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Domestic Issues in US Elections 2012

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Introduction

The US Presidential elections are probably the most closely followed elections in the world. In the election in 2012, at stake are the Presidency, 435 seats in the US House of Representatives, one-third of the 100-member US Senate and governorships of 11 states. Majorities in the House of Representatives and the Senate are crucial as they strengthen the President's hand and enable him to push forward his agenda; if the Senate and/or the House are ruled by the opposition party, they can block the President's policies if they do not agree with them. The elections this year, more than ever before in recent times, are about two different concepts about government: while the Republicans want a “limited” government, the Democrats prefer a more active role for government. The major points of contention between the Republicans and the Democrats are whether the government has become too large and encroaching into areas which should best be left to the individual or whether it has become too small and therefore unable to protect the needy. Another question is whether reducing the debt is more important than caring for the needy and the elderly.

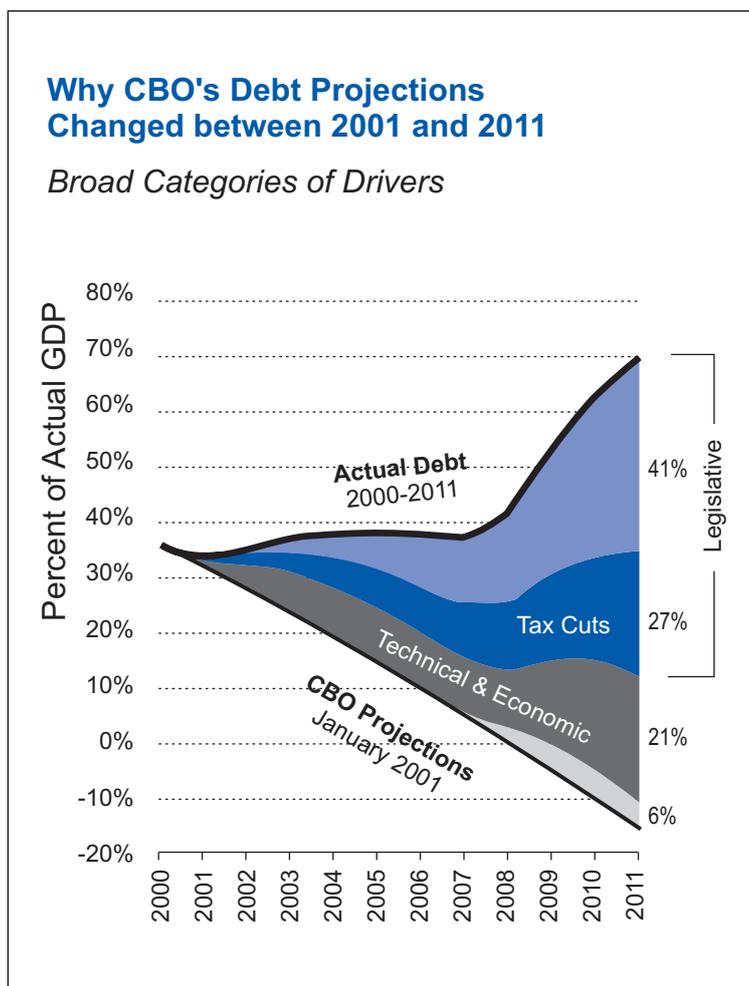
Like in elections in any part of the world, in the US too, domestic issues play a major role in deciding the fate of contenders, Presidential or Congressional. The two major parties in the US, the Republicans and the Democrats, have fixed positions on many of these issues and the Presidential candidates generally follow the party position. A recent Gallup poll showed that for 31% of Americans, the economy is their top concern; for 25%, it is unemployment; and health care is the No.1 issue for just 6% of Americans.¹ Other than these, social issues and immigration are also emerging as crucial issues in the elections. There are, thus, three main domestic issues in the 2012 elections.

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1. The State of the Economy and Unemployment

This is the top concern for most voters. Recent data shows that the US economy is growing at only 1.5%. There are four major issues related to the economy that are at the forefront of the campaign this year: the burgeoning deficit and debt and how to reduce it, defence spending, tax reform and how to create more jobs. With regard to the two parties' position on reviving the economy, the Republicans want more cuts to government spending, particularly on social security, and reduce taxes on everyone, including the rich; the Democrats, on the other hand, want to keep social security programmes intact, spend more on infrastructure and increase taxes on the rich.

