

**OHIO ASSOCIATION OF
ECONOMISTS AND
POLITICAL SCIENTISTS**

NEWSLETTER
Spring 2004

Mary Ellen Benedict, **PRESIDENT**, Bowling Green State University
Thomas Sutton, **VICE PRESIDENT**, Baldwin-Wallace College

Melanie Ziegler, **EDITOR**, Miami University

Call for Papers and Announcing:

OHIO ASSOCIATION OF ECONOMISTS AND POLITICAL SCIENTISTS

64rd ANNUAL MEETING

&

CONFERENCE

October 15-16, 2004

Baldwin-Wallace College
Berea, Ohio

The OAEPS has a proud tradition as the leading scholarly association for social scientists in Ohio. Since 1940, the OAEPS has been devoted to the understanding and dissemination of knowledge and to the facilitation of dialogue regarding economic and political concepts and events. To this end, the organization sponsors the annual conference of the OAEPS and publishes the *Journal of Economics and Politics*. We encourage papers and panel proposals on all aspects of economics and politics to this year's conference. Please send paper and panel proposals to Thomas Sutton, Vice President, OAEPS, 275 Eastland Rd., Berea, Ohio 44017, or by email at Tsutton@bw.edu.

OAEPS Officers for 2004

President	Mary Ellen Benedict	Bowling Green State University
Vice President	Thomas Sutton	Baldwin-Wallace College
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OAEPS webpage:

<http://casnov1.cas.muohio.edu/politicalscience/oaeps/oaeps.htm>

Please Post:

**OHIO ASSOCIATION
OF ECONOMISTS AND POLITICAL SCIENTISTS
WELCOMES YOU TO SUBMIT AN ENTRY TO OUR ANNUAL
UNDERGRADUATE STUDENT PAPER CONTEST**

The Ohio Association of Economists and Political Scientists (OAEPS) sponsors two undergraduate student paper contests: one for political science papers and a second for economics papers. You are welcome to submit an entry by following the rules listed below.

- Eligibility:** Only papers written as an undergraduate student are permitted. Papers may be from a course, an independent study, or a senior thesis.
- Requirements:** Students must be willing to present their papers at the 2004 OAEPS annual meeting. This year, the contest presentations will be held at Baldwin-Wallace College on October 16th.
A proposal must be submitted by June 15th. The proposal must include a completed entry form (see below), a supportive letter from the faculty advisor, and an abstract for the paper.
Final papers are due September 1, 2004. Final papers must be no longer than 20 pages in length.
- Judging:** Judges will consider the papers in light of the relevant theory/application of the discipline, development of analysis, and logical inferences made from the analysis. Papers will also be judged on style, grammar, and organization.
- Awards:** Awards are presented at the meeting. Up to three awards in each category may be announced. You must be willing to present at the meetings in order to be considered for one of the awards.

STUDENT PAPER PROPOSAL ABSTRACT SUBMISSION DEADLINE JUNE 15, 2004

I would like to submit the attached abstract for consideration as a student paper for the Fall 2004 Annual Meeting of OAEPS.

Paper Title:

Student Name:

Student Address:

Student E-Mail:

Institution:

Institution Address:

Faculty Advisor/Sponsor:

Send submission to:

Political Science paper:

Professor Craig Ramsay

Department of Politics & Government

Ohio Wesleyan University

Delaware, OH 43015

Economics paper:

Professor Mike Carroll

Department of Economics

Bowling Green University

Bowling Green, OH 43403

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THE OHIO ECONOMY, JOBS, and the PRESIDENTIAL ELECTION OF 2004

by Dr. Steve Szeghi, Associate Professor of Economics, Wilmington College

Ohio should figure prominently in this year's presidential election, as it often has in the past. Only twice during the 20th century did Ohio not go with the winner; in 1944 and 1960. More than a bell-weather state this year, Ohio could prove to be the deciding factor. Taking account of the shifts in electoral votes since the last election, if John Kerry wins all of the Gore states from 2000 plus Ohio, he will be elected President of the United States in 2004. Consequently, the people of Ohio can no doubt expect to see a lot of both presidential candidates from now until the fall election.

There are only a handful of states which will rival Ohio for attention: Pennsylvania, Florida (the deciding state of the 2000 election), Michigan, and Missouri. The people of Ohio tend to vote their pocketbooks. The state has been the hardest hit during the Bush presidency in terms of job losses, and particularly in terms of manufacturing job losses. Jobs are of course not the only pocketbook issue. Other things such as the value of stock portfolios, access to medical care, and the soundness of social security are also key economic factors. Nonetheless, voter anger and anxiety about job losses should play a prominent role in this election.

Just how badly has Ohio fared in terms of job losses during the Bush presidency? How does that record compare to job losses while Bill Clinton was President? How would Ohio's economy fare under a President Kerry? Currently the unemployment rate in Ohio stands at 6.2% which is higher than the national rate of 5.6%. During the Bush Presidency the unemployment rate has risen from the 4.2% which prevailed when he took the oath of office to the current 5.6% for February of 2004. The national unemployment rate is down a bit from its peak of 6.4% for June of 2003. Ohio's unemployment rate of 6.2% for January of 2004 has hardly budged from its peak of 6.3% in July of 2003.

