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## A REFERENDUM OR A CHOICE OF DIRECTION

### U.S. PRESIDENT OBAMA WILL HAVE TO WORK HARD TO GET RE-ELECTED

*Lars Hänsel / Roman Sehling*



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After a long nomination campaign, the Republican candidate who will challenge President Barack Obama in the coming presidential election has been chosen: Mitt Romney, the former governor of Massachusetts. Although Romney was able to prevail over internal rivals in a hard-fought campaign, he still remains the unpopular candidate within his own party. For many Republicans, he is not conservative enough. Nevertheless, he will still be able to count on the broad support of Republicans in general, as they all share an interest in seeing President Obama voted out of office. However, for independent voters, Romney's strengths in comparison to Obama can also be seen as weaknesses. As a financial expert and successful businessman, Romney is considered to be experienced in economic issues, although his background as an investment banker and top earner can make him appear cold and aloof.

Even though the presidential election campaign is not yet in full swing, the Republican and Democratic campaign teams are already honing their messages in an attempt to steer public debate from the onset. The result of the election could well be decided by who is most effective in getting their message across. Will Romney's team be able to convince voters that the election should be seen as a referendum on Obama's policies, many of which are viewed as largely unsuccessful in light of the country's weak economic data? Or can the Obama campaign team successfully present the election as a chance for voters to decide the country's future direction and so focus people's attention on Romney himself? The economy is one of the

key election issues, but the outcome will not be decided on economic data alone. It will also come down to the important question of whether or not the country is heading in the right direction. Because of the electoral system in the USA, the result will not be decided simply by the number of votes cast, but by the number of electors in the so-called swing states. Many believe that Obama has a good chance of obtaining the number of electors necessary for victory. Because a close overall result is expected, the influence of specific groups of voters, such as minorities, could be decisive, especially in the swing states. Even at this early stage, it is apparent that more money is going to be spent on this year's election campaign than ever before. One of the reasons for this is a new law that allows unlimited amounts of money to be donated to Super PACs and social welfare organizations, where donors will either be named only after the election or not at all. Among other things, the money is used for targeted advertising campaigns in electronic media such as TV and the internet.

Whoever ends up in the White House as of next year, they are going to face enormous challenges in addressing the country's pressing problems. These are unlikely to be resolved unless the deep political differences between Republicans and Democrats can be somehow reconciled.

### **A LONG-DRAWN-OUT NOMINATION CAMPAIGN**

After a year of battles for the Republican nomination that included a total of 27 debates between the various candidates, attention has now shifted to Election Day on 6 November 2012.<sup>1</sup> The key phase of the election has not yet begun – the majority of Americans will not start to take any real interest until September at the earliest and will only become fully engaged in October. As a result, and not without good reason, some commentators were suggesting at the beginning of the year that it would be a good idea to put a stop to the debates.<sup>2</sup> At that time the Republican Party had at least five different “declared” favourites – Mitt

1 | According to some counts there were only actually 20 debates. The difference lies in the fact that not all candidates took part in all 27 debates.

2 | Interview with David Gregory at *NBC's Meet the Press*: “We’ve got to stop the debates.” In Jennifer Epstein, “McCain: End ‘mud wrestling’ debates”, *Politico*, 29 Jan 2012.

Romney, Rick Perry, Herman Cain, Newt Gingrich and Rick Santorum. Some observers were talking sarcastically about the latest “flavor of the month.”<sup>3</sup> The list of potential candidates was considered to be generally weak, which did not help the Republican Party’s standing in the eyes of the public.

Republican strategists were particularly concerned that the nomination campaigns were becoming increasingly hostile.<sup>4</sup> Initially the Republicans had hoped that a long campaign would attract public attention to the party and therefore act as a platform for mobilising the base, and in particular major donors.<sup>5</sup> However, the negative campaigning of the various Republican candidates in the run-up to their own election threatened to weaken all of them. The concern was that the victor would emerge from the contest with his own image too tarnished to have a chance of succeeding against Obama. This is why Romney supporters such as Senator Lindsey Graham called for an end to the debates.<sup>6</sup> However, other supporters of Mitt Romney, such as the former presidential candidate Senator John McCain, were of the opinion that the weaknesses of all the candidates would be adequately discussed well before the election itself, so their impact would actually be minimised.<sup>7</sup> A long nomination campaign would also ensure that the strongest candidate emerged in the end.

3 | See for example Liz Marlantes, “Herman Cain: ‘Black Walnut’ flavor of the month?”, *Christian Science Monitor*, 13 Oct 2011; Christian Heinze, “Will Santorum be the next flavor of the month?”, *The Hill*, 26 Oct 2011; Tierney Sneed, “Is Newt Gingrich the Next GOP Flavor of the Month?”, *U.S. News and World Report*, 11 Nov 2011.

4 | Cameron Joseph, “Long, damaging presidential primary has GOP considering changes to its rules”, *The Hill*, 24 Feb 2012.

5 | The delegate votes were awarded on a proportional basis during the early part of the campaign up to April, then after that on the principle of “winner takes all”. This made for a long drawn out decision-making process. States which did not hold their primaries at the beginning of the year continued to be relevant, while lesser-known candidates were able to become known nationally, even if they had no significant financial resources.

6 | Even if the debates themselves did not damage a candidate’s favourable ratings, but rather the advertising campaigns that at times bordered on slanderous, and where the Super PACs plumbed new depths. Jane Mayer, “Attack dog”, *New Yorker*, 13 Feb 2012.

7 | Präsident Obama’s team have created countless commercials that exclusively use quotes from Mitt Romney’s former opponents in order to attack him.

