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Brookings Cafeteria Podcast:
Trump's transition to the White House

Friday, November 25, 2016

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DEWS: Welcome to the Brookings Cafeteria, a podcast about ideas and the experts who have them. I'm Fred Dews. For expert insight into the continuing transition of President-elect Trump to the White House, I'm delighted to be joined here in the Brookings Podcast Network studio by Elaine Kamarck, a senior fellow in government studies at Brookings and the founding director of the Center for Effective Public Management. She is also a lecturer at Harvard's Kennedy School of Government. Elaine is the author of many books including "Primary Politics: everything you need to know about how America nominates its presidential candidates," and most recently, "Why presidents fail and how they can succeed again." Stay tuned in this episode to hear from Josh Meltzer on global trade and also David Victor on why the Paris Climate Agreement is so important. And now onto the transition. Elaine, it's great to see you again.

KAMARCK: Great to be here.

DEWS: So let's start with the past a little bit. You were part of the Bill Clinton campaign in 92 and then part of the transition in 92 and 93. First of all, what's it like to be on the winning team?

KAMARCK: Oh haha, there's nothing like it; It's great to be on the winning team. You're excited, you're happy, you're also exhausted, and frankly when you're on the winning team, you're really really happy but then comes another period of real turmoil and uncertainty so it's a sort of added exhaustion, which I suspect many people on the Trump team are going through, which is you know your place in the campaign or the structure around the winning candidate and then there's a whole new ballgame as you figure out your place in the administration.

DEWS: Right, so you transitioned from a Republican administration under George H. W. Bush to obviously a Democratic administration under Bill Clinton. How was working with the Bush administration at the time that you were transitioning?

KAMARCK: I didn't have much direct experience working with the Bush administration and the interesting thing about that transition was that the Democrats had been out of power for 12 years. So there were not a lot of experienced gray heads around who had served in the government because people who had last served in the government had served Jimmy Carter, and you know they were retired, some unfortunately had died, you know, there were a lot of people not on the scene anymore. So there was a lot of, sort of, reinventing the wheel that goes on in a transition like that when you've been out of office for so long.

DEWS: Now we heard, before the election, that there was this really nice letter that President Bush had written to incoming President Bill Clinton, it was very gracious, but then we also heard that at the end of the Clinton administration, the transition to President George W. Bush, perhaps, didn't go as smoothly. There was even this rumor that the Ws had been taken off the keyboards. Can you talk about if there's truth to the idea that the first Bush to Clinton transition was smooth and the Clinton to Bush transition maybe wasn't so smooth?

KAMARCK: It's hard to say. I think the first transition was smooth. I think the letter, which has been made public, was absolutely lovely, but George H. W. Bush was a true gentleman and a wonderful man and that doesn't at all surprise me. And so I think that that was probably smooth. I think the second transition was smooth as well but it was complicated because that transition started late and that transition was after a

contested election where a lot of people thought that really Al Gore had won the election, that he had won Florida, that he had also won the popular vote; he did win the popular vote so that was an ugly election and it's not surprising that there was a lot of bitterness during the transition.

DEWS: Let's now turn to the Trump transition. Let's start, actually, with kind of the big picture of what a transition means today. Now we're 13 days post-election and we see a lot of news about president-elect Trump interviewing people and actually positioning people in his white house staff, but generally what is the scope, what is the scale of a presidential transition today?

KAMARCK: Well, I have a peculiar take on this. Okay? I think presidential transitions have gotten unnecessarily big and unnecessarily complex, that in fact, there's only one important thing to achieve during the transition, which is personnel in key places, which I believe president-elect Trump is moving ahead with. I think that they've got to get their cabinet together and they've got to get the White House staff together. If they do a good job of doing that during the transition then I think the second thing they have to do is, during the transition, is figure out what their first acts in office are. I'm sure they are preparing the executive orders, I'm sure they're preparing the list of executive orders that they'd like to overturn they may be talking about some legislation, but I doubt it because the writing of legislation is much more complex than you can handle in a transition.

DEWS: It requires the new Congress to be seated as well.

KAMARCK: It requires the new Congress to be seated, you want to make sure you know who the committee chairman are that you're supposed to work with, etcetera.

So, I mean, there may be people writing legislation but it may also be sort of a waste of time.