Ohio has lost over 250,000 jobs since George Bush Jr. became president. Ohio has lost over 180,000 manufacturing jobs during the last three years. By comparison, Ohio had very strong job growth in the first four years of the Clinton presidency, including 30,000 manufacturing jobs created in Ohio during Clinton's first term. Overall, non-farm payrolls increased by almost a million in the first four years of the Clinton Presidency. In 1996 Bill Clinton won Ohio's electoral votes by a substantial margin. In the final four years of the Clinton presidency, Ohio lost jobs overall by about 100,000, including about 15,000 manufacturing jobs. This may have contributed to Al Gore losing Ohio to George Bush.

Job losses under George Bush Jr. in Ohio are more significant and substantial than the job losses which occurred under the final four years of the Clinton administration. This will likely mean that the people of Ohio will be voting for John Kerry in the fall of 2004. But wait a minute, what about stock portfolio's, health care access, and the soundness of social security? If we take a look at the DJIA, Standard and Poor's 500, or the NASDAQ, we will observe, depending upon when precisely we start the series and which index we use, that the major stock indices are either below or slightly above where they were when Bush became president, which pales compared to the more than 200% growth during the eight years of the Clinton presidency.

It should be noted that the growth rate in GDP was extremely strong in the 3rd quarter of 2003, above 8% and about half as much in 4th quarter. Yet, even if strong economic growth continues up until Election Day, without dramatic new job growth and a significant reduction in deficit spending, the economic recovery will likely be perceived as a phantom recovery. In the judgment of this author, it appears that Ohio's electoral votes belong to the Democratic nominee, John Kerry.

WHY BUSH MAY WIN in OHIO, and WHY DEMOCRATS SHOULD WORRY

by Dr. Tom Sutton, Assistant Professor of Political Science, Baldwin-Wallace College

Ohio is one of the key battleground states in this year's election. The AFL-CIO has targeted Ohio as one of its five key states for get-out-the-vote organizing through its "Working Families" initiative, aimed at moderate non-union voters with family, job, and benefits issues that reflect the concerns of union members. The Bush campaign has begun a round of visits to Ohio, with recent events featuring Education Secretary Rod Paige, Labor Secretary Elaine Chao, and President Bush. Likewise, there have been several visits to Columbus, Cleveland, Akron, and other Ohio destinations by John Kerry. With the loss of 250,000 jobs in Ohio over the past three years, some analysts predict that President Bush will be vulnerable, and may not carry Ohio again as he did by a 1.5% margin in 2000.

So why should Democrats worry? To begin with, Bush may benefit from the same phenomena that Clinton failed to capture; credit for economic performance. A persistent critique during the Clinton years was that the booming economy of the mid-1990s was not because of Clinton's fiscal policies, but due instead to the surge of the technology sector combined with the initial success of NAFTA and world trade under the guide of the WTO. In the same way, Bush has made clear that only tax cuts will have an impact on economic performance. Pinning job losses from the recession, outsourcing, and increased productivity indicators on President Bush may be a more difficult challenge, particularly given the other economic indicators that are positive: the stock market rebound, low interest rates and lower income tax rates. As for the mounting deficit, this year is a replay of 1984; deficits are spiraling, but haven't yet caught the attention of voters as a significant election issue.

The war on terror is receiving scrutiny from the 9/11 commission, but the hearings are revealing that both Bush and Clinton are to blame for failures resulting in the 9/11 attacks. Bush's short tenure in office is to his benefit, as is his subsequent construction of terrorism as the primary international and domestic policy priority of his administration. Kerry's voting record on these issues as a Senator does not distinguish him as an early critic of pre-9/11 failures; he is just as vulnerable to the armchair quarterbacking now in play. It is very hard to run against a wartime incumbent (Wilson, Roosevelt, Johnson, Nixon). In a strange way, the appearance of ongoing conflict and problems in Iraq may help Bush, with voters choosing to keep with the current leader until "the job is done."

Locally, the state Democratic Party is Kerry's biggest obstacle. Strong Republican party leadership under state chair Robert Bennett contrasts with the lackluster performance of Democratic chair Denny White and his predecessor, David Leland. While Leland was building a "state of the art" facility in Columbus for Democratic candidates, Bennett was recruiting and grooming strong contenders (with the exception of scandal-prone Joe Deters, the state Treasurer) who now hold every state-wide office, save the lone Democrat on the Ohio Supreme Court, Alice Robie Resnick. The Senate Democratic Campaign Committee has not put much support behind Eric Fingerhut, a northeast Ohio state senator running against incumbent George Voinovich. His strength as an incumbent may cause an "inverse coattail effect," dragging votes towards Bush and away from Kerry. Money is a big issue; Kerry has about \$15 million; Bush has \$170 million. The ad blitz will be heavy from now until Election Day, with the Bush campaign doing everything to paint Kerry as an indecisive liberal elitist who badgers the president without offering credible alternatives to the Bush agenda.

Job losses, continued hostilities in Iraq, and ongoing terrorist attacks such as happened in Madrid may affect Bush's chances, but unless Kerry presents a strong, positive, credible alternative, we will see Ohio sending 20 Republican delegates to the Electoral College at the end of 2004.