## THE UNPOPULAR FRONTRUNNER

In the end the candidate who prevailed was not necessarily the one who commands the most support amongst Republicans. However, Mitt Romney was seen as the candidate with the best chance of defeating President Obama. The long nomination battle also served to highlight the internal splits within the Republican camp. The Democrats were in a similar situation four years ago. After the fierce arguments that raged between the supporters of Barack Obama and Hillary Clinton, the party seemed to be deeply divided.



The “lesser of two evils”? The Republicans did not welcome Mitt Romney everywhere as enthusiastically as these supporters in Arizona in December 2011. | Source: Gage Skidmore (CC BY-SA).

However, in contrast to the Democrats in 2008, who in the end united behind Obama and proudly went into the presidential elections with their first African-American candidate ever, the Republicans regard their own candidate Romney as much more controversial. While he was governor of Massachusetts he was pro-choice (i.e. he accepted abortion), recognised climate change as scientific fact, and was in favour of healthcare reform – all positions that would have clearly disqualified any other Republican candidate, especially amongst the more conservative wings of the party.<sup>8</sup> Romney is simply not conservative enough

8 | There have been many cartoons showing the Republican “bride” being reluctant to enter into an “arranged” marriage with Romney.

for many Republicans. In the end, after all those months of campaigning, the Republicans were forced to accept the lesser of two evils and choose Romney instead of a candidate like Santorum, who would have attracted more support from the grassroots of the party but who possibly had less potential to defeat Obama. However, the Republican grassroots will be just as motivated to turn out to vote in November to try to prevent Obama's re-election as Obama's supporters were four years ago when they rallied for their candidate. Republican Representative Trent Franks summed up the situation like this: "There are some conservatives who are not ready to trust Mr Romney to do the right thing, but they all trust President Obama to do the wrong thing."<sup>9</sup>

### **HARSH RHETORIC AMONGST THE CANDIDATES**

Despite the fact that the majority of Americans are not yet taking any real interest in the election campaign, for months now both camps have been trying to present the voters with a negative picture of their opponents before the latter can start cultivating their own positive images. And they have not been pulling any punches. While the Republicans like to vilify Obama as a communist Muslim from Kenya, Democrat election strategists are happy to portray Romney as a ruthless locust capitalist.<sup>10</sup>

During the nomination campaign, rival Republican candidates mostly limited themselves to attacking Romney's flip-flopping on the above-mentioned fundamental issues of abortion, climate change and healthcare. However, the rhetoric started to become increasingly strident as time went by. When Newt Gingrich (and ultimately all of Romney's

9 | Laurie Kellman, "Conservatives and Romney work at working together", Associated Press, 7 Jun 2012.

10 | Radical representations of President Obama by his opponents tend to focus on his alleged birth in Kenya and his supposed adherence to the Muslim religion. This was also the case four years ago. The most famous proponent of the theory that Obama was born abroad, something that would automatically disqualify him from the office of U.S. President, is the prominent multi-millionaire Donald Trump. As had been the case four years earlier, Governor Romney's own Mormon beliefs also indirectly became the focus of attention amongst opponents within the party during the Republican primaries, but stopped being the subject of debate as soon as he was declared the Republican presidential candidate.

rivals) saw his progress being stopped in its tracks by the Romney-supporting Super PAC Restore our Future, he not only attacked the Super PAC, but also criticised Romney's work with Bain Capital, the investment company Romney set up in the 1980s. The Winning Our Future Super PAC, which supported Gingrich, broadcasted a video *When Mitt Romney Came to Town* in which it portrayed Romney's wealth as having been built at the expense of small and medium-sized companies and workers' jobs. In doing so, they were attacking what many see as Romney's core competence: his experience in private enterprise. Gingrich was harshly criticised by his own party colleagues for adopting a polemic, anti-capitalist tone that was normally only heard from the other political camp or the Occupy Wall Street movement,<sup>11</sup> and for damaging Romney within his own camp. However, it also became clear at that time that Romney's strength was also potentially his greatest weakness: the fact that he belongs to a privileged financial elite, who, in the eyes of many Americans, know nothing about the lives of ordinary people.

#### **ROMNEY: RUTHLESS CAPITALIST OR MR FIX IT?**

In the end, Gingrich's polemic failed to pay off, but he gave an interesting taste of what is to come over the next few months. Obama's team began attacking their opponent's perceived strengths at a fairly early stage. This

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is a clear sign that Obama's camp recognised early on in the campaign that they had a real fight on their hands. For a significant proportion of the population, beating the current economic crisis is and is likely to remain the most important criterion for choosing the next president; thus, in theory Romney's background should give him a natural advantage.<sup>12</sup>

11 | Jonathan Easley, "Newt Gingrich: Bain Capital 'undermined capitalism,' killed jobs", *The Hill*, 10 Jan 2012.

12 | At the end of May, 52 per cent of the population considered the economy to be the most important issue, with 18 per cent believing the country's debts were more important, and 14 per cent opting for healthcare as the key issue. Terrorism with five per cent, illegal immigration with four per cent and the situation in Afghanistan with 3 per cent were considered to be much less important issues. *CNN/Opinion Research Corporation*, 29-31 May 2012.

