Overview

No postwar American president has ever won re-election when national unemployment is above 8 percent.¹

The upcoming presidential election will be determined by President Obama’s ability to lay out a positive agenda for the future, and the ability of the Republican nominee to offer America a rousing alternative to the status quo.

The campaigns will be driven predominantly by domestic issues foremost in the minds of American voters, particularly the economy and jobs, and government spending and debt.

President Obama will look for any morsel of positive data to prove to the American people the economy is growing. His ability to communicate his economic agenda will face its greatest test in 2012.

As we begin to look at the 2012 presidential election, we should also look back at previous presidential elections to gain perspective. By reviewing the outcomes, issues and dynamics that faced previous presidential campaigns, we can see what lessons should be learned.

The last time America faced a presidential election like this - with no clear Republican frontrunner, an economy rocked by a deep recession four years earlier, a war and a Republican surge in the midterm elections prior to the presidential contest – it was 1916.

Four years prior in 1912, the Democrats, led by Woodrow Wilson, took control of both chambers in Congress and the White House amid a divided Republican party. Two years later, Republicans rallied during a deep recession, border skirmishes with Mexico,² and selling the European Allies munitions and food.

The prospects for Woodrow Wilson’s reelection looked dim. But in the 24 months following the 1914 midterms, Wilson effectively used the “bully pulpit” to pass his progressive economic plans, and a recovering economy to his advantage.

¹ Real Clear Politics: http://www.realclearpolitics.com/articles/2010/12/22/the_b-plus_president_108318.html

² In Wilson’s first term Mexico underwent multiple revolutions. In both cases the military generals who overthrew the Democratically elected government tried to incite the U.S. into joining the conflict.
Just as important as the recovering economy, Woodrow Wilson tapped into a prevailing feeling among the electorate at the Democrat convention: “He kept us out of war.” This slogan became the rally cry for Democrats. It was also a clear and concise message about the war in Europe that contrasted directly with Republicans and their inability to formulate a clear message regarding a war that had spread around the world.

The Republicans nominated United States Supreme Court Justice Charles Evans Hughes. Hughes’ resume was ideal – he was the former Mayor of New York City and Governor of New York, the largest electoral state at the time.

Missteps by Hughes, a poorly managed campaign and a confusing message about the war ultimately led to Wilson’s narrow reelection. Commenting on Hughes poorly organized campaign, Wilson replied, “Never murder a man who is committing suicide.”

The Republican Field

It’s too early to predict who the Republican nominee will be in 2012, or what their chances of defeating an incumbent President might be, but history provides both parties a road map to follow and gives insight on what to avoid.

Republicans must nominate a strong candidate, their message regarding domestic and foreign issues must be clear, and the campaign must be well managed.

According to a January 5, 2011 Gallup poll, Sarah Palin, Mike Huckabee, Newt Gingrich, Mitt Romney and Ron Paul are the most widely recognized candidates among the Republicans. All other Republican candidates who were tested failed to reach 50% name recognition in the same survey.

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Net Favorable</th>
<th>Recognition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Huckabee</td>
<td>30</td>
<td>87</td>
</tr>
<tr>
<td>Newt Gingrich</td>
<td>24</td>
<td>84</td>
</tr>
<tr>
<td>Mitt Romney</td>
<td>23</td>
<td>84</td>
</tr>
<tr>
<td>Sarah Palin</td>
<td>22</td>
<td>95</td>
</tr>
<tr>
<td>Mike Pence</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>John Huntsman</td>
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<td>21</td>
</tr>
<tr>
<td>Ron Raul</td>
<td>18</td>
<td>73</td>
</tr>
<tr>
<td>Rick Santorum</td>
<td>17</td>
<td>40</td>
</tr>
<tr>
<td>John Thune</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Haley Barbour</td>
<td>15</td>
<td>41</td>
</tr>
<tr>
<td>Tim Pawlenty</td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>Mitch Daniels</td>
<td>11</td>
<td>26</td>
</tr>
<tr>
<td>Gary Johnson</td>
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<td>14</td>
</tr>
</tbody>
</table>

Source: Gallup Poll, January 4-5, 2010
While the strength of their name recognition and favorable ratings give these five candidates an early leg up in the nomination process, none of the above can rightly claim the mantle of GOP frontrunner status.

