BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

To: President-Elect Obama

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Re: Lead With Confidence

The Situation

Now that you have been elected president, the hard work of governance begins. You hold strong majorities in the Senate and House, but you must make sure that your party's control of the federal government does not encourage complacency within your administration. In 1993-94, Democrats controlled both the presidency and Congress, yet Bill Clinton was unable to win a single vote on health care reform, the centerpiece of his domestic agenda. Republicans proved to be strong and committed adversaries and Democrats never united behind his major policy goals. Earlier, President Carter had a similar experience with even larger majorities in Congress.

In the weeks ahead, you face several important tasks. You must:

- unify the country
- · staff your administration
- identify your priorities
- address immediate and crucial policy challenges, and
- · fix our political system.

All these imperatives require leadership, coalition-building, implementation and communications.

As you expect, intractable forces—political, institutional and media-related—will complicate your best efforts over the next four years. The big Democratic victories in 2006 and 2008 hardly spell the end to political polarization in the United States. Voters remain cynical about politicians. Reporters will cover every development as combat, rather than part of a deliberative process. You will find both public and media discourse to be edgy, opinionated and sometimes unfair.

Many observers believe that the effectiveness of our political system in making tough decisions—especially those that would impose short-term costs in exchange for long-term benefits—has deteriorated greatly in recent years. Good examples are the recurring stalemates over climate change, trade, immigration, health care and Social Security. The current state of the economy virtually guarantees you will encounter difficulties delivering on your key promises.

Before you entered politics, you were a law school professor; now yours is the biggest classroom of all. Take advantage of the "teachable moment" of a new presidency to inform people what America needs to do to regain the right track. With more than four in five citizens believing the country is headed in the wrong direction and public trust in government at an all-time low, defusing public skepticism and overcoming institutional obstacles will be a major challenge.

Your Stance

With respect to governance, you've often said you want to introduce a **new bipartisan tone** and change the Washington culture (described by Ronald Brownstein of the *National Journal* as "the second civil war"). You have already signaled this approach by reaching out to Warren Buffet for economic advice and to Senator Lugar for foreign policy counsel. And you will no doubt appoint Republicans to important Cabinet and sub-Cabinet positions. The real test of your commitment, however, will be your initial legislative forays.

The need to deal immediately with the financial meltdown and likely recession provide an opportunity to launch your administration with the support of both parties. The widespread agreement that steps must be taken to stabilize the financial markets, design a new financial regulatory system and adopt measures limiting the depth of recession allows you to engage Republicans in serious deliberations at the outset. Moreover, the enlarged Democratic majorities in the House and Senate give you and congressional leaders the flexibility to build broad coalitions in support of these measures.

These initial steps can be followed with a series of legislative proposals that naturally attract support across party lines, including public funding of stem-cell research, expansion of the State Children's Health Insurance Program and new subsidies for renewable fuel research and development. The point is to start with legislative proposals that avoid reigniting bitter partisan battles. As you proceed to address your highest priorities—such as health care and tax policy—you should direct members of your administration and congressional leaders to seek the involvement of key Republicans willing to engage in serious deliberations.

Your posture toward Congress can go a long way to reducing the intense polarization of the parties and the institutional maladies that arise from it. The Speaker and Senate Majority Leader can restore a more positive spirit in the House and Senate if you persuade some members of the opposition to shift from permanent campaign to lawmaking mode.

Further Recommendations

Temper Expectations: Your chances of success will be greatest if you stay focused and recognize from the outset what you realistically can accomplish in four years. The public needs to understand this, too. In fact, your biggest communications problem as president-elect may be "high expectations." You campaigned on a platform of change, and voters expect dramatic breakthroughs. They think you will pull American troops out of Iraq, fix the economy, improve health care and make our schools perform better, all without raising taxes (except for those making over \$250,000).

Without reversing any of your major pledges or sacrificing the vision and inspiration you bring to American politics, you need to lower expectations about how quickly you can turn things around. People understand it will take years to work through the mortgage and financial crises. The obvious need for fiscal stimulus provides you with an opportunity to advance major policy priorities and work with members of the opposition party.

