

## **THE ECONOMIC CRISIS IN THE 2012 U.S. PRESIDENTIAL ELECTIONS: CHALLENGES AND EXPECTATIONS**

*It is all about economy, fool!* It is possible to summarize the 2012 presidential race in the United States of America with this statement.<sup>1</sup> The economic situation of the country became the main concern of the American population and of both candidates, the Democratic incumbent Barack Obama and Republican candidate Mitt Romney. Thus, the election committees of the candidates focused on shaping the best possible solutions for recovery from the effects of the economic crisis which struck America in 2008, and the heroes of the race have used (liberal or conservative) arguments to convince voters of the credibility of their economic programs. However, the 2012 elections have not been the only presidential race in American history when candidates had to focus on such issues as the unemployment rate, taxing policy or concrete economic reforms. Since the 1980s, most U.S. presidential elections have referred directly or indirectly to a candidate's policy towards domestic issues, and the state of the economy became of vast concern for the majority of voters. Despite the fact that the U.S. President is the head of state and chief executive with no direct power to create or change laws concerning domestic issues, he is able to shape the legislative agenda and has tools which may affect the direction of legislative process in Congress. Even if for

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<sup>1</sup> The phrase refers to Bill Clinton's famous 1992 presidential campaign slogan, *The Economy, Stupid*, created by his campaign strategist, James Carville. See: Kelly, M. "The 1992 Campaign: The Democrats – Clinton and Bush Compete to Be Champion of Change; Democrat Fights Perception of Bush Gain." *The New York Times*, October 31, 1992.

many the U.S. President is mainly viewed as the Commander-in-Chief and the primary institution conducting foreign policy, it is domestic policy which plays the most important role in his future legacy. The chief executive and his administration are decisive actors shaping the direction of domestic policy of the state, and in that respect the choice of one of the candidates can be viewed as a choice between a more liberal or conservative approach towards economic issues. The purpose of this article is to show how the economic policy of both candidates shaped the 2012 presidential campaign, and whether it was of any significance for voters.

As was mentioned above, economic issues have been shaping presidential campaign agendas for decades, and especially since the Reagan-Carter election of 1980 have become a decisive issue for many American voters concerned with their employment matters. But it was the 1932 election when the economy played a crucial role in favor of one of the candidates, thus demanding from the next generations of presidential candidates to prepare concrete economic programs and sets of reforms which would provide prosperity for the nation. As an aftermath of the Great Depression which began in 1929, many Americans lost their jobs and unemployment reached the highest level in its history, with more than 25% in some areas. At the worst moment of the Depression about thirteen million people were without jobs, and many of them became homeless. The crash of the New York Stock Exchange followed by the decline in production led masses to enter the streets and protest.<sup>2</sup> Without any doubt, the Great Depression influenced the outcome of the 1932 presidential elections between the Republican incumbent Herbert Hoover and the Democratic newcomer, Franklin Delano Roosevelt. Although the crisis was not Hoover's fault, he paid the political price for not being able to successfully respond to the economic problems of the country and organize a quick and credible recovery program. Meanwhile, his opponent was ready for the confrontation, and appeared with a catalogue of reforms and a recovery plan, later called the New Deal. During the campaign, Roosevelt foggly outlined the most important elements of his economic program, such as deep interventionism of the federal government into state and local ventures, the necessity of implementation of several federal programs regarding industry and

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<sup>2</sup> Jenkins, P. *Historia Stanów Zjednoczonych*. Kraków: Jagiellonian University Press, 2009, p. 233.

farming, complex reforms of the banking and financial systems, as well as programs aiming at the creation of new jobs and ending the period of prohibition.<sup>3</sup> Despite the fact that Roosevelt's program sounded very enigmatic and too liberal for some voters, the vast majority of Americans felt that a change in the economic policy of the country was not only necessary but indispensable for the survival of the state. For many, Franklin D. Roosevelt was the only option, as Hoover's promises of "returning to the times of prosperity"<sup>4</sup> seemed an illusion, which was evident in the final results of the elections: the Democratic candidate collected 472 out of 531 electoral votes, winning by a landslide. The ability to initiate economic reforms in the first days of his tenure allowed Roosevelt to fulfill his campaign promises, and even serious confrontation with the Supreme Court over the constitutionality of the New Deal programs did not discourage the President from pursuing the recovery plan.<sup>5</sup> The elections in 1936 became again an arena of political clash between different values in domestic policy, and the temporary success of Roosevelt's reforms allowed him to win again. It was the first time in history that economic issues played such a decisive role in the course of presidential campaigns and the outcome of the elections.