Background on the Deficit and Budget Breakdown

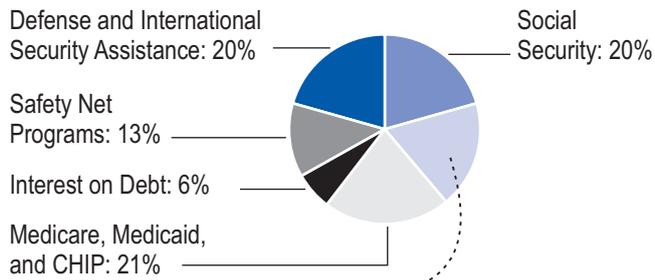


When the Bush administration came to power in January of 2001, the Congressional Budget Office (CBO) predicted that the US government would erase its debt by 2006 and would actually have a surplus of \$2.3 trillion by 2011.² But as of June 2012, the government actually faces a deficit of about \$15 trillion due to a combination of tax cuts and increased spending.³

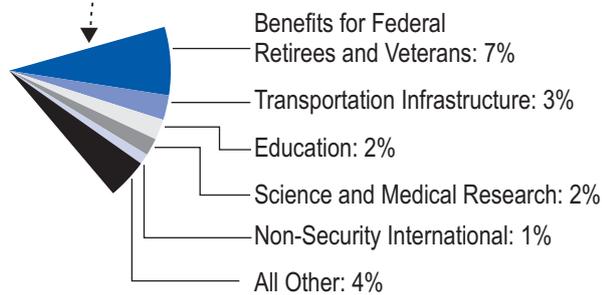
The Pew Charitable Trust, an independent, non-profit organization which deals with public policy has identified six major contributors to the deficit:

1. 2001/2003 tax cuts;
2. Overseas operations in Iraq and Afghanistan;
3. Medicare Part D;
4. The Troubled Asset Relief Program (TARP)
5. The 2009 stimulus;
6. December 2010 tax legislation extending the 2001/2003 Bush-era tax cuts Bush administration policies—red; Obama administration policies—blue

Most of Budget Goes Toward Defense, Social Security, and Major Health Programs



Program Areas in the Remaining Fifth of the Budget



Note: Percentages do not add to 100 due to rounding.

Source: 2011 figures from Office of Management and Budget, FY 2013 Historical Tables.

Center on Budget and Policy Priorities | cbpp.org

As can be seen from the above figures, both Republican as well as Democrat policies have contributed to the deficit. So each side has enough ammunition for attacking the other on this issue. The Republicans accuse President Obama of adding to the deficit through his stimulus. The Democrats point out that the President inherited an economy in freefall and in deficit due to President Bush's tax breaks for the rich and his spending on the wars in Iraq and Afghanistan.

In the worst economic downturn since the Great Depression, federal revenues “plunged to 15% of GDP in 2009 and remained at 15% in 2011, the lowest levels in decades.”⁴ But spending increased drastically under Presidents Bush and Obama due to bailouts arranged to prevent the collapse of the financial system and to deal with the housing

market collapse, automatic extension of programmes like unemployment insurance and food stamps (which naturally grow during economic downturns as there is an increase in need) and the 2009 federal stimulus. So, naturally the deficit grew.

Defence

Defence spending has become enmeshed in the debate over America's huge deficit and debt. Despite comprising over 20% of an annual budget, Governor Romney makes an exception to his rule about cutting government spending by promising to increase the defence budget in order to reinforce and maintain American military superiority. Romney's plans would see an increase in the shipbuilding rate from nine to fifteen new ships per year, modernization and replacement of the ageing inventories of the Air Force, Army and Marines and a commitment to a “robust, multi-layered national ballistic-missile defence system” to deter and defend against nuclear attacks. He would also increase the number of military personnel to 100,000 for an expanded role in the Pacific.⁵

Romney has promised that once in office he would set a floor of at least 4% of the GDP for defence spending.⁶ Using that as a benchmark and Congressional Budget Office estimates for future GDP, core defence spending would total \$945 billion in 2021, approximately 53% more than the \$618 billion

proposed by President Obama. Romney has hinted at plans to create savings by cutting back on the bureaucracy at the Pentagon in the interest of efficiency and reinvesting the monies back into the armed forces but without a more detailed forecast; experts estimate that defence spending under a Romney administration would increase by \$2 trillion over the next 10 years.⁷

