

2010 U.S. MIDTERM ELECTIONS

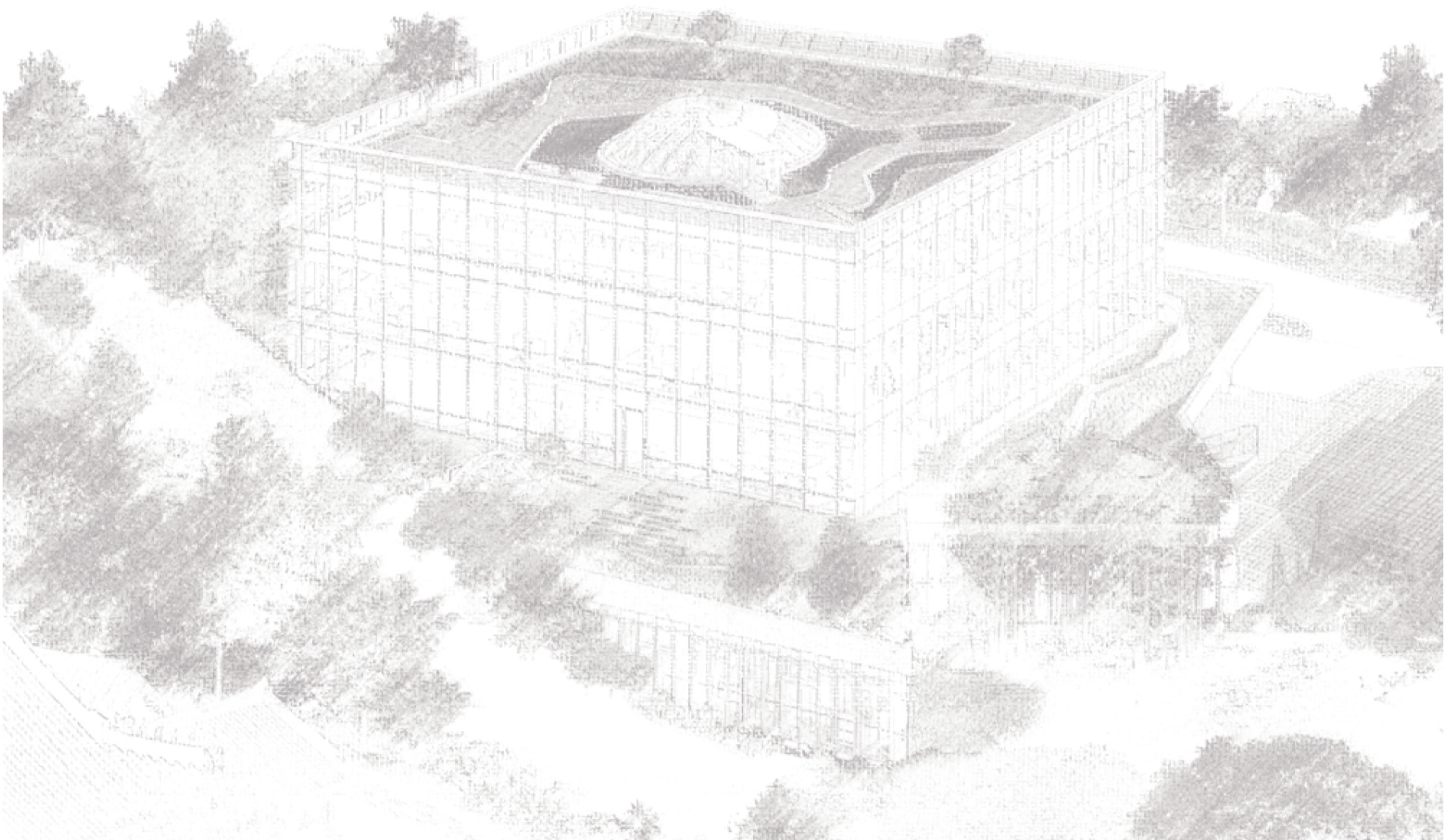
AIPS ROUNDTABLE

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2010 U.S. Midterm Elections

- **Date :** Tuesday, August 3, 2010
- **Time :** 16:00~17:30 Roundtable
- **Location :** Main Conference Room (4F), AIPS
- **Speaker :** Thomas E. Mann (Brookings Institution)
- **Discussants :** Kim Jiyeon (AIPS)
Yoo Sung-jin (Ewha Womans University)
- **Moderator :** Hahm Chaibong (AIPS)



Executive Summary

The election of Barack Obama as U.S. President in 2008 was greeted around the world not only as a watershed event in the history of the United States but also as a turning point in America's relations with the rest of the world after eight years of foreign policy-making under the presidency of George W. Bush. As the United States faces the midterm elections on November 2, the rest of the world is watching with keen interest the key races for state governorships and seats in the U.S. Congress that will shape the outcome of these contests, which will elect all 435 members of the House of Representatives, 36 out of the 100 members of the Senate and 36 out of the 50 state governors. As these elections will have a significant impact on the future direction of the United States, not only in its domestic policy but also in its policies towards the rest of the world, the Asan Institute for Policy Studies (AIPS) invited Dr. Thomas Mann, the W. Averell Harriman Chair and Senior Fellow in Governance Studies at the Brookings Institution, to a roundtable at the AIPS headquarters on August 3, where Dr. Mann presented his analysis of the upcoming elections as well as his thoughts on the state of American democracy and U.S. leadership of the international community. After concluding his presentation, Mann fielded questions, including those from the two designated discussants, Dr. Kim Jiyeon, a research fellow at AIPS, and Dr. Yoo Sung-jin, an assistant professor at Scranton College, Ewha Womans University.