During the following decades (1940s–1970s), the Cold War problems dominated the American political scene, thus influencing the character of presidential campaigns. Even in the above-mentioned 1980 campaign, when economic issues were often raised by both candidates, the direction of U.S. foreign policy and confrontation with the Soviet Union had an impact on the outcome of the election. It is important to acknowledge that in 1980 American society was concerned by the worsening economic situation in the country, which was visible in the high inflation, growing unemployment and high interest rates. The conservative candidate, Ronald

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<sup>3</sup> For more on the topic, see: Leuchtenburg, W.E. *Franklin D. Roosevelt and the New Deal: 1932–1940*. New York: Harper Perennial, 2009.

<sup>4</sup> A paraphrase of Hoover's famous slogan, *Prosperity is Just Around the Corner*, from the era of the Wall Street Crisis of 1929.

<sup>5</sup> The confrontation led to the initiation of the "Court Packing Plan," which aimed at adding new Justices to the Court and thus changing the negative impact of the federal judiciary on the presidential economic program. See: Leuchtenburg, W.E. *The Supreme Court Reborn: the Constitutional Revolution in the Age of Roosevelt*. New York: Oxford University Press, 1995, p. 134; Baker, L. *Back to Back: The Duel Between Franklin D. Roosevelt and the Supreme Court*, New York: Macmillan, 1967, p. 229.

Reagan, used the moment to underline the necessity of change in policy towards economy, offering a program in which the role of the state would be limited, and in which tax cuts, deregulation and limit to unionism would be implemented. The idea of Reagan's economy was declared by him during the campaign in the following way: "Government is not the solution to our problem, government is the problem."<sup>6</sup> One of the ways in which he wanted to achieve the goals was to significantly raise the budget for defense, and it was this combination of domestic and foreign policy issues which led to his overwhelming victory over the Democratic incumbent, Jimmy Carter (489 to 49 electoral votes).<sup>7</sup>

Since the Reagan era, the economic credibility of the candidates has played an important role in the final choice of the winners of presidential races. It was especially visible during the 1992 and 1996 elections when the Democratic candidate (and later incumbent), Bill Clinton, convinced voters to trust his domestic policy programs by using the famous motto, "The economy, stupid."<sup>8</sup> As the country was in recession and foreign policy was not of great importance for American society, Clinton's campaign was centered around concrete programs which aimed at changing the negative drift of the U.S. economy. The incumbent, George H.W. Bush, had to defend himself against the attacks of Democrats who criticized him for raising taxes and still producing a large deficit, as well as not implementing economic programs which could stop the recession.<sup>9</sup> The vision of a more economically interventionist state conducting social and healthcare reforms appealed to the voters who backed Bill Clinton in the 1992 elections, as well as four years later.

Another election in which the economy played a crucial role was the 2008 presidential race between Democrat Barack Obama and Republican John McCain. For many, the campaign was viewed at the beginning as a duel between the young and the old, the energetic and the experienced,

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<sup>6</sup> Cited by: Krauthammer, Ch. *The Choice*, Washington Post Opinions, November 5, 2012, [http://www.washingtonpost.com/opinions/charles-krauthammer-the-choice/2012/11/01/59b5bed0-2445-11e2-9313-3c7f59038d93\\_story.html?hpid=z2](http://www.washingtonpost.com/opinions/charles-krauthammer-the-choice/2012/11/01/59b5bed0-2445-11e2-9313-3c7f59038d93_story.html?hpid=z2) (December 15, 2012).

<sup>7</sup> For more on the campaign of 1980, see: Hayward, S.F. *The Age of Reagan: the Conservative Counter-revolution 1980–1989*. New York: Crown Forum, 2009.

<sup>8</sup> Kelly, M. *The 1992 Campaign...*, op. cit.

<sup>9</sup> For more on the campaign of 1992, see: Harris, J.F. *The Survivor: Bill Clinton in the White House*. New York: Random House, 2006.

as well as between a representative of a minority (African-American) and the majority (WASP). However, the United States of America, as well as the entire world, was struck by a major economic crisis which had to have an impact on the direction of the presidential campaign. Despite the signs in 2007 and 2008 of a possible crisis on the economy markets with some of the markets experiencing a recession, it was the last two months of the presidential campaign in America when the problem became urgent. The fall of the Lehman Brothers in September 2008, followed by the October stock market crash, put economic issues at the heart of the presidential race. Some Americans lost their jobs, others lost their savings, and some even lost their homes.<sup>10</sup> It was surprising how differently both candidates reacted to the information regarding various symptoms of the crisis. Barack Obama decided to concentrate all of his efforts and money on economic issues, changing his campaign slogan from *Yes We Can* to *The Change We Need*, and focusing on convincing society of the necessity of greater state interventionism, whereas John McCain did not redefine his economic policy, and presented a vision of a strong America capable of coping with any financial problems it confronted.<sup>11</sup> For many voters, the Republican candidate's reaction was proof of his lack of knowledge and credibility with regard to economic issues, and the majority of them did not believe in McCain as a president who could lead America out of the crisis. As Obama's top political advisor David Axelrod noted: "the American people were watching very closely. They saw two candidates deal with a crisis in real time, and McCain appeared halting and inconsistent, and Obama seemed very focused and secure."<sup>12</sup>

