

Impact of obama on us regulatory system



**ASSIGN
BUSTER**

Within the first few years when Obama was elected, there are certain things that he has done right, while there are things that he failed to reflect on the broader portion of society. Yet, one thing he is doing that almost no one noticed, even the liberals, is strengthening the country's regulatory system. The U. S regulatory system has been heavily weakened by the previous Republican presidents, in order for businesses to soar without any interruptions. However, this seemed to be troubling as proven by the recession in 2008 where the global collapsed due to the inregulated big banks, such as, AIG, that were supposed to be overseen by regulators. The problem is that these regulators were paid by these banks, and one would imagine that these businesses were appointed specific regulators by the government, yet, it was not the case. Hence, these rating agencies and regulators were often understaffed or afraid of losing businesses that these banks had the chance to mess up badly. That is why Obama is looking to reform these regulatory agencies.

The agencies created in the great reform periods (1901-1914, 1932-1938, and 1961-1972) were intended to regulate all the difficult aspects of the economy, i. e. corruption, polluted environment using their scientific knowledge. Because people in power believed back then that we could administrate our country using scientific methods, which would differentiate itself from prejudice and pressures from the lobbyists, the staffs of our regulatory came from social and natural science majors. The idea was heavily criticized as the staffs are often inadequate to response everchanging aspect of our economy. Many of our previous Presidents believed in this idea, it was not until 1980s when George W. Bush became

the President, and the idea was ultimately challenged by the Republicans and his allies. All of the staffs were replaced with business executives, and lobbyists; which actually defeated the purpose of regulating based on scientific expertise. Most of the elected people from the Republican Parties were often unfitted for their positions. One example is Edwin G. Foulke Jr, who was chosen to run the OSHA by Bush. It would have been perfectly fine, if it was not for the fact that Mr. Foulke was previously an enemy of the OSHA agency, and he had actively instructed companies on how to stop union organizations. Another fact is that these chosen candidates are often rendered useless to do their job. It is rather odd to see Jeffrey Holmstead appointed by Bush to run the Clean Air Act, even though he was a representative of the Chemical Manufacturers Association. One is then forced to question whether the purpose of appointing unfitted people for the jobs is to render the regulatory system useless.

However, after Obama took the office, the candidates were more carefully selected and properly fitted for the job. For instance, Obama knew that state officials are often the ideal candidates to manage the regulatory system, because they know what the rules are and how they are enforced. That is why he chose several knowledgeable state environmental officials to be in charge of the EPA. Lisa Jackson was picked to run the agency, as she was a chemical engineer who also directed the New Jersey Department of Environmental Protection. Previous Republican Presidents didn't just weaken our regulatory system by choosing the wrong people, they also heavily reduced the agencies's financial plan. This ultimately forced the agencies to lay off employees, which then translates to poor inspections. The number of

officers during George Bush time dropped thirty five percentages. What is the point of having regulatory rules if there are not enough inspectors to enforce the rules? Seemingly, that was how the Republicans wanted.

With all of his efforts, Obama is undoing all the damages to our regulatory system, by having massive fundings to most of the regulatory agencies. In 2010, the EPA was funded with \$10.5 billion dollars. Similarly, OSHA's budget increased by ten percentages in 2010, which permitted to employ another 130 inspectors. Remarkably, one important thing that Obama did was that he made it difficult for the Congress to obstruct these regulatory rules. The Office of Information and Regulatory Affairs (OIRA) was introduced 1981 under Reagan's administration. It was created to oversee all the other agency's rules. It has the power to detain or put an end to a rule, if the costs exceed the benefits, which were subjective and elusive to measure. That is why the OIRA became an effective device for the Republicans to weaken the regulatory system. Currently, Obama appointed Cass Sunstein, a Harvard Law Professor to be in charge of the OIRA. Mr. Sunstein shifts the focus of OIRA from the costs-benefits perspective to taking care for our future generations.

