is thinking about.

No, that's not it either. If there is anything that we can be sure that President Obama is about - it's a larger federal government that does more things. Clinton said that the era of Big Government is over. For our current President, it's just getting started.

As Tanner points out, during the Clinton years, the federal government spent an average of 19.8% of GDP. During Obama's Presidency, it's been 24.4%. While government spending as a percentage of GDP will tend to be higher during a poor economy, the President's proposed budgets - his "plan" - never brings it below 22%. On this issue, Paul Ryan may be closer to Clinton than Obama.

Maybe it's the relative position of the middle class. Maybe Clinton's Presidency brought about greater income equality. Although it's a complicated picture, the "decline of the middle class" story has been oversold. The average American family is much better off today than it was 30 years ago. But we have seen a long term increase in the share of income going to the very wealthy. I question how much government policy has to do with it, but, whatever the cause, rising inequality was a fact of life during the Clinton years. In fact, by one commonly used measure, inequality - as measured by income - [went up during the Clinton years and not during the George W. Bush presidency.](#)

Of course, you can slice the numbers any which way to get the result you want. And, as I have written before, I don't think one can assume that the state of the economy is caused by Presidential policies. (In fact, I don't believe that Bill Clinton had much to do with the economy in the 90s other than he did nothing - after Gingrich, could do nothing - to interfere.) The point is that we can't point to anything in the Clinton administration and say "this is what we need to do now." And, to the extent, that we could - say fiscal restraint - the current President is not on board.

There is one huge similarity between Bill Clinton and Barack Obama. After putting both in office, voters came down with a violent case of buyer's remorse and swept Democrats out of Congress in the off year election.

Ironically, it is that similarity that shows how different they are. Clinton's response was to make the best of it and move to the right. He declared the Era of Big Government to be over and signed welfare reform into law. Growth in federal spending was, at least, tempered. He even flirted with entitlement reform and the partial privatization of social security - an effort that fell apart when he was caught perjuring himself in the Lewinsky affair. Again, *Bill Clinton even cut taxes on rich people.*

It may well be that Clinton did not want to do any of this. I suspect he didn't. But it's what happened.

Obama's response is almost the polar opposite. After his own massive losses, he has doubled down on his commitment to traditional liberalism. In a number of areas - emission regulation, immigration policy, labor policy - he has attempted to do administratively what he cannot do legislatively. Indeed, he has attempted to substantially modify - I'd say abandon - the core of Clinton's signal legislative accomplishment, the work requirements embedded in welfare reform.

For President Obama, the era of big government is not over. It's on hold.