Interestingly, Obama's attitude was viewed by Democrat supporters as a chance to redefine the Republican-based economic policies, as he was personally compared to Franklin D. Roosevelt and his vague policy

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<sup>10</sup> The genesis of the crisis has been analyzed in many books, among which I strongly recommend: Krugman, P. *The Return of Depression Economics and the Crisis of 2008*. New York: W.W. Norton & Company, 2009.

<sup>11</sup> Initially McCain wanted to suspend his campaign in order to discuss the crisis with presidential officers, but he was discouraged from doing that. See: Kelly, E. *Reid Says McCain Reacted Badly to Economic Crisis*. April 28, 2009, [http://www.azcentral.com/news/election/mccain/articles/2009/04/28/20090428mccain0428reidbook.html?nclick\\_check=1](http://www.azcentral.com/news/election/mccain/articles/2009/04/28/20090428mccain0428reidbook.html?nclick_check=1), (December 15, 2012).

<sup>12</sup> Cited by: Kornblut, A.E. "Measured Response to Financial Crisis Sealed the Election." *The Washington Post*, November 5, 2008.

goals to FDR's New Deal programs.<sup>13</sup> Such reactions were highly exaggerated, as it was inappropriate to compare the effects of the 2008 economic crisis to the devastating results of the Great Depression of 1929, when the scale of the unemployment rate, the poverty of society, as well as the number of deaths caused by the crisis was much higher. Furthermore, Franklin D. Roosevelt prepared a set of reforms to cure the devastated economy of the state, whereas Barack Obama merely outlined the possibility of conducting some reforms. Of course, the difference also resulted from the presidential candidate's inability to prepare a serious reform package due to being "surprised" by the scale of the crisis in the final part of the campaign. Nevertheless, even without a serious economic program, Obama convinced the majority of voters that, as president, he would conduct a more effective economic policy than his Republican rival, who appeared unprepared to lead America out of its crisis. An important factor was that among Obama's voters there were many representatives of minority groups, directly affected by the economic problems of the country. Considering that foreign policy was of no importance in 2008, John McCain had no arguments to denounce the liberal change to the economy declared by his Democratic counterpart. Barack Obama gained 365 electoral votes against John McCain's 173 votes, and thus became the 44th President of the United States of America.

As predicted, the four years of Obama's tenure mainly focused on domestic issues. The President was aware that concrete decisions had to be made in order to overcome the first effects of the crisis. At the beginning of his tenure he initiated legislation concerning the economic stimulus package, i.e. "a bill meant to pump money into economy to make up for the sudden, sharp contraction of spending by consumers and business."<sup>14</sup> As an effect, after difficult negotiations in Congress on the amount of money which could be spent under the stimulus package, the \$787 billion bill was signed by the President and entered into force. Furthermore, the President made some efforts to rescue the banking system by allowing the largest banks to repay federal aid which was

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<sup>13</sup> For example: Grunwald, M. *The New New Deal: The Hidden Story of Change in the Obama Era*. New York: Simon and Schuster, 2012.

<sup>14</sup> "The Presidency of Barack Obama." *The New York Times*, November 2, 2012.

given to them in the past. He also played an active role in the car industry bailout, shaped a general policy towards the housing system, and redefined federal spending and cuts.<sup>15</sup> For example, in 2010 the President signed *The Wall Street Reform and Consumer Protection Act*, aimed at protecting consumers from financial abuses and improving accountability in the financial system.<sup>16</sup> But, above all, Obama's administration focused on reform of the health care system, which was announced as his greatest achievement and success (one of his only successes, according to some skeptics). The purpose of the bill, called officially *The Patient Protection and Affordable Care Act* (sometimes referred to as "Obamacare"), was to expand the number of people able to use the federal health care program, Medicaid, mainly by subsidizing programs ensuring that they buy the insurance. The law intends to cover more than 30 million uninsured Americans in ten years, especially focusing on families with low incomes<sup>17</sup>, which leads to the notion that it will cost the federal government a lot of money to fulfill its promises, and that it is a pure example of the expansion of power of the federal government postulated by the Democrats. Despite other efforts to stimulate the U.S. economy, Barack Obama was not able to pursue his policy goals, either due to political reasons (resistance of the Republican majority in Congress), or a lack of concrete vision for the necessary reforms. The fact was that the state of the American economy in 2012 was far from perfect, thus making it again an important issue for the candidates of the presidential election.

