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Dangerous Thoughts

Obama's Personnel Problem

Dan Gerstein, 03.25.09, 12:01 AM ET

The especially rocky week that President Obama just experienced has led many political observers to ask what happened to the fabled discipline candidate Obama showed during the campaign and on into the transition. How did he and his vaunted political machine go from "No Drama Obama" to bailout bonus blunders, Tim Geithner death watches and Special Olympic insults in less than two months?

The easy answer is that circumstances have changed, and there is a lot of truth to that. Governing is fundamentally different than campaigning--particularly in the pressure cooker of an economic meltdown. But that's exactly why I would argue that the president's escalating execution troubles are really a function of what has largely stayed the same since the election--the mismatched, understaffed team of loyalists around him.

Indeed, as best I can tell, Obama has more than a Geithner problem. He has what I would call a Rumsfeld problem. That is to say, in the infamous words of the imperious defense secretary, the president made the mistake of going to economic war with the army he had--which was built for political speed and presidential comfort--instead of the army he needs to beat back the crisis of confidence that is crippling our markets and feeding the AIG blood lust.

This is not a question of having good personnel. Obama had some of the best minds working in politics and policy helping him take down Hillary Clinton and John McCain. And it's only natural he would want to bring many of them into his White House to help run his government, much like most every modern president has done.

Rather, it's a question of having the right personnel in the right place to make the best case for Obama's complicated and challenging economic agenda--and perhaps most important, to persuade

the American people to swallow their anger along with another round of distasteful but necessary bailouts.

By that measure, if you step back and look at Obama's sales force, it seems pretty clear so far that the president has the wrong mix of credibility, diversity and sensitivity for this seller's market. That's true for Treasury, for the White House and, most acutely, across the airwaves.

Geithner, who joined Team Obama on the late side last November, has been the obvious poster child for this problem. But he is far from alone.

Both Geithner and Larry Summers, who advised Obama during much of the campaign, have proven to be ineffective and at times damaging advocates for the president's policies. That's in part because of their uneven communications skills. But the bigger problem, critics on the right and left now agree, is that these two brilliant experts are too close to the Wall Street elites they are trying to rescue to procure the pound of contrition the public is demanding in exchange for more bailout money. Hence the tin ear for AIG's gilded ripoff.

The White House's top talking heads have the opposite limitation: They are too removed from workings of the financial system to speak credibly about it.

Press Secretary Robert Gibbs is by all accounts a talented political operative, who shone during the campaign. But unlike some of his recent predecessors--such as Clinton spokesman Mike McCurry (State Department) and Bush spokesman Ari Fleischer (House Ways and Means Committee)--Gibbs does not have any high-level policy experience. And according to Clinton refugees I know who now work on Wall Street, Gibbs' lack of financial literacy too often shows in his vague, halting answers to tough bailout questions. That's not his fault. He's just the wrong fit for this trust-building role.

Obama's chief strategist, David Axelrod, has a similar knowledge deficit. To be sure, Axelrod is one of the most intuitive and resonant message meisters in the country, and few are better at doing political battle on the Sunday shows. But he has never worked in business or government, and just does not have the facility or standing of a Leon Panetta or even a David Gergen to make the case for a complex initiative like the bank rescue program the administration unveiled on Monday.

Obama is suffering from not having a Gergen--in more ways than one. Indeed, when it comes to domestic issues, this White House often appears more a team of radicals than rivals. Forget about a Republican counterweight in Obama's inner circle--there does not seem to be any evidence even of a Democratic contrarian among the campaign loyalists and liberal acolytes in the West Wing.

That is to say, the kind of independent thinker who would have pushed Obama to veto the earmark-laden, omnibus-pending bill that wound up making him look like a hypocrite; or to announce a list of programs the president would be cutting or eliminating before he released his budget to show he was serious about fiscal balance and discipline. Not to triangulate, but to reanimate the country-over-party spirit Obama widely inspired last year and to reassure millions of centrist supporters who have understandable qualms about the dramatic expansion of deficit spending the president is pursuing.

That lack of perspective is compounded by the lack of people in key positions in major agencies. And no one has paid a bigger price for that than Geithner, as Obama himself acknowledged in his *60 Minutes* interview Sunday. Without any top political appointees in place at Treasury, Geithner had no one to bail *him* out on the AIG mess--to make up for his tone-deafness, monitor the bonus process and prod him to nip the issue in the bud before it could explode into a capital-eating and capital-wasting fireball.

The obvious solution to these sales force problems would be the kind of major shakeup Clinton instituted following the collapse of his health care plan and the drubbings Democrats took in the 1994 midterms, which brought in Panetta, Gergen and a handful of other old-hand pragmatists. Some will say it's too early to press the eject button, but you could just as easily argue that this is not a learning curve problem that is going to improve with time.

Nevertheless, it's just not realistic to expect Obama to take emergency measures now, especially after the president unequivocally expressed his support for Geithner and the markets rallied around the rollout of the Treasury secretary's toxic asset plan. So I would bet on Obama to opt for addition over subtraction, and, instead of firing his top salesmen, to bring in more fine-tuned and effective reinforcements to pitch Congress, the press and the public on his behalf.

Ideally, that would mean elevating someone like Paul Volcker, who is currently chairing Obama's recovery advisory group, into the public face of the president's recovery program. The former Fed chairman projects strength, confidence and legitimacy in ways that Geithner never could. He is not tainted by the original Bush bailout packages. And he is clearly the most credible spokesman on financial matters within the Obama orbit.

Best of all, because Volcker is already on the team, his elevation would be seen as a shift, not a shakeup, and give Geithner breathing room to do his best work.

The president would also be well-served, as long as the financial crisis is going on, to take some of the burden off of Gibbs. One option: split the daily press briefings into two. Let Gibbs continue handling the general part of the briefing, and then bring in a specialist to handle the economic portion of the program.

Someone like McCurry, the gold standard of recent White House spokesmen; or, as one Clinton alum suggested, Howard Schloss, a former assistant secretary for public affairs at the Treasury under Clinton and now the head of communications for the Financial Industry Regulatory Authority.

Splitting the briefing duties may seem a little unconventional. But these are hardly normal times. Besides, you didn't see the White House press secretary doing the Pentagon briefings during the last two wars with Iraq.

It's this general posture, more than any specific move, that will most help Obama reduce the drama, reassert his primacy and, not least of all, avoid repeating the worst mistakes of the Rumsfeld reign. We know too well what happens when a president sticks with the same ineffective team and the same failed strategy purely out of loyalty and stubbornness.

If this is no time for politics as usual, as the president has rightly said, it should be no time for political staffing as usual, either. Want policies that work? Get the army you need to win.

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