Despite having come into office amid much excitement and putting the U.S. economy on the road to recovery as well as delivering on his reform agenda by passing the health care reform bill through Congress, such accomplishments have not translated into a high voter approval rating for President Obama as he and his party face the midterm elections. Mann argued that the main source of voter disenchantment with Obama and the incumbent Democratic party has been the weak economic recovery, persistently high unemployment rate, voter resentment against the bailouts of failed financial institutions and the widespread perception that the fiscal stimulus program has been ineffective. The sluggish economic recovery, coupled with no real income gain and precipitous declines in the net worth of millions of Americans because of sinking housing prices and the stock market plunge has created a great insecurity among many Americans, as they look ahead to their retirements and see rising costs of education, especially higher education, according to Mann. This sense of insecurity, along with a loss of trust in government and a more generalized discontent with the direction of the country and the performance of the Congress, has fueled an anti-establishment populist enthusiasm for movements such as the Tea Party and created a challenge for Obama and the Democrats in the upcoming elections, observed Mann. As for the election results, Mann posited that recent developments such as internal party politics among both the Republicans and the Democrats and the Democrats' financial advantage in the most hotly-contested Democratic-held seats now make it likely that the Republicans will win a majority in the House of Representatives but that the Democrats will retain their majority in the Senate.

Regarding the impact the midterm elections will have on U.S. domestic and foreign policies, Mann foresaw great problems on the domestic policy front but no major change on the foreign policy front if the Republicans take control of the House of Representatives. Whereas the Republicans, according to Mann, are likely

to engage in politics of obstructionism on the domestic policy front by opposing the Democrats on issues such as health care reform, immigration policy and tax cuts, they are likely to go along with Obama on foreign policy items such as the US-ROK Free Trade Agreement, policies toward North Korea and funding for the Afghan war, as there has been a basic continuity of the US policy in these areas since the later stage of the George W. Bush administration. Concerning the US-ROK FTA more specifically, Mann predicted its ratification by Congress, after additional negotiations, by early next year.

Mann ended the session by noting that foreign policy is seldom a significant factor in midterm elections and expressing his basic optimism that the U.S., in spite of its difficult problems and the mistakes it is prone to make, will continue to provide its leadership in the world as a force for peace and stability.

Thomas E. Mann



One of my favorite lines about American politics is “no good deed goes unpunished” by the American people. That is to say, oftentimes, when politicians do what we think they should do in the national interest, they end up being punished by the people who are supposedly assisted by those activities. One of the seeming ironies of American politics today is that our new president, Barack Obama, came into office after a rather remarkable campaign, generating interest around the globe. He confronted an economic situation much worse than he ever had imagined during

most of the course of the campaign, as the globe stood on the brink of potential collapse and the problems he confronted led some analysts to say, “Abandon your campaign agenda and focus only on the economy.” Instead, he chose to work with South Korea and other members of the G20, managed to develop a program for financial stabilization and economic stimulus that averted the abyss, and now we are on a road to recovery. He also pressed ahead with other elements of his agenda in the face of a really aggressive opposition party that had determined before his inauguration that the best political strategy was to oppose, in an as unified fashion as possible. The U.S. Congress is not a majoritarian institution, and it is an institution where the possibility of unlimited filibusters effectively poses a super majority hurdle for anyone trying to move a legislative program through. Indeed, one of the most prominent changes in American politics over the last decade or so has been a dramatic increase in the number of filibusters. The routinization of the filibuster and the unity of the opposition party have really transformed policymaking in America.

Obama’s Record

Obama confronted this and, for the most part, succeeded in his objective record. It ranks with the best of our presidents’ in many decades. We averted the worst with the economy, and we have been on an upswing now for four quarters. Yet, as I said, “no good deed goes unpunished.” The most striking feature has been the extent to which the American public feels even worse and believes the bailout was outrageous, counter-productive and costly. The public feels that the stimulus was worthless and contributed nothing to the economic recovery or the generation of new jobs. After years of not being concerned about deficits and debt, the public suddenly has become very consumed with them. They want more jobs but no stimulus, and they have come to judge the President, who, after his inauguration, was enjoying a 65% job approval rating, which is now down to 45%. The public turned away from a party that had enjoyed two really significant election victories in a row, namely, in 2006 and 2008. Now, as the November midterm elections approach, the Democrats face the prospect of potentially losing their majority in one or both Houses of Congress and the rise to power of a party that is determined not just to stop new initiatives but to undo those that the President achieved in the first two years

The Democrats face the prospect of potentially losing their majority in one or both Houses of Congress.

in office. This is really quite a dramatic reversal. You were mentioning pundits and forecasters in Korea. America is filled with pundits, and they have many explanations for what went wrong, but typically the explanation points to serious strategic errors on the President's part and him moving too much to the left ideologically and somehow demonstrating aspects of incompetency in his duties. What I want to suggest to you today is that most of this typical explanation is just silly talk. It does not have anything to do with the realities of governance or with the elections themselves.