Acutely aware that he is governing in an age of economic uncertainty and shifting international priorities, President Obama has had to walk a fine line between ending the wars in Iraq and Afghanistan, continuing the fight against international terrorism, & mitigate the rise of a rival in the East while dealing with domestic pressure to cut defence spending in the face of historic deficits.⁸ In an election year, the chosen course of action seems to be 'promise everything'—cuts to the spending-averse budget hawks and increases to the war hawks wary of sending rivals a signal of decline. The truth of the matter is much more complicated. The President's 2013 budget provides \$525.4 billion for the base defence budget, a one percentage point decrease since the previous year, and purportedly puts the military on track to achieve savings of \$486.9 billion by 2021.⁹ One of the main policy drivers in defence spending is a deficit reduction measure known as the Budget Control Act (passed in 2011), which will subject a strict cap on defence spending beginning in 2014 and lasting until 2021. Many analysts predict that these cuts will be averted through legislative action, but till then, the Act would necessitate a \$487 billion cut across-the-board in defence spending over the next ten years.¹⁰ Despite these competing impulses—the military budget will increase every year for the next four years—Pentagon projections show that under the Obama administration, base spending on defence in inflated adjusted dollars over the next four years would remain “essentially flat”.¹¹

Tax Reform

In recent years, the Republican Party has become increasingly doctrinaire about taxes, with many legislators and candidates signing a pledge promising not to raise taxes under any circumstances, including as a part of any plan for long-term deficit reduction. Romney stands by that pledge, assuring voters that his tax and spending cuts will pay for themselves by “igniting the] growth of our economy.” In addition to 20% across the board reduction in income taxes, he would permanently extend the 2001 and 2003 tax cuts currently slated to expire in 2013, as well as eliminate taxation of investment income and the Federal Estate (commonly referred to by Republicans as 'Death') Tax. Romney has outlined two basic tax principles: the first would be to cut taxes (20% across the board) and the second would be “that people at the high end [top income bracket] will still pay the same share of the tax burden they're paying now”—in other words, Mitt Romney would freeze the share of federal tax payments, not average tax rates. The two principles put together would mean that he could theoretically cut tax rates for everyone without reducing their current tax share.

While somewhat technical, the prospective policy (without further details) may boil down to the richest households—including Romney whose income in 2010 was \$21.6 million and net worth between \$190 million and \$250 million—getting the biggest tax reductions, in both dollars and as a

share of their income.¹² A Romney tax plan would ultimately cost the federal government \$3.4 trillion over 10 years, with higher income groups largely benefitting.¹³ One of the main points of attack against Mitt Romney by the Democrats has been his refusal to release his tax returns for more than two years. There have been allegations that his refusal has to do with hiding information about offshore tax shelters or dealings with companies whose conduct can be described as shady. The Democrats are even planning to pass a legislation that would force presidential candidates to release tax returns for the last ten years and divulge any overseas investments.

Conversely, President Obama's plans largely target the highest income earners—only those with an adjusted gross income (AGI) over \$200,000 (\$250,000 for couples). He has made three main proposals: that the top two income tax rates—presently 33% and 35%—rise to 36% and 39.6% (pre-2001 levels); increase capital gains and dividends for high-income households to 20% from the current 15%; and limit the value of their itemized deductions. In the corporate sector, President Obama's plans largely consist of reducing corporate loopholes and 'unfair' breaks while creating incentives to encourage hiring and investment in the United States. **The Tax Policy Center estimates that the Obama plan would raise \$2.1 trillion more than if Congress simply extended current policies.**¹⁴

Outsourcing

An important issue which has come to the fore in this election is outsourcing. Outsourcing is, unsurprisingly, a perennial concern for American voters, especially at a time of high unemployment. The issue made the headlines recently when it was revealed that the uniforms that the American team wore for the opening ceremony of the Olympics were made in China. This led to lawmakers on both sides of the polity making statements showing their outrage. Harry Reid, the Senate Majority leader made his unhappiness clear saying that the garments should be “burned” and the US Olympic committee should be “ashamed” and “embarrassed,” that the uniforms were made in China, at a time when people in the American textile industry are looking for jobs.¹⁵ His sentiments have been echoed on the Republican side as well. Though at first glance, one would feel that the outrage is about patriotism, clearly the larger issue of outsourcing is also at play here.

