

# UNIVERSITY *of* PENNSYLVANIA

## JOURNAL *of* LAW & PUBLIC AFFAIRS

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Vol. 1

July 2016

No. 1

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### IS GOVERNMENT BROKEN?

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I am going to start with a simple notion: Is Government Broken? My straight answer to that is: Which government are you talking about? Right? I think that we are definitely challenged at the federal level. And I think that as a result of the challenges that we are having at our national government, people are finding a way, and they are placing greater emphasis on other kinds of government. So, I don't think that overall government is broken. I do believe that government, as we know it, performing in a traditional way, is shifting pretty radically. And it is not just in the United States of America I would point out. It's pretty important to point out that the problem with national governments failing to respond with service delivery and deliver across the spectrum is actually a global challenge. So, large governments around the world are facing the kinds of problems that we are having and these leadership challenges that we are facing right now.

Why do I think that is a good thing for people who are in cities and in states? Because I think that people who care and who want to make change always find a way. Right? And I think that that is what is actually happening. So, I think that people who would have traditionally focused on spending a lifetime trying to perform at the federal level, although I believe many, many important things happen at the federal level; but I would say to you all today if you don't to spend your life trying to change the world that you ought to give some time to cities. The world is already really decided. So, as we stand in this lecture hall tonight, for the first time in recorded history, the majority of the world's population is moving towards cities. In the Unites States of

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America, that story is over because 75-percent of our population, the 75-percent of our GDP now rests in America's metros. And I think that this is really good news for you all.

And you can see that this activity is occurring at our metros by the way that people feel about their government. So, today, as we stand in this room we all know that the approvals of our national government, certainly as it relates to Congress, right, is below 15-percent. They are static if they are at 19 or 20-percent. Today, the closer you get to the local government, the better people feel about their representatives. So, in the City of Atlanta today, while the United States of America has about a 60 to 65-percent wrong track direction, in the City of Atlanta, we have a 68-percent right track direction. So, how is that relevant to whether government is broken?

I believe that the future of politics is performance. And, so, what is happening as you see the national governments have the challenges that they have, sub-national governments are absorbing energy, and it's why I believe that that is where the creativity is taking place.

So, you take a city like the one that I represent, Atlanta. When Councilwoman Archibong and I came into office on January 4, 2010, they had a wonderful swearing in for me, right? And, so, it was a great occasion; it was very cold, but I made the commitment that I wanted to walk from the Civic Center to the train station because I wanted to be among the people. I thought that was a terrific idea. It was sustainable. There was a train station near City Hall. It really had all of it. Great windows for photographers to take pictures. It had the whole thing. And, so, we walked up that street to catch the train at the Civic Center Station, and you all, when I got on the train, aside from my family and me, they wouldn't let anybody on it.

So, security had these bomb-sniffing dogs and all of this other stuff and so, professor, I thought that I was going to be near the people, and they had removed the people. Not only had they removed the people, the people were mad because they got pushed off the train. Not a good beginning.

And, so, we get to City Hall, which is a beautiful place in Atlanta, not unlike yours, and I sit at my desk. And, so, I sit at my desk, and a bunch of bankers appear. I mean, I'm not talking about – I didn't get to take pictures with my mother or my father; I sat at my desk, and a group of bankers walked in with six different stacks of documents. And what they told me to do was to sign a group of tax anticipation note loans, or payroll was at risk of bouncing. Which focuses your mind. We're the home of CNN. America's seeing where you get sworn in, payroll for 9,000 employees checks bounce. Focuses the mind. I signed those tax anticipation note loans on that day, and as soon as I signed those documents, all of that security that marched me from the Civic Center to City Hall, it wasn't for me; it was to get me to City Hall to sign those loans. Another lesson in humility. But it focused me.

And what it caused me to do was to meet with the members of City Council to find out why in the world a government with a two-billion-dollar budget in the capital city in the center of the Southeast was broke. And what we realized together was that about 18 to 20-percent of our cash was going to pay pension benefits and not one penny of it was going to principal. So, we were spending 20-percent of cash in what was a sub-prime loan; meaning the debt was on an open amortization schedule. So, our interest payments had gone to 50-million up to 144-million, and guess what was going on, you all? It was crowding everything else in government that people care about out. Because we didn't have money for anything else.