One can forecast a difficult election for the Democrats based on two factors. One is the number of seats at risk in a midterm election. They have won two successive large elections, which puts them now at a very high point in recent history in terms of the number of their members in the Congress and the size of their majority. The other is both the objective and subjective conditions of the American economy. We may have avoided the worst, but things are not so good in America. Our unemployment rate is close to 10%, we lost 8 million jobs, we have had no real income gain, and we have had precipitous declines in net worth because of sinking housing prices and the drop in the stock market. There is a great insecurity among Americans, both in the short term and over the long haul, as they look forward to their retirements and see rising costs of education, especially higher education. You can just use a favorite indicator that measures the changes in real disposable income per capita, and use that together with the Democrat being in the White House during the midterm election to forecast outcomes close enough to produce a Republican majority in Congress. Then, if you just embellish that a little bit with a more generalized discontent in the country, with the direction of the country and the performance of Congress, with the loss of trust in government, with the kind of enthusiasm that exists among the out-parties, especially their most active and extreme base, the Tea Party, you begin to understand why these upcoming elections are quite perilous.



Election Forecast

My own forecast at the beginning of the year was a loss of a substantial number of seats for the Democrats but the likely retention of their majority in both Houses of Congress. That was partly predicated on signs in March and April of the economy turning up, which it did, with one month adding over two hundred thousand private sector jobs. But since then, the last two months have seen everything stagnate or turn down. Confidence in the economy has dropped considerably, and subjective feelings are really out of it. Are we growing? Are we getting our jobs back? Are we getting full-time hours? No longer wage reductions but wage gains? I think all of that optimism and confidence has been damaged by the sluggishness which the economy seems to be in right now. Again, this is based on economic performance, both objectively and subjectively perceived

by the public. My own take is that, in the House, I see a 30 to 50-seat loss for the Democrats. With 39 needed for a Republican majority, you may say I am being wishy-washy, but, in fact, the point prediction would be right around 40, plus or minus ten seats. I think it is very much up for grabs. I don't think a Republican majority is certain, but I think there is a probability slightly higher than 50-50 now that there will be a Republican majority in the House, although the situation in the Senate has developed in a way to the advantage of the Democrats. Partly due to the nomination politics of the Republican Party in Nevada, Kentucky and Florida, three seats that are usually certain Republican victories, I would argue Democrats will take at least two of the three and could carry all three. So now, the chance of a Republican majority in the Senate has really declined. The potential range is 5 to as high as 10, which is needed for a majority. I would now look at the lower end of that range for the outcome.

Here is how I see what might tip it in the House one way or the other or influence the exact number in the Congress. I've outlined for you already the factors favoring the Republicans. The one thing that I would add is something that developed last week concerning Charlie Rangel, the former chairman of the House Ways and Means Committee and one of the most popular, well-liked members of the House. He clearly became a little too comfortable with his seniority and stature and engaged in ethical improprieties: avoiding taxes on properties and failing to report real assets. As you have heard in the news, Rangel and now another senior member of the Congressional Black Caucus, Maxine Waters, have been charged, and neither seems inclined to informally plead guilty and take some kind of punishment. Instead, we are going to have a public consideration or trial within the Ethics Committee in September, which adds to the problems that the Democratic Party faces. But all is not lost for the Democratic Party. However unpopular the Democrats are, the Republicans are even more unpopular. President George W. Bush is still held responsible for most of our economic problems, and his standing has declined, not improved, in that regard since leaving office. The Tea Party, which is, in some ways, a perfectly normal reaction among ordinary citizens to economic fear and insecurity, is also a part of what Richard Hofstadter said years ago, called *The Paranoid Style in American Politics*. In the Tea Party, there are elements of the militia, of the patriots, of nativist influences, as well as Ayn Rand libertarians pulling the party very much to the right and demonstrating fissures within a party that has been pretty unified in recent years. Interestingly, the energy among Tea Party activists and supporters is quite high, and they will undoubtedly play a positive role in opposing Democratic candidates. In some cases, their activism has produced candidates that are weaker than one would otherwise have had, and they are increasingly becoming a negative symbol for other voters in the electorate. It's also the case that the Republican strategy of saying no, of opposing, of discrediting, and explicitly going against negotiating, bargaining, compromising, and shaping legislation does not play particularly well to the public when laid out in that fashion. It has worked thus far, but it is something that can be exploited.

However unpopular the Democrats are, the Republicans are even more unpopular.

Obstacles for Republican Victory

But there are two main factors the Republicans have to worry about. One is the possibility of Obama changing what is normally a referendum on the performance of the party in power into a choice election. Now, Presidential elections tend to be choices between parties and individuals, obviously with the performance of the incumbent party very much a factor, but people inevitably confront choices. In midterm elections, the public does not really pay much attention to what the opposition party is proposing to do. It is a way of venting their anger when things are going bad with the party in power. Because we are only two years away from a Republican administration that is held responsible, and because the Republican party in opposition is supporting policies that do not look different from the policies they have espoused in recent years, the Democrats will try to point out the difference between the two parties and make it a choice election. It is a long shot. We do not have much of a history of that in midterm elections, but one cannot count it out, and you can see Obama has begun to set aside a somewhat naive, post-partisan rhetoric that he is going to bring us all together and we are all going to live in peace and harmony. Instead, he is attacking the Republicans for using the filibuster to kill proposals that would have done more good for the country, and he is trying to frame that choice. So, that is one possibility.