No other candidate was able to demonstrate such breadth and depth of success and experience in both politics and business in order to present themselves as a genuine potential knight in shining armour. After Romney had learned the ropes at Boston Consulting Group and Bain & Company, he set up the private equity firm Bain Capital in 1984 and became a multi-millionaire. In the meantime he was involved in the financial rescue plan for the Winter Olympic Games in Salt Lake City, became governor in the normally pro-Democrat state of Massachusetts and did a credible job of campaigning against the more experienced Senator John McCain in the Republican presidential primaries four years ago. With this kind of background, his candidature ought in theory be quite promising. Within the last four years, Romney has also made public appearances in many different states and helped to collect donations for other candidates. In doing so he has not only built up support but has also developed important networks within the party.

However, his financial acumen is probably the only area where Romney can really score and win over independent voters from Obama, and those voters will ultimately decide the outcome of the election. The U.S. President can safely assume that Romney will not go after him too aggressively on the Affordable Care Act healthcare reforms (also generally referred to as "Obamacare"), climate legislation or the issue of abortion, as Romney's position on these issues was formerly almost identical to that of Obama, or may even have inspired him.<sup>13</sup> Obama will therefore do his best to remind the Republican grassroots about Romney's past. Like Newt Gingrich, he is also happy to attack Mitt Romney as a ruthless capitalist in order to discredit him amongst independent voters.

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### **IMAGE CAMPAIGN: SOLYNDRA VS. BAIN**

PR strategists on both sides are trying to systematically dismantle their opponent's image. Obama has no idea about how the economy works (Romney: "Obama doesn't get it" and is "hostile to business"), he wants to raise the

13 | Steve LeBlanc, "In Mass., Individual Mandate Sparks Little Outcry", Associated Press, 6 Jun 2012.

taxes of “job creators”, thus threatening growth and jobs (Obama, the “jobs destroyer”). Not only that, he is wasting the government’s scarce financial resources by providing subsidies to his campaign donors (key word: Solyndra – a solar company that received 500 million dollars in subsidies, but later went bankrupt).<sup>14</sup> Romney, as a top earner, simply has no interest in the problems of ordinary people and is happy to stand by and watch the American automotive industry go bust, at the cost of thousands of jobs, just as long as somebody is making a profit out of it (keyword: Bain Capital – Romney’s investment company, which made its profits by buying up and dismantling ailing companies).<sup>15</sup> Instead he is happy to help his supporters on Wall Street with financial packages for the banks and to pursue ideas that have already been shown to be no good, the “same bad ideas” as those of his predecessor George W. Bush, who was ultimately to blame for the debt and financial crisis in the first place.<sup>16</sup>

Based on these references to Solyndra and Bain, the clear messages from the respective campaigns can be summed up as follows: a waste of taxpayers’ money and growing interference by the state (which Republicans like to describe as “socialism”) on the one hand, and naked greed on the other, while at the same time asking the voters: so who would you trust with the economy?<sup>17</sup>

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At the end of the day, the result of the election will depend to a large extent on just how the voters interpret the presidential elections. Will they see it as a referendum on the

14 | Philip Rucker and Nia-Maliika Henderson, “Romney clinches nomination, attacks Obama on Solyndra, but Trump steals the spotlight”, *Washington Post*, 29 May 2012; Seth McLaughlin, “Romney: Obama didn’t risk much in Solyndra – taxpayers did”, *Washington Times*, 1 Jun 2012; Scott Powers, “Romney at Florida fundraiser: Obama doesn’t get it”, *Tampa Bay Times*, 12 Jun 2012.

15 | Jon Ward, “Obama Campaign Says Romney, If President, Wouldn’t Want To Reduce Joblessness”, *Huffington Post*, 16 May 2012.

16 | Amie Parnes, “President attempts to re-energize campaign with attack on Romney”, *The Hill*, 12 Jun 2012; Ken Walsh, “George W. Bush’s endorsement could hurt Romney”, *U.S. News Weekly*, 1 Jun 2012.

17 | Ben German, “Bain, Solyndra now center stage in Romney, Obama economic fight”, *The Hill*, 31 May 2012.



President's policies to date, or as a simple choice of political direction for the country? Romney's strategy is to portray the election as a referendum on Obama's time in office and on whether he has fulfilled his promises. It is to Romney's advantage that there is generally more focus on the incumbent president who is seeking re-election. Having said that, it can be very difficult to defeat a sitting president.

Mitt Romney is calling on the voters to answer the same question that Ronald Reagan asked: "Are you better off than you were four years ago?". Romney is hoping that, in light of the poor economic situation, the answer to this question will be to the President's disadvantage.

For his part, President Obama wants to contrast Romney's refusal to provide state support for the automotive industry during the 2008 crisis with his own policies that have helped the industry to get back on track. However, the economy is not an area where Obama can really score a lot of points. 55 per cent of Americans believe that the economy would be in better shape in four years' time if Romney were in charge, while only 46 per cent feel the same about Obama.<sup>18</sup> For this reason, Obama is also trying to highlight their differences in other areas. Perhaps the best example of this approach was Obama's TV ad, which questioned whether a President Romney would have given the order for the successful operation against Osama bin Laden.<sup>19</sup>

### THE IMPORTANCE OF THE SWING STATES

**Observers believe that Obama will not be able to hold on to all swing states he won in 2008.**

Obama currently has a very small lead in national polls and it is expected that this year's election will be a close-run affair. This is why the swing states, where neither party can be considered an automatic winner, are so important. Observers believe that Obama will not be able to hold on to all the states he won in 2008.<sup>20</sup> On that occasion he won the swing states of Colorado, Florida, Iowa, Nevada, New Hampshire, North Carolina, Ohio, Virginia and Wisconsin, accumulating in the

18 | "More Americans See Better Economic Future Under Romney Than Obama", *Gallup Institute*, 17 May 2012.