Both President Obama and Mitt Romney have tried to portray the other as being responsible for the large exodus of jobs from the US to foreign shores like India, China and Mexico. President Obama plans to remove tax deductions for shipping jobs overseas, provide new incentives to bring jobs back to the US, provide temporary tax credits to direct \$20 billion into domestic clean energy manufacturing, and close a loophole that allows companies to shift profits overseas to discourage outsourcing. He has also subjected Governor Romney to a volley of criticism over his past in private equity, suggesting that he was a “corporate raider” who was a “pioneer in the business of outsourcing jobs” to countries like China and India.¹⁶ The Democrats have in particular focussed on Romney's time at Bain Capital which has reportedly outsourced jobs. Though it is clear that Bain outsourced jobs

at a time when Romney was no longer in charge of its day-to-day activities, the Democrats maintain that the company was still owned by him in the 1990s. With Democrats trying to convince voters to expect a similar disregard for domestic job growth in a Romney presidency, **the Romney camp has taken issue with vocabulary, arguing that “outsourcing’ does not technically have to mean sending jobs to foreign countries (that is ‘offshoring’), rather than simply having an external company perform a function that could have been performed in-house.”**¹⁷

It is anyone's guess whether voters would accept that reasoning. The Republicans have argued that companies which received billions of dollars in funding from Obama's America Recovery Plan (or the stimulus) have laid off American workers and outsourced jobs and in fact operate outside the US. Though the companies under attack have denied these allegations, it has not stopped the Republicans from continuing their attacks. Mitt Romney has even called the President the “outsourcer in chief”. Romney has promised to crack down on China for artificially devaluing its currency, thus making cheaper goods and making it more difficult for American manufacturers to compete with them. But at the same time, he has also pledged to exempt companies' overseas profits from taxes, something which according to the Democrats will only incentivise outsourcing.

The two sides' rhetoric on outsourcing is likely to continue throughout the campaign and the pitch might even turn up as Election Day approaches. However, at the end of the day, globalisation is an irreversible process and companies anywhere in the world would outsource manufacturing to places which can make cheaper products. It is only because these companies produce cheap goods that Americans can buy cheap products at home. Moreover, both candidates know these facts and that stopping outsourcing will adversely affect the US economy. In fact, though President Obama during his campaign in 2008 had promised to renegotiate the NAFTA (because it makes it easier and cheaper for companies to manufacture goods in Latin American countries and then sell it in the US), he has not only failed to do that but has gone further and negotiated more free trade treaties with South Korea and Colombia, which could have the same effects as NAFTA.¹⁸ Similarly, Romney as a successful businessman knows why companies take up outsourcing and is unlikely to stop it as President. Most of the rhetoric around outsourcing is essentially about the two candidates playing to the galleries for votes and is unlikely to result in any major change in policy after the election.

Unemployment

Recent figures show that the unemployment rate rose in the US for the second time in almost a year, to 8.3 percent from 8.1 percent and would be around 11% if labour participation was not at record lows.¹⁹ The unemployment rate has remained above 8% for almost 42 months in a row. With nearly 13 million unemployed workers, this is a burning issue for most voters. So, the candidates' proposals to create jobs are of interest to them. What is interesting from the electoral point of view is that an incumbent President has never won a re-election when the unemployment rate has been more than 8% since 1936. Even in 1936, when Roosevelt ran for re-election, the unemployment rate was much below what

he had inherited. In more bad news for the President, a USA Today/Gallup poll carried out towards the end of July found 50% of Americans feel that Romney would be better at job creation than Obama, with only 44% supporting the President.

Mitt Romney's core plan for jobs is outlined in his "Day One, Job One" initiative, which presents five major proposals to be enacted as soon as he enters office. These include reducing the corporate tax rate from 35% to 25%, implementing free trade agreements with Colombia, Panama and South Korea, expanding domestic energy exploration, consolidating federal job training programmes, sending funding and responsibility to states; and cutting non-defence discretionary spending by 5%.

