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5 on 45:

On Jared Kushner's new White House role

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PITA: You're listening to 5 on 45 from the Brookings Podcast Network: analysis and commentary from Brookings experts on today's news regarding the Trump administration.

KAMARCK: My name is Elaine Kamarck. I'm a senior fellow at the Brookings Institution and the author of *Why President Fail and How They Can Succeed Again*. Many years ago, almost a quarter of a century now, I worked in the Clinton administration running a little project called Reinventing Government. So when the White House announced that President Trump had put his son-in-law Jared Kushner in charge of a new White House office, the Office of American Innovation, I thought, well, I know a little bit about this topic and um, let me tell you what I think about it.

First of all, it's an admirable undertaking. The government can always use fresh ideas, like any organization. But the government is like the private sector only in some pieces of its operations. Basically, in order to reinvent the government, you need people who really know the government, not just business executives. Let's start with the size and the scope of the government. In 2014, it had revenues of over \$3 trillion. This is more than the combined revenues of the sixteen largest U.S. companies in the Fortune 500. The federal government also had 4.2 million employees – that includes uniformed military personnel – and that size rivals the total employment of the six largest U.S. companies. Other than former presidents, it is impossible to find a private sector CEO who has ever run a company this big.

Second, most corporations, even very big ones, have a core business, like building airplanes or selling hamburgers. But the federal government does all sorts of different things. They contract for state-of-the-art weapons systems, they review new

drugs for safety, they send out checks to elderly people; and this wide variety of missions also requires a wide variety of different skills from their workers.

Third, for the biggest and most expensive operations in the federal government, there is no private sector analogue which you can look to to get good ideas or best practices. For instance, there is no one in the private sector who manages a nuclear arsenal. That's what most of the people in the Department of Energy do. And there's nobody in the private sector who is making plans and conducting operations for the defense of Europe. That's what they do over at the Pentagon.

Fourth, the federal government doesn't actually do much of what it pays for. In a whole wide variety of areas, from clean water to drug counseling, the federal government sends money to states and localities where other government officials or private sector contractors actually do the work. For instance, take the opioid crisis, which is apparently one of the many tasks that Jared Kushner's SWAT team is going to take on. It is a laudable goal, for sure, but the frontlines in that fight are staffed by local law enforcement officials and drug counselors, most of whom are also paid by state or local entities. Other than sending more money down through the federal pipeline, Washington really doesn't have much it can do about this particular problem.

So, does this mean that the private sector leaders are useless? No, not at all. In fact, when I helped Vice President Al Gore run the Clinton administration's Reinventing Government initiative, we met with a lot of corporate executives, especially the ones who were famous for having conducted turnarounds in their companies. The first thing we learned was that it was near impossible to do a successful turnaround without the buy-in of the workers. I suspect that this advice still holds even though it's 25 years old.

But so far, the Trump administration has gone out of its way to insult federal workers every chance they get. We also learned that most corporate executives were horrified at the constraints under which the federal managers work, and if Jared's project does anything, perhaps it will convince the private sector to support civil service reform in the public sector.

There are, no doubt, many good ideas out there for improving government operations, but they have to be implemented, not just articulated, and that requires a fully staffed-out government. The Trump White House has barely begun to fill the critical layers of government that are so important to implementing those initiatives. Trump can tackle the hard work of government reform, once again. He should. But he needs to rely not only on the private sector, he needs to rely on the public sector as well.

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