19 | Ari Melber, "On YouTube, Obama Campaign Plays bin Laden Card Against Romney", *Huffington Post*, 27 Apr 2012.

20 | Charlie Cook, "Flip a coin", *National Journal*, 24 May 2012.

process 110 of the 270 votes needed for a majority in the Electoral College. However, in both of the previous elections, six of these states went to George W. Bush. At the moment Obama is also ahead in the Electoral College, with 15 states and the capital, the District of Columbia, likely to vote for him, giving him 196 votes. For his part, Romney can currently count on 21 states and 170 votes in the Electoral College. If we also add in the electors from various states that appear to be leaning towards one or the other of the candidates, then Obama leads by 237 to 191 votes. Therefore, the campaigns are likely to be hardest fought in those states where the winner cannot yet be predicted: Colorado, Florida, Iowa, Nevada, New Hampshire, North Carolina and Wisconsin. The states of Ohio and Virginia are also worth mentioning, as the Republicans made significant gains in these states in the House of Representatives and gubernatorial elections in 2010 and now have seven of the nine governors there.<sup>21</sup> So it is no surprise that Obama chose Ohio and Virginia for his first official election campaign appearances. Obama has a significant head start in Ohio and Florida when it comes to mobilising his voters.<sup>22</sup>

In Florida alone, the President has already set up 27 local offices, with around 100 paid election staff and thousands of volunteers. At the beginning of June there were 194 campaign events organised for Obama around the city of Tampa, while Romney's website didn't show a single event within 50 kilometres of the city.<sup>23</sup> Since April, six high-ranking government officials have made a total of 85 campaign visits to the nine most hotly-contested states.<sup>24</sup> This is where the battle for voters' support will be concentrated in the coming months. Five months before the election itself, Obama and Romney had already spent 87 million U.S. dollars on TV advertising in

**Obama and Romney have already spent 87 million U.S. dollars on TV advertising in just a few swing states, more than ever before at this stage of a presidential election campaign.**

21 | Chris Cilizza, "The 9 swing states of 2012", *Washington Post*, 16 Apr 2012; Charles Mahtesian, "Hard vs. soft swing states", *Politico*, 7 May 2012; Chris Cilizza and Aaron Blake,

"President Obama starts with edge on inaugural Fix Electoral College map", *Washington Post*, 17 May 2012.

22 | Paul Kostyu and Jane Prendergast, "Obama leads in Ohio field offices", *Cincinnati Enquirer*, 3 Jun 2012.

23 | Adam Smith, "Mitt Romney ramping up campaign in Fla", *Tampa Bay Times*, 1 Jun 2012.

24 | Darren Samuelsohn, "Obama's Cabinet members mix policy, politics", *Politico*, 7 Jun 2012.

just a few of these swing states, more than ever before at this stage of a presidential election campaign.<sup>25</sup>

Even if Obama does not need to win all of these states in order to get back into the White House, he can still benefit from the fact that economic recovery is progressing faster in some of the states than in the rest of the country. The Republican-led states would also like to claim that it is they who are responsible for this success.<sup>26</sup> Overall, it is not yet clear which is most important to the voters: the situation in an individual state or the economic situation in the U.S. as a whole.

### THE IMPORTANCE OF INDIVIDUAL VOTER GROUPS

Even if Obama and Romney are concentrating first and foremost on economic issues in their campaigns, they seek to appeal to specific voter groups at the same time. This is the case with certain hot topics such as student loans, immigration reform, healthcare reform, paying for contraception, religious freedom and same-sex marriage. Because the election in November is expected to be close, individual voter groups with a vested interest in these sorts of issues have become even more important.

#### **Obama is trying to maintain support of younger voters by guaranteeing favourable interest rates on student loans.**

President Obama won over a significant majority of younger voters four years ago. While some observers warn that the enthusiasm of the young is waning, Obama is attempting to maintain their support with legislation to guarantee favourable interest rates on student loans. Obama and his wife only managed to pay off their own student loans eight years ago.<sup>27</sup>

Four years ago, Obama also attracted significant support amongst minorities, especially Latinos. Even though he has made little progress on immigration reform, he can point to legislation passed by Republican politicians in individual

25 | Beth Fouhy and Thomas Beamont, "Presidential ad spending hits \$87 million", *Associated Press*, 31 May 2012.

26 | White, "Swing states' economic recovery could help Obama in November", *Politico*, 1 Jun 2012; Michael Cooper, "9 Swing states, critical to Presidential race, are mixed lot", *The New York Times*, 5 May 2012.

27 | Jeff Scheid, "Obama urges crowd to stand against doubling of student loan", *Las Vegas Review Journal*, 8 Jun 2012.

states, where stricter immigration policies are not popular with Latinos. Romney's team is aware of this problem and is working to improve his image amongst Latinos with the help of Senator Marco Rubio from Florida. Some observers believe that the recently elected Rubio, son of a Cuban immigrant and one of the young rising stars of the Republican Party in one of the most important swing states, also has a good chance of being a potential candidate for Vice President.<sup>28</sup> However, it is not clear whether his success story makes him generally popular with all Latinos, as the Latino minority is anything but a homogeneous group. The social situation of the Cuban community, who for the most part entered the country legally, is not the same as that of the often illegal immigrants with, say, Mexican or Guatemalan roots. The latter are particularly interested in the legalisation of illegal immigrants. Rubio is proposing an alternative to the DREAM Act, the Democrat legislation aimed at legalising illegal immigrants. According to Rubio, it should be predominantly young illegal immigrants that are given an opportunity to stay in the USA for training and education. However, this proposal is considered controversial amongst Latino voters.<sup>29</sup>

Obama's support amongst the African-American community has declined, though a clear majority will still vote for him. The Republicans, for their part, are happy to remind the African-American people that there has been no improvement in the unemployment situation for this particular group during Obama's presidency.