President Obama released his jobs plan, known as the American Jobs Act in 2011. The \$447 billion package consists of tax cuts (for workers and employers) meant to encourage hiring, consumer spending and increase wages, and stimulus spending meant to preserve and create jobs. It includes \$140 billion for infrastructure and aid to struggling states and local governments, money for hiring teachers and refurbishing schools and \$50 billion for transportation projects. More than \$62 billion would be allocated for extending unemployment benefits and funding programmes aimed at reducing long-term unemployment.²⁰ The cost of the package is meant to be offset by a mixture of spending cuts and tax revenue increases spread out over the next ten years.

Deficit Reduction and Spending

Romney plans to reduce the deficit through a 'simpler, smaller and smarter government'. A prospective Mitt Romney presidency would likely result in deep cuts in domestic spending, higher defence spending, lower and "flatter" tax rates, a rolling back of the social safety net and a severe cutback in environmental, financial and other regulations. Romney proposes drastic measures to address over-spending by the government. He promises to cap spending at 20% of the GDP, bring it below 20% by the end of his first term and immediately return non-security discretionary spending to below 2008 levels.

President Obama's approach involves raising revenue, making cuts and creating savings in existing programmes. Through discretionary spending caps, there will be a \$1 trillion reduction over the next decade. Furthermore, there will be \$257 billion in saving from mandatory programmes such as Fannie Mae and Freddie Mac and the Federal Employees Retirement System and \$320 billion from federal health programmes. Much of these savings will be made by cutting and consolidating programmes and increasing efficiency. President Obama also intends to further reduce the deficit by getting rid of tax breaks that are "inefficient and unfair" (such as those for oil and gas companies), by allowing the 2001 and 2003 high-income tax cuts to expire, and by observing the "Buffet Rule", which states that no household making over \$1 million annually should pay a smaller share of its income in taxes than middle-class families pay.

One of the largest and most popular (among the electorally important voting bloc of retirees) components of the federal budget, Social Security, has faced increasing scrutiny in recent years. Governor Romney proposes a 'simple' reform of the Social Security system that would not require any additional revenue by “slowly” raising the retirement age to account for increases in longevity and reducing benefits for those with higher incomes. President Obama also disputes the assertion that Social Security is a driver of immediate deficit problems. However, he still supports bi-partisan efforts to strengthen the programme in the long-term without privatizing it or cutting future benefits. A new ABC News/Washington Post poll shows that among “swing-voting independents”, the economic plans of both candidates are more or less held in equal contempt, with 38% rating Obama's plan favourably and 35% Romney's.²¹

2. Healthcare

Beyond economic issues, the election focusses heavily on healthcare, especially as it relates to the changes President Obama enacted in his first term with the passage of the Affordable Care Act (ACA) in March 2010. The landmark legislation is expected to extend coverage to 32 million Americans who are currently uninsured. This expansion of healthcare rests on a very controversial provision known as the 'individual mandate', which requires every American to purchase health insurance by 2014 or face an annual fine of \$695; low-income families would receive subsidies and assistance in purchasing and paying for health programmes.

More popular provisions include forbidding insurance companies from denying coverage to individuals with pre-existing conditions and compelling insurance companies to allow children to stay on their parent's insurance plans until the age of 26. Under the ACA, Medicaid would be expanded to include more poor people and childless adults (in conjunction with a reduction of \$66 billion over the next decade) and Medicare cut by \$500 billion over the next decade. While there is no employer mandate to provide coverage, employers with more than 50 employees must provide health insurance or pay a fine of \$2,000 per worker if the government has to pay for them.²²

Governor Romney has an intriguing stance on health reform as the national plan enacted by President Obama is modelled after his own overhaul of the healthcare system in Massachusetts. But now that President Obama's signature domestic accomplishment is anathema to the Republican Party, Romney has done much to distance himself from his own plan and its central provision, the individual mandate. If elected, he promises to repeal the national healthcare law and entrust States with the responsibility of providing healthcare to its denizens. Likening the health-care system put in place by the Affordable Care Act to a “government-managed utility”, he favours turning the system into a consumer market. Romney would also cap the growth of Medicaid (inflation plus 1%) and turn it over to the states—which some critics have said would mean deep cuts in the programme—and cap non-economic damages in medical malpractice lawsuits.²³

The US Supreme Court's judgement on 28 June upheld the constitutionality of the Affordable Care Act as well as the 'individual mandate' provision in the Act. This is being seen as a major victory for President Obama. The fact that the deciding vote on this decision was by Chief Justice John Roberts, who is a conservative, might help Democrats persuade voters who feel the healthcare was a partisan act. Republicans have promised to intensify their efforts to repeal the act and this argument might enthruse conservative voters who are against the act. The Republicans are now focussing on the part of the Supreme Court's decision which calls the individual mandate a “tax” and are accusing President Obama of increasing taxes even while promising not to increase taxes on the middle class.

