

CONNECTING THE DOTS

# Obama's re-election: A model's prediction



A. R. CHOWDHURY

**W**ITH Mitt Romney virtually certain to be the Republican nominee, the contest between him and President Obama in the US presidential election next November appears likely to be hard-fought and close.

The US presidential election is based on a system called "short ballot" where an Electoral College elects the president and vice-president. The Electoral College consists of electors appointed by each of the fifty states. Since 1964, there have been 538 electors in each presidential election. Most of the fifty states use a winner-take-all system, in which the presidential candidate with the most popular votes in that state receives all of the state's electoral votes. A candidate must receive an absolute majority of electoral votes (currently 270) to win the presidency.

In 2008, I was involved in developing a model of the economic and political factors influencing American presidential elections that can be used to forecast the outcome. The 2008 version of the model proved accurate, predicting not only the election results that year but also the number of electoral votes received by the winner, Barack Obama. This year we are in the process of updating and modifying the election model to take into account the recent recession, the deepest seen in many decades.

This model does not use polls or prediction markets to directly gauge what voters are thinking. Instead, it forecasts the results of the Electoral College based on past elections, economic indicators, measures of state ideology, presidential approval ratings, incumbency, and a few other politically agnostic factors.

Campaigns and candidates evolve, and elections are dynamic events with more variables than can reasonably be distilled in a model. But assuming the economy takes its most likely course between now and November, the model's initial forecast calls for President Obama to win a second term. This prediction is based on the assumption that the economic conditions in most of the fifty states in the US will continue to recover at slow to moderate speeds.

The president's re-election is not assured, however. Three swing states -- Florida, Ohio and Virginia -- turn out to be the key for the next election. In each of these three states, each party's chance of winning is nearly 50%. If all three states go Republican, it would only take

one additional state's electoral votes to give the White House to Mitt Romney.

Our election model is built on a forecasting tool first developed in 1978 by Ray Fair, an economist at Yale University. The underlying assumption is that US voters are influenced by changes in economic conditions in the months leading up to an election. While Fair's model uses national economic data to predict the outcome, this model connects economic conditions with voting results at the state level, where the all-important Electoral College vote is decided.

The model's dependent variable is the share of the vote received by the incumbent party in each state. Independent variables used to predict that share fall into two categories: (i) changes in economic conditions before the election, including the unemployment rate, real personal income, real GDP, and inflation; (ii) the two parties' share of the popular vote in

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previous recent elections and the presidential approval rating. These can capture some of the non-economic factors affecting election results, such as states' general political leanings and the president's job performance.

Using historical economic and election data back to 1992, the 2012 model has correctly predicted the outcome of the last five presidential contests. Since the 2012 election follows an extraordinary period in US economic history, the model has been updated to reflect the Great Recession and the unusually slow recovery. In addition to the direction and pace of economic change -- measured by the unemployment rate and GDP -- the model now also weighs the depth of the recent slump and its lingering impact on the national mood -- what we term as the "grumpy voter" effect.

Thus, even if economic conditions are improving, they remain bad in many states in the US; this could cause voters to discount

recent gains and remain in a mood to throw out the incumbent party. This effect reduces Obama's margin in the 2012 forecast. Even after incorporating this effect, the model projects the president will win re-election. While a few swing states are projected to fall into the Republican column, the model predicts Obama will receive 298 Electoral College votes, 28 above the 270 needed to win.

The model's prediction nonetheless is tied to the economy's performance. If GDP and employment grow somewhat less than forecast, the election could be much closer than the model projects. Specifically, a new economic downturn or recession could cause the results to switch in Florida, Ohio or Virginia, where Obama's projected majority is less than 2 percentage point.

If Obama loses these three states, his projected Electoral College total drops to 272, only two more than needed to regain the White House. It would take only one more state for the Republican nominee Mitt Romney to move to the White House.

On the other hand, the model suggests that an Obama win in any of these three key swing states will likely nail down a second term for him. The Democrats could win even if they lose two of the three key states and up to two smaller states -- as long as three other large swing states -- Michigan, Wisconsin and Pennsylvania -- remain in their column. The model indicates that all three are likely to go Democratic this year.

For the Republicans, by contrast, the model predicts an uphill battle this year. Even if Mitt Romney wins two out of three in Florida, Ohio and Virginia, he will still need to capture at least three smaller states now projected to go Democratic to win the presidency.