**So, who will lead the GOP?**

According to a research project prepared by the Bush for President 2000 strategy department, the GOP candidate who meets all three of the below criteria always wins the GOP nomination:

1. Wins the support of the GOP Leadership.
2. Leads in the Gallup Poll by 10 points a year out from the first primaries.
3. Leads in the August Gallup Poll the year before the primaries begin.

Today, less than a year away from the first primaries, none of the candidates enjoy a 10-point lead in any current polls. And it does not appear that any one candidate will have the backing of the GOP leadership structure.

Recently, a noteworthy group of GOP insiders were asked by National Journal magazine to rate which candidate they believed would win the nomination. The results show Mitt Romney with an early lead, Mitch Daniels picking up momentum and moving into second place, closely followed by Tim Pawlenty, John Thune and Sarah Palin.³

This survey of GOP political insiders reinforces the idea that there is not yet a candidate who fits the historical mold of the frontrunner.

Writing for The Wall Street Journal regarding the Republican Presidential field, Karl Rove, who served as Senior Advisor to President George W. Bush from 2001-2007, said, “The contest will gel late in 2011, with the stronger candidates being those who do better at three essential tasks.”⁴

The first Rove said, is to “create a compelling narrative for why Mr. Obama deserves to be replaced. Secondly, why voters should pick him or her as the replacement. And finally where he or she seeks to lead the country.”⁵

**The Effects of the Tea Party**

How the Tea Party of 2010 ultimately affects the outcome of the 2012 GOP nominating process is a topic that will be much discussed between now and next January.

The Tea Party’s involvement in the 2010 midterm elections helped Republicans make major gains by winning control of the House of Representatives in the General Election.

But other groups and political figures associated with the Tea Party, such as the Tea Party Express, Sarah Palin, and various other political action committees, also hurt Republicans. In their attempts to grab the mantle as leader of the Tea Party, they cost Republicans the


chance to gain control of the U.S. Senate by defeating more qualified "establishment" candidates in states such as Nevada, Delaware and Colorado.

To help answer the important question regarding the extent of the Tea Party’s involvement in 2012, I posed this question to a veteran of presidential campaigns and the White House, as well as interviewing a well-respected reporter from a national political publication.

These experts both believe the Tea Party will play a role, but its significance is up for debate. The national political reporter thought the Tea Party could play a role much like other constituencies have played in past elections, specifically, the Social Conservatives organized by Pat Robertson in 1988.

The veteran of former presidential campaigns believes the Tea Party’s electoral strength in picking the nominee would be diminished as multiple factions struggle to lead the organization. But he also believes the core principles of the Tea Party are ultimately Republican principles, and while the group’s electoral strength as a whole may diminish, its beliefs will remain a vital part of Republican campaigns.

The Tea Party’s success in affecting the outcome of the Republican nomination process will largely depend on the state and how that state’s nominating process is conducted.

Eleven states held a Caucus rather than a Primary Election in the 2008 Republican nominating process. Caucuses are open meetings where registered voters (in a predetermined voting district called a "Precinct") attend to cast their vote for their preferred candidate.

Historically caucuses have a lower turnout than a traditional Primary Election, making it possible for active and well-organized groups like the Tea Party to affect the outcome. For example: in the 2008 Iowa presidential nomination process, 119,000 people attended the Republican Precinct Caucuses. In the 2010 midterm election, 229,731 Iowa Republicans participated in the Primary Election for Governor – an increase of 93%.

The Tea Party, like Social Conservatives, could be successful in the Iowa Caucuses if one or two campaigns are able to tap into their energy, build a political organization that has the ability to identify supporters, and turn those supporters out to their Precinct Caucus. In the 2010 Republican primaries, Tea Party members voted in a near-monolithic block. To date, Tea Party voters have yet to unify behind a single presidential candidate.

In states that have an Open Primary – meaning any registered voter can participate in the political party primary of their choice – the Tea Party’s role will be very difficult to predict.

For example: in the 2008 Florida Republican Presidential Primary, nearly 2 million voters participated. Two years later in the off-year Primary for U.S. Senate, only 1.3 million voters participated. It’s that increase of voters between an off-year and a Presidential Primary year that could undermine the Tea Party’s efforts in Open Primary states.