According to recent estimations, the unemployment rate in the United States is slowly declining, with a recent average of about 150,000 jobs being created every month. However, it still remains around 8%:

Despite the fact that October 2012 was the twenty-fifth consecutive month of job growth, more than 15% of Americans live below the poverty line.<sup>18</sup> On the other hand, according to Gallup polls, slightly more Americans were feeling financially better off than they were a year before,

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<sup>15</sup> *Ibid.*

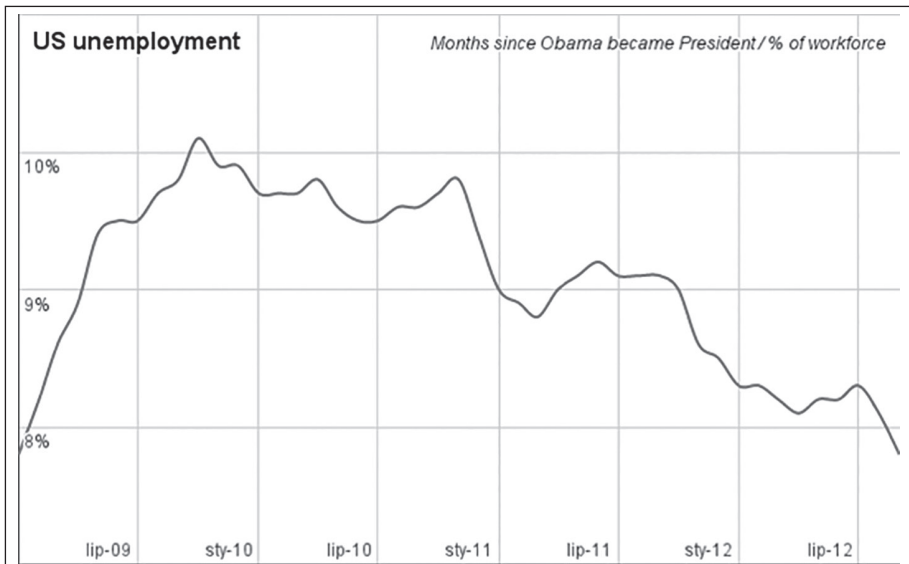
<sup>16</sup> Pub. L. 111–203, H.R. 4173.

<sup>17</sup> Pub. L. 111–148, 124 Stat. 119.

<sup>18</sup> According to statistics printed in the business column of the British magazine *The Guardian*. See: [www.guardian.co.uk/business/useconomy](http://www.guardian.co.uk/business/useconomy) (December 15, 2012).



rather than worse off, by 38% to 34%.<sup>19</sup> This may be seen as an important shift in the attitude of American citizens to the state of the economy since 2008, although it is too early to estimate the numbers on a more general scale. Analysis of these statistics makes it obvious that for most American citizens economic and financial issues were of the greatest significance, especially from the perspective of the presidential elections. Therefore, both parties, the Republicans and Democrats, focused on shaping the best possible economic program which could be addressed to the people during the 2012 election campaign. It was obvious that, similarly to the 1932, 1980, 1992 and 2008 elections, such problems as the unemployment rate, financial stability, consumer protection, and the role of the state in pursuing economic programs would become a major concern for voters.



Source: U.S. Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))

Before analyzing the crucial events of the 2012 campaign, one should define the major differences and/or similarities between the two candidates. If the economic issues were to be decisive, both parties had to shape

<sup>19</sup> See: <http://www.gallup.com/poll/158387/americans-feel-better-off-worse-off-financially.aspx?ref=image> (December 15, 2012).



a meaningful economic program and a persuasive image of the future President as a national policy-maker. What was, then, the difference between Obama's and Romney's policies towards job creation, taxes, budget, and health care, as well as their general estimation of state politics over economic matters?<sup>20</sup>

ISSUE	BARACK OBAMA	MITT ROMNEY
<b>UNEMPLOYMENT</b>	eliminating tax breaks for companies that ship jobs overseas, investing in worker training, creating new manufacturing jobs, doubling exports, creating a network of manufacturing innovation institutes	creating 12 million new jobs by 2017 (mainly by tax cuts), supporting states in pursuing right-to-work laws, diminishing the role of labor unions, protecting the rights of individual and business workers
<b>TAXATION AND BUDGET</b>	expanding the health reform tax credit, cutting taxes for the middle class, making sure that millionaires are not paying lower tax rates than middle class families, using war savings to pay debts	cutting personal income tax and corporate tax rates, switching to a territorial tax system, maintaining current tax rates on interests, dividends and capital gains, repealing the Alternative Minimum Tax
<b>HEALTH CARE</b>	increasing the number of people with health insurance, making Medicare more efficient, providing people with rebates for being over-charged by their insurance companies, expanding access to free preventive services	repealing the "Obamacare" law and thus saving millions of taxpayers' dollars, creating Medicare vouchers, promoting private health insurance
<b>ROLE OF THE STATE</b>	greater regulation of the economy by the federal government	greater regulation of the economy by the states