DEWS: So we also see some reports of some government agencies, are all the agencies, are waiting for transition teams to visit them. They haven't said actually work in practice. Are there literally members of the Trump transition team going to health and human services, going to labor, going to defense?

KAMARCK: Absolutely, yeah and at that point that's when the real pressure of a new government, I think comes in on the candidate and on the candidate's people, particularly if they've never been in the government because at that point they are dumped an entire agenda both of opportunities and of problems and so there's going to be people going over at HHS presenting the transition team with memorandums on how many people signed up for Obamacare, how long they've been on it, what they think the effect on the markets will be if they rescinded it, you know, it's kind of reality at that point will hit the campaign in the face.

DEWS: Then those people who were going into the agencies who are on the transition team, you mentioned memorandums, they're being deluged with information. I did a blog post recently about the 1960s transition project that Brookings did before they even knew who was going to win the election Nixon or Kennedy and they prepared all of nine memos to the president-elect, of course it was John F. Kennedy, and since then Brookings has done transition planning and in fact we've got one this year, big ideas for America, it's the preliminary edition, there will be another edition coming out soon I understand. These folks are just getting deluged with information as they're trying to transition how do they manage all of that stuff, how did you manage all of that stuff?

KAMARCK: Well they don't. I mean, the bottom line is that they don't because they get memos from everybody. I think that the Brookings memos get a little bit more attention than other people's memos because of Brookings reputation for scholarly work in this area, but remember, it's not until somebody is approved by Congress that they can actually take legislative action, can take formal action on these things, so a little bit of this is spinning wheels and a lot of this is people jockeying for position while there's allegedly spinning wheel.

DEWS: Sure. Now I think it's fair to say that before the election most people thought that Hillary Clinton would win and then you would have a transition from a democratic president to a democratic president and maybe the transition would have been seen in that light. Now we're changing parties and more than that, there are a lot of people who might be worried that the new administration that's been elected within the first hundred days do all it could to undermine President Obama's accomplishments, especially through executive orders. So, I mean, what responsibilities, kind of politically, does the Obama administration have to the Trump transition.

KAMARCK: I think what's going to happen is that the Obama administration is going to hand the Trump transition the status quo in the government and they're gonna say this is where the government is, this is why it is where it is, yes, if you want to overturn this, undo some of it, here's what we think you will face, you know, take it or leave it sort of thing. I mean, it's now there's to proceed with and I think that there's a little reality dose that people who've worked in the government for eight years understand consequences, even of things that seem like small actions, could have very

big consequences and I think that that's probably what they'll try to impress upon the Trump transition teams.

DEWS: A quick break now to hear from Josh Meltzer, senior fellow global economy and development and author of one of the essays in the 11 global debate series. Here he is discussing “the US and international trade: why did things go sour,” this was recorded before the presidential election.

MELTZER: My name's Joshua Meltzer and I'm a senior fellow in the global economy and development program at Brookings. I contributed an essay as part of the global essay package on international trade, which has become a hot topic during this current presidential election season where the Republican nominee for president, Donald Trump, has proposed a range of actions on trade that would see the United States raising tariffs on countries such as China and Mexico, he's talked about withdrawing the United States from membership in the world trade organization and is adamantly opposed to the trans-pacific partnership agreement, a 12-nation free trade agreement that president Obama signed earlier this year but still needs to be ratified by Congress in order to come into effect. Hillary Clinton, the Democrat nominee, while stating that she remained certainly in favor of free trade has expressed reservations about the trans-pacific partnership.

All of this has led to a fairly fierce debate with not probably enough substance, though, on what trade has meant for the United States economy and what the United States position on international trade and really globalization broadly should be going forward and these are a range of issues that I do seek to touch on in this short essay. One of the issues that gets a lot of attention, at least currently, in the political debates is

the impact of trade on the United States manufacturing sector. Manufacturing is an absolutely vital and important part of the United States economy and continues to be so. In fact the manufacturing sector, in terms of its output, has remained fairly constant around 12% of GDP. What has been happening in the United States, though, and this is a trend that's been going on for many decades is a declining share of Labor in the manufacturing sector.