The Tea Party could also shape the issues in the 2012 campaigns much like it did in 2010. Like our expert pointed out before, the Tea Party’s beliefs mirror the fundamental principles of the Republican Party. While President Obama could once again return to his populist and big government playbook, the Tea Party may be just the group to keep the spending and deficit issues at the forefront of voters’ minds.
President Barack Obama’s Current Political Situation

"The rumors of my demise have been greatly exaggerated". (Mark Twain)

President Obama’s approval rating had plummeted from 68% in January 2009 to 44% in November 2010.

There is no question about the "shellacking" President Obama, Congressional Democrats and their agenda took in the 2010 midterm elections. The electoral wipeout of the solid Democrat majorities has political prognosticators analyzing what that means for the President’s reelection chances.

As you may expect, those opinions break along partisan lines. But Independent voters are real trouble for the President.

In November, Resurgent Republic and Democracy Corps conducted a joint national survey to gauge the political mood of the country and begin to analyze the President’s reelection chances in 2012. They found Obama is trailing a generic Republican candidate by 10 points, not an insurmountable figure. More concerning for the Obama team is among Independents surveyed, the President loses to a generic Republican candidate by 28 points.

With the parity of Americans identifying themselves as Republicans or Democrats, Independents will play a major role in President Obama’s reelection chances. This group, who once held so much hope for the new President, now disapproves of his job performance by a 60 – 35% margin.

Independents hold President Obama and Congressional Democrats responsible for our country being on the wrong track. "This fundamental pessimism about the direction of the country under Democratic control of the Presidency, the House and Senate drove the overall election result."?

The President’s current situation is often compared to President Bill Clinton and President Ronald Reagan following their first mid-term election defeats. It’s unknown whether President Obama possesses the deft political skills of Bill Clinton. Karl Rove throws cold water on the Reagan comparison saying, "President Ronald Reagan’s policies produced 4.5% and 7.2% growth in the two years before his 1984 reelection. But the University of Michigan Economic Forecast projects only a 2.3% and 3.2% growth in 2011 and 2012, respectively, and 9% unemployment at the next election."*

Nate Silver of The New York Times recently blogged about a study he conducted regarding Presidents’ post midterm approval ratings and their chances for reelection, "Historically,

8 The Wall Street Journal, 11/18/2010, "Don’t Get Cocky, GOP"
there has been almost no relationship between a President’s approval rating following the
midterms and how he eventually fared at the next Presidential election.”

Writing for National Journal magazine, columnist Matthew Dowd looks at the Presidential
approval rating not as a snapshot but instead as a barometer of the current political envi-
ronment. In his January 8, 2011 column, Dowd says, “Since polling began, no president has
won reelection with a Gallup approval rating under 47 percent going into election day, and
no president with an approval rating over 50 percent has lost.” This provides President
Obama and his team a precise target to achieve.

At the beginning of January, the Gallup Daily Tracking Poll announced President Obama’s
approval rating had reached the “symbolic 50% mark,” for the first time since June 2010.
The latest Gallup survey (January 22-24) shows President Obama holding a 50% approval
rating.

![Gallup Poll: Obama Approval Rating](image)

Source: Gallup Poll

<table>
<thead>
<tr>
<th>President</th>
<th>Approval Rating</th>
<th>Date</th>
<th>Election Vote Share</th>
<th>Election Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roosevelt</td>
<td>75%</td>
<td>1/14/1943</td>
<td>53%</td>
<td>7%</td>
</tr>
<tr>
<td>Eisenhower</td>
<td>70%</td>
<td>1/15/1955</td>
<td>57%</td>
<td>15%</td>
</tr>
<tr>
<td>Bush (43)</td>
<td>63%</td>
<td>1/5/2003</td>
<td>51%</td>
<td>2%</td>
</tr>
</tbody>
</table>


While it may be too early to predict the outcome of the election by solely using the President’s approval rating, the chart does show how difficult it can be to defeat a sitting President. In the 11 instances outlined above, the incumbent president was reelected almost three-fourths of the time.

Karl Rove said the following about how difficult it is to defeat a sitting president: “Since World War II, three have been defeated for re-election and two decided not to run again. But five have sought and won second terms.”

Base Democrats, Independents and the President

As the Obama team prepares for the reelection campaign, they must be mindful of the President’s relationships with Congressional Democrats, liberal progressives and any challenges for the nomination.

President Obama’s interaction with Democrats in Congress will have a direct impact on his ability to be reelected. If the President continues to allow the liberal wing of his party to dictate the direction of major legislation, he risks continual shrinkage of the Democratic base and solidifying Independents in opposition to his Presidency.

