There will be ghastly consequences for the United States and the wider world if Congress and the President do not come to an agreement about deficit reduction.

Earlier this month Barack Obama was re-elected as President of the United States, granting him four more years in office. But why did the 2012 election turn out the way it did and what does the result mean in policy terms? Professor Theodore Marmor FBA explains why the nature of American governance means political stalemate is the most likely outcome of the election, but that Congress and the President will have to work together to save America from the “fiscal cliff” that is fast approaching.

The most obvious feature of the 2012 elections – for US citizens – were the seemingly endless length of the campaigns, the hostile nature of the campaign’s television ads, and the vacuity of most of what was called policy debates between the two Presidential candidates. But, for those viewing from England, the question might well be why was that the case and what implications do the elections foreshadow for America’s governance.

To understand why the elections took the form they did requires attention to two features of the American political landscape – the dispersal of authority in its institutional design and the changing nature of the American electorate. The 2012 Presidential election prompted elation from Barack Obama’s supporters, but his re-election settled none of the policy issues that seemingly divided the two candidates. And that is because American elections seldom produce policy majorities capable of bold shifts in public policy. The courts, the Congress, and the President’s executive branches share authority and influence, with decisive shifts in control rare. Even when, as in 2008, the same Democratic Party controlled the House, Senate and the Presidency, two thirds of the Senate did not owe their seats to that election and whips in both Houses had to bargain with members who did not share the President’s priorities. In policy terms, then, the only two things settled by the 2012 elections are: the President can be counted on to veto any repeal of the health reform legislation of 2010 and the Democratic Senate can be counted upon to resist efforts in the Republican House of Representatives to protect high income Americans from increases in their taxes.

The Presidential election itself – with Obama winning the popular vote by 50 to 48 percent and with 332 Electoral College votes against the 207 for Romney – could be plausibly described in two seemingly contradictory ways. As biographer Ron Suskind wrote in the New York Times on November 8th, “A close vote by a split electorate has handed President Obama a second term …to preside over a divided nation.” Or, as Times columnists Gail Collins concluded on the same day, “now the presidential race is settled, Obama won… [surely] everybody will be ready to move forward.” In fact, Suskind is describing the reality and Collins is treating the result ironically. The truth is that stalemate was returned by the elections of 2012, with no substantial change from the balance of power and hostility that prompted the nastiness of the campaign in the first place. (Another contributing factor was the powerful role played by the evangelical and anti-tax constituents in the Republican Party primaries, which widened the gap between Democrats and Republicans in the last six months of the campaign.)

Millions of words have been written and spoken about how this election would and did turn out. But an obvious causal factor in the result is the increased prominence of Hispanic voters in several of the states whose results would determine whether Obama would win or lose. So, in Nevada, Florida, and Virginia, Hispanics and urban working class voters turned out in great numbers, bolstered by African-American backers of the Presidency. And, in Ohio, Wisconsin, Michigan, and Minnesota, union workers, families of recent immigrants, and women returned the Democrats to office. Of course, other factors mattered in particular places – as with the Indiana and Missouri Senate races where evangelical
Republican candidates deeply offended women with bizarre comments on rape, abortion, and birth control. But the overwhelmingly obvious point is that the election drew on distinctions of ethnicity, race, class and gender that were obvious before November and worked out in November as predicted by the Obama campaign.

The implications for policy are anything but clear, however. On health reform, it is settled only that the repeal, candidate Romney sometimes talked about, is not on. But, then, that outcome was never likely. More importantly, the exceedingly complex reform legislation will now go through a much delayed process of implementation. Will Medicaid expansion, central to the effort to universalize health insurance, be hindered by the Supreme Court’s decision to limit that capacity? Will the cost control programs of the reform – through prevention, use of electronic health records, new payment policies – prove to be as weak as health policy experts have predicted? And what will happen to the threatened stalemate over taxes, expenditures, and deficits that has marked the last two years of American politics? Will Social Security retirement pensions be linked to the deficit again despite the program's irrelevance to that problem? The answer is that no one knows with any certainty.

What is clear is that a game of “Chicken Little” is being played, with ghastly results predicted if the Congress and the President do not come to an agreement about deficit reduction before the country jumps off the so-called “fiscal cliff” on December 31st. Most of you will not understand what that cliff describes, but then most Americans do not as well. Just think of it as a frightening legislated possibility – and hence a prod to get the institutions of American government to work.

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Professor Theodore Marmor is Emeritus Professor of Political Science and Public Policy and Management at Yale University and a Corresponding Fellow of the British Academy. Professor Marmor has written widely on welfare state politics and policy in North America and Western Europe. He helped define the rules for the landmark introduction of Medicare in the 1960s and has subsequently advised a number of Washington administrations, including President Obama’s, on healthcare reforms. In December 2012 Professor Marmor will be visiting the UK and taking part in two events at the British Academy: a public panel discussion on the US election, Under the Microscope: the US Presidential Election Revisited, and a policy forum on healthcare reform. More details on the public event, including how to register, can be found on the British Academy’s events pages.

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