As most analysts had predicted, the economic crisis and financial issues dominated the 2012 U.S. presidential campaign. Both candidates devoted a lot of time and attention to shaping their images as effective and successful future leaders of a country with a low unemployment rate and lower budget deficit, and a country preserving its dominant position within the international economy and world markets. Apart from making concrete policy statements on their respective websites, they used specific moments during the campaign to underline their own approach towards economic issues or criticize their opponent's programs. The articles

<sup>20</sup> Collected from the candidates' webpages: [www.barackobama.com](http://www.barackobama.com) and [www.mittromney.com](http://www.mittromney.com) (December 15, 2012).

published on CNN's website, written by both candidates, are a good example of this. Excerpts of these articles explain why economic policy determined the majority of activities undertaken by Democrats and Republicans during the 2012 campaign. Barack Obama wrote:

Four years ago, we were mired in two wars and the worst economic crisis since the Great Depression. Together, we've battled our way back. The war in Iraq is over, Osama bin Laden is dead, and our heroes are coming home. Our businesses have created more than 5 million new jobs in the last two and half years. Home values and 401(k)s are rising. We are less dependent on foreign oil than at any time in the last 20 years. And the American auto industry is back. ... The path Governor Romney offers is the one we tried for eight years after President Clinton left office – a philosophy that says those at the very top get to play by a very different set of rules than everyone else. Bigger tax cuts for the wealthy that we can't afford. Encouraging companies to ship jobs and profits overseas. Fewer rules for big banks and insurance companies. They're the policies that caused this mess in the first place. ... Change is an America where we reduce our deficit by cutting spending where we can, and asking the wealthiest Americans to go back to the income tax rates they paid when Bill Clinton was president. I've worked with Republicans to cut a trillion dollars of spending, and I'll do more. I'll work with anyone of any party to move this country forward. But I won't agree to eliminate health insurance for millions of poor, elderly, or disabled on Medicaid, or turn Medicare into a voucher just to pay for another millionaire's tax cut.<sup>21</sup>

Mitt Romney's campaign focused mainly on the negative figures and statistics concerning the state of the American economy, and on the lack of reforms conducted by President Obama during his first tenure. As he wrote for CNN:

America is a land of opportunity. But lately, for too many Americans, opportunity has not exactly come knocking. We've been mired in an economic slowdown that has left millions of our fellow citizens unemployed. The consequences in dreams shattered, lives disrupted, plans deferred, and hopes dimmed can be found all around us. ... We will retrain our work force for the jobs of tomorrow and ensure that every child receives a quality education no matter where they live, including especially our inner cities. Parents and students, not administrators and unions, need to have greater choice. Our current worker retraining system is a labyrinth of federal programs that sprawls across 47 programs and nine agencies. We will eliminate this redundancy and empower the 50 states and the private sector to develop effective programs of their own. ... We will restore fiscal sanity to Washington by bringing

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<sup>21</sup> Obama, B. *President Barack Obama: My Vision for America*, CNN, November 7, 2012, <http://edition.cnn.com/2012/11/02/opinion/obama-vision-for-america/index.html> (December 15, 2012).

an end to the federal spending and borrowing binge that in just four years has added more debt held by the public than almost all previous administrations combined. We will put America on track to a balanced budget by eliminating unnecessary programs, by sending programs back to states where they can be managed with less abuse and less cost, and by shrinking the bureaucracy of Washington. ... Our economic crisis not only threatens the well-being of our citizenry, it has larger consequences in other realms. The economic weakness of the past several years has, alarmingly, fostered weakness in our foreign policy posture. Runaway domestic spending has led the president to propose reducing defense spending by hundreds of billions, cuts that his own secretary of defense has said would ‘devastate’ our national security.<sup>22</sup>

Closer to the elections, Romney’s criticism of presidential policies was more active. When, according to statistics from the end of October, the unemployment rate minimally increased, Romney used that fact to blame the democratic President for such a tendency:

Today’s increase in the unemployment rate is a sad reminder that the economy is at a virtual standstill. The jobless rate is higher than it was when President Obama took office, and there are still 23 million Americans struggling for work. On Tuesday, America will make a choice between stagnation and prosperity.<sup>23</sup>