Four years ago, President Obama attracted significantly more support from women than his opponent Senator John McCain. A recent debate over contraception played to Obama's advantage in the battle to secure women's votes. A new law stipulates that health insurance provided by employers must also cover the cost of contraceptives. The Catholic Church refused to accept this ruling for church institutions. A compromise put forward by Obama proposed that the costs be carried by the insurance companies themselves. The Church interpreted this as illegal interference by the state and an attack on religious freedom, so

28 | Daniel Drucker, "Marco Rubio prepared for role as Mitt Romney surrogate", *Roll Call*, 10 May 2012.

29 | Manu Raju, "Could Rubio plan lead to citizenship?", *Politico*, 20 Apr 2012.

it rejected the compromise. Obama was then faced with a debate initiated by the Republicans on the subject of religious freedom and exceeding state authority. However, Obama's staff were able to successfully present the debate as an attack on women's health rights and so gain support from women's groups.

The public debate escalated when one of the best-known conservative radio show hosts, Rush Limbaugh, called a female student a 'slut' in front of millions of listeners, because she was demanding that the cost of contraceptives should be covered by her health insurance. The student was invited by Democrats to participate in a Congressional hearing on the subject, but was prevented by Republicans from taking part. The experts they invited were exclusively men. Mitt Romney did not use the opportunity to clearly distance himself from Limbaugh's choice of words and so missed a chance to improve his ratings among women in particular. His campaign now relies increasingly on his wife Ann to show he has a more human side and to help him gain ground with female voters. This strategy appears to be paying off. At least over recent weeks Romney has begun to gain more popularity with female voters, even if Obama still has the majority of their support.<sup>30</sup>

Meanwhile, Romney is ahead with those sections of the population that mostly supported John McCain: whites and older Americans, especially those from working class backgrounds or without a university degree. These groups represent a significant number of voters in important states such as Ohio, Pennsylvania and Michigan. Romney's message that Obama will drive the country to ruin and destroy the economy goes over well in these states. At the same time, he is happy to praise Bill Clinton, as many people in these groups used to support him and Romney is hoping he can associate himself with him in their minds.<sup>31</sup> Obama, for his part, likes to refer to Ronald Reagan by suggesting that the Republicans today are well to the right of where their popular icon stood.<sup>32</sup>

30 | Emily Schultheis, "ABC/WaPo poll: Romney shows gains among women", *Politico*, 30 May 2012.

31 | Reid Epstein, "Mitt Romney's Bill Clinton strategy", *Politico*, 17 May 2012.

32 | Peter Baker, "Clinton and Reagan Draw Praise (but Not From Whom You'd Think)", *The New York Times*, 18 May 2012.

The other important group, whose backing Romney can increasingly rely on, are the religious voters. For them it is not only religious freedom that plays an important role in the current debate, but also the issue of equal rights for homosexual couples. The debate on this issue was triggered by a statement made by Vice President Joe Biden that had not been cleared by the Obama administration. In a TV interview Biden spoke out in favour of same-sex marriage. In doing so he put Obama on the spot, as at that point he had not made a statement on the issue. Some observers believe that Obama wanted to wait until after the election before making his position clear on this issue. To be fair, he had already campaigned for the rights of homosexuals in the military and abolished the "don't ask, don't tell" principle, which meant that soldiers could now serve in the U.S. military without fear of being discharged if their homosexual orientation became known. When Biden said what he did, Obama was forced to adopt a clear position on the issue and this played to Romney's advantage within his own camp. Social conservative voters, who may have had reservations about the Republican voters, now had another reason to vote against Obama in November.<sup>33</sup>

**Obama had campaigned for the rights of homosexuals in the military and abolished the "don't ask, don't tell" principle.**

The issue also created a stir on the left of the party. It is not yet clear whether or not independent voters and members of the middle class in important states such as Colorado, Ohio and Virginia are actually in favour of this liberal policy. Until now, all attempts in some swing states to have same-sex marriage declared legal by referendum have failed. Even minorities such as African-Americans and Latinos tend to be against this kind of legalisation.<sup>34</sup>

## **THE INFLUENCE OF THE TEA PARTY**

At the moment it is unclear just how much influence the Tea Party movement has amongst Republicans. The key issue for the Tea Party is limiting government spending, a topic they have helped put in the public spotlight. The

33 | Emily Schultheis, "Mitt Romney's opposition to gay marriage unites base", *Politico*, 11 May 2012.

34 | Thomas Beaumont, "Gay marriage adds complexity in swing states", *Associated Press*, 10 May 2012.

Tea Party's high point as a protest movement came in the summer of 2010 with their campaigns against healthcare reform and economic stimulus packages. Their influence was also reflected in the November 2010 election results, when many of the candidates supported by the Tea Party were elected to Congress.