Any model is, of course, subject to margins of error. Also, it does not incorporate the impact of global geopolitical events such as wars or natural disasters, or of the personal leadership qualities of presidential candidates or their running mates.

Various polls have shown that the economy, by far, remains the number one issue in this election. Despite a number of downside risks, however, the US economic recovery has broadened considerably over the last few months. If this trend continues, Obama's chances of getting reelected will brighten. Obama does have one big advantage: His supporters right now are far more enthusiastic about him. They are more energised than those backing Romney.

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## Pilot avoids hitting planet



Nury Vittachi

**A** pilot mistook Venus for an aircraft. Catching sight of the planet in his cockpit window, the Air Canada Flight 828 pilot took evasive action, diving 180 metres and sending passengers hurtling to the ceiling. Only after crew assured him that chances of actually hitting

Venus were on the lowish side did he return the aircraft to its regular flight path. Passengers, several of whom ended up in the overhead luggage bins, were stunned, literally.

I learned this from a reader named Emmy who found the tale in a recently published report from a Canadian transport safety organisation. "How can you mistake a planet for a plane?" she asked. Easy mistake to make, Emmy. They are both big things "up there."

But to help Air Canada pilots, here are the three key differences between Venus and aircraft.

1. Planes are 70-meter-long pointy objects. Venus is a big round thing 12,000 kilometres in diameter.
2. Planes are planet Earth objects. Venus is 40 million kilometres away in space.
3. Planes contain people. Venus is the home of one of the girls from the Sailor Moon anime series. That's all you need to know. Hope that helps.

Bad news for fans of high culture. CSI: Miami has been cancelled. No more close-ups of autopsies broadcast while we eat dinner. My liver carpaccio just won't taste the same. Note to self: Buy more ketchup.

Asia is gripped by The Mystery of the Alcoholic Elephants, I hear from reader Syed Ali.

Since 1992, zookeepers in Pakistan have requested crates of booze for pachyderms, explaining that without it, the maddened beasts would "cause monetary losses and casualties". (I had an uncle who was just the same.) For two decades, patient taxpayers paid for it.

But sharp-eyed veterinarians took just 20 years to spot a gap in the logic. Elephants don't drink because they can't digest alcohol (they prefer tea, Earl Grey, two sugars, petit fours on the side). Commentators are asking: Where did the booze go? I suggest they talk to zoo staff. "Misshing drinksh? Don't askh me. Hic."

Amazing but true: Super-rich ex-banker Dominique Strauss Kahn has just taken out a lawsuit demanding US\$1 million cash compensation from the hotel maid he tussled with, because everything was her fault. It's like a bad joke. Next: DSK sues everybody in the world for rolling their eyes in disbelief.

Scientists have created a stay-sober pill that will enable you to drink as much alcohol as you like without getting drunk. So now you can end each evening bloated, penniless and sad, and you'll be terrifyingly aware of. Great.

Cursing is good for you. Saying bad words provides measurable amounts of pain relief, researchers at the UK's Keele University revealed last week. But it only works for people who use bad words rarely.

So if World War III breaks out and doctors run out of anaesthetic, Gordon Ramsay and Lady Gaga are going to be utterly miserable. But our mild-mannered local clergypersons will get through their medical treatments just fine, as long as they chant: "Oh #\$\$%^! Oh #\$\$%^!" Etc.

From a reader: "I went to an event labelled 'garage sale' but then realised they had left out the 'b'."

Perhaps you don't need a lift or an aircraft to soar through the air. Did you see the video of the British guy who jumped out of a plane with no parachute? He just had his "wing suit" on instead.

To read more go to [www.mrjam.typepad.com](http://www.mrjam.typepad.com)

**Amb. M. Humayun Kabir**, retired Career Diplomat and Vice President, Bangladesh Enterprise Institute and **Professor Amena Mohsin**, Dept. Of International Relations, University of Dhaka, give their reaction to *The Daily Star* on the Times Now report suggesting possible stationing of the US 7<sup>th</sup> Fleet in Chittagong and new military strategy of the US which will see the majority of US warships move to Asia-Pacific by



AMB. M. HUMAYUN KABIR

**I** think the report of the Indian TV channel is baseless as the Bangladesh Government and the US ambassador to Bangladesh denied the report out rightly. The US shift to Asia-Pacific is not quite surprising. Few months back, the layout has been announced by the US President, Barack Obama, and now the defence

secretary has identified it as specific item. 40% of the US warships are already in the Asia-Pacific and they will add 20% more. Hence, I do not see that what he is saying is something very new. It is just to build up on what Obama have said during his recent visit to Asia.