The other is that we are not here to elect a president. We are electing a series of candidates. We have 36 Senate contests, and we have 435 House contests. While national waves of sentiment for a referendum on a bad economy can wash across districts and make a difference of three, or five, or six percentage points here and there, still there are the local campaigns, the candidates, the resources invested, and the like. The interesting thing is that the Democrats have anticipated the difficult election all along, and in the most competitively challenged Democratic held seats, they now have a major financial advantage. The candidates have raised much more money than their challengers, and the national party committees also show a similar Democratic Party advantage. So, the strategy is bolstering the most vulnerable Democratic incumbents, making sure they raise a lot of money ahead of time, giving them the talking points of choice, letting them identify with local issues that are important based on the political coloration of their particular constituency, and then engaging in a massive get-out the vote effort where you try – which again is difficult in a midterm election, where you usually get a fifteen percentage point drop-off in turnout – to convince the new, young people and minorities that turned out for the first time in 2008 to get back to the polls. There are tens of millions of dollars being invested by the Democrats, and this is their way to try to ward off, and that is why I do not give you a definitive forecast. The reality is that we do not have many examples of big swings in our elections. Incumbents, even in times of anti-government, anti-incumbent sentiments, still have enormous



advantages. In 1994, the Republicans picked up over fifty seats. It was unusual. Democrats did not see it coming, and there were all kinds of lackadaisical behavior on the part of entrenched incumbents, who did not engage in much campaigning. There will be no surprises this year. If they lose, it will not be for a lack of preparation for fighting. The bottom line is that these efforts go against the big picture of the economy and the rest. Now, the odds are that the news on the economic front will not improve in the last couple of months. It is pretty late and hard to believe you are going to get really favorable jobs. On the other hand, it is four straight quarters of growth and, if anything, it is going up slowly, sluggishly, and erratically rather than descending into economic hard times. So, there is a possibility of that majority staying with the Democrats, but it will be a tough battle.

Implications for Korea and Foreign Policy

Let me just say a few words about what this means in relation to Korea as well. And I want to separate domestic policy from foreign policy. On the domestic policy front, it will just be a disaster if the Republicans take control of the House. I say that not because divided party government is always unproductive or contentious, as it can produce some strange coalitions and successful legislation. This, unfortunately, is not one of those times. Right now, think of the Republican Party and how the Republicans have strategized and acted over the last two years, and who their most enthusiastic base is. They want their party to continue to just say “no”. They are going to be trying to, if not repeal, derail the health reform to avoid any action on climate change, do nothing but punitive actions on immigration policy, and continue cutting taxes rather than face up to the necessity of beginning to deal responsibly with the out-year deficits and debt. I expect the Republicans will be aggressive, like going after Bill Clinton in the impeachment era. It will be contentious and not particularly productive. Ironically, however, from the point of view of Korea and foreign policy in general, it does not matter whether it tips to the Republicans or not. Let’s take the Free Trade Agreement. The President has committed to it, and the base interest group of the Democratic party, the labor movement, which opposed NAFTA, is now saying “see, we told you” and is making the same arguments. But the reality is, the Republican Party is disposed to support it. Their President negotiated it, and even though their natural instinct is opposition, there are certain matters which even they are too embarrassed to go back on. So, for example, they are supporting and funding Afghanistan, even while the Democrats are breaking off, and the President’s foreign policy, more generally, has not elicited great criticism on the Republican side of the aisle. In fact, in the last two years of the Bush administration, we began to see a real change back to Bush forty-one in some respects, and there has been quite a bit of continuity, especially with regards to Asia, since then. I actually think that the FTA, after additional negotiations and potential adjustments or sideagreements, will not be reopening the treaty. I think there is a basic agreement on both sides of some things that need to be done, packaged, and framed in a way that they do not just reopen the domestic politics of

On the domestic policy front, it will just be a disaster if the Republicans take control of the House.

Korea on this. But I think it will happen, and either in a lame duck session or early in the new Congress, the FTA will be ratified. I think it is very likely. I also think the President's more general posture now in Asia, and certainly in Northeast Asia, in the wake of the *Cheonan* and China's position on it makes it seem highly likely that our two countries will work together and that the Congress will not be a terrible obstacle to the President trying to carry that out. His difficulty will be in the domestic policy and, occasionally, in the international economic developments. But by and large, I do not see it making a major difference there. For America to continue to play the role that it should and that I think Korea believes it should, it needs to be healthy domestically and economically. We have come through tough times, and we need some real adjustments in the structure of our own economy and the global economy. This requires some difficult and thoughtful steps to foster innovation, improve education, and make critical investments as well as reforming taxes and figuring out ways to further control the cost of healthcare. All of this will be much more difficult. First of all, it will be more difficult, period. Given the fact that there will be substantially fewer Democrats in both the House and the Senate, but if they lose agenda control as well as control of the majority in the House, it will be particularly difficult.

