

DAVID AXELROD, FOR MANY YEARS CANDIDATE AND PRESIDENT BARACK OBAMA'S chief political strategist, is the founder and the director of the University of Chicago's Institute of Politics. He is also an author, the host of a popular political podcast, "The Axe Files," and a frequent commentator on CNN. • Under President Obama, Mr. Axelrod worked closely with Brunswick Chief Executive Officer Neal Wolin, then the Deputy Secretary of the Treasury, as the incoming administration wrestled with its most important challenge: seeking to right the economy after the crash and the Great Recession. • At a Chicago meeting of Brunswick's global Partners, Mr. Axelrod spoke to Mr. Wolin on the lessons of the Obama administration, the state of politics under President Donald Trump, and what the critical balkanization of media and erosion of trust in reporting has meant for the US and the world. • "I had the honor of being at the White House at a very difficult time with a really incredible crew of people who guided not just us, but the world, through what could have been a much deeper economic disaster," Mr. Axelrod said at the start of the panel discussion, as he thanked Mr. Wolin for the invitation. "And you were an integral part of that. So when you call, I'm going to come."

The former senior political advisor to President Barack Obama says business must respond creatively to "revolutionary times." He talks to a former Obama administration colleague, Brunswick CEO **NEAL WOLIN.**

DAVID

AXELROD

I want to start with what's happening in this country, in particular the polarization of America. How do you see that?

We live in revolutionary times. The impact of globalization, and particularly technology, has been profound. It's churning at a faster and faster rate. If you are well positioned to take advantage of those changes, it is an incredibly exciting and profitable time. For lots of people though, the disruption has been disquieting, anxiety-producing.

We're here in the industrial Midwest, which has felt it profoundly. There's this sense of loss driving a lot of sentiment. It's cultural as well as economic. At the same time, we have a system—not just our democracy, but all democracies—that is designed to move slowly when countries are deeply divided; that government seems ill-equipped to deal with these problems; that has created a lot of disquiet about democracy itself, and about the establishment elites.



At the same time, technology has also changed the way we communicate. We can live in virtual reality communities. And our views are always affirmed in these silos, but often not entirely informed. Everyone outside of the silo is alien.

All of that has created an environment in which demagoguery can flourish. It's easy to speak to that sense of alienation and loss that people feel.

One of the disquieting things is that this is not just an American phenomenon. Throughout Europe you see similar phenomena, Brexit being one example. Donald Trump is a symptom rather than the cause. He's exacerbating the problem by inflaming these differences, a central part of his political project. But he just took advantage of the environment that was evolving.

We've seen previous troubled periods, the Great Depression and so on, and we have come through them. But government played a big role. The question now is whether the government is too enfeebled to do what's necessary to deal with things like the great polarization of our economy, lack of appropriate education and training, the healthcare issue and a society in which employment is no longer long-term in many cases, yet we have a health system that's largely based on employer benefits—a whole range of issues. They're going to take government leadership at a time when government doesn't appear to be in a position to provide it.

What might push things into a more constructive direction? What role can the private sector play?

Part of what needs to be done is to imagine what the role of government should be in a different time. Technology is not only a challenge, but an opportunity. Increasingly, states and local governments are laboratories for change. But you don't want a situation where you have some states that have innovative, progressive ideas about how to attack these problems, and a whole raft of states that don't—further dividing the country between zones of opportunity and zones of anxiety.

This is a central issue for the business community, for the financial community. If we stay on the path we're on, where the vast majority of people are bumping along trying to hold their place while the economy grows in an asymmetric way, and people at the top are benefiting in a really dramatic way, I don't think that that's a sustainable model. The danger is that demagoguery wins out and then turns a destructive eye on business.

There is a drift toward authoritarianism. In a world that is very complex, where it seems like

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governments aren't able to function, a candidate comes along and says, "I'm gonna get this done. And we're not going to worry about being politically correct. We're not going to worry about these creaky institutions of democracy. We're just gonna do it." That's a lot of what Donald Trump's message was.

But that lends credence to China's argument that this old model that made America so successful in the 20th century is outdated and that we're not nimble enough to take advantage of the opportunities or deal with the challenges of the future. We are being challenged to prove that's not true.

Everybody here should think about what the reaction of business should be. Because if people feel increasingly like they're being left behind, I think there will be a reaction. And it will be dramatically negative. Not to cheer everybody up. [Laughter]

We're seeing a pretty brutal decline in people's trust in institutions. How do we break out of that?

Again, this is a global issue. The sentiment about the EU in Europe. Look at Brexit. The mistrust is intensified by the temptation for politicians to take advantage of it. The basic premise is that these institutions are rigged for the advantage of those who are already advantaged. They're corrupt. And that view is a very dangerous thing.

Here in America, there's a real question about the extent of the rule of law, freedom of the press, the kinds of issues that we sort of took for granted in the past. It is really disquieting. We are at a place that we wouldn't have imagined even five or 10 years ago. And it's fueled by fundamental cynicism about institutions and their ability to deal fairly with the wider population. People are feeling shut out.