In their post election joint survey, Democrats Stanley Greenberg and James Carville said, “The Independents were an immense problem in 2010...and turning Republican by a painfully familiar 18 points in 2010.”

Republicans Ed Gillespie, Whit Ayres and Leslie Sanchez said the following regarding the joint survey, “A plurality (43 percent) of Independent voters who voted for Republicans said their vote was driven by a desire to provide a check on President Obama and the Democrats.”

The polling confirms that the liberal platform proposed by Obama, in conjunction with the rise of the Tea Party movement, has created a conservative shift in the way Independents identify themselves. Obama’s team must recognize and counter this shift in order to win.

If the more liberal Democrats in Congress continue pushing big government programs, further increasing spending, Obama’s support among Independents will continue to suffer. But the newly minted Republican majority in the House of Representatives will give Democrats, and their liberal faction, a prominent venue to place blame when there is an impasse within the Chamber. The Republican rise could be a blessing in disguise for the President.

Obama’s relationship with his liberal progressive base should be less of a problem for his reelection chances. Currently there is no data to prove he has lost support among this core group of supporters. Any rift appears to be limited to a handful of bloggers and liberal media types that will ultimately support the President and turn their firepower towards the Republican nominee.

Because of his high approval rating among his base, it is also quite unlikely the President will have to contend with a challenge for the Democratic nomination.

Domestic Issues and How They Will Affect the Outcome of 2012

“The difference between the work of the 111th Congress and that of either the Great Society or New Deal is that the latter were bipartisan and in the main popular. This Congress’s handiwork is profoundly unpopular and should become more so as its effects become manifest. Americans saw liberalism in the raw and rejected it.” (The Wall Street Journal, Editorial, January 3, 2011)

As the stage is set for the 2012 Presidential Election, it’s important to understand America’s current domestic issues and how voters perceive each Party with regard to these issues.

The Democrats lost badly in 2010 because voters, particularly Independents, blamed President Obama and the Democrats who controlled Congress for America going in the wrong direction. Beginning with an almost trillion dollar stimulus package, the auto bailouts, continued bank bailouts and a massive federal takeover of health care, Democrats were perceived as having lost touch with the issues important to everyday Americans.

President Obama and the Democrats tried unsuccessfully to explain how the massive government overhaul of America’s health care system was a way to fix the economy. But against the backdrop of unemployment rising to 10%, President Obama appeared out of touch and more concerned with forcing his health care legislation through Congress than creating jobs and fixing the economy.

According to Democrats Stan Greenberg and James Carville, voters were angry over the lack of focus on jobs, “as evident in the year-long struggle over health care.” They continue by pointing out, “The president and Democrats offered no economic framework, economic vision, or campaign message appropriate to the scale of the crisis and that would provide voters with context for the spending, bailout and debt.”

As the two parties begin to prepare for the 2012 elections, Democracy Corps and Resurgent Republic’s joint post election survey shows Independent voters remain focused on the domestic issues of economic growth, jobs, the federal budget and the national debt.

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So for both parties, part of the planning process will be to build legislative victories in Congress. It is critically important to present a robust platform that offers solutions to America’s challenges, and to successfully make use of perceived advantages and capitalize on which Party voters trust regarding these important issues.

According to Matthew Dowd’s January 8, 2011 National Journal column, the Obama team will need the unemployment rate to drop by a point and a half to secure reelection. To do this, over the next 18 months the economy would need to add 250,000 jobs every month to reach that target, returning the unemployment rate to 7.9% by 2012.¹⁵

President Obama and his team are acutely aware of the challenges they face. The President used his January 8, 2011 weekly radio and Internet address to highlight economic indicators he claimed showed the economy recovering. He said in 2010 the economy added 1.3 million jobs and had 12 consecutive months of private sector job growth.

But the following quote from an Associated Press article ("Obama Says Economy Moving in Right Direction") shows the daunting task facing Obama in trying to convince voters the economy is in fact improving: "Obama presented the December jobs report in a positive light even though it fell short of what economists had been looking for, and even though the drop in unemployment came partly because some unemployed people stopped looking for work."¹⁶

The President is going to need consecutive quarters of tangible positive economic growth before voters become more optimistic. According to Gallup’s Daily Tracking Poll on January 3, 2011, 44% of Americans think their personal financial situation will improve in 2011, with 52% thinking the economy will be better in 2011.