So essentially what's been happening is that the manufacturing sector now makes a lot of stuff with a lot less labor and that's because the manufacturing has become a whole lot more productive, it's employed a lot of technology and the type of intensive labor manufacturing that used to exist in the past which provided lower-skilled, often male workers, with middle class incomes and increasingly no longer exists in the United States and so there have been, you now, absolutely concentrated losses in Rust Belt cities across the United States that has been a focus of politicians. The losses have been obvious and absolutely severe and need to be addressed and I'll come back to that briefly at the end of this talk.

The other part of course though is the services economy in the United States, which represents you know close to eighty percent of total GDP and is also an area where the United States is increasingly trading in services. On the services front, United States has been running a growing services trade surplus. It's very competitive in a whole range of high-end business professional and other services and it is also an area where the average on hourly wages are in fact higher than in manufacturing so if you take business and professional services for instance which represent you know approximately twenty-four percent of employment in the United States, that's already

about triple the manufacturing sector and that's a sector, as I said, which pays higher wages it's also a sector where, if you look at it from an international trade perspective, the barriers to exports are in fact the highest. There's been a lot of success reducing tariffs on goods and it is in services where the barriers remain fairly high and restrictive.

But where the opportunities for United States economy in the United States workers are probably the most significant and this gets us to the trans-pacific partnership which has been a focus of some of the debate this here because it's a large trade agreement, which was been recently concluded and has been pushed by you know the Obama ministrations as an opportunity for the United States to really determine the types of globalization that is going to proceed in the future and so the point they make is that globalization, in many respects, is here to stay.

The United States has already got extremely low tariffs and it's a very open and dynamic economy and people are going to trade and people are going to study overseas and there's going to be global interaction and the sort of part of the question is how do we want that to happen, on what terms, and reflecting what values, and in some respects the TPP is an attempt to create new updated rules which can ensure that the types of values that are important in the United States – environmental protection, protection of particular labor rights standards, for instance, are reflected globally, and the TPP does do that. It's got some very comprehensive new chapters on the environment and labor but it also makes progress on a whole range of new issues such as open Internet access and how to use the internet to engage in digital trade and how do you address other challenges globally such as the expansion of state-owned

enterprises and how they compete with more commercially oriented companies and the like.

So the TPP in many respects is about trying to set the terms for the rules for the road for the Asia-Pacific region, the most probably dynamic region globally going forward, and will undoubtedly be positive for the United States, but then this gets us back to the underlying sort of questions and some of the challenges, I think, which have been really made stark by this election season, which is the segment of the United States which has felt very much abandoned, left behind, and are doing very poorly, and Donald Trump in particular has made this seem as if trade has been the cause and is also the solution to everyone's problems here and the problem is that's absolutely not the case. Even the most pessimistic estimates of how trade has impacted the manufacturing sector put job losses at around twenty-five percent from trade, the rest from technology and productivity and really underscores the broader challenge in the United States, which is about the need for a much more comprehensive and widespread systems support at the labor market and to help people transition, get new skills, how do they cope when they are maybe moving jobs, how does health insurance figure into that, there's been a lot of progress there, in fact, under the affordable care act and how do you basically provide workers with the skills and the ability to take advantage of the new opportunities that are created in this very dynamic and open economy and that's not really about trade and is not going to be solved by putting up tariffs on imports from other countries but it's about doing the hard work of getting the domestic policies right and where there's been very little discussion about that in this election season, but that's actually where the challenges lay.

If you're interested in this topic and you want to learn more, please visit the Brookings website and go to the global economy and development program where you can see my essay and the essays from all of my colleagues and look forward to continuing this conversation, thanks.

DEWS: You can find all of the global debates papers on our website and now back to my discussion about the transition with Elaine Kamarck. Let's talk about ethics for a few minutes. There've been a lot of stories about possible conflicts of interest with the Trump business, perhaps with giving some members of his extended family security clearances; Ivanka Trump was seen at the meeting with the Japanese Prime Minister. Is this transition period the time to really be focused heavily on these kinds of ethics questions, thinking that, I mean, after January twentieth, he'll be President Trump and then he'll have the complete power of the White House.

KAMARCK: Oh boy it is and the reason – this is unprecedented, really, I mean President-elect Trump made a big deal during the campaign of Hillary Clinton using her job as Secretary of State for the furthering of the advancement of the Clinton Foundation, which is a non-profit charitable foundation, so if that was a problem, then using the office of the presidency for the perpetuation of your business interests, hotels in India for instance, okay, he visited with some Indian businessmen over the weekend.

