The Race for the White House

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1. INTRODUCTION

If the American elections were held today, Hillary Clinton would be elected the 45th president of the United States. Over the last month, Donald Trump has fumbled away his brief lead in national polls and trails in the handful of battleground states that will ultimately decide who wins and who loses. Hillary Clinton has been smart enough to let her opponent trip over his own ego and political inexperience, without offering new targets to her many enemies across the political spectrum.

Pollsters, the media and elites have already declared the election all but over.

Figure 1. Clinton vs. Trump: the polls
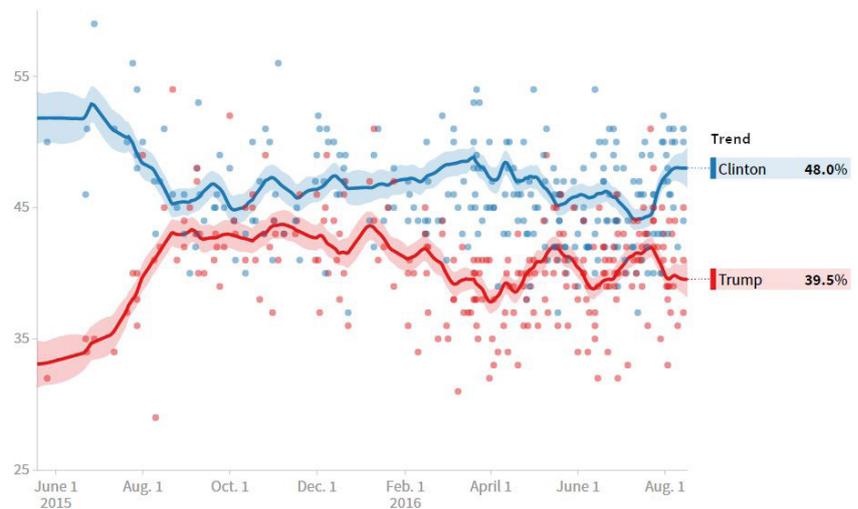
Source: Huffpost Pollster (August 17, 2016)

But the election is *not* today, and pollsters, the media and –above all– the elites have been wrong about Donald Trump since he declared his candidacy in June 2015, saying, "We need somebody that literally will take this country and make it great again." The fact is that Clinton can still lose and Trump can still win, and imagining a path to a Trump victory does not also require belief in Santa Claus or unicorns. Actually, against all odds, he already did in the primary elections. It does, however, require recognition that Trump is not a normal candidate that politics are going through a dramatic change in the rules of the game, that there is a deep malaise gripping significant numbers of Americans, and that the political and economic elite are largely disconnected from what is happening in much of the country.

Trump is also blessed by having Hillary Clinton as an opponent. She is perceived by many –Republicans, Democrats and independents– as a flawed candidate; if she wins, she would enter office with the highest unfavorable ratings (53 %) and the lowest trust ratings (two-thirds of the respondents in a July CNN poll called her untrustworthy) of any modern U.S. president[1]. (Trump's unfavorable –averaging 61 %– are even higher[2].) In her own party, she had to beat back a surprisingly strong challenge from a 74-year-old senator, Bernie Sanders. There are many explanations, but surely the most compelling is that voters are deeply unhappy with the status quo, with politics as usual and with conventional politicians, and Hillary Clinton personifies all three.

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[1] CNN Poll, July 25, 2016

[2] Real Clear Politics, August 12, 2016, average of recent polls

"In recent years the middle class has been squeezed by stagnant incomes, excessive debt, job losses and a marked sense that their best years are behind them"

2. THE BACKSTORY

But this election is not, in the first instance, about the candidates. Rather it is about a country in which two-thirds of citizens tell pollsters the nation is heading in the wrong direction, in which overwhelming majorities say they think existing political and economic institutions are rigged against them, and in which 85 to 90 % say they are frustrated or angry with the federal government and the political system.

The United States has defined itself as a middle class country at least since the early 1950s. However, in recent years the middle class has been squeezed by stagnant incomes, excessive debt, job losses and a marked sense that their best years are behind them:

- Median real household income today is only slightly higher than it was in 1996;

- Uniquely among industrial countries, the life expectancy of white Americans has declined during the last 15 years, mostly due to depression (suicide) and the consequences of alcohol and drug abuse[3];

- Americans tell pollsters that, compared to 50 years ago, life for people like them is either worse (46 %) or the same (14 %) and that they expect life for the next generation to be worse (51 %) or the same (18 %)[4];

- 40 % of Americans told the Federal Reserve in a 2015 survey that they either could not cope with a $400 household emergency or would have to sell something or borrow from family to do so[5];

- By a variety of measures, almost 60 % of U.S. high schoolers are neither job –nor college– ready when they graduate[6].