However, the Tea Party's influence is currently on the wane. Their attempts to block the raising of the debt ceiling in summer 2011, which brought the country to the brink of insolvency, apparently cost the Tea Party much support. Meanwhile, more and more Republicans in Congress are refusing to sign the Taxpayer Protection Pledge, which the fiscal conservative Grover Norquist, who is close to the Tea Party, expects all Republicans to sign. By signing this Pledge, they are making a commitment that they will not raise taxes under any circumstances. Even closing tax loopholes would constitute raising taxes as far as the Pledge is concerned, unless the revenues generated from this were used to fund tax cuts. All the potential presidential candidates, 13 governors, 40 of the 47 Republican Senators and 236 of the 247 Republican members of the House of Representatives have signed the Pledge. But this did not happen

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overnight. As President of Americans for Tax Reform, Grover Norquist has been trying for over 25 years to persuade Republican representatives, especially in state governments, to sign such a pledge. He has been holding meetings every Wednesday for years now to bring together promising candidates and rising politicians with (financial) backers and lobbyists. Thanks to an early alliance with the influential Republican strategist Karl Rove he has been able to help position the Republican Party as an "anti-tax party" for some time now.<sup>35</sup>

However, there have been a growing number of Republicans in recent times who have openly rejected Norquist's radical ideas on taxation. At the beginning of June, the former governor of Florida, Jeb Bush, criticised the direction the party was taking. According to him, neither his father President George H. W. Bush, nor President Ronald

35 | Tim Dickinson, "Grover Norquist: The billionaires' best friend," *Rolling Stone*, 24 Nov 2011.

Reagan – both icons for Tea Party supporters – would have been nominated by the party's conservative base today. Jeb Bush was speaking out in favour of the policies adopted by his father, who had broken his promise not to raise taxes in order to reduce the deficit.<sup>36</sup> The Republican senator Lindsey Graham then suggested that there should be a debate on closing tax loopholes as one of the means of reducing the government's 16 trillion U.S. dollar debt.<sup>37</sup> A number of recently-elected members also advocated distancing themselves from the Pledge or not being bound by it in the future.<sup>38</sup> Of the 25 Republican candidates who have a realistic chance of being elected for the first time in November, one-third do not intend to sign the Tax Pledge.<sup>39</sup>

**Of the 25 Republican candidates who have a realistic chance of being elected for the first time in November, one-third do not intend to sign the Tax Pledge.**

The fact that the Tea Party does still wield some influence can be seen in the fact that Richard Lugar recently failed to be nominated as a candidate for the Senate elections in November. In an internal selection process this year, the long-serving, moderate Republican senator from Indiana lost to a Tea Party candidate. As a result, the ranks of Republicans in the Senate who are willing and able to cooperate with the other side are being slowly thinned out. Lugar's successor Richard Mourdock, who has a good chance of defeating his Democrat challenger in November, has already made his idea of a political compromise perfectly clear: the Democrats should adopt Republican positions.

The public are becoming increasingly unhappy about this kind of polarisation, which cannot be blamed on the Tea Party alone.<sup>40</sup> The equally long-serving Republican senator Olympia Snowe from Maine made it clear at the beginning

36 | Jim Rutenberg, "Jeb Bush Questions G.O.P.'s Shift to the Right", *The New York Times*, 11 Jun 2012.

37 | Lindsey Graham: "And if I'm willing to do that as a Republican, I've crossed a rubicon." In: Justin Sink, "Sen. Graham: GOP should break with Norquist tax pledge", *The Hill*, 12 Jun 2012.

38 | Kate Nocera, "GOP rookies buck Grover Norquist," *Politico*, 17 May 2012.

39 | Rosalind Helderman, "GOP showing small shifts on taxes", *Washington Post*, 25 May 2012.

40 | Cf. Stefan Burgdörfer, "Partisan Media in the US. Danger or Opportunity for the Political Culture?", *KAS International Reports*, 6/2012, <http://kas.de/usa/en/publications/31268> (accessed 20 Jun 2012).



of the year that she did not wish to stand for re-election, and blamed the growing polarisation within politics for her decision.

### NEW RECORDS SET FOR CAMPAIGN FINANCING

**The presidential campaigns of the two candidates will swallow up well over a billion dollars in total. A large part of this money will be spent on aggressive negative advertising.**

One thing is already certain: this campaign will set new records for donations and spending. The presidential campaigns of the two candidates will swallow up well over a billion dollars in total. And a large part of this money will be spent on aggressive negative advertising.

Both candidates are already successful fund-raisers. Obama is also the first U.S. politician to attract over a billion dollars in donations during the course of his 9-year political career.<sup>41</sup> In the latest campaign, the two candidates are neck-and-neck when it comes to gathering donations. By mid-May, the Democrats had collected at least 547 million U.S. dollars from groups and organisations that support the party, while the Republicans and their Super PACs (see below) have managed to bring in at least 462 million U.S. dollars.<sup>42</sup> In May, Obama's campaign and the Democratic National Committee (DNC) once again increased their month-on-month income from contributions, from 43.6 to 60 million U.S. dollars.<sup>43</sup> Romney and the Republican National Committee (RNC) almost succeeded in closing the gap in April with campaign contributions hitting 40.1 million U.S. dollars, and in May for the first time they outdid Obama's fundraising machine by proudly pocketing 76 million U.S. dollars.<sup>44</sup> However, the Obama campaign was quick to point out that of the 572,000 contributors in May, more than 147,000 were giving money for the first time. 98.5 per cent of these donations were worth 250 U.S. dollars or less, with an average contribution of 54.95 U.S.

41 | Neil Munro, "Obama tops \$1 billion in career political contributions", *Daily Caller*, 24 May 2012.

42 | Nicholas Confessore, Jo Craven McGinty and Derek Willis, "Romney Narrows Obama Fund-Raising Edge", *The New York Times*, 22 May 2012.

43 | Meghashyam Mali, "Obama camp, Dems raise \$60 million in May", *The Hill*, 7 Jun 2012.