And, so, unhappily, because I only won by 714 votes, you all, I decided right then that we were going to have to take on pension reform. As soon as I decided to do it, a group of people who have helped elect me mayor, and Katrina Taylor-Parks, my Deputy Chief of Staff remembers, they told me if I introduced a bill around pension reform that they were going to get a new mayor. Now, I wanted to be mayor since I was 13-years-old. And, so, at the end of the day, we did meetings with 4,000 or our 9,000 employees. We worked in partnership with the Atlanta City Council, and we passed the most sweeping pension reform proposal, 15-0, unanimously, and with the support of every single labor union at the table. We did it in a year.

That's what Tom Friedman wrote about. What he wrote about was whether I would survive it. That's what the article is actually about, and he called me a "new breed of leader" and all of that, but it was we'll see. So, what we were able to do is to take out about a half a billion in cost, we had a one-and-a-half-billion-dollar liability; we were about 50-percent funded, and two weeks ago, Standard and Poor's increased our credit rating to double-A-plus, so did Moody's, and so did Fitch.

So, today, as I stand here, we have the best credit that we have had in 30 years. I told you when I walked in the door we had seven-point-five million in debt—[applause]—today, we have 151-million in the bank, which is the gold standard. We have 20-percent of general fund cash set aside in the event of emergency. We hired 900 police officers, we're sending 131 kids who didn't have money to go to college, we re-opened very single recreation center in the City of Atlanta, we partnered with the Boys and Girls Club, now six days a week in the City of Atlanta as opposed to being in the street or involved in crime or gangs, 1500 to 1700 kids are in a supervised space? So, what does that mean?

It means that teen crime is down 25-percent. It means that overall crime is down 24-percent. And what I know as a black man, every time you stop a young person from getting a case at all, you change the trajectory of their career. [Applause] And so, I wanted to talk to you all about where government is working. And what happens as a result.

There is a book written by Michael Barber called *Instruction to Deliver*. And he ran the delivery unit for Tony Blair before the Iraq War, back when Tony Blair was on fire, right? And the book was powerful and it's something that I think you should read if you're interested in public policy because it made an argument that sticks with me every single day when I wake up. What he said is, if you don't deliver basic public services in an effective fashion, the people won't believe you for anything else.

Now, most people who get involved in politics or public service don't get involved just to fill potholes and pick up trash. We get in it for some overall, something bigger, some greater good. And, so, that's why the topic that you all are talking about is so important, because if you get frustrated with where the national government is, and you start adopting the attitude of politics of surrender, then Philadelphia and every community that you call home will suffer. And, so, my argument is that there are governments that are accessible and available to you and the shift is already occurring.

So, what is happening; about two years ago, I gave a talk to the International Business Consortium—a group of a hundred CEOs of the world's leading businesses. Businesses are seeing what you see. And, so, what they are deciding is they are engaging local political leaders directly all over the United States of America. You want to know why? Because if you want to introduce an innovative idea and have it executed or implemented, whether you are a social entrepreneur or a business entrepreneur—you know what you need in the City of Atlanta? You need me and eight votes. Think about that. So, think about what you are studying right now. Think about a passion that you have right now. Think about an idea that you believe would transform a community, eliminate food deserts, increase sustainability, change a person's life, keep someone out of jail. Imagine if you could go and have a meeting with one person, you get eight votes on a city council, and have a model of your vision. You take that same example and go to Washington [laughter] – tell them I'm at Penn, and I want to meet with the Cabinet officer.

So, this is where we are folks. And I tell you, I've known a lot of folks. Cities are incredible because of what you get to do. You know, I was talking to a constituent, and he asked me what my day is like. I said almost every single day of my life, I do 14, 15, or 16 things that I had no idea I was going to have to do when I woke up in the morning. Yesterday, my eyes opened up at 5:30 a.m. and we had the terrorist attacks in Brussels, Atlanta's sister city. By 8:15 a.m., I was in a room getting a briefing on terror from a coordinated federal effort with our local partners because we've got the busiest passenger airport on earth. By 10:15, we were coming up with a strategy, learning from the events in Brussels the same way we did after the Paris attacks. Thirty minutes later, I was on the phone with a senior citizen

whose power had been cut off. One hour later, I was on the phone with the owner of an NFL franchise regarding construction on a one-point-six-billion-dollar stadium. One hour later, various corporate leaders were cursing me out because the Georgia General Assembly had passed a controversial bill, and people were wondering what in the world is going on in Georgia.

