

The 2012 U.S. presidential election: the issues to dominate, distract and influence

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The state of the U.S. economy is still looming large over the opening presidential election race. It will likely remain the dominant issue, while foreign policy developments and the 2010 Supreme Court decision on campaign financing will play prominent roles, argues Frank Groome

About the author

Dr. Frank Groome is an associate of the Clinton Institute for American Studies at University College Dublin

The next U.S. presidential election season is almost in full swing. The Republican presidential nomination race has kicked off with a multitude of potential candidates vying for the job of taking on President Obama in 2012. As with every presidential election, predicting the public policy issues that will determine the outcome of the election is a difficult task. Nonetheless, three of the more important issues that will either feature in the forthcoming campaign, or will have a significant impact on the outcome of the election are the economy, foreign policy and the January 2010 U.S. Supreme Court decision in *Citizens United v. Federal Election Commission*. The direct effect of each of these issues on the outcome of the election will differ - the economy is likely to dominate, foreign policy distract, while the US Supreme Court decision will influence. To assess the potential impact of these important issues, it is worth examining each in turn.

The Economy

The obvious contender to *dominate* the presidential election is the economy. While the American [economy has stabilized](#)¹ from the impact of the 2008 financial crisis, unprecedented budget deficits, massive unemployment and a growing concern about the size of the national debt, now weigh heavy on the minds of policymakers and the public at large.

There is little doubt that the current economic recession is the worst since the 1930s. In terms of lost output, U.S. Gross Domestic Product (GDP) fell by 4.1% from the spring of 2008 to the spring of 2009 and the consequence of subsequent spending to fight off the worst of the recession has created an unprecedented budget deficit that is projected to hit a record \$1.7 trillion this year. This record deficit is on top of a [\\$1.3 trillion deficit in Financial Year \(FY\) 2010](#)¹, and a \$1.4 trillion deficit in FY 2009. In fact, deficit spending, which has been ongoing since 2002, has created more than a [\\$14 trillion national debt](#)¹ - 95% of U.S. GDP in FY 2010. This level of national debt has put downward pressure on the value of the U.S. dollar, increased the price of imports, and ultimately dampened overall economic growth.

In an attempt to reduce this growing deficit burden, President Obama's 2012 budget proposed to cut [over \\$30 billion in government](#)¹ spending this year alone, and the White House estimates that the full package of deficit-reducing measures proposed in the 2012 budget would shrink the deficit by over a trillion dollars in ten years. Notwithstanding the extent of these budget cuts, Congressional Republicans have made it clear that they do not go far enough. Indeed, under continued pressure to pass the budget, the administration was forced to increase the total package of deficit-reducing measures to \$4 trillion by the early part of the next decade. Having eventually reached agreement on the \$4 trillion figure, both parties still remain divided on which programs to cut however and, if the recent difficult negotiations over the continuation of the Bush-era tax cuts are representative of the current atmosphere in Washington, further challenging and protracted negotiations can be expected in the coming months.

While the particulars of the budget cuts will be worked out in the corridors of Capitol Hill, the most visible impact of this recession has been a huge increase in unemployment in the towns and cities across America. [The April 2011 \(U.S. Department of Labor\) statistics](#)¹ indicate that the national unemployment rate has dropped by 0.8% since November 2010 and now stands at 9% (although using the labour underutilisation U6 measure, this figure is much higher at 15.9%). In real terms this 9% figure is equivalent to 13.7 million people unemployed and actively seeking work. Of these, long-term unemployed - those unemployed for 27 weeks or more - stands at 6 million people and accounts for circa 43.9% of the total unemployed. While this level of national unemployment has not been experienced since the Ford administration, in some States like Nevada, unemployment has reached almost 15% and in some counties around the country unemployment has reached almost 30% - [levels not seen since the Great Depression](#)¹.

The Obama administration has tried to offset the weakness in the economy and stimulate job growth through the American Recovery and Reinvestment Act (ARRA) – a \$787 billion government backed stimulus package. According [to a recent report](#)¹ from the Congressional Budget Office (CBO), the effect of the stimulus package has increased real GDP by between 1.1% and 3.5%, and increased the number of people employed by between 1.3 million and 3.5 million. Thus, it appears from the CBO's estimates that the stimulus package of tax cuts, state aid, construction spending and enhanced safety-net provisions has dampened the worst effects of the recession for many people.

While the administration's recent budget proposals have earmarked considerable cuts across a range of key government programmes, one element of the budget that has remained largely untouched is defence

spending. Granted the President has [proposed to cut defence](#)¹ spending in future years, but these limited proposals do nothing to address the current unnecessarily large U.S. defence bill.