44 | Jim Kuhnhenn and Ken Thomas, "Romney and GOP raise more than Obama and Democrats", *Associated Press*, 7 Jun 2012; Callum Borchers, "Mitt Romney outraised President Obama in May", *Boston Globe*, 8 Jun 2012.

dollars.<sup>45</sup> In the preceding months, 44 per cent of contributions had been less than 200 U.S. dollars.<sup>46</sup>

In this latest election cycle, the Super PACs are a new factor whose impact should not be underestimated. Super PACs can raise unlimited sums of money from individuals, unions and corporations and use this money to support presidential candidates; however they are prohibited from donating this money directly to the candidates. These new kinds of Political Action Committees only became possible thanks to a verdict by the Supreme Court. The outcome of the case known as Citizens United vs. Federal Election Commission relating to freedom of expression as set forth in the constitution now allows these committees to raise unlimited sums of money on the condition that these PACs act independently and without any consultation with the candidates' campaign teams. However, this basic condition has already led to questions and controversy about how it is implemented in practice.<sup>47</sup>

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In the race for the Republican nomination, it was mainly individuals who took the lead, using their private fortunes to extend the campaigns of Newt Gingrich and Rick Santorum.<sup>48</sup> The hotel and casino magnate Sheldon Adelson pumped 21 million U.S. dollars of his own money into the Gingrich campaign and has recently donated another 10 million U.S. dollars to the Restore our Future PAC that supports Mitt Romney.<sup>49</sup>

The indication is that the Super PACs will play an equally major role in the race for the presidency and the concurrent Congressional elections. Republican Super PACs and similar 501(c)4 non-profit-making organisations made

45 | Meghashyam Mali, "GOP 12: Obama, DNC raise \$60 million in May", *The Hill*, 7 Jun 2012.

46 | Peter Nicholas and Erica Orden, "Clooney Event Taps Big, Small Donors", *Wall Street Journal*, 10 May 2012.

47 | The difficulties of upholding this rule have been satirised on Stephen Colbert's popular show: "Colbert & Stewart Get Last Laughs on Super PAC", *Huffington Post*, 8 Feb 2012.

48 | Timothy Noah, "Crankocracy in America", *New Republic*, 29 Mar 2012.

49 | "Sheldon Adelson is back on the market with talk of giving at least \$1 million – and possibly much more – to the Mitt Romney-affiliated Super PAC Restore Our Future." Kenneth P. Vogel, *Politico*, 7 Jun 2012.

**Although most of the U.S. states oblige Super PACs to publish the names of their contributors, this will not necessarily happen shortly before the elections.**

up of prominent people such as policy advisor Karl Rove, the Koch brothers and Tom Donohue of the U.S. Chamber of Commerce are planning to contribute around a billion dollars to the Presidential and Congressional campaigns. Organisations close to the Koch Brothers alone are planning donations of 400 million U.S. dollars.

It is also increasingly significant that these individual contributors are doing their best to remain anonymous. Although most of the U.S. states oblige Super PACs to publish the names of their contributors, this will not necessarily happen shortly before the elections. Donors who want to remain anonymous have another possible avenue for making campaign contributions. Organisations such as Karl Rove's Crossroads GPS enjoy a tax-free status (501(c)4) because they are non-profit-making social welfare organizations and are hence not obliged to reveal the names of their supporters.<sup>50</sup> During the mid-term elections of 2010, these organisations had a greater financial influence than the better-known Super PACs. The latter contributed a total of 65 million U.S. dollars compared to 95 million from the social welfare organizations.

In the past, the Obama campaign team was opposed to using groups like Super PACs and the social welfare organizations to support their campaign, aside from the Republican success that this kind of unilateral "disarmament" would be likely to provide. Democrat-supporting billionaires and big donors such as George Soros have also tended to hold back so far this year. Although in May Soros donated two million dollars to two Super PACS, this sum is a drop in the bucket compared to the 23 million that he contributed to George W. Bush's campaign in 2004. It is therefore hardly surprising that during a fund-raiser at the end of June President Obama warned that for the first time in history it was possible for a presidential challenger and his supporters to raise more money in campaign contributions than the incumbent president. In this he was certainly expressing the realities of the present moment, but at the same time he was using it to put pressure on his reluctant donors.<sup>51</sup>

50 | Jonathan Weisman, "Scrutiny of Political Nonprofits Sets Off Claim of Harassment," *The New York Times*, 6 Mar 2012.

51 | Stephen Dinan, "Obama: I will be outspent," *Washington Times*, 26 Jun 2012.

All in all, these opportunities for unlimited donations just lead down an extreme route where rich individual donors can turn the spotlight on particular issues and messages that are important to them without having to personally make the necessary political compromises.

### **AN ELECTION CAMPAIGN FOUGHT OUT ON OUR SCREENS**

Record amounts of money will be spent this year on online advertising. Analysts from ClickZ estimate that Obama will spend a total of 35 million dollars on internet advertising in this cycle.<sup>52</sup> That would be 19 million U.S. dollars more than the record amount spent in 2008. According to comScore, no Republican can even come close to matching him in this area of activity.<sup>53</sup> However, all this investment in internet advertising will not automatically be at the expense of TV. TV debates have already played an important role this year. They ended the hopes of the governor of Texas, Rick Perry, who was not able to sell himself on TV particularly well. His candidature came to an end in great part due to his blunder during a live debate. Newt Gingrich, on the other hand, profited greatly from the TV debates. At first, his prospects looked weak, mostly because he lacked sufficient funds to mount a sustained campaign with effective advertising despite the Adelson donations, and because of huge problems within his campaign team. And yet he was able to shine in the debates and at various times was seen as the frontrunner. In the end, it was Romney's massive use of TV advertising that allowed him to defeat first Gingrich and then Santorum.