NCAA, NFL, motion picture industry – who would think that in the City of Atlanta you’ve got the third largest concentration of motion picture and television content in the United States of America and it’s a six-billion-dollar business; it employs 24,000 people. Who would think that when a convention pulls out of a city – and large numbers of conventions pull out of a city, I’ve got to worry about the 220,000 people and the room nights associated with a 13-billion-dollar industry.

I developed a relationship with Michael Bloomberg, the Mayor of New York for 12 years. Just trying to give you a sense of how people must feel about government. If you went up and talked to him today – I don’t care what you feel about his politics – he will tell you without blinking, he’d never enjoyed anything more than being the Mayor of New York City, which is why he spent 150-million-dollars to persuade people to let him be mayor for four more years. Folks, that’s somebody who on any given day has got between 30 and 40-billion-dollars.

So, when I make these arguments about where I think we can make a difference, and where I think that you all ought to be, I’m not doing it by mistake. I talk to my colleagues right now. Julian Castro and I sat together when President Obama was sworn-in in 2012. Anthony Fox, the former mayor of Charlotte is now the Secretary of Transportation. I am telling you all because I imagine that you all invited me here to get some advance warning of what is to come, not just for what is happening right now. The cities are it. Want to make America stronger, America’s GDP stronger? Make cities stronger. And so your leadership and your involvement in cities, I think, is one of the best paths to whatever else you want to do.

I’m really hopeful, you know. I was excited in the car on the way here. Because we’re going to be just fine. The one thing I want you all to know is whether you think politics is broken or whether we should look for a new system, you know I really don’t agree with that. I think there are moments in the life of America where you have hard problems that have to be hashed out. I don’t think that politics is broken. I just think that there are a lot of people in politics right now who hate politics. So, they are executing what they ran on. You got somebody that tells you that they want to shrink a political system into a tub and drown it, believe what they tell you. That doesn’t mean that you quit and say that politics is broken and throw up your hands. It means you beat ‘em. It means you beat ‘em.

If you look at the Constitution of the United States, and if you look at where America is, basically the United States of America, over the last hundred years, has been an expansion and a contraction of good people. So you have Roosevelt, who drives the United States of America, who takes on robber barons, who does it for as long as he can, and then you have a contraction in government for a period of time that basically leads up to the Depression. Because they said enough of this tough guy, we will contract, we're going to have laissez-faire. Then the country said what in the world has happened? Why are there food lines? And they elect a man with a wheelchair. You then have Social Security. You then have the notion that we are better off when we look out for each other. But you have a whole group of people who never, ever agreed with Franklin Roosevelt.

Then the other side says we're going to go get somebody. Remember, Harry Truman tried to persuade Eisenhower to run with him. He declined, professor. And, so, then they got their guy. I like Ike. And the country did what? Tightened up. Right? Harry Truman was one of the best presidents the United States of America ever had. And he has a quote that anybody that's interested in public policy should remember. Harry Truman said that there are 15 to 16-million people in the United States of America with the power, the prestige, and the influence to make sure that their lives are looked after. What's that number now? Probably 40 to 50-million. But he said for everybody else there is a President of the United States of America. That's the only job in the life of our country that's big enough to push back. And then what happens? Move forward a little bit and then you elect Lyndon Johnson. What's that? It expands. And then after Lyndon Johnson, right, and the War on Poverty, what did the country want to do? Contract. And you got Richard Nixon. Then you go Reagan because they wanted a guy who was as close to Kennedy as possible who is just a hundred and fifty years older, but he looked good. [Laughter] Now, notice that Republicans talk about Reagan the way we talk about John Kennedy, right, even though he's 150 years old, right? Then you had George Bush.