However, one should notice that it was Mitt Romney who first gave his rival an opportunity to criticize his approach towards economy-based problems. In September, *Mother Jones* magazine published a secretly-recorded video from a fundraising event from May 2012 in which the Republican named 47 percent of Americans who did not pay federal income taxes as “not responsible” and “not caring for their lives,” and thus “not to be worried about.”<sup>24</sup> This improper and inelegant way of addressing potential voters was a huge mistake by Romney, even if he was not speaking officially, and Obama’s campaign became focused at that point on shaping the image of the Republican candidate as somebody who was not aware of what he was talking about. As he said to the media (directing his speech

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<sup>22</sup> Romney, M. *My Vision for America*. CNN, November 7, 2012, [http://edition.cnn.com/2012/11/02/opinion/romney-vision-for-america/index.html?iid=article\\_sidebar](http://edition.cnn.com/2012/11/02/opinion/romney-vision-for-america/index.html?iid=article_sidebar) (December 15, 2012).

<sup>23</sup> See: Rushe, D., MacAskill, E.U.S. *Economy Beats Estimates and Adds 171,000 Jobs in Boost for Obama*. Guardian.co.uk, November 2, 2012, <http://www.guardian.co.uk/business/2012/nov/02/us-economy-171000-jobs-obama> (December 15, 2012).

<sup>24</sup> For the full video, see: <http://www.motherjones.com/politics/2012/09/secret-video-romney-private-fundraiser> (December 15, 2012).

at Romney), “when you express the attitude that half the country considers themselves victims and wants to be dependent on government, my thinking is that you haven’t gotten around a lot.”<sup>25</sup>

Despite short or longer statements and commentaries on the economic policies of the candidates, one of the most culminating moments of the campaign occurred during the first TV debate between Obama and Romney. The debate, which took part on October 3rd at the University of Colorado in Denver, concentrated on domestic policy and was divided into six parts covering various economy-related topics, such as jobs, taxes, federal debt, health care, social security, education, and the level of federal regulation of the economy.<sup>26</sup> During a 90-minute discussion moderated by Jim Lehrer from the *NewsHour*, both candidates had the opportunity to outline their economic policies for the next few years and to comment on the policies of their adversaries. Most of the debate concentrated on the level of unemployment, the economic deficit and its sources, and the expected tax cuts promised by both politicians. The discussion drew attention to the largest differences between the economic programs of the candidates: their approaches towards health service reform, taxation policy, and the role of the state in achieving prosperity. It also helped to identify the possible target voters both politicians were referring to: the middle-class and poor Americans (Obama), the middle-class and rich Americans (Romney). Therefore, it was obvious that it was the middle-class citizens who would decide the final outcome of the elections. Both Obama and Romney tried to show their courtesy towards the target group, as they promised not to raise taxes on one hand, and to create millions of new jobs on the other. During the debate the Republican candidate seemed more active, as he used a lot of his time to contrast his policies with the “wrong” or “unconvincing” decisions made by the presidential administration. Apart from criticizing the state of the American economy, he particularly condemned Obama’s health care reform and the increase of the federal government’s

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<sup>25</sup> Nakamura, D., Henderson, N.M. *Obama Mocks Romney on 47 Percent Remarks during Univision Forum*. The Washington Post, September 20, 2012, [http://www.washingtonpost.com/politics/decision2012/obama-mocks-romney-on-47-percent-remarks-during-univision-forum/2012/09/20/321dd132-0352-11e2-8102-bee9c66e190\\_story.html](http://www.washingtonpost.com/politics/decision2012/obama-mocks-romney-on-47-percent-remarks-during-univision-forum/2012/09/20/321dd132-0352-11e2-8102-bee9c66e190_story.html) (December 15, 2012).

<sup>26</sup> For the whole transcript of the debate, see: <http://debates.org/index.php?page=october-3-2012-debate-transcript> (December 15, 2012).

intrusion into state powers. The President tried to summarize his successes in domestic policy, but he also focused on negative aspects of his opponent's economic program, such as the creation of 12 million jobs in five years, and increasing spending on defense. Surprisingly, he did not refer to Romney's catastrophic statement defining 47% of Americans as irresponsible, but he focused on some of the inconsistencies in the Republican candidate's opinions.<sup>27</sup>