While it appears Americans are beginning to feel better about the economy, Gallup notes the "fragility surrounding Americans’ optimism," is reflected in their view of their own financial situation.

The eventual Republican nominee will also have to practice political jujitsu when discussing the economy. It will not be enough for the Republican nominee to place the entire blame with the Obama administration. American voters will be looking for concrete ideas and principled leadership to lead America through the current economic downturn.

Republicans will have to lead by example and show voters there is a better way to return to prosperity. Along with the important domestic issues that will be debated in the run up to the 2012 election, voters will also be weighing the question of the proper role and size of the Federal government.

In National Journal’s January 8, 2011 edition, Ronald Brownstein writes: “Congressional Republicans and the 2012 GOP presidential contenders will mostly answer that question by insisting that government’s role is to get out of the way by reducing taxes, spending and regulation. That tack will find a substantial audience. But the White House is betting that most Americans, even if they found Washington’s hand too heavy over the past two years, will still want a stronger grip on the helm than Republicans are offering.”

A majority of respondents in the 2010 General Election exit poll data believed government was doing too many things that were better left to the private sector. Republicans understood this and were successful in building their campaigns against the Democrats for overspending and growing government at alarming rates.

The Republican majority in the United States House of Representatives has pledged to introduce one bill to cut spending every week, and are currently using the phrase “cut and grow” to describe their plans to shrink the federal government while growing the economy.

President Obama and his team, recognizing the shift in the political winds, have also gone on the offensive to show he too wants to reduce the size of government. The President penned an op-ed in The Wall Street Journal (January 18, 2011) laying out his plan to reduce over burdensome regulations on small businesses.

The President wrote, “We’re also getting rid of absurd and unnecessary paperwork requirements that waste time and money.”

Both parties will use the current legislative session to try to prove to the American people that their party is better suited to rebuild the American economy and provide the best environment for private sector job growth.

Currently, American voters trust Republicans more than Democrats on key issues regarding the American economy. How the campaigns are able to solidify or shift these numbers will help determine the outcome of the 2012 presidential contest.

| Overall, do you think the Democrats or Republicans would do a better job with this issue: |
|---------------------------------|---------------|---------------|---------------|
| **Issue**                      | **Democrats** | **Republicans** | **Rep. Diff.** |
| Immigration                    | 31%           | 48%           | 17%           |
| Government Spending (Split sample A) | 32%        | 49%           | 17%           |
| The Deficit (Split sample B)   | 33%           | 47%           | 14%           |
| Taxes                          | 36%           | 49%           | 13%           |
| The Economy                    | 38%           | 46%           | 8%            |
| Jobs and Employment            | 38%           | 46%           | 8%            |
| Afghanistan War (Split sample B) | 31%         | 38%           | 7%            |
| Health Care                    | 45%           | 42%           | -3%           |
| Medicare                       | 43%           | 38%           | -5%           |
| Education (Split sample A)     | 46%           | 34%           | -12%          |


Foreign Policy Issues and How They Will Affect the Outcome of 2012

"I believe the most solemn duty of the American President is to protect the American people. If America shows uncertainty and weakness in this decade, the world will drift toward tragedy. This will not happen on my watch." (President George W. Bush)

During the 2008 campaign, candidate Obama repeatedly hit John McCain and the Republicans on the Iraq war vs. the Afghanistan war. When then-Senator Obama was a candidate for President in 2008, he was able to set the tone of the foreign policy agenda during the campaign for two primary reasons: Senator McCain’s foreign policy agenda was very similar to President Bush’s, and public opinion had soured on the wars in Iraq and Afghanistan, allowing candidate Obama to capitalize on the shift.

Obama believed America should focus on Afghanistan, and that the Administration had taken its “eye off the ball,” accusing President Bush’s policies of turning world opinion against the United States.

Despite the importance of domestic issues, America’s foreign policy will play a major role in the upcoming Presidential campaign. Now that President Obama is Commander in Chief, he will have a tremendous advantage over his Republican challengers. But unlike 2008, President Obama will not be able to control the debate without being held accountable for his own policies and first term promises.

The President and his reelection campaign team will have to deal with two specific issues – the continued economic strength of Asia, and America’s NATO Allies in the Afghanistan war.