Educate Citizens about the Need for A New Leadership Approach: As my colleague William Galston has pointed out, our political system was designed for a slow-paced agrarian economy, at a time when America's role as a superpower could barely be imagined. Today, trade and information flow instantly around the globe, and the United States has by far the world's largest economy and unsurpassed worldwide influence.

Americans are ready for a new approach to governance if its virtues are clearly explained. While leaving the Constitutional structure of checks and balances firmly in place, you and the congressional leadership of both parties could promote improvements in the mechanics of joint decision-making by the executive and legislative branches. There needs to be more meaningful consultation between these branches, less polarization in the judicial nominations process and more civility in civil discourse.

Employ Technology as a Game-Changer: Consider transforming the executive branch through technology just as you transformed campaigning. You democratized fundraising through the Internet and engaged a record number of campaign donors. You employed social networking sites such as Facebook and MySpace to identify supporters and organize events.

Now, digital innovations are needed in the public sector. Appoint a chief technology officer who will bring the public sector up to the standard of top private-sector innovators such as Amazon and eBay. You already have said that, as president, you plan to create "a centralized Internet database of lobbying reports, ethics records and campaign finance filings in a searchable, sortable and downloadable format." In addition, you proposed to develop a "contracts and influence database" that will publicize how much money federal contractors receive, how much they spend on lobbying and how effectively they fulfill government contracts. Improving transparency will help reporters, watchdog groups and the general public keep track of where government money is going.

Extend Technology Innovation to Electronic Rulemaking and Feedback: Online forums allow citizens to comment about proposed federal regulations. This opens administrative agencies more to the general public and reduces the power of big, special interests. In the same way, electronic town halls could give you and Cabinet officers a chance to explain what you are doing and get feedback from ordinary people. Put complaint lines and surveys on government web pages and keep track of visitors' evaluations of public-sector performance. This will give you up-to-the-minute feedback on which agencies are doing well and which ones need a kick in the pants. As an example, the Office of Management and Budget web site www.ExpectMore.gov lists federal programs that are performing well or falling short based on benchmarking criteria.

Restore the Media Fairness Doctrine and Requirements for Television Public Affairs Broadcasting: At present, television and radio—on which Americans depend heavily for news and information—generally do not produce or promote thoughtful or deliberative civic discussions. The idea behind media deregulation in the 1980s was that satellite technologies and cable television would allow for presentation of diverse viewpoints, so there was no longer any need for the Federal Communications Commission to ensure political balance or fairness.

That approach has proved largely ineffective. With profits falling, traditional media sources too often produce little substantive information and fail to give citizens adequate knowledge about their government. America needs a marketplace of ideas equal to the policy challenges. Once you've made progress on your top legislative priorities, you could devote attention to improving civic discourse in America and encourage the development of new media outlets.

Conclusion

You have gone through a rough campaign where tens of millions of dollars were spent attacking your character, policy vision and past associates. You should pretend those attacks never happened. Don't hold grudges. Befriend your enemies, and tell Republicans you meant all that talk about bipartisanship. To show you are serious, put adversaries in your Cabinet—a leadership style that worked for your home-state hero, Abraham Lincoln. Ask leaders who opposed you for advice. With the federal government facing a trillion-dollar deficit, an economy in recession and two wars abroad, you are going to need all the help you can get!

Keep in mind that your friends and family members can get you in big trouble. Tell your friends not to ask for preferential treatment because they are Friends of Obama. Ditto for campaign donors—giving you a contribution during the campaign does not entitle someone to important privileges.

Most presidents lose popularity during bad economic times. Franklin Roosevelt was an exception. He gained political support during the Great Depression because he exuded hope and confidence and was willing to try bold new approaches. He kept people thinking about the future, not dwelling on the past or on present misfortunes. You have a similar opportunity to inspire people and lead with confidence. Stay focused on your top initiatives and use your fresh political capital judiciously.