So, the point I'm making is that I don't want you all to ever feel that we're in a permanent place. This is a big country and we are constantly in a situation where people have positions and they have to be hashed out. Then you have President Obama in '08. What did America want to do? Give the president a big hug. And in '12 they didn't really want to hug him that much. Because in '10 what happened? Democrats got what?

So, when I meet young people and they're really feeling like is government broken? I don't know. Let's hash it out. One of the toughest days and most interesting days I had, and the happiest days I had, I was at the White House for the celebration of the March on Washington. And I would not be standing in front of you as Mayor of Atlanta but for a man named

Andrew Young. And, so, Andrew Young mentored me when I was graduating from Howard University, professor, I was thinking about taking a job in New York. At the time, I was on the Howard University Board of Trustees, I was a student trustee, so I used to get to the board meetings early and I would move my nameplate so I could sit by him. Advice on the hustle. It ain't all pure, y'all. He was wondering why I was sitting next to him, I had been up all night, I had read every page knowing that he had just gotten off a plane from the U.N. and Congress, or whatever job he was at and he couldn't have possibly read the board materials. So, I read everything. If he coughed, right?

At the end of the year he said what are you doing, son? I said, I'm going back, I think I'm going to take a job in New York. He said, son, you ought to come home because in 20 years, our city is going to need a mayor like you. Twenty years later, when I got the call to tell me I had won, remember we were up all night because I only won by 714 votes—God took me literally when I said please let me win, I don't care by how much. [Laughter] And he sat by my side with tears rolling down his face. Twenty years. We were walking out of the east exit – I tell you on the 50<sup>th</sup> anniversary of the celebration of the March on Washington, the White House looked like a *Roots* episode. I mean it was just happy Black people everywhere. I mean they were inside and outside; I mean you know people were picking up stuff and Ambassador Young grabbed my arm. And he said, "This is good." He said, "But don't forget you all got a lot of work to do." Isn't that really the answer to is government broken? Isn't that really why you want to be at an institution with the access to the brightest and best minds so that you can figure it out so that when you get the baton you have the best preparation possible to determine whether America is expanding or contracting.

But I would argue that every time we have expanded, we typically do not lose what we captured, right? So, while we may not be in an as strong a position on a range of issues, does anybody here believe that a future Supreme Court will reverse itself around marriage equality? Think of how quickly that happened. Some might say you know make it right – justices and all the rest, the point I'm making is it all has to be hashed out.

And, so, this is why I wanted to talk to you all. is government broken? It depends on what government. What government do I think has the greatest ability to make shifts and change in terms of where the world is going? I think that that happens to be in cities. I think that you are going to get the greatest responsibility and the most preparation even if your ultimate goal is at a state or federal level in cities. Right?

Finally, I want to say this. The reason you all are going to be so amazing is politics today, unless you are a high performer, has been demystified because of the access to technology and your generation's desire

for transparency and your incredible B.S. detectors. I mean I remember when people used to walk in my office when I first got elected mayor six years ago, professor, the truth was whatever I told them. It certainly was that way when I was in the state senate. It certainly was that way when I was in the state house. They didn't have access to any information to challenge my intelligently on anything I said. All of that's changed today. And, so, that's why I'm so hopeful. I'm hopeful because I believe that the generation that is coming up behind me and beside me is one that at the end of the day is going to decide that America is better, that our cities are better, and that our states are better when we're big and bold and trying to be expansive.

And, so, I will close with this. I was invited to give a speech in New York at this big bank. And, so, I'm giving a talk and somebody asked me a sophisticated question and they could have just said, what do you think is going to happen in the presidential election? But they put it in like seven minutes – I think it was for their managers or something like that... but I settled that really quickly. I said I'm not a gambler, but I love movies where everybody pushes all their chips on the table. That's what's getting ready to happen in November. So, whatever side you're on, all the chips are getting ready to be pushed up on the table. And I think, and I know there might be a lot of Bernie people in there, I feel your pain, but I think you are going to have Secretary Clinton and Bill Clinton and Barack Obama and Michelle Obama, and it looks like your folks, some folks are going to have Mr. Trump and his wonderful wife Melania, and we're going to hash it out. And when it's over, after all this chatter and all this talk, it's going to be decided. The presidency, the United States Senate, the United States Supreme Court, we're going to determine whether America is expanding or contracting. Thank you.