The regulating agencies are now once again functional. Mary Schapiro, appointed to run the SEC, made 1600 inspections on Wall Street money managers. Jon Leibowitz, chairman of the Federal Trade Commission, sued Intel from averting computers makers using non-Intel chips. Even though Clinton tried to bring back the regulatory agencies in 1993, but he was overwhelmed by the Republican's domination in the Congress. Things are fine at the moment, yet, history tends to repeat itself.

<https://assignbuster.com/impact-of-obama-on-us-regulatory-system/>

The political power is divided between the executive, legislative and judicial branch. Within the executive branch, the President is the most powerful leader. The process of electing the President is difficult, as our Founding Fathers did not wish for the President to be elected directly from the people. The idea of electing the President from a popular vote seemed too democratic or in another words, chaotic, as it would create imbalances between different classes of society. That is why the Electoral College was created. The numbers of Electoral College in each state depend on the numbers of members of Congress that state has. For instance, California has 55 electoral votes, while Wyoming has only 3 electoral votes. Having the Electoral College was not only meant to restore balances, but also to distribute the candidates's deficient amount of time and money, i. e, the candidates would concentrate their political campaigns on " battlegrounds" states instead of swing states, as George Bush did in 2004, where he ignored California, as results showed he was hopelessly behind. However, as practical as the idea seems, there were certain circumstances where the candidate received Presidency without having the majority of popular vote, such as, in 2000, even though George Bush received 500, 000 less votes than Al Gore, he still managed to become the President by having the majority in electoral votes. Seemingly, this means one person vote is not practically equal to another, which ultimately challenges our fundamental idea of democracy, where one person is politically equal to another.

The President is paid in salary annually. However, the President's compensation is often smaller compared to other companies's CEO. This reflects on the basic idea of capitalism where the President of a public sector

is compensated less than other private sectors. This allows private ownerships to thrive, and reduce the public's cynicism about possible corruption. The powers of the President listed in the Constitution are the power to veto legislation passed by the Congress, to perform as the commander in chief of the armed forces, execute the laws, pardon criminals, make treaties, call Congress into special session, appoint government officials, and recognize foreign governments. But, it is safe to say that the President's powers may vary greatly depending on the circumstances. To expand on this thought, the President does not have the power to declare war, the Congress does (as specified in the Constitutions). Yet as proven in the Iraq war in 2001, Bush deployed 200, 000 American troops into the war without the permission of the Congress. Only after the troops have arrived, he asked for their permissions, which proved to be completely useless. Furthermore, Bush advanced by freezing assets of suspected criminals involving the 9/11 incidents, and arrested people based on suspicions without any evidences. This was not challenged by the Congress since the issue was sensitive, and no one wanted to be remembered by being on the opposing team. The President's public image is equally important. By regular appearances on TV, Bush managed to convince 7/10 Americans that Saddam Hussein was involved in the 9/11 attack without having any supported evidences.

Presidents often have different styles that they wish to operate with. Seemingly, John F. Kennedy appeared to be overconfident, while Lyndon Johnson was completely opposite. Reagon's office was always a mess as he didn't pay attention to details; yet, he was excellent at communicating his

idea to the public to the point none exceeded him. On the contrary, Jimmy Carter paid extremely close attention to details, which was a training that he obtained as an engineer. Clinton allowed his team to exercise their creativity and freedom in performing tasks, while Bush enjoyed restrictions and obedience.

The President is elected to be a leader. They are elected to inspire change, to reach for a greater good. Their powers are shared between the Congress and the Judicial System, where the checks and balances remind them where they need to be. Hence there were times when the Congress and the President were alligned in the same page (Vietnam War), yet, naturally, the system was designed so that the Congress will always challenge the President's actions, vice versa. With the U. S raising as a super power, so are the President's political resources. At the same time, he is always challenged by interest group, lobbyists pursuing their ways that are often difficult for the President to overcome their obstacles. The President's goals are then to remain initiative when it comes to the interests of capital at home, and preserve coroparate's interests overseas.