DEWS: And Miss Argentina has come up today.

KAMARCK: Yeah, I mean, then this is a little insane, okay? The president needs to get out of all of his business interests and that means getting his children out of all of his business interests as well. This is unprecedented, this is trouble, and this is unconstitutional as well. There's a very unknown piece of the Constitution called the

emoluments article and it basically forbids the president of united states and members of the government from enriching themselves in their dealings with foreign powers. So believe me if they don't clean this up quickly, somebody will figure out a way to bring a lawsuit that goes straight to the Supreme Court.

DEWS: Let's take a quick diversion then here about the transition and stick on this question of lawsuits and in emoluments. If the Supreme Court were to get a case, I mean that could take some time, but I mean, some of these things might not be technically against the law in a certain way but they certainly break political norms, I mean ultimately, who decides and what's the, you know, what remedies are there for an incoming administration that seems to be ethically challenged, if it's not technically breaking the law in violation of the Constitution?

KAMARCK: The remedies are political and public opinion basically, although I think that this is of a serious enough level that eventually this is gonna go to the courts if they don't clean this up, this will end up in courts, but short of ending up in court, the remedies are public opinion. I mean this is sort of people in glass houses shouldn't throw stones territory. he made a big deal about this and what she did as Secretary of State, the same thing has to apply to him and I suspect that Democrats in Congress will, you know, have a field day with this and I also think that foreign media will cover his business dealings abroad and we're gonna know a lot about it. This is not a hundred years ago where you could maybe have some deal going on in Russia and nobody would ever hear about it, I mean people are gonna hear about this.

DEWS: Right. Now I'm not sure what the status of Steve Bannon who has been named the chief Strategist, his relationship to Breitbart news and Jared Kushner and his

relationship – he's the son in law of Donald Trump – what his relationship to the New York Post is or is expected to be going forward; have you heard anything about those relationships?

KAMARCK: No but both of them have to be stopped. I mean, you cannot, alright? You cannot be an editor of a news source and have a government position, you just can't do that and if you think you can, it'll take you about 30 days in office to see the messes that you get yourself into. The operating principle for many years, particularly of high-level administration officials, is you just can't make any extra money, I mean, it's why so often people leave the government or leave these high positions just about when their kids are going to college, okay? That's sort of been the classic is that people do that and then oh my god their kids – they've got a college tuition to pay and they're out because you really can't take anything extra, I mean, there's all sorts of federal laws about taking money so I I don't know who's advising them but at least from a distance, this looks pretty insane and unsustainable.

DEWS: So going back to something you said a few minutes ago about your take on the transition you suggested that president-elect should focus on the cabinet level and, I guess, the important agencies and then also the staff. So maybe extending off of that Elaine, what, in your view, makes a presidential transition successful?

KAMARCK: Well, one thing that does is if you can not only choose good people, but get them confirmed. An unsuccessful transition is always marked by somebody being withdrawn, okay? So that happened in the Clinton administration a couple of instances, it happened in the Bush administration with the withdrawal of Senator Tower. In other words, in lot of administrations, there's - somebody gets put out there and then

the opposition coalescence against them and suddenly the president-elect or the president finds themselves withdrawing the nomination because they can't get confirmed; that's the big failure in transitions. The other one is acting quickly on a campaign promise that is not doable. So both President Clinton and President Obama ran into this. Clinton with gays in the military, got himself in just an awful mess that frankly if he'd just taken a little bit of time, they could have handled better, and President Obama with closing Guantanamo; all of a sudden, oh gee, that can't be done?

DEWS: He signed an executive order on day one.

KAMARCK: Yeah, and it blew up in his face, okay? And 7-8 years into his presidency they haven't closed Guantanamo and you know the reason is that it was complicated. Part of the mistakes in a transition is taking action before you have the full resources of the government to tell you exactly where the time bombs are and that happens in transitions because you're kind of in a hurry and you think we want to do something strong at first and, you know, a lot of times you just don't know enough.

DEWS: Elaine, I know you have a lot to say about the transition and you have an essay that's going to be printed in the next edition of this big ideas for America, can you talk a little bit about what you're gonna be saying in that report?