The war in Afghanistan has reached it lowest level of support since Obama took office – 41% – according to a January Quinnipiac poll.

During the 2008 campaign, Obama successfully differentiated himself from President Bush and John McCain by opposing the Iraq war and promising immediate troop withdrawals. The success of the surge ordered by President Bush, coupled with the Iraq military assuming more responsibility, enabled President Obama to keep his campaign promise without jeopardizing the military gains made in Iraq.

With the systematic draw down of our involvement in Iraq, and with help from our allies, President Obama increased the U.S. troop level in Afghanistan by 21,000 with the promise that troop withdrawals would begin in July 2011.

As the July date approaches, both liberal and conservative elected officials and members of the media are stating their cases for and against troop withdrawal. Liberals support immediate troop withdrawal, while Conservatives advocate for President Obama to finish the job.

The Los Angeles Times published a recent editorial titled, “Stick to the Afghanistan deadline.” The editorial asked the Administration to maintain its July 2011 goal to begin troop withdrawal, and continue through the 2014 deadline for turning all security responsibilities over to Afghanistan.

In his post election visit to Afghanistan, newly-elected Republican Senator Pat Toomey from Pennsylvania said, “the U.S. should not waver in its commitment to Afghanistan.” U.S. military and NATO officials are warning that the violence could be worse in 2011. These officials
blame the ineffectiveness of the Afghan government and the still secure Pakistan sanctuary of Taliban leaders.\textsuperscript{18}

President Obama’s handling of Afghanistan will be critical, politically. As was noted earlier, the President’s approval rating remains strong within his party’s liberal base. However, Afghanistan is an issue where his grip on Democrats may be vulnerable.\textsuperscript{19}

The President will be in a position of trying to please the liberal base, while at the same time not allowing Afghanistan to spiral into chaos without U.S. involvement. Republicans will voice opposition to any withdrawal as a sign of defeat and weakness, but Republicans must also recognize Americans have grown weary of the decade-long war.

The candidate who can best articulate the strategic reason for America’s continued involvement in the region, along with measurable goals, will have the best chance to win voters’ support.

Another important foreign policy debate in 2012 will be relations between Asia and America. The Korean Peninsula, Taiwan, and U.S. Allies in the region all orbit around the U.S.-Chinese relationship. This relationship affects every ally and enemy of the United States in Asia, and right now, American voters are beginning to take notice.

American voters are aware China, in an attempt to show it is an equal world power, has recently acted more aggressively towards America and its allies. China publicly released its latest stealth fighter jet during a recent visit by America’s Secretary of Defense Robert Gates, provided diplomatic cover for North Korea and their nuclear weapons program, made claims to the Yellow and South China Seas based on what experts call “preposterous interpretations of long-standing international conventions,”\textsuperscript{20} continues to manipulate its currency, and has raised alarm among investors with its handling of the Google cyber attacks.

In late January, Chinese President Hu Jintao made an official state visit to the United States, the first for China in 13 years. China’s goal was to showcase that it was on equal footing with the United States. A January 21, article in The Washington Post said, ”China’s state-run newspapers ran enormous photographs of Hu with Obama, a not-so-subtle message that China is now the United States’ equal on the world stage.”\textsuperscript{21}

For the United States, the meeting yielded some progress with flexibility towards North Korea and a promise to offer U.S. companies better treatment and protection of intellectual property. According to the same Washington Post article the Summit, “...also served as a reminder that the U.S. China relationship will continue to be among Washington’s most nettlesome.”

The Pew Research Center for the People and the Press released part of a survey of Americans’ attitudes towards China. When asked which country in the world represents the greatest threat to the United States, 20% of respondents identified China, up from 11% in 2009.

\textsuperscript{18} The Washington Post, ”In letter, Petraeus offers optimistic view of Afghanistan war,” January 26, 2011

\textsuperscript{19} http://www.gallup.com/poll/124520/obama-approvalafghanistan-trails-issues.aspx

\textsuperscript{20} The Wall Street Journal, ”Dealing with an assertive China,” January, 18, 2011

\textsuperscript{21} The Washington Post, ”Summit yields gains for both China and U.S.,” January 21, 2011
When asked which region of the world is the most important to the United States, respondents chose Asia over Europe 47-37%. This is a dramatic turn of events from ten years ago, when Europe was considered more important by 44-34%.