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Both sides, Obama and Romney, are clearly making every effort to ensure that their message is the one that dominates the election campaign before the summer break.<sup>54</sup> It is to be expected that expenditures on TV advertising will rise again dramatically in autumn. The Democratic Con-

52 | In particular for "display ads, paid search, audio, video and email".

53 | Alicia Cohn, "Social media ad spending in 2012 expected to more than double compared to 2008", *The Hill*, 15 May 2012.

54 | Beth Fouhy and Thomas Beamont, "Presidential ad spending hits \$87 million", *Associated Press*, 31 May 2012.

gressional Campaign Committee alone has already invested 46.3 million U.S. dollars in TV campaign commercials, which will be shown from the beginning of September onwards, and has reserved another 19 million U.S. dollars worth of additional airtime as well.<sup>55</sup>



During the hearings in front of the Supreme Court in March 2012 a demonstrator shows what he regards the U.S. president's health-care reforms as: socialism. | Source: majunznk/flickr (CC BY-ND).

## ELECTION PROSPECTS

It is, of course, much too early to make any definitive predictions on President Obama's chances of re-election. At the moment it looks as though it's going to be a close race. The U.S. economy is only growing very slowly, and an unemployment rate of nine per cent is not especially encouraging. The Democrats in particular are also concerned about developments in Europe. The impact of the crisis in Europe on the American economy could further damage Obama's chances of success.<sup>56</sup> Added to this is the fact that his biggest legislative successes – healthcare reform and the economic stimulus package of 2008 – have divided public opinion.<sup>57</sup> His healthcare reforms were recently examined by the Supreme Court, but their recently published ruling confirmed that the reforms were not unconstitutional.

55 | Shira Toeplitz, "DCCC Reserves \$19M Worth of Airtime", *Roll Call*, 6 Jun 2012.

56 | "Obama, Merkel, Monti talk on strengthening eurozone: WH," *Agence France Presse*, 7 Jun 2012.

57 | Josh Kraushaar, "Obama The Underdog", *National Journal Daily*, 9 May 2012.

This applied in particular to the key plank of the legislation, which stipulates that citizens can be compelled by law to purchase health insurance (or pay a fine). Obama can count this as a major success, but the nation is split over the issue. The Court considers the insurance to be a form of tax, which somewhat undermines Obama's initial claim that no new taxes would be levied to pay for the new healthcare legislation. At the same time, the ruling gives Romney the opportunity to criticise the law as a form of tax hike. However, this is difficult for him to achieve since he introduced similar healthcare legislation in Massachusetts when he was governor. Romney hopes to get around this dilemma by suggesting that what is necessary at state level is not necessarily right at national level.

The example of healthcare reform serves to highlight what will be seen as the main problem of Obama's term in office to date. He has simply not been able to overcome the political divide in the country and push through bipartisan projects in Congress. Obama pushed through healthcare reform against Republican opposition, but without making any great efforts to ensure that the reforms enjoyed bipartisan support. Whatever hopes he had of uniting the country across party lines have ended in disappointment, and this may significantly reduce his prospects of re-election.

The state of the country's economy, which will be vital to the outcome of the election, also provides Obama with very little room to manoeuvre. Tax allowances, free trade agreements, extended unemployment benefits, major construction projects and financial assistance for state and local governments have already been implemented, but so far they have not achieved the desired results.<sup>58</sup>

But it will not be the figures that decide the election at the end of the day; it will be the question of how the voters see their country's future. And this will come down to who can best sell his own interpretation of the situation. Will Obama be able to successfully convince voters that many of the country's problems were caused by his Republican predecessor, that he has now got the country back on the right track, and that Romney's policies and outdated ideas

58 | Andrew Taylor, "Few Options Left For Obama On Economy", Associated Press, 6 Jun 2012.

are not what is needed to solve the country's problems? Or will Romney be able to win people over with his message that Obama has hindered the country's economic development through too much state intervention?

Whoever wins in November will have to deal with the fact that the U.S. will face enormous challenges for a long time to come. One of the key issues will be economic recovery and the creation of long-term employment. A great many jobs have been lost in the past, particularly in manufacturing, but these are one of the mainstays of the economy. Another challenge will be reducing the country's debts. Government spending will need to be controlled and tax laws revised. Massive savings will have to be made over the coming years. This will not be possible unless significant cuts are made in defence spending and in public services. The re-integration of veterans who have served in Iraq and Afghanistan presents a significant social challenge. Other major issues include the reform of the country's immigration laws and demographic development.<sup>59</sup> The funding and quality of education is another issue that will have a significant influence on the policies of any future administration.

At the end of 2012 the country is likely to face another crisis. A special commission set up after the debt ceiling was raised last year has not been able to agree on austerity measures, so there will automatically have to be cuts in public spending with the inevitable impact on the economy. At the same time, tax concessions will also come to an end. Forecasts suggest that the budget will once again reach the debt ceiling and there will be calls for the ceiling to be raised again. Experts are talking of a "fiscal cliff".

Overcoming these tremendous challenges will require willingness to compromise on both sides, something that at the moment appears unlikely. Once again, it looks as though the actions of the next government will be influenced at least as much by whoever has the majority in Congress, as by whoever will be conquering the White House.

59 | The majority of children are already being born to Latinos, coloured and Asian Americans so white Americans are slowly becoming the minority. "Whites Account for Under Half of Births in U.S.", *The New York Times*, 17 May 2012.