Medicare

Inextricably linked with any plans for a healthcare overhaul and the budget deficit, Medicare would probably see the most radical change under a Romney presidency. His plans would limit the government's open-ended financial commitment to Medicare by transforming it into a 'premium support system' (where the government helps pay premiums).²⁴ Ultimately, Romney aims to keep costs low by allowing the government plan to compete with private plans. President Obama fundamentally disagrees with Romney's plans, arguing that the Republican plan would “end Medicare as it now exists, undermining the rock-solid guarantee of health care for older Americans”.²⁵ He insists that Republican proposals would create savings by shifting the cost of medical treatment to beneficiaries and that government payments would be insufficient in keeping up with the rising costs of healthcare. Alternatively, the President's 2010 Affordable Care Act creates \$300 billion in savings by reducing payments to health care providers (i.e. hospitals, nursing homes etc). Obama hopes that these cutbacks will lead to the development of new ways of delivering care, notably by compelling doctors and hospitals to team up and coordinate their efforts.²⁶ The question of Medicare will play a large role in the campaign as the programme is very popular and its beneficiaries, elderly Americans, are politically active. Historically, they have trusted Democrats on the issue, though reports suggest that Republican success in criticizing the President's healthcare law may give them some credibility among these voters.²⁷ The Republicans' opposition to social security programmes is exemplified in the words of Bobby Jindal, the governor of Louisiana, who said that President Obama “measures success by how many people are on food stamp rolls and government-run health care”.²⁸

3. Social Issues

Social issues have emerged as an important point of contention between the two parties. The major social issues in this election are gay rights, women's rights and immigration.

Gay Rights:

President Obama has supported the right of same-sex couples to marry, earning for himself the epithet of the “first gay president”. He also repealed the “don't ask, don't tell” act which had

prevented homosexuals from openly serving in the military. The Obama administration has prohibited discrimination on the basis of gender for federal workers and expanded benefits for same-sex partners of federal employees. President Obama has declared section three of the 'Defense of Marriage Act'²⁹ unconstitutional and wants it to be repealed. His administration was the first to provide hospital visitation and medical decision-making rights to same-sex couples.³⁰

Mitt Romney, on the other hand, is against gay marriages, arguing that “marriage itself is a relationship between a man and a woman and that's my own preference”.³¹ He supports the Defense of Marriage Act and supports a federal Marriage Amendment to the Constitution, which would define marriage as between one man and one woman. Both candidates, however, have said that the ultimate power to decide on same-sex marriages lies with the states. *The Economist* quotes a recent Gallup poll which says that 50% of Americans support same-sex marriages. Though President Obama has gained the support of the LGBT community for his position on gay rights, this might not be enough to overcome the opposition to his position from the Church and Catholics.

Women's Issues

Women's rights is rapidly emerging as one of the most controversial topics in the current Presidential elections in the US. The debate over women's issues between the Republicans and the Democrats is becoming more vitriolic by the day. Liberals are calling the Republicans' recent legislative proposals and policies on reproductive health and rights a “war on women”. This understanding of the GOP's efforts could influence the way women perceive the party and vote in elections. There are three major issues affecting women which are taking centre stage in these elections: the first is related to contraception, abortion rights, Planned Parenthood³² and access to healthcare; the second is about the right of women to equal wages and employment; and the third is with regard to domestic violence.

The Republican-ruled state of Arizona recently passed a law that bans most abortions after 20 weeks except for medical emergencies in addition to stopping funding for family planning and health services provided by organisations like Planned Parenthood which offer abortions. Another Republican-ruled state, Texas, now requires that any woman who wants an abortion should have medically needless and physically invasive ultrasound scans, without the consent of the woman or medical need. Wisconsin, another state ruled by the Republicans, has banned health insurers from covering abortions. In other Republican states like Virginia, the Republicans have tried to bring laws making it difficult for women to get abortions. In all, seven states have enacted similar laws. Some of these laws even omit exceptions for rape, incest, foetal impairment or the mother's health in addition to imposing penalties, fines and having other reporting requirements.