In the same survey, 47% of Americans incorrectly said they believe China is the leading economic power in the world. When asked who is the leading military power in the world, 67% correctly identified the United States.

These last two numbers are important to explaining Americans’ attitudes towards China: Americans see China as an economic threat but not a military threat, by a 60-27% margin.

A separate Pew Global Attitudes survey (2010) found 47% of Americans viewed China’s economic power as a bad thing, while 67% in France and 58% in Germany shared the same feeling.

Together, there is good reason to believe that China's economic reach and military strength will become major foreign policy issues discussed in the 2012 election.

"Europeans struggle to make up their minds about American presidents. A strong figure in the White House is an excuse to criticize the superpower as overbearing and unilateralist. A weak leader sees Washington accused of failing in its duty to promote global world order. A popular president, invites, well resentment."  

When President Obama was elected it was hailed as a, "new era of partnership," with Europe. In his speech in Berlin, candidate Obama said, "If we're honest... we know that sometimes, on both sides of the Atlantic, we have drifted apart and forgotten our shared destiny."

Today, the U.S. and Europe are together engaged in the Middle East, the global economic crisis, Iran and Russia. How this partnership translates into the presidential election is not yet clear.

For instance, the significance of the financial issues throughout the EU have yet to be defined for most Americans. And for the most part, Europe has handled its economic issues without direct U.S. interference or assistance, therefore, escaping the U.S. media lens.

The Obama administration has also kept European allies on the edge of their seats as his Administration set out to "reset" U.S. and Russia relations. The U.S.-Russia relationship is constantly tested as President Medvedev promises liberalization in Russia and Prime Minister Putin, "sounds a more repressive theme." Russia’s relationship with the U.S. and Europe will be tested in 2012 as the world watches whether Vladimir Putin goes all in to reclaim the Russian Presidency.

When it comes to U.S. and Europe relationships, former United Nations Ambassador John Bolton believes the Obama Administration has failed and left the EU to deal with the Iran nuclear threat. In a recent op-ed in The Washington Times, Bolton says the continued Perm

22 Financial Times, "Europe should be wary of dancing on Obama’s grave," 10/14/2010
24 The Washington Post, Arrest in Russia, Belarus raise challenges for U.S. relations, January 12, 2011
Five Plus-One talks with Iran have been used by the regime to stonewall and buy more time to develop nuclear weapons.25

Testifying in the U.K., former Prime Minister Tony Blair said, "the West has to get out of what I think is a wretched policy or posture of apology for believing that we are causing what the Iranians are doing."26

While Americans and Europeans struggle with the global recession, Russia and Iran, the foreign policy debate between President Obama and the eventual Republican nominee will focus on whether the U.S. continues on the path of a shared partnership to solve global issues or whether the U.S. will regain its foreign-policy leadership mantle.

Decline in America Supremacy?

"A troubled and afflicted mankind looks to us, pleading for us to keep our rendezvous with destiny; that we will uphold the principles of self-reliance, self-discipline, morality, and, above all, responsible liberty for every individual that we will become that shining city on a hill". (President Ronald Reagan)

What role the United States plays in the world and how Americans feel about their standing in the world will be a factor in the 2012 campaign. By an 80-18% margin, Americans believe, "...the U.S has a unique character that makes it the greatest country in the world..."27 That sentiment is prevalent across the political spectrum – Republicans, Democrats and Independents.

Even while Americans believe in the greatness of their country, 62% also believe the country is at risk of losing its unique character. It is that unique character, or "American exceptionalism", that has given past Presidents the political authority to help lift other nations out of occupation, oppression or despair, offering them freedom and selfgovernance.

American exceptionalism has become a lightning rod between liberals and conservatives. Liberals blame President Bush for damaging America’s standing in the world, while Conservatives blame President Obama for an apologist approach to foreign policy.

This exceptionalism debate will be wrapped up in every issue discussed in 2012, specifically when it comes to foreign policy and how America projects itself throughout the world. And President Obama has left himself open for criticism in the upcoming campaign.

President Obama has improved America’s standing with those from other nations. However, a December Gallup Poll showed 37% of Americans do not think President Obama believes America has a unique standing in the world. This is the lowest rating – by a 16% margin – of the previous four Presidents. Coupled with 66% of Americans believe the United States has a special responsibility in leading world affairs, the President has created a very unique problem to overcome.

President Obama will not want to jeopardize his global popularity, but he cannot win another term without Americans believing he will put them above all others.