The result is that the percentage of Americans who define themselves to pollsters as "middle class" dropped from 60 % in 2000 to 51 % in 2015 and seems to be still falling, while many of those who still think they are middle class say they are badly squeezed.

[3] "Rising morbidity and mortality among white non- Hispanic Americans in the 21st century," Anne Case and Angus Deaton, September 2015, Proceedings of the National Academy

[4] "American Rage: The Esquire/NBC News Survey," Esquire Magazine, January 3, 2016

[5] "Report on the Economic Well Being of US Households in 2014," May 2015, Board of Governors of the Federal Reserve System

[6] "The Condition of College and Career Readiness, 2015," ACT

[7] Quinnipiac University Poll, April 15, 2016

"Recent polling shows that, while most Republicans are not racists, racists are more likely to be Republicans, as well as full-throated Trump supporters"

As a consequence, two-thirds of Americans say they want "radical change," including majorities of both Republicans (71 %) and Democrats (58 %) [7].

This political and economic insecurity needs one other element to complete the picture: identity insecurity. The United States has always been a white majority country, fed by great waves of European immigration. However, the most recent immigration wave was from Mexico with the result that non-Hispanic whites will soon be the largest *minority*. Last year the U.S. Census Bureau reported that, for the first time, a majority of American children under five are black, Asian or Hispanic[8]. Thereby, the white middle class American becomes a confused minority.

One last complicating, controversial dynamic. In the age of Obama, researchers and pollsters have documented a resurgence of racism. Some of this is old fashioned resentment of a black man who "should not" be president (evident in the still lingering conviction among some people that Obama was not born in America and that he is a Muslim); some of it is a more modern version which insists, evidence to the contrary

notwithstanding, that whites were disproportionately hit by the Great Recession, and blame the (black) President.

Regardless of the explanation, recent polling shows that, while most Republicans are not racists, racists people are more likely to cast their votes on Trump[9].

3. THE CANDIDATES

Hillary Clinton has been described as the most famous woman whom no one really knows, in spite of 25 years on the national and global stages. During her stints as First Lady, Senator and Secretary of State she developed deep expertise in a wide range of domestic and foreign policy issues.

Like the good lawyer she is, Clinton has a reputation for learning her brief almost better than her clients. But she also has a long history of adopting different personas. At various times she has been an idealist (as in her heartfelt advocacy for children's rights), a pragmatist (as in her aggressive work on behalf of her New York constituents), a hawk (as an advocate for airstrikes against Qaddafi's Libya and Assad's Syria) and a progressive (as when she abandoned years in

[8] "Census: Minority babies are now majority in United States," Washington Post, May 17, 2015

[9] "The disturbing data on Republicans and racism: Trump backers are the most bigoted within the GOP," Chauncey Devega, Salon, July 6, 2016

"We see in Donald Trump: the extroversion and social dominance, the volatile temper, the shades of narcissism, the populist authoritarian appeal"

favor of free trade agreements in the face of Bernie Sanders' challenge). This shape shifting partly explains the lack of trust that has become a key component of her political baggage.

Clinton's decades on stage have produced more than their share of scandals, real or invented by her enemies. Google "Hillary Clinton scandals" and the entries seem endless: the suicide of Vince Foster, Whitewater, the Clinton Foundation, her private email server, Benghazi, huge speaking fees from Goldman Sachs, etc. Whether that's noblesse oblige, corruption, or the inevitable barnacles accumulated in the hand-to-hand combat of modern politics depends on the eye (and the politics) of the beholder – but it helps to explain why many voters hate her.

Who is Donald Trump? A recent *Atlantic* psychological profile ended by comparing Trump to the 19th century populist president, Andrew Jackson: "President Andrew Jackson displayed many of the same psychological characteristics we see in Donald Trump: the extroversion and social dominance, the volatile temper, the shades of narcissism, the populist authoritarian appeal.[10]"

Trump is supremely self-confident; even voters who *should* otherwise be repulsed by his misogyny and crude language (like evangelicals) are drawn to his decisiveness. In a world of terrorist outrages, banning Muslims from coming to the United States sounds reasonable to people who watch images of Muslim suicide bombers on their news feeds.

As a businessman he made (and lost) fortunes developing building projects and marketing a larger-than-life persona, stamping his brand in huge letters on everything from apartment towers to casinos to airliners to steaks. Life, he proclaims, is about successful deal making; even when he loses –like his multiple bankruptcies– he is able to imagine a parallel universe where the loss is somehow a win.