Further, in 2011, the Republican-dominated House of Representatives tried to pass bills which would stop funding to Planned Parenthood and the federal programme Title X which provides women with birth control, screening for cancer and other preventive care. This, however, was blocked by the

Senate which has a Democrat majority. The same year, the House of Representatives passed a measure that would have permitted hospitals getting federal funds to refuse to perform an emergency abortion even when a woman's life was at stake.³³ However, this bill has not been taken up by the Senate so far. The Republicans have also been campaigning against health insurers providing contraception services, claiming it is against religious freedom despite the amendment to the healthcare bill which allows insurers to cover women directly instead of going through their employers and exempting churches and other religiously-affiliated organisations from providing these services to their employees in their insurance plans.

On abortion, Romney's views have changed from once being “pro-choice” to now being “pro-life”. In fact, while running for Governor of Massachusetts in 2002, he had said that he would “preserve and protect a woman's right to choose”. He now supports overturning *Roe v. Wade* law of 1973 which affirmed the right of women to choose abortions saying it is “bad law and bad medicine”. He says that states should determine their own abortion laws. He further supports the Hyde amendment, which bars the use of federal funds for abortions and wants to end funding for organisations offering abortion services like Planned Parenthood. He also supports the personhood amendment to the 14th Amendment that would expand the definition of a person to a fertilized egg and believes that life begins at conception. He had also supported the Blunt Amendment which would have allowed employers to refuse their employees contraceptive care and other services, if doing so conflicts with the employer's “religious beliefs or moral convictions”.³⁴ This amendment was, however, defeated in the Senate.

Equal pay for women is an important issue given the fact that studies show that in the US, for every dollar a man earns, a woman earns only 77 cents, clearly pointing to sex-based wage discrimination. Romney has not taken a clear stand on issues like equal pay for women. While he has said he will not repeal the law Obama signed, i.e. the Lilly Ledbetter Fair Pay Restoration Act,³⁵ which provides women with more legal options to pursue equal pay for equal work, he has refused to say whether he would sign pay equity legislation himself. He has accused the President of waging a vague “war on women” with economic policies which he says have left them out of work.³⁶ The Republican Governor of Wisconsin has repealed a law which allowed women and others to bring lawsuits in state courts against pay discrimination.³⁷ Moreover, the Republicans want to cut \$1 billion from the Head Start programme, which has widely-recognised long-term benefits during school education; this cut could keep 200,000 children out of Head Start, and thus take out even more women from the workforce.³⁸

The third is with regard to domestic violence. The Republican-dominated House of Representatives reapproved the Violence Against Women Act (VAWA) which does not include protections recently proposed by Democrats for LGBT, student, Native American and certain immigrant abuse victims. The Republicans contend that illegal immigrants who are victims of domestic violence might use their status as victims to ask for protection from the state and later gain US citizenship. The Senate had

earlier re-approved the act with bipartisan support, extending protection for such victims. Critics contend that the House version rolls back existing protections, leaving more women at risk. With rumours persisting that the Conservatives want to have the House version of the bill passed or will not allow reauthorisation of the act, women's rights activists are enraged.

President Obama is “pro-choice” and supports equal pay for equal work for women. This is why he signed the Lilly Ledbetter Act in 2009, the first bill which he signed into law. He set up the Equal Pay Task Force to improve enforcement of the equal pay law. Under the Affordable Care Act passed by President Obama, it became illegal for health insurers to charge women more than men and insurers were required to cover preventive and birth control services to women without co-pays or deductibles. The Obama administration also scrapped the 'global gag' rule, which prevented the government from providing aid to international groups that provide abortion information.³⁹ The Democrats are against stopping funding to organisations like Planned Parenthood. Moreover, on the issue of domestic violence, the Democrats want to expand the provisions of the Act to include illegal immigrants, American Indians, etc. Polls show President Obama holding a significant lead over his challenger Mitt Romney among women voters, the largest single voter bloc in the US and one which historically has shown high voter turnouts.