U.S. defence expenditures have always made up a significant percentage of the overall budget and under the Bush administration this proportion expanded considerably. This increase in defence spending is matched only by the increased willingness of consecutive administrations to use military force. It has [been estimated](#)¹ that between 1945 and 1988 there were approximately six large-scale U.S. military actions abroad; however, between 1989 and the 2003 invasion of Iraq there have been nine such actions. Fuelled by the on-going wars in Afghanistan and Iraq, Obama's security spending has now reached a massive \$689 billion or 20% of all federal spending in 2010. This is an unsustainable position and arguably a massive waste of financial resources that could be put to better use helping American people cope with the current economic situation. In fact, without a firm commitment to significantly cut back on defence spending or tackle the continuation of the Bush-era tax cuts, these elements of the U.S. budget are expected to account for [nearly half of all public debt by 2019](#)¹.

Foreign Policy

[President Obama](#)¹'s decision to authorise continued military action in Iraq and Afghanistan, and his recent decision to use the military in Libya, has the potential to *distract* attention away from developments in the economic arena, and depending on the extent and speed of economic recovery, can either benefit or hinder the current President in the run up to November 2012.

Whatever role foreign policy plays in the forthcoming campaign, one thing is clear: the role of the economy is at the top of the public policy agenda at present. In a January 2011 national survey conducted by the [Pew Research Center for the People & the Press](#)¹, the economy and jobs are dominating the public interest. Eighty-seven percent of respondents believed that strengthening the economy should be a top priority for the president and Congress, while 84% rate improving the job situation as a top priority. The public's focus on the domestic economy is also reflected in opinions about the most important national problem - just 6% cite international or foreign policy issues as the most pressing national problem.

The recent killing of Osama bin Laden will clearly help the public image of the President as a deft and experienced foreign policy (and in particular national security) practitioner; however, it is also likely to increase domestic pressure for the President to end the war in Afghanistan sooner and, more definitively, than the U.S. military or administration will want.

For almost a decade the U.S. has been fighting a war in Afghanistan and Iraq fuelled by a worldview that American military power is so overwhelming that the U.S. would be able to invade, occupy and transform these societies. Nearly ten years on and a trillion dollars later, these assumptions have proven ill-founded, and success appears to be no closer today than it was when these missions began. Recent opinion polls confirm this view. [According to Pew](#)¹, Iraq is the only issue where the public believe that the U.S. is making progress (32%), rather than losing ground (15%), while a plurality of those surveyed (48%) believe that things in Iraq are about the same as they have been. On Afghanistan, roughly the same percentage says the U.S. is losing ground (24%) as sees it making progress (23%), while 45% say things are about the same.

The public perception that the U.S. is stagnating in Iraq and Afghanistan has the potential to engender the image of an unwinnable military quagmire akin to Vietnam; an image that would likely generate a grassroots public backlash against the administration. Widespread criticisms of the administration's foreign policy goals would auger poorly for Obama's re-election bid and overshadow any positive developments in the economy.

Citizens United v. Federal Election Commission

While the economy is likely to *dominate* and foreign policy issues have the potential to *distract* attention from Obama's progressive domestic programmes, arguably the biggest *influence* on the outcome of the forthcoming presidential election will be the 5-4 ruling from the U.S. Supreme Court on the case of Citizens United v. Federal Election Commission in January 2010. The ruling, which has been described as "breathtaking in its scope" by Michael Waldman of the Brennan Center for Justice in New York, overturns a century old doctrine banning corporate donations to election campaigns.

In an era when presidential hopefuls need to raise hundreds of millions of dollars just to compete in the election, the Supreme Court decision has crossed into the political arena and handed preponderant power to corporations to use their wealth to influence the outcome of American democratic elections.

In January 2010, [the New York Times wrote](#)¹ that the decision "strikes at the heart of democracy" by allowing "corporations [to be] unleashed from the longstanding ban against their spending directly on political campaigns and [means corporations] will be free to spend as much money as they want to elect and defeat candidates."

In designing the American constitutional framework, the founders warned about the dangers of too much power in the hands of interest groups and enshrined the concept of the separation of powers and pluralism at the

heart of the Constitution to eliminate this threat. This Supreme Court ruling enables the consolidation of power over the diffusion of power in the American body-politic, and threatens the basic principles of American political freedom. Even Republican Senator John McCain has stated that the Court ruling showed a level of “extreme naïveté” about the role of special-interest money in Congressional lawmaking.

In his dissent to the Court’s decision, [Justice John Paul Stevens argued](#)¹ that “the Court’s ruling threatens to undermine the integrity of elected institutions across the Nation.” Justice Stevens concluded his dissenting note with an appropriate recognition of how the decision reflects an attack on the freedom of American democracy:

“...the Court’s opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining self-government since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt. It is a strange time to repudiate that common sense. While American democracy is imperfect, few outside the majority of this Court would have thought its flaws included a dearth of corporate money in politics.”

It is hard to exaggerate the influence that the Court’s ruling will have on the outcome of the 2012 presidential election. The decision will inevitably distort the political system in the favour of financial-interests. In his 2010 State of the Union address, [President Obama acknowledged](#)¹ the significance of the Court’s decision and even voiced his opinion that Congress should legislate to weaken its impact. However, as the *New York Times* argued in its editorial in January 2010, irrespective of what legislative measures Congress attempts to implement in order to limit the impact of the decision, “the real solution lies in getting the court’s ruling overturned.”

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