Explaining Trumpcare: the appalling appeal

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On May 5th 2017, the US House of Representatives voted to repeal the Affordable Care Act (Obamacare) and replace it with H.R. 1628, the American Heath Care Act (Trumpcare) by a count of 217 to 213 (all Democrats and 25 moderate

Republicans opposed the bill; all supporters were Republican).

Under Obamacare, 13 million Americans gained health insurance through marketplace programmes and another 20 million were added to insurance or expanded Medicaid role. This feat was achieved by increasing taxes of the richest 2% of the population.

A new Kaiser tracking poll (May 31st), consistent with the findings from three previous polls (a Kaiser tracking poll April 4th, Washington Post-ABC News poll April 25th, and a Politico/Harvard Poll April 25th, 2017) shows that 60-65% of the public want Obamacare left in place and improved upon. The question arises as to why Republican legislators would ignore the wishes of most citizens and risk their wrath in the 2018 mid-term elections.

Part of the answer is that on May 5th these legislators wanted to avoid dispiriting the political base by a defeat of Trumpcare; passing the bill was also seen as crucial to passing tax reform; and some legislators may have been influenced by private sector interests. For example, the Koch brothers promised millions to Republican campaigns in the mid-term if they voted to repeal Obamacare.

At another level however, the answer is more complex and is one that might help answer other important questions (such as why the US is the only industrialised nation without a universal health care system, why it has the weakest social safety net of its peers, why a large portion of the US electorate is fully prepared to act against its own best interests (rather than support beneficial distributive initiatives) and, why perhaps, Trump was elected in the first place?) These questions are relevant as some version of Trumpcare will go before the Senate in the near future. The following paragraphs look at some contributing factors.

First, recent analysis shows working class (especially white) males have felt increasingly disempowered and disenfranchised by globalisation and neoliberal policies. In the US, while the wealthy have become wealthier, the real incomes of ordinary people have stagnated or declined. Even as they became increasingly marginalised, they were expected to accept cultural values that were not theirs - for example, those related to the environment, gender and racial equality, and LGBT persons. Economic loss and cultural backlash contributed to their "rage against the machine".

Second, Prospect Theory tells us that those who feel they have not participated in the benefits of global trends or have lost benefits may be willing to take risks in making their political choices - they feel they have nothing to lose. This theory is rooted in economics and psychology, and addresses the behavioral underpinnings of choice in the face of uncertainty. It recognises, for example, that people with poor prospects are more likely to take risks and make irrational choices by disregarding low probabilities.

Third, recent data from the Pew Research Center shows that partisan animosity has increased to record levels in the US. It is core to explaining why, for example, working class Americans continue to support Trump despite his "Cabinet of billionaires", deregulation that will hit ordinary people, and in particular, a health bill that is explicitly against their self-interests. For example, the (non-partisan) Congressional Budget Office (CBO) estimated in a May 24th report that Trumpcare would lead to an additional 23 million uninsured Americans. Partisanship (as "tribal self-expression") is a way of expressing multiple identities; party loyalty is bigger than any single policy. These identities are less about class or rich versus poor than "racial identity, professional identity, religious identity, even geographical identity". Abandoning Trump would constitute a betrayal of these tribal allegiances.

Fourth, evidence suggests that left-wing economics is not the answer to right-wing populism. Trump (and his policies such as Trumpcare) appeals directly to those who see themselves living in the "domain of losses". Yet the May 31st Kaiser Poll shows that only 15 percent of those questioned felt that Trumpcare would actually fulfill all or most of his promises – for example, "insurance for everybody". In reality, within the US support for liberal distribution policies is greatly complicated by racial and cultural identities. "People are only willing to support redistribution if they believe their tax dollars are going to people they can sympathise with. White voters, in other words, don't want to spend their tax dollars on programs that they think will benefit black or Hispanic people". A PBS documentary, "The Divided States of America" concurs and reports that the "racially charged resistance" to Obamacare came to symbolise this division in America and now Trumpcare.

These factors not only help explain the House vote to replace Obamacare with Trumpcare and set the stage for a Senate vote, but also explain the lack of a robust social safety net to protect all Americans. One week after the repeal of Obamacare in the House, conservative senators began making plans to drop millions of adults from Medicaid; indeed, the release of Trump's budget (May 23rd) reveals plans for massive cuts in the range of 25-45% over 10 years. Eight years on and perhaps eight years hence, the Trump promise is one of leading the US in circles and they seem to be part of a spiral.