According to public opinion polls which followed the first debate, it was Mitt Romney who appeared to be more convincing and devoted to economic matters than his counter-candidate: about two-thirds of the registered voters affirmed that the Denver debate was won by the Republican politician.<sup>28</sup> Similarly, most political commentators were either positively surprised by the Republican candidate's performance or disappointed with the President's appearance. Stephen F. Hayes, a conservative commentator of *The Weekly Standard*, observed that "in a thoroughly dominating performance, Romney bested Barack Obama in both tone and substance. Obama often found himself at the end of a verbal cul-de-sac, seemingly unaware of how he'd ended up there."<sup>29</sup> The CNN Chief White House correspondent, Jessica Yellin, outlined the main reasons of Obama's poor performance, such as weak preparation for the debate, lack of concentration and engagement, an overly defensive position and impatience.<sup>30</sup> Surprisingly, it was the Republican candidate who turned out to be more convincing as a future domestic-policy leader than the experienced public relations expert, Barack Obama, who (till that moment) had won most of the other similar battles over conservative politicians.

The other two debates proved less important, as they focused on general issues which were asked by the audience (Hempstead, New York), as well as foreign policy direction (Boca Raton, Florida). A poll organized after the second debate indicated that 46% of respondents who watched

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<sup>27</sup> *Ibid.*

<sup>28</sup> Source: CNN Poll, see: <http://www.dailymail.co.uk/news/article-2212604/Presidential-debate-2012-Romney-wins-Obama-according-CNN-poll.html> (December 15, 2012).

<sup>29</sup> Hayes, S.F. "Romney Goes Bold, Aggressive." *The Weekly Standard*, October 4, 2012, [http://www.weeklystandard.com/blogs/romney-goes-bold-aggressive\\_653571.html](http://www.weeklystandard.com/blogs/romney-goes-bold-aggressive_653571.html) (December 15, 2012).

<sup>30</sup> Yellin, J. *Five Reasons the President Fumbled the Debate*. CNN, October 5, 2012, <http://edition.cnn.com/2012/10/04/politics/debate-fumble/index.html> (December 15, 2012).

the discussion thought Obama had won, compared to 39% for Romney. The result was within the survey's margin of error, and responses to other questions showed the overall impression was generally positive for both candidates.<sup>31</sup> Similarly, the third debate proved two important things. Firstly, that both of the candidates had similar foreign policy programs and their approach towards the crucial international issues did not differ so much. Secondly, that foreign relations were not of such a large concern for American society, as they did not relate directly to the main issue of the campaign, the economic crisis. Once again, it was domestic policy that mattered more to the majority of U.S. citizens.

Appearance during presidential debates may always impact the outcome of the elections, but the majority of voters support candidates who share a similar vision of social, political and economic relations. The three types of relations are somewhat connected, as politicians build their political and economic programs from concrete values. Journalists who have an impact on public opinion are aware of this fact, therefore they devote a lot of time and energy to commenting on the positive or negative aspects of the economic policies of both candidates, while referring to the values they share. In late October and early November of 2012, most of the prominent opinion-making magazines and newspapers were backing either the Democratic or Republican candidate, referring – among the main reasons – to their ideas and programs for ending the economic crisis.<sup>32</sup> In the last days of the campaign, the media focused, once again, on showing the advantages and disadvantages of the candidates' plans for how to end unemployment, or what kind of tax policy the country should approve. For example, E.J. Dionne, Jr., encouraged people to vote for Obama by using mainly economic arguments:

Obama inherited an economy in shambles—the GDP was shrinking at an annual rate of nearly 9% when he took office—and turned it around. Unemployment is well down from its peak, 4.5 million private-sector jobs have been created since January 2010, the stock market has doubled since it hit bottom, and the housing market is stabilizing. Mitt Romney can promise 12 million more jobs in the coming four years because

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<sup>31</sup> Cohen, T. *Obama Gets the Edge Over Romney in a Bruising Debate*. CNN, October 17, 2012, <http://edition.cnn.com/2012/10/16/politics/debate-mainbar/index.html> (December 15, 2012).

<sup>32</sup> For example, *The New York Times*, *The Washington Post* and *Philadelphia Inquirer* supported Barack Obama, and *Cincinnati Inquirer* and *Des Moines Register* supported Mitt Romney.

Obama's policies have already put us on track to producing them, courtesy of a revival of manufacturing, a rise in exports and a new wave of research and innovation.<sup>33</sup>

On the other hand, Peggy Noonan used economic arguments to back the candidacy of Mitt Romney, focusing on the failure of Obama's health service reform:

The president's 14-month-long preoccupation with ObamaCare signaled that he did not share the urgency of people's most immediate concerns—jobs, the economy, all the coming fiscal cliffs. The famous 2,000-page bill added to their misery by adding to their fear.<sup>34</sup>