Designated Discussion

Yoo Sung-jin



I would like to ask three quick questions and then add a couple of questions. Let me start with the first question. As Dr. Mann suggested, the performance of the President and the incumbent party is important in midterm elections. It is also well known that the electorate tends to punish bad performances more than it rewards good performances. There are plenty of examples that prove this. I am curious as to how skeptical the U.S. electorate is about the performance of the President and the incumbent party today. It is true that the approval rating of the President has dropped, but it is still 45% according to recent polls. It is certainly low compared to when Obama first started his presidency, but it is not as low as George W. Bush prior to midterm elections. So, in that sense, are there any indicators that reveal the U.S. electorate's skepticism of the Obama administration and the Democratic Party?

Second, you pointed out that one of the driving forces favoring the Republicans is their enthusiasm and that they want to punish Barack Obama and the incumbent party. You also pointed out the division among Republican activists, between the traditional party activists and the Tea Party activists. Could you talk a little more about the differences between the two? Also, relating to that, is there any possibility of the Tea Party activists provoking the supporters of Barack Obama to go out to vote in the upcoming midterm elections? If that happens, it seems that we would have some kind of a balance between the two parties in the United States. Also, could you show some examples of the influence of the Tea Party activists?

Third, your predictions about the Senate and the House of Representatives are different. You are expecting a Republican majority for this upcoming midterm election in the House of Representatives, but it is not so probable that the Republican Party will take the majority in the Senate. Why are your expectations different?

Kim Jiyeon



I am puzzled by the fact that this Congress has not been unproductive. It passed major legislations for healthcare reform, economic stimulus, and financial reform recently. So it is hard for me to understand why the Democrats are still losing, as everybody is saying about this election. You briefly mentioned that maybe there is some strategic error by President Obama in that he was being too ideological in pushing his agenda. But if you look into the healthcare reform deal, it is not too radically liberal at all. It is very centrist and actually has a lot of Republican elements. Keeping that in mind, are the Republicans so good at making the Democrats look bad or are the Democrats bad at selling their accomplishments to the public?

I understand that you regret the polarization of the Capitol Hill. I just heard about a week ago the

Senate filibustered a bill for campaign finance reform, which is simply disclosing sources of campaign funding. This is against the Supreme Court decision made in January of this year. It is probable that this had been the Republican agenda fifteen or twenty years ago. But now the Republicans oppose it and filibustered to kill the bill. To me, that does not seem like a result of polarization. Maybe it is the policy of the GOP to oppose whatever the Democrats are saying. I would like to hear your opinion on this.

You also mentioned some domestic policies that could result if the Republicans take the House next term. The U.S.-Korea FTA was an example you used. There are other policies that I would like to hear your opinion on. For example, the expiration of the Bush tax cut, which is coming next year, and also the immigration bill and the Senate reform bill.

My last question is quite an easy one. Is there any race that you are watching with interest? Mine is Colorado.

Thomas Mann

I am reminded of the fact that I have come to a place where people around the table probably know at least as much as, or more than, I do about American politics. When I encounter that, I am struck by the level of interest and knowledge about our politics, and I really appreciate the comments and questions that you have raised. Let me address a couple of those questions raised by Professor Yoo.

Just how skeptical and critical is the public? What indicators do we have? How seriously should we take these indicators? If you look at the question of which party is better able to handle various problems, even as the President's approval rating was dropping, the Democrats retained an advantage there, although they have recently lost that advantage and also the advantage in party identification. It is not just President Obama's job performance, which has gone from 68 down to 45. Remember, he got 53% of the vote, and that is probably a little closer to the potential for where he can be. But even personal assessments of his strength as a leader and understanding of problems have declined. My view is that they have changed but not because of thoughtful deliberation or the choices of the parties. This change really reflects the broader environment. If we had 5% unemployment rate right now, we would not be having this conversation. There would not be any chance of a Republican majority. So, it is the macro-conditions that are driving all of this. I could imagine improving conditions in the economy by 2012, which will produce a reversal of that assessment. People look back at how popular Ronald Reagan was. He was not. He was controversial when he came into office. It was the assassination attempt that led to the surge. But then, he was in his 70s in his second year in office during the economic downturn. And during that period, the country turned on the Republican Party and him, but, as the economy rebounded in late 1983 and 1984, he just took off and the Party did, too.

As for the Republicans' enthusiasm, it is understandable because it is easier to be enthusiastic about something when you are angry. But you are quite right to the extent the Democrats and the President are effective in scaring people about what would happen if the Republicans took control. That could begin to

equalize the level of intensity and enthusiasm between the parties. I think it is very important to keep an eye on that. They have already had a negative impact on nominations. I suppose the clearest example is in Nevada, where Harry Reid, the Senate majority leader, was certain to be defeated in his effort for reelection. Right now, I think he is almost certain to win. They have nominated a kook, a real nutcase – forgive my technical language here. She is quite extreme and has not thought much about anything, but if a tenth of her views and positions became known, and Harry has about 10 million dollars to make sure they do become known, she would just be unacceptable. Rand Paul's nomination as the libertarian Republican candidate in Kentucky has taken what should have been a safe Republican seat into a highly competitive one. Once again, if people knew who he is and what he thinks about politics, he simply cannot win. I suppose the other good example is the state of Florida, where the parties' excitement about deposing Charlie Crist, who is the governor but is running for the Senate against Marco Rubio, a very attractive Cuban-American conservative, has transformed what should have been simple retention of a Republican seat into the likely scenario that Crist, running as an independent, will win that race and then side with the Democrats, thereby providing a pick-up for them there as well. So your point is well taken that, in fact, the major impact of the Tea Partiers, who have got a lot of ink and a lot of video tape, could well be that they will end up mobilizing the Democrats to turn out and also nominating candidates to work against the interests of the Republican Party.