Immigration

The question of giving citizenship to immigrants and the issue of illegal immigration is at the centre of the debate, interesting for a country which was built by immigrants. This debate is taking place at a time when recent figures show that Whites no longer account for a majority of births. Immigration is thus an issue which resonates with Conservative voters as well as the growing Hispanic population in the country, which constituted 9% of the electorate in 2008.⁴⁰ The Latino population has often been a swing voter base and can influence the electoral outcomes in several key battleground states like Mexico (where they constitute 41% of the voters based on 2008 data), Florida (14%), Colorado (13%), and Nevada (15%) and represent a large voting block in states with large electoral votes such as California (18%), Texas (20%), and Arizona (16%).⁴¹

Though President Obama was not able to bring about substantive immigration reform in his first term, he has promised to work towards it in the first year of his second term. However, he proposed the DREAM (Development, Relief, and Education for Alien Minors) Act which allows students who entered the US illegally as children and those who serve in the US military to get permanent residency. Though the bill was passed in the House of Representatives, the Republicans blocked it in the Senate. According to a survey conducted by the Pew Hispanic Center, 91% of Latinos support the DREAM Act.

According to a Pew Hispanic Center study, deportations have reached record levels under Obama, increasing to an annual average of nearly 400,000 from 2009, around 30% higher than the annual

average during the second term of the Bush administration and around twice the annual average during George W. Bush's first term.⁴² *The New York Times* adds that during President Obama's first three years in office, around 1.1 million illegal immigrants were deported, the most by any President since the 1950s. So there is concern among Hispanics about his deportation policy. In a bid to assuage their concerns, President Obama announced on 15 June that he would give a two-year reprieve from deporting immigrants who arrived in the US as children and have gone on to be law-abiding and productive people, without giving them citizenship. They would also be given a chance to apply for work permits, driving licenses and other documents.

The President's announcement came a few days ahead of the Supreme Court's ruling on the controversial Arizona SB 1070 law.⁴³ The Supreme Court has struck down several provisions of the bill, while retaining the central section which allows police officers to stop anyone who looks like an illegal immigrant and ask for his /her papers. President Obama has said he is “pleased” with the ruling though he is “concerned” about the controversial provision not being struck down.

Mitt Romney has said he favours legal immigration and favours increasing the visa cap for highly skilled workers and granting permanent residency to people with advanced degrees in engineering, maths and science.⁴⁴ He has a strong position on illegal immigration. He has pledged to veto the DREAM Act proposed by the Democrats, if elected as President, and has called the act a “handout”. In fact, as governor he had vetoed the DREAM Act. He at several times has said that he supports the controversial immigration law passed by Arizona. In December 2006, as Governor of Massachusetts, Mitt Romney signed an agreement authorizing state troopers to round up illegal immigrants. Mitt Romney's website says that he has a four-point strategy to stop illegal immigration.

First, he would secure the borders by building a 2600 miles long high-tech border fence and deploy patrols to secure the US' southern borders. Second, he opposes all “magnets” that encourage illegal immigrants. For instance, he would start an E-verify employment verification system which will enable employers to only hire legal immigrants. As evidence of his strong position vis-à-vis illegal immigration, he points out that as governor, he stopped state tuition and licenses to illegal immigrants. Third, he would implement the federal law on immigration and will make use of state troops if required. He has already done this as governor. Fourth, he opposes amnesty as he feels that it only encourages more illegal immigration. Romney has not yet said whether he would reverse President Obama's recent policy which would stop the deportation of young illegal immigrants.

Mitt Romney's challenge would be to walk a tight rope between pleasing hard core conservatives who have strong views on illegal immigration and the growing Hispanic voter base which wants more flexible immigration policies and whose votes he needs to win. Opinion polls show that Hispanic voters overwhelmingly prefer Barack Obama over Mitt Romney and in the 2008 elections he had won 75% of the Latino vote.⁴⁵

Conclusion

These, in a nutshell, are some of the major domestic issues in the US 2012 elections. These issues and the positions of the two political parties clearly define the ideological divide. This means that staunch Republicans and staunch Democrats would vote for their own candidates. It is the moderates and the independents whose votes will be decisive. How the two parties manage to get support from these sections will decide their electoral fortunes. As of now (mid-August), based on latest opinion polls, President Obama seems to have a reasonable chance of being re-elected. But more bad news on the economy in the months ahead could deprive him of that advantage.

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Endnotes:

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