Unlike most modern American presidential campaigns, ideology– in terms of right vs. left, small vs. big government, unilateralism vs. multilateralism– plays little part in this presidential race. Clinton has positioned herself as running for Obama's third term, probably more out of expediency than commitment, albeit with an inclination towards a more traditional,

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10 "The Mind of Donald Trump," Dan McAdams, June 2016, The Atlantic

THE RACE FOR THE WHITE HOUSE

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muscular foreign policy. Trump is best described as "post-ideological:" he is the ultimate pragmatist, looking for the best deal within his overarching frame of "America First." What that means in practice may be as much a mystery to him as to everyone else.

The candidates' political strategies reflect their personalities. Calculating and risk averse, Clinton runs a traditional campaign, heavy on money, people, polls, endorsements, television advertising, and carefully scripted events. She has built a huge, highly articulated organization and deployed it throughout the country; her policy research team alone numbers in the hundreds. Team Clinton is business as usual, done at a high level of professionalism, benefitting from the experiences of five previous presidential campaigns (Bill Clinton's, Obama's and Hillary's 2008 primary loss).

Trump, the spontaneous and proudly irreverent amateur, has evolved a campaign that lurches randomly from place to place, issue to issue, insult to insult. He relies heavily on his family for advice, and has gradually added a small team of seasoned campaign experts and advisers who, more often than not, seem as surprised as everyone else at his latest

off-the-cuff pronouncement or social media posting. But those tweets drive news cycle after news cycle and keep Trump at the center of the national political discussion. A lifelong master of building his own brand, Trump *is* the campaign, in ways never before seen in modern American politics.

As a consequence, when judged by conventional political wisdom, Trump's approach seems chaotic, ineffective, coarse and grossly unequal to the challenge of competing across 50 states. Trump would probably answer that the measuring stick is wrong: politics as usual is exactly what many voters are rejecting, which is why he beat 16 establishment candidates over the course of the Republican primaries.

4. THE CAMPAIGNS

However, Hillary Clinton seems to have more pathways to victory on November 8 than Donald Trump, both in the popular vote and in the Electoral College, and has led in the polls except for a brief moment after the July Republican convention. In part, this reflects political demographics: 39 % of Americans identify as independents, 32 % as Democrats and 23 % as Republicans; among

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independents, 48 % lean Democratic, while 39 % lean Republican.[11]

More importantly, Clinton's campaign looks like it could replicate Obama's victory by winning the overwhelming share of black, Hispanic and women voters –but only a minority of white voters – as well as swing states like Virginia, Ohio, Colorado and Pennsylvania. In 2012 that appeal to diversity produced 332 Electoral College votes (each state casts votes in proportion to its population with 270 needed for election) and 51 % of the popular vote (when 55 % of registered voters actually cast ballots).

Trump, the clear underdog, is doubling down on white, non-college educated voters who, in past years appeared as Nixon's "silent majority" or "Reagan democrats," while hoping that Clinton's political liabilities will discourage minority turnout and Sanders renegade Democrats. White, non-Hispanic voters comprised almost three-fourths of the 2012 electorate; white, non-college educated voters comprised almost 60 % of the electorate[12]. To win, Trump would need those voters to vote –and to vote Republican– at unprecedented rates. This is

possible, but a long shot.

However, the issue is less who votes than where they vote, since it's the Electoral College that elects presidents. At least two-thirds of states have voted for the same party in the past five presidential elections. Clinton can count on at least 227 Electoral College votes from states that she practically cannot lose. In practice, that means the next president will be chosen by the voters of – at most– nine battleground states: Nevada (6 Electoral College votes), Colorado (9), Iowa (6), Ohio (18), Florida (29), Pennsylvania (20), Virginia (13), North Carolina (15), and New Hampshire (4).

At the end of August, Clinton led the polling in all nine.

5. WHAT MATTERS?

Predicting the outcome of the most unusual presidential race in modern U.S. history is a fool's errand. It may be more useful to identify a handful of factors that may shape what voters finally do on November 8.

- Trump, who has never run for office, continually makes outrageous declarations that motivate

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[11] "A Deep Dive into Party Affiliation," Pew Research Center, April 7, 2015

[12] "Trump Isn't Winning Enough White Voters," Harry Enten, FiveThirtyEight, June 10, 2016 and "There Are More White Voters Than People Think," Nate Cohn, New York Times, June 9, 2016

"In past elections, the presidential debates have had huge impact; this time they will offer voters a contrast between Clinton's mastery of policy detail and Trump's unorthodox and aggressive vision of America"

his base (even though unbiased fact checkers claim that around 70 % of his "facts" are false). This could help produce the huge white turnout that is central to his strategy.