The difference between the House and the Senate is partly because the Democrats have a bigger lead in the Senate. Some of the Senate seats are really quite safe, and there is no real contest. So there is a much more limited pool on which to draw. Moreover, there are several Republican seats really at risk. In the House, there are four seats that could go from the Republican Party to the Democratic Party, but it is hard to find many more in this environment. That is 4 out of 435. There are 4 Republican seats out of the total of 36 up for contest that could go Democratic. It is basically a situation in which the Republicans would have to win every conceivable race where they are competing. Everything would have to fall in place. And for a while,



one got the sense that that was happening. Polls suggested that they were moving ahead in all of those, but that has really changed because of some of the nomination politics.

Professor Kim, I ask the same questions you ask. In some sense, I began with that irony and said “no good deed goes unpunished.” In fact, it has been a remarkably productive Congress, but it is not viewed in that way. And you are quite right that this is not an ideological program, a swing to the left. In fact, the roots of healthcare, as you rightly pointed out, are Republican and are built on Republican ideas of using private insurers to set up a genuinely competitive marketplace. The individual mandate is essential to allow that marketplace to operate. It is not that the Democrats stayed away from the elements of a plan that would dramatically increase the role of government, and yet it has been portrayed as something else. The Republicans would have been delighted to pass the Obama bill back in 1993 and 1994, when the Clinton proposals were on the table. The same is true of the stimulus, if you actually look at it: about 40% are tax cuts and much of the money is transfers to the states. It is the old fiscal federalism to help with their problems. There is no real pork in the program. Some of it is sort of R&D in the areas that the Republicans favor.

So, you begin to ask, what is going on here? I think your first two questions are really tied together. If it were purely polarization, then it would be a matter of either Obama has swung dramatically to the left – and objectively we know that he has not – or the Republicans have moved so much further to the right that the polarization is new Republicans and old Republicans fighting it out. Is it attributable to the Republicans being better at selling their narrative and interpretation than the Democrats? President Obama is criticized for not having a “proper narrative” for the campaign that persuaded the public. Presidents do not dominate all of the public talk and American politics. There are so many voices heard, especially with changes in the media, the proliferation of outlets, and the partisan cable networks, as well as other developments. It is very difficult for the President to try to control and set the agenda. And when legislative battles are prolonged over time, it is much easier for the press to be drawn and attracted to them. What is wrong? What is happening? Why are the American people uncertain about this? I think that has largely happened. But again, it would not have happened if the economy had bounced back as quickly as it did after the 1982-1983 recession. This one was caused by a financial crisis, and the work on that has demonstrated conclusively that those recessions are much more difficult to recover from and I think that is a part of it. I think, now, it is not enough to talk about polarization, but polarization provides the predicate for a different kind of party system. But then, on top of that, you get what I call a hyper-partisanship of extraordinary unity within the parties and of people like Olympia Snow, really being under such enormous social pressure to go along. I think it is the potential parity between the parties, the possibility of getting back into the majority, and the strategy of a permanent campaign that puts an enormous pressure on party members who, in effect, vote not entirely according to their own personal preferences. Some are happy with what the party is doing, but the ones on the edges are going along too. There is much to talk about in the future, interesting questions about what to do with the Bush tax cuts, which expire at the end of this year. Do they get extended? If you let them all disappear and go back to older rates, then you put further downward pressure on the economic recovery. On the other hand, you do not want to set yourself up for never being able to deal with a long-term deficit

and debt problem. I think we will delay it until a lame duck session, have the election, and then we will pass a temporary extension that does not include the upper income bracket. But if the Republicans take control, they will resist doing that until they are in office. That means that tax increases will go into effect and we will battle it out in the new Congress.

I think Colorado is interesting too because of the crazy things that are happening. The Tea Party people are very active, but you have got competition for the party nominations, and it is settled later this month in both parties. Bill Clinton is favoring one candidate, Andrew Romanoff, who was loyal to him and his wife's campaign for the Democratic presidential nomination, while the person appointed to fill the slot temporarily, when the incumbent was appointed Secretary of the Interior, is someone who supported Obama. So we have a little old leftover from intra-Democratic party politics. On the Republican side, once again, there is a strong Republican party establishment candidate, who looks to be on the verge of being upset by a Tea Party member. So anything could happen there. But what I would say is, right now, the Democrats have a good shot, like in Nevada, to hold that seat because of what is happening on the Republican side of the aisle.