KAMARCK: In that, I basically layout that there are three kinds of government reform. If you want to really change the government, there are three ways to do it. The hardest way is to go to Congress and pass legislation that says the federal government will no longer be involved in housing – let's dismantle the housing project, education – let's dismantle student loans, or foreign assistance in commerce – let's dismantle that. I

mean, you get rid of things, so we almost never do that including conservative presidents, they never do that either because it's really hard to do.

The second way to do government reform is agency by agency and that, a president can't do right away because he needs a full team in place and that that takes a while. The third one is the one that you can do more quickly that I did write about in this essay, and that is trying to to fix some of the cross governmental problems and in the essay I identify a couple of them. One of them being – a big budgeting problem, which is we do not include tax expenditures in the budget - in our budget process. Tax expenditures are now enormous; they're bigger than the discretionary part of the budget, and they are actually expenditures because what they are is things that you don't have to pay taxes on or that reduce your taxes.

DEWS: Right.

KAMARCK: And by not including them in the budget, we're not getting a true sense of our fiscal picture. The other thing that we desperately need to do is normalize the civil service; we need to have the civil service have more flexible pay scales so that they can compete with the private sector, particularly at the high end. So it's those sorts of things that I write about in this first essay in the Brookings book because they affect every agency in the government.

DEWS: Thanks Elaine for great conversation. You can follow all of Brookings's analysis and commentary on the transition on our website Brookings.edu and now here's David Victor, co-chair of the energy security and climate initiative at Brookings talking about the Paris climate agreement in a conversation with my colleague and host of the Intersections podcast, Adriana Pita. This is part of a longer conversation.

VICTOR: Well I think Paris is a big deal, you know, we've been talking about climate change issues now for more than 20 years. The first big international agreement on this was signed in 1992, but frankly we haven't been getting much done; emissions keep rising, the actual impact of these international agreements on a mission so far has been relatively small. I think Paris is really very different; it's a new way of negotiating international commitments, more bottom-up than top-down, more flexibility for countries to set their own commitments and so I think one sign of Paris coming into legal force faster than anybody expected – almost anybody expected – is that countries are finding ways to deal with climate change and deal with other policy priorities. All that's great news.

I am a little worried that it's come into force so quickly, that people have been paying more attention to that and not enough attention to the long list of things that needs to get done to actually make Paris effective and number one on my list is to build a more effective review system. This is a pledge and review systems, so countries make pledges about what they're going to do to control emissions to get ready for climate impacts. We right now have none of the procedures in place, whether officially or the informal procedures to check up on countries and see, you know, what's working, what's not working and help them learn from that and then do better.

PITA: That sounds like an important system to get into place. Is it sort of self-review as well? or is it even—

VICTOR: That's an open question. It's – my guess is there'll be an element of self-review, there'll be an element of peer review, there will be a formal process with rules and procedures for that, that's actually when the Paris agreement was signed last

year, they at the same time signed a long list of things that need to get done to put Paris into effect and this is on that list. My guess is that most of the action for serious review is going to come not from the official procedures and be very hard to get agreement on you-know-what in the arms control world we call a verification system, we don't call it that in the environment, it's more about confidence building, but it'll be hard to get countries to agree, especially 180 plus countries to agree on something that serious formally, and one of the things I'm hoping is that the countries that want to make this thing work, go out and demonstrate what a good peer review looks like, and I think there's actually somewhat special signs around that, for example United States and China have both engaged in a peer review of their efforts to reform their fossil fuel subsidies, that was announced as part of the G20 meetings recently and so I think that's a sign that countries know that they can't just have a pledge system, they have to have pledge and review and I'm certainly hoping that the United States, even with a change in administrations, will keep continuity here.

DEWS: Hey listeners, want to ask an expert a question? You can send an email to me at BCP@brookings.edu, attach an audio file and I'll play it on the air they don't get an expert to answer and include it in an upcoming episode and that does it for this edition of the Brookings cafeteria brought to you by the Brookings Podcast Network. My thanks to audio engineer and producer Gaston Reboredo, with assistance from Mark Hoelscher. Vanessa Sauter is the producer, Bill Finan does the book interviews, and design and web support comes from Jessica Pavone, Erica Abalahin, and Rebecca Visor. Basseem Maleki is our awesome intern this Fall and has helped with all the shows since September. And thanks to David Nassar and Richard Fawal for their

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