Earlier I mentioned cultural issues. This sense of cultural loss is very much at the center of what's going on as well. In 2016, Donald Trump got 80 percent of the white evangelical vote in this country. That's a quarter of the vote. He lost everyone else 60 percent to 37 percent. What motivates his base are cultural issues. In addition, there are economic issues. But there too, there's this sense of these elite forces conspiring against his base and taking things away from them. So this sense of loss, both cultural and economic, is big. And it's aimed at all institutions, which are viewed as corrupt and self-interested.

How much of a role do changes in the media landscape play and how might the media be part of a better path?

One of the things that we're grappling with globally is whether we can all agree on a set of facts. It's hard to



David Axelrod speaks with President Barack Obama in the Oval Office during a staff meeting in 2009. At left, Mr. Axelrod speaks to Chuck Todd, host of NBC's "Meet the Press," in 2015.

solve problems if you don't agree that they exist. Climate change is a great example. If we don't even agree that it's a problem, it's going to be very hard to solve.

The most telling exchange of the early Trump administration was when [senior counselor to President Trump] Kellyanne Conway was asked about some of the things the President said about how he actually had won the popular vote even though he had lost by 3 million votes, and about the size of the crowd at the inauguration. The reporter said, these are just facts, and Conway said, "Well, he has alternative facts." [Laughter]

When I started in this business a long time ago, we had basically one national conversation. There were three networks and thriving local news operations. But everybody seemed to be having one conversation. Competitive pressures have changed that.

The news business is a business. It's a trust and a business. You want to operate as a trust and with integrity. But you also need to get people to watch your programming. So things sometimes get hyped out of proportion. In addition, Trump has set up a situation where if you criticize him, or if your reporting is unflattering, he dismisses it as a political thing. And that adds to a sense of cynicism.

If we lose the ability to agree on certain facts and then discuss them rationally, and if governments escape scrutiny, that's dangerous. [US Supreme Court] Justice Brandeis said, "Sunlight is said to be the best of disinfectants." If we develop an immunity to sunlight as a disinfectant, that is a corrosive thing for democracy.

What's your view on President Trump's politics?

People in our circles and in media circles, frankly, could not believe that he could win that election. We tended to evaluate Donald Trump through an elite prism. But he understood his customers, his

audience better. And for that reason, he should not be underestimated. He knows exactly who he's talking to. Generally, presidents saw the job as representing the whole country. Trump views things differently. He views it very much through the lens of self-interest. He feels that if his base is energized and engaged and sticks with him, that he can replicate what he did before. And so far, he has been proven right. The fact that he aggravates people like me is a badge of authenticity to these voters. He has a kind of feral genius for marketing to his base and for the modern media environment. And he should not be underestimated.

What are the most important leadership lessons you learned in your time as an advisor in the Obama White House?

Obama had a natural executive demeanor. He would invite discussion and debate and welcome it and demand it. Once he was satisfied that he had the full information and the best information, and he had heard all the arguments, he would synthesize it and he would make decisions. I never once heard him say, "Gee, I wish I could go back..." He would learn from mistakes, but he had a protocol for how to get to a decision. And he would make it and he would live with it.

That was an important lesson. Another we learned together, all of us, was about crisis communication and crisis management: Try and understand fully where the story is likely to go and get there as quickly as possible. Do not have episodic kinds of interactions with the public in which you are sort of explaining things in stages.

Early in the administration, we had the so-called "underwear bomber" who came to Detroit on a plane and tried to blow up the plane and instead singed himself—I don't need to elaborate that if you're the underwear bomber and it goes badly, that's very painful. [Laughter] The President was in Hawaii on vacation. And I was asked, should we have him go out and speak? This was on a Saturday. And I said, "You know, we have Secretary [of Homeland Security Janet] Napolitano going on television tomorrow. She can handle this." The President was obviously deeply involved in the discussions and understood what was going on. But I said, "No need to ask him to do this." That turned out to be a terrible mistake. People wanted to hear from the leader and he didn't address it until several days later.

The way we handled the [Deepwater Horizon] leak in the Gulf was a mistake because it felt like we didn't really have a handle on it. We kept sending

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NEAL WOLIN is Brunswick Group Chief Executive Officer. He previously served as Deputy Secretary of the US Treasury from May 2009 until September 2013, and Acting Secretary of the Treasury in January and February 2013.

him out and we didn't quite have a handle on it. So I think crisis communications was something I learned a lot about in this job.

I also really appreciated, working for President Obama, that the team had each other's backs. There were fewer examples of the team turning on each other, of leaks against each other and certainly not against the President. That spoke to me about having a leader who sets the tone and the culture, that gives everybody a sense that they are a part of something bigger and that each part relies on the other part.

In retrospect, did President Obama miss something or do something wrong with regard to the cultural and economic divide?

We ran a campaign in 2012 that very much spoke to this sense of economic anxiety and loss and put the revitalization of the middle