I find California such fun. Look at Meg Whitman, former CEO of eBay, and Carly Fiorina, former CEO of Hewlett-Packard. Having a lot of money, Whitman has spent close to a hundred million dollars to win the nomination, to run against the incumbent Barbara Boxer, and she has given every indication that she would spend another fifty million or so. I was reminding some folks this morning of when Jay Rockefeller first got into politics in West Virginia, he decided to run for governor against the incumbent Republican Arch Moore and started spending his own money on lots of commercials so that you could never avoid seeing him. Even Washington television carried them. So Moore had a bumper sticker made that said, "Make him spend it all." In a sense, Boxer began to pick up on this, and people are saying, "My god, with that much money, we could have saved this many jobs and benefits in the state of California. Why didn't you do something useful with your money?" Actually, both Boxer in the Senate and Jerry Brown for the governorship have moved ahead. It is a very Democratic state, quite positive toward Barack Obama, and I think it is very likely that they will hold. But it would be funny to see how she squanders her tens of millions of dollars as we go ahead.

The other race is Florida. It is worth watching someone leave their party because it has been taken over by the ideological right in this case and then run as an independent. Let's see if he gets elected and then sides with the other party because he has seen his own party move too far from its ideological center.



Q & A

Question

How much does the diplomatic factor influence midterm elections in the US? Thinking of the 1994 midterm election, the Clinton administration made a great deal with North Korea in the nuclear deal, the so-called "Geneva Agreement." But soon after, the Democratic Party lost many seats in the Congress. Right now, the Obama administration has a tough stance towards North Korea. Do you think it will be helpful to maintain this policy in the midterm election, or is there any possibility of changing the North Korea policy before the midterm election?

Thomas Mann

I think an important point to make is that, in a normal election - especially midterm election - foreign policy seldom is a factor of consequence. It turns out that, in 2006, there was some remobilization against the war in Iraq, and that certainly helped the Democrats at the time. So it's not impossible for foreign policy to matter, especially if the issue seems to diminish the standing of the U.S. – think back to Jimmy Carter taking the hostages back from Iran. We looked so ineffectual. That diminished standing and contributed, along with the economy, to his defeat. But typically foreign policy doesn't matter. In this midterm election, we still have two live wars and engagement in many places around the world. Situations in Iran, North Korea, Iraq and Afghanistan seem disastrous. Public support is diminishing. But there's no indication that any of these issues will be a factor in a campaign at all. By and large, the position of this administration towards North Korea is well received politically in the U.S. and similarly with Iran. The efforts to work with our partners and the Six-Party Talks, which have not been active lately but the effort to do that, are seen as a plus. And in Iran, while some are clamoring for a direct military attack in support of Israel or in place of Israel, the reality is that there is no stomach in America for yet another war. So I don't see anything in the elections driving the Obama administration to alter any of its policy or major policies around the world. I think he has bought enough time in Afghanistan with the Petraeus appointment and all of the additional troops there. There's a great skepticism about working effectively with Pakistan, and it's quite conceivable that, in the middle of next year, we will switch to a different strategy, which is counter-terrorism rather than counter-insurgency. For now, all indications are saying it's not going to be a factor in the election. But it does mean for Obama and the Democrats that his unpopular position on Afghanistan now among the core Democratic activists has soured them a bit, as did some of the compromises that he had to make to get health care through as well as other things. So he is looking for some ways of stirring them up, but he's not going to use foreign policy for it at all. It will be domestically generated.

Question

I'm interested in American politics. Koreans in general really worry about America's future leadership in the world. I think Obama was a big surprise for us. His policy toward North Korea is very mainstream; it is very consistent with our policy or President Lee Myung-bak's policies, and therefore the US-South Korea relationship is very strong. From that perspective, I wonder whether America will continue to exercise its leadership

in the world. But there are certain things that worry people who do not know about the United States. I would like to know what your views are on the strengths of the American democracy that will ensure that America will remain strong and provide leadership. I ask because people talk about negative things like cynicism, polarization, and obstructionism.

Thomas Mann

There are no guarantees that America will continue to play an extraordinary role in trying to foster stability and peace in the world. We have our critics, but I think, by and large, many countries and a lot of people around the world have concluded from many of our actions that, though we may have done things stupidly and made mistakes, we have not been on a quest for control of territory or for new mark-outs. We do retain a certain set of values and beliefs and we act on those. Many of us in America have asked the same questions. The strength of our role around the world depends importantly on the health of our domestic economy and the cohesion of our society and the performance of our democratic institutions. Those are all serious matters that we worry about, and frankly we have stumbled along the way. My personal view is that our politics and policy-making have become too ideological. We got ourselves into trouble, and it's also the case that it's hard to imagine that the U.S could always maintain the position it developed coming out of World War II, namely, being so dominant in many dimensions. On the other hand, we have come to be a little less arrogant and self-confident about our political institutions. We've got problems. Part of my job as a political scientist is to point them out and to try to do something about them. The great strength of America and its political arrangements is not that we designed them brilliantly to succeed for all times but that we're capable of self-criticism and renewal and we engage in those actively. We do some really dumb things and get carried away, but, in the end, if your values are intact and sensible, you do what you need to do, pull out of it, and make the changes that are necessary. We're struggling with it right now. The economic problems are substantial. Given the situation, the growth in our national security budget will not continue. The question is how we reallocate our resources and direct our efforts to play a constructive role in peace, security, stability, economic growth and development: things that you're set up to study and encourage. These are all big important questions. My own personal view is that we have got off the course for one, but also that the election of Barack Obama did not guarantee dramatic and immediate transformation of all these policies and processes. Nevertheless, it's encouraging to have someone that intelligent, thoughtful, someone who engages in the very questions you have raised. I know many people working on Asia, East Asia in particular, in the Obama administration. Thoughtful people are trying to figure out the combination of sensible politics with the possibilities of collaboration and coordination. I think we're in a difficult period, but we'll face up to the problems. We'll not close up borders but open them and try to get some of you to come over, use our universities and develop companies. We'll brush back the nativist instincts that have gained some power but by no means have become the majority sentiment in America. It is a tough time, but Americans don't want to be isolated from the rest of the world. It's not a matter of pulling back and not fulfilling our responsibilities. In fact, there's broad support for working in tandem with our allies and with international