Since the economy is shifting towards Asia, and three major economic powers are growing here: China, India and ASEAN, so US interest in this area is natural. By the same token since the economic activities are increasing and every country is dependent on each other I think there is no scope of creating unnecessary conflict between the great powers. Cold War was exclusive to each other. Now the global relationship is based more on the inclusion. For example, if you look at China-US relationship, there are tendency of contest, but at the same time they have large area of collaboration.

The same thing is true for Bangladesh. China is economically connected to us and our neighbour. At

the same time, the US is our business partner and security partner. So, for us, it is a challenge but opportunity too.

We, the small countries, will always seek for more collaboration, more minimisation of conflict potentials and in some cases we can work for some kind of balance between both sides like reducing their potential of conflict and creating cooperative environment. We can work as a bridge between the contending parties. I think this will be a very important role for Bangladesh. How do we tackle it depends on our ability and capacity to navigate through this diplomatic new environment. We should understand our priorities and then find out a common ground where we can bring both the contenders together and say what they can do for the overall development of the regions. Norway can be a good example for Bangladesh which has been promoting peace in different conflict areas. Bangladesh can create a niche like that as we have been working for the promotion of peace regionally as well as globally. We have a good record of working as a peaceful country. Our diplomats have to be very sophisticated. Commitment from the political elites is also very important. If we fear to deal with the big powers then we will miss the opportunity. If you keep on moving then you will be able to manage the situation. If we remain static then nobody will come to us. We have to be more dynamic, more proactive, and engage with the major players.



PROFESSOR AMENA MOHSIN

**I** don't think the political government of Bangladesh will allow a US base in Chittagong and I would stand by that. It is not possible and there is a clear provision that we won't provide the US with base in Bangladesh. But there has been a misunderstanding amongst the people regarding this. We have been hearing from before that the US has been asking for a base in St. Martin's and even in the recent visit of Hillary Clinton there has been talks about a security umbrella, but what would be done was not clearly spelt out. The terms and conditions of the partnership dialogue should have been stated out in details as the age of secret diplomacy is over. I am quite perturbed by the report aired by the Indian television channel. Although the US has said that India will work as an anchor but right now Bangladesh is negotiating with the US on a one-to-one basis and the basis of dialogue should be like this and not via any other media. We stand on our own. At a moment like this, such news aired from India has created substantial damage to the domestic environment of Bangladesh which leads to the kind of perception created amongst the people towards the US. This was totally uncalled for. Bangladesh government should ask for an explanation from the Indian authorities especially from the news channel which aired such news items.

We should keep in our mind that the US is a super

power and they will try to keep their influence worldwide. Since the US is withdrawing from the Middle East, Afghanistan and Iraq and as far as I know they are taking a kind of big base in Australia and already has one in Guam. That means they are trying to further expand their influence in the Asia-Pacific region. There can be two points; one is to what extent we can deal with the US will depend on the strength of our foreign policy. For this Bangladesh has to negotiate on a one-to-one basis and to serve this purpose a domestic consensus is necessary. In India, though the politicians are equivocal on domestic politics, they have consensus when it comes to foreign policy. But we don't find any consensus among our political parties especially between Awami League and BNP that impedes to reach a united position in terms of foreign policy. It is essential to have a long term vision for a stable foreign policy. We should deal with the foreign policy issues basing on domestic consensus through giving our diplomats some sort of independence in their endeavours. I am not surprised at the US move. The US is a super power and they will definitely contest China's growing influence. It depends on Bangladesh how it will play out of the contest between the two super powers. China has been a long term ally of Bangladesh and we cannot afford to lose their friendship. So the efficiency of our diplomats is needed in order to deal with the game.

We should not allow ourselves to be a pawn between the US and China neither can we allow ourselves to be played by India. We are going to progress and negotiate on a one-to-one basis.