



Is Barack Obama a Social Democrat?

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US President Barack Obama has inherited a global economy at its weakest in decades. But to overcome these hurdles it appears he may be radically changing the format of the American economy.

Trillion dollar bailouts, higher taxes and widespread regulatory reform look to many like a move to a European

mindset.

Universal healthcare, education for all, higher taxes – is Obama following the European economic system?

“Sadly, I think that’s true,” believes Chris Edwards, Director of Tax Policy Studies at the CATO Institute.

“I think the United States is going towards the European model. I think this is really bad for the long-term economic outlook of the US.”

Here comes another question: is Barack Obama a social democrat?

Michael Lind from New America Foundation disagrees.

“Obama in many ways continues the approach towards tax reform of fiscal conservatives of both parties.”

While the experts’ opinions vary, it’s clear: Obama wants to level the playing field. His latest plan was to start taxing US companies for what they make overseas. These are unprecedented changes: no more cheap labor and low taxes for the multinational corporations. And for this Obama will face some stiff resistance.

The world’s most powerful big business lobbyists each day try to influence members of Congress to promote or stop legislation in their client’s interests. This time, they have their job cut out for them – stop Obama from slapping them with a 200 billion dollar tax.

So what happens now?

“Tax increases on corporations. The ultimate effect will be for corporations to move their headquarters abroad,” believes Chris Edwards, Director of Tax Policy Studies at the CATO Institute. *“So, this will create long term damage”.*

And people all over the world want to know what’s going to happen to their jobs.

“The more countries that go to a lower, simpler tax structure the more successful they are,” said Grover Norquist, president of Americans For Tax Reform.

“The United States right now unfortunately is moving in the wrong direction which will help move jobs and opportunities to countries like Hong Kong, and Ireland, and Russia which have lower taxes.”

While people may define economic success differently, so many changes in an already unstable economy may be more than most can bargain for.