Furthermore, most of the public opinion polls carried out in the last days before the election, apart from checking the political preferences of society, asked questions regarding economic issues. Surprisingly or not, most of the results were close to a tie, proving that the candidates were neck and neck, and their policies polarized future voters. According to one poll, about 50% of Americans approved of President Obama's policy towards unemployment, while almost 48% disapproved of it. Another concerned the presidential health care reform and showed that more people favored a repeal of the *Affordable Care Act* than its sustainment (51.7% to 42.7%).<sup>35</sup> Three days before the presidential election, *Time* magazine asked nine prominent political figures to explain why they would cast their vote on one of the candidates. All of them explained their choice of Obama or Romney due to a better economic policy and better ideas for how to diminish unemployment and end the recession.<sup>36</sup> As Charles Krauthammer rightly pointed out:

Every four years we are told that the coming election is the most important of one's life. This time it might actually be true. At stake is the relation between citizen and state, the very nature of the American social contract.<sup>37</sup>

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<sup>33</sup> Dionne, Jr., E.J. "The Case for Barack Obama." *TIME Swampland*, November 1, 2012, <http://swampland.time.com/2012/11/01/the-case-for-barack-obama/> (December 15, 2012).

<sup>34</sup> Noonan, P. "How far Obama Has Fallen." *The Wall Street Journal*, November 3rd, 2012, A15.

<sup>35</sup> Source: <http://www.realclearpolitics.com/epolls> (December 15, 2012).

<sup>36</sup> Source: <http://www.time.com/time/> (December 15, 2012).

<sup>37</sup> Krauthammer, Ch. *The Choice...*, op. cit.



There was no doubt that economic and social matters would predominate in the November 6th election.

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Despite the fact that most of the media described a narrow margin race between the two candidates, Obama's advantage over Romney was clear, as there were more electoral votes in traditionally Democratic states than in Republican states. Therefore, the election was about convincing the voters in the eleven swing states, with Ohio, Virginia and Florida at the top. From a mathematical perspective, Obama needed about 50 electoral votes from these states, whereas Romney was striving for almost 100 votes.<sup>38</sup> That is why the "close tie" appearance of the election was an illusion created by those who focused on counting the general election votes, which did not count in the end. The final result of the election affirmed the expected outcome: as Romney was not capable of winning most of the swing states, he lost to the incumbent Barack Obama by over 120 votes.<sup>39</sup>

It is too early to summarize the election results, but the tendency in the campaign to focus on economic issues played a significant role in the November 6th choice made by Americans. Although many U.S. citizens were not satisfied by the state of the economy, they chose the policy direction initiated during the first tenure of the Democratic President. The growth of the number of jobs affecting the decline of the unemployment rate, even if not rapid, convinced the majority of voters determined to back the liberal approach towards domestic policy. Democratic voters believe that stronger state interventionism may save the state from further crisis and should bring the economy into prosperity. The majority did not read Romney's economic program as the best remedy for current social problems, and treated his promise of millions of new jobs as a theory without realistic arguments. One should add to this the whole set of values that both candidates represented, which referred to such issues as abortion, affirmative action, LGBTI rights, immigration policy and rights of women. Liberal ideas of how to solve crucial social and economic issues have

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<sup>38</sup> According to public opinion polls from early November 2012, Obama could count on 220 electoral votes from the blue states and Romney on 170 votes from the red states. See: [www.realclearpolitics.com](http://www.realclearpolitics.com) (December 15, 2012).

<sup>39</sup> The final 2012 presidential election results: Obama 332 electoral votes, Romney 206 electoral votes.

prevailed, at least in the White House. Congressional elections, held at the same time as the Presidential election, affirmed the current status quo in both Houses, making it difficult for Obama to pursue his agenda: the Republican majority in the House of Representatives will continue to be a tough opposition to many presidential initiatives. The question arises of who will be the one to yield.

Research conducted by Larry M. Bartels, author of the book *Unequal Democracy*, shows that historically GNP growth generally has been stronger, unemployment lower, and incomes more equal under Democratic presidents than when Republicans have been in the White House.<sup>40</sup> Even if the thesis of the research sounds optimistic for the President, he must be aware of the fact that winning the election is only the beginning of the real economic battle: the fiscal cliff and its possible aftermath at the beginning of 2013 may ruin the rest of the support that Obama has among society. A possible recession would become a major concern not only for Americans but also for the rest of the world. Thus, the White House must cooperate with Congress in order to achieve a quick solution to the problem and to convince people that the choice made on November 6th was the right one. Obama is certainly aware that a good economic policy allowed him not only to win the election, but can also cause him to be positively remembered in history. And that shall be his main concern for the next four years of his presidency. It is all about economy, fool!

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<sup>40</sup> See: Bartels, L.M. *Unequal Democracy: The Political Economy of the New Gilded Age*. Princeton: Princeton University Press, 2010.

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