- Clinton's political baggage and her mainstream identity could depress turnout among younger voters and others who supported Bernie Sanders' call for radical change.

- President Obama's aggressive advocacy for Clinton (his approval ratings have recovered to 50 %), could mobilize key demographics for her, particularly blacks and Hispanics.

- The more Trump is denounced by the establishment (including Republicans), the more his base is likely to be motivated to vote on election day.

- More disclosures linking Trump's economic fortunes to Russian money –which might be seen as explaining his supposed affinity for President Putin– or further embarrassing leaks of hacked Clinton or Democratic Party files could be late-breaking wild cards.

- Since the next president could nominate as many as three Supreme Court justices (out of nine), many voters might rally to one candidate or the other based on their expectations about the ideological flavor of their nominees. On balance, this seems more likely to benefit Trump by producing votes from Republicans whose fear of Clinton's activism is even greater than their dislike of Trump.

All of these factors will be on display during three televised debates on September 26, October 9 and October 19. In past elections, the presidential debates have had huge impact; this time they will offer voters a contrast between Clinton's mastery of policy detail and Trump's unorthodox and aggressive vision of America.

5. THE MORNING AFTER

It's relatively easy to imagine how a President Clinton would govern: much like Obama in policy terms, if further to the left on social and economic issues and further to the right on national security.

In terms of specifics, she has pledged to secure a path to citizenship for illegal immigrants, to raise the

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minimum wage to $15 an hour, to expand Obamacare, to improve Social Security benefits, and to take steps to slow climate change. She has disavowed the Trans Pacific Partnership and other trade deals, although she would almost certainly seek to reinforce America's traditional alliance system; her foreign policy would look more like Kissinger and Baker than Rice or Kerry. She would probably have a better relationship than Obama with Congress, although that might not matter in terms of legislative output.

A President Trump, however, is a complete enigma; he has provided almost no clues as to *how* he would govern or *what* he actually wants to do (besides, of course, making the country "great again"). In his Manichean world, he would probably use the considerable powers of the presidency to do at least some of what he has promised: redress imbalances where –in his view– U.S. interests are poorly served, e.g., NATO, NAFTA, U.S.-China, U.S.-Iran, etc. His version

of "America First" implies a systematic retrenchment from the post-war multilateral system, towards geopolitical and economic autarchy. He would also probably rely on the standard Republican bromides of lower tax rates, reduced regulation, and a pumped up military, complemented by a life-long developer's belief in pouring concrete, i.e., in building infrastructure.

6. THE MORNING AFTER THE MORNING AFTER

The punch line belongs to Abraham Lincoln, "Elections belong to the people. It's their decision. If they decide to turn their back on the fire and burn their behinds, then they will just have to sit on their blisters."

He should have added, "Regardless, the Republic will survive."

Author

Alan Stoga is a strategist and entrepreneur with extensive experience in communications and public relations, corporate consulting, digital media, geopolitics, banking and government. Currently, he serves as Senior Adviser at Kissinger Associates; president of Zemi Communications, L.L.C.; chairman and managing director of the Tällberg Foundation; and chairman of the Tinker Foundation. Mr. Stoga is currently Vice Chairman of the board of the Americas Society and a member of the Council on Foreign Relations. He has economics and international relations degrees from Michigan State and Yale University, respectively, and is a frequent lecturer and writer on international, Latin American and U.S. politics and economics.

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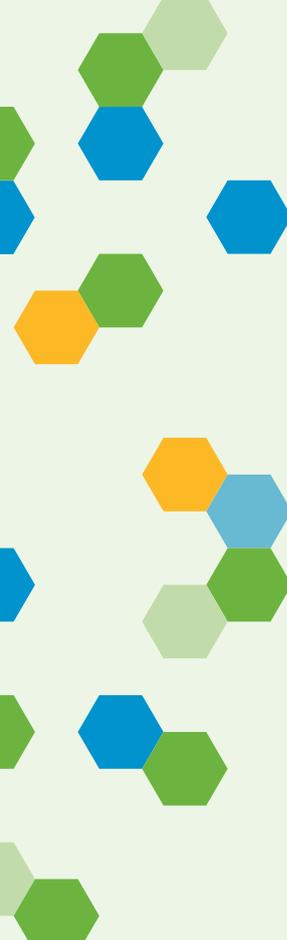Director
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