27 Americans See U.S. as Exceptional, Gallup Poll, December 22, 2010
Republicans have and will continue to argue that President Obama has failed to lead internationally and doesn’t share Americans’ values. According to current polling trends, this could be a forceful argument – but only if used in a manner that conveys national pride and rallies voters to rebuild our economy and standing in the world.

When discussing America’s role in the world at a foreign policy event, U.S. Senator Lindsey Graham “warned about the risk of an ‘unholy alliance’ developing between the far left and the far right that calls for greater US retrenchment from the world – and potentially a new era of isolationism.”

Currently there are no legitimate contenders for the Presidency that believe isolationism is in the best interest of the United States. It’s also difficult to see this idea gaining wholesale traction in light of the global economy and technology advances.

However, anti-free trade is a form of isolationism politics practiced by the President and his Union backers. The issue of Free Trade will be debated throughout the 2012 election. In 2008, candidate Obama joined with the Labor Unions and Congressional Democrats to oppose free trade agreements between the U.S. and both South Korea and Colombia. Due to the recession and the vocal opposition from candidate Obama in 2008, free trade support among voters continues to erode.

In December, the Obama Administration announced it had reached a free trade agreement with South Korea, revising the previous agreement finished by the Bush Administration. In the meantime, the Colombian free trade agreement, negotiated by the Bush Administration, is still waiting to be sent to Congress by President Obama for ratification.

The anti-free trade platform helped President Obama rally voters in 2008. And it appears two years later, against the backdrop of a sluggish economic recovery, the President is willing to put his toes in the free trade waters to help the U.S. economy grow.

The Wall Street Journal reported, that President Obama enlisted the help of the new Republican Speaker of the House John Boehner to guide the South Korea free trade agreement through Congress. “We’re told Mr. Boehner has suggested grouping this deal together with pending agreements from Colombia and Panama in a single House vote. This would make it easier for pro-trade forces in Congress to concentrate their political capital.”

Conclusion

No postwar American President has ever won reelection when national unemployment is above 8%.

With unemployment currently at 9.1%, the Republicans have a distinct advantage, especially among Independents. Yet, the Republican nomination will be decided late in 2011. Today, no candidate can claim the frontrunner mantle. And the significance of the Tea Party movement remains undefined. Historically, that’s not good news for a party looking for a leader to unite behind.

28 Coffee House, The Spectator Blog, “Will the US become more isolationist in the years to come?” Posted December 6, 2010

President Obama, on the other hand, enjoys strong support among his Democratic base. His policies to date have been rejected. President Obama must use the “bully pulpit” to win back the Independents he once held so strongly. The President will need consistent and measurable economic growth.

The United States will select its next President against the backdrop of a slow domestic economic growth, a global economy fighting to rebound from the recession, a war in Afghanistan and instability in the region, dictators attempting to build nuclear weapons, the challenges China poses to the United State’s economic prosperity and the United States’ foreign policy responsibilities.

Bio for Kevin Shuvalov

Kevin Shuvalov brings 15 years of experience in campaign mechanics and voter contact strategies to his clients at Olsen and Shuvalov. Mr. Shuvalov has been an integral part of three presidential campaigns, numerous national conservative issue advocacy groups and non-profit organizations, and has helped guide many Republican candidates to victory all across the country.

Prior to joining Olsen & Shuvalov, Mr. Shuvalov served as Regional Political Director for the Republican National Committee. As a member of the RNC’s political leadership, Mr. Shuvalov worked with the state parties and campaigns in his region to grow the Republican Party’s majorities in the Senate, House, and Governorships. In this role, he helped win Iowa for President Bush, win other nationally prominent races, and helped create the successful “72 Hour” turnout program.

Prior to joining the RNC, Mr. Shuvalov served as a Regional Political Director for Bush-Cheney 2000, Inc., a role in which he set up and managed state campaign offices for the Western States.

Mr. Shuvalov began his career in Texas politics with Karl Rove. He served as Mr. Rove’s special assistant from 1996 to 1999 at Mr. Rove’s Texas-based consulting firm, Karl Rove + Company.

Mr. Shuvalov received a Bachelor of Science degree in Political Science from St. Edwards University in Austin, Texas. Mr. Shuvalov is married to Heather Shuvalov. They have two children, Andrew Barton and Abigail Rae Shuvalov.