organizations and respect international law. But there are also outspoken groups of individuals who feel very differently. They have attitudes and beliefs that are breathtakingly different, but we've always had that throughout our history. Every country has that, and that just has to play out in a political marketplace or society which, one hopes, has built the capacity to constrain the most destructive forces and do the right thing. I may have sounded critical, but this is analytics. I'm trying to size up the forces that are gathering to affect the next election and the aftermath. My most recent book is titled, "The Broken Branch: How Congress Is Failing America and How to Get It Back on Track." It was originally published in 2006. I am worried about polarization, hyper partisanship, and destructive tendencies of ideological extremism, but I'm inherently optimistic about America because our history shows, in the words of Winston Churchill, "You can count on the Americans doing the right thing after they've exhausted all the alternatives." I really am optimistic that we'll come through this.

The views expressed in this publication do not necessarily the views of the Asan Institute for Policy Studies

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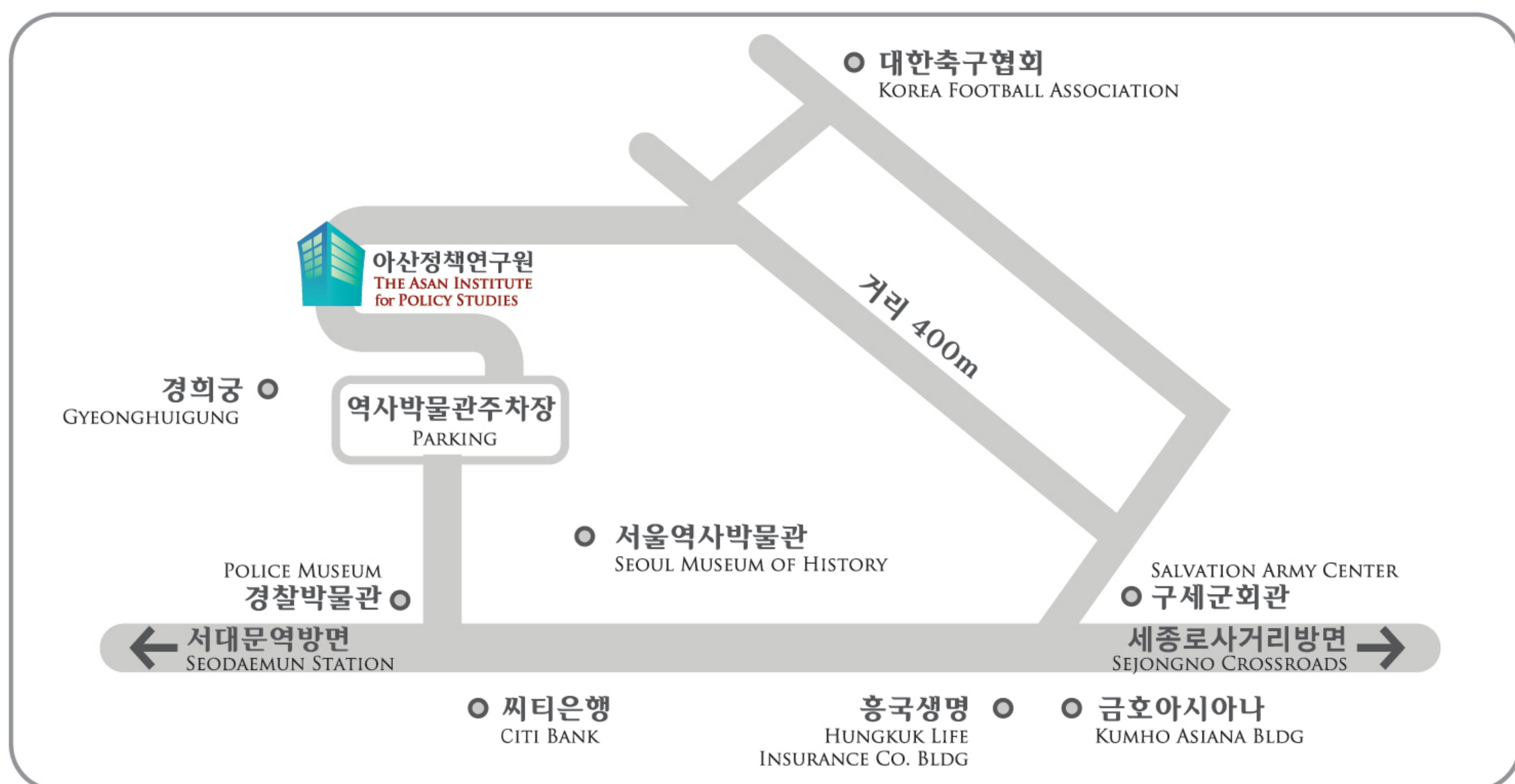
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