## **U.S. NATIONAL ELECTIONS: 2014**

Monroe Newman Professor Emeritus of Economics, Pennsylvania State University

Historically, when U.S. national elections are held during a president's sixth year in office, his (thus far, always a man) party loses seats in the Congress. That happened this year to a greater degree than average. The numerically most significant result is that his party no longer has a majority in either half of the legislature.

Three general questions are of interest – Why this happened? What it means for U.S. policy? What it means to the rest of the world? At this point, primarily conjecture is possible in addressing the latter two.

Two-thirds of eligible voters did not vote in this year's election. Not voting is unfortunately common in the U.S., particularly so in non-presidential elections. But there is an element in this that the U.S. shares with the democracies of Europe - a distrust and distaste for government. It is found among older America voters, particularly white males, and among the youth for whom government has not delivered on its promise of economic independence and well-being. The high rate of unemployment that plagues Europe's youth is not as severe a problem but in the U.S. (as elsewhere) it is compounded by stagnant real wages. This is part of the growing unequal income distribution. Average real incomes in the U.S. have been stagnant for a generation and, for example, the latest data show no change in real wages over recent years. Youth do not expect, as prior generations have, that their level of income will exceed those of their parents. President Obama promised change and this has not been felt in youth's pocketbooks despite the undoubted magnitude and pace of economic recovery, something not common in Europe.

Younger voters were an important component of Obama's winning coalition but many stayed home. So did members of other generally supportive groups – single women and Hispanics, in particular. Many voting contests had candidates within 3-5 percentage points of each other and had more of his coalition voted with the President's party, the outcome might have been notably different.

In part, their absence from the voting booth was also because of promises that were not kept. This has to be ascribed in significant part to the opposition's announced policy of blocking the president's agenda. In that, they were remarkably successful in keeping much from enactment and demonizing what was not stopped.

Credit for what did happen has to be given to Obama's opposition in another way. They got their adherents out to vote. Leaving aside such intangibles as the quality of individual candidates and the campaigns they waged, the opposition used their enormous funding to capitalize on implicit racism, distaste for government, opposition to particular policies (such as health care insurance and environmental protection) and economic malaise to make arguments that were not well countered.

The President has two more years in office. Expectations for what may be accomplished have to be very low. The opposition has achieved its victory by a six year long policy of saying "no." Not only does that presage a continuation of the policy but many of its members are committed to being anti-government, the opposite of the president's orientation. Not surprisingly, the campaign for the presidential office in 2016 began the day after this year's election. It is not likely that those who have achieved increased power will now adopt a more conciliatory or accommodative stance.

To a much greater extent than is true of domestic policy, foreign policy is the province of the president. Moreover, the present president's opposition in this field is far from unified. Some believe that the U.S. has been too reticent, too unwilling to exercise its muscle in world affairs. This faction faults Obama for too rapid withdrawal from Iraq and Afghanistan, for insufficient and belated involvement in the Middle East, for being too critical of Israel and insufficiently inflexible toward Iran, among other faults. In contrast, other opponents have less specific policy criticisms because they espouse a vague form of isolationism while still being critical of what they too see as a decline in U.S. "standing" in the world.

It is noteworthy that all these opponents are not inclined to be critical of U.S. foreign economic policy, raising the possibility that the two major trade agreements Obama has advocated may move forward, despite the fact that they are questioned by his more liberal supporters.

It is highly unlikely that the President will alter his approach to U.S. non-economic policy toward the rest of the world and, as a result, when those policies require Congressional action (such as appropriations or ratifying international approaches to global warming, for example) they may well go unsupported. Of course, game-changers are possible but they would have to be the natural disasters or violent international events that are so regrettable and not now foreseeable.

It is likely that only those Americans who oppose any actions by government will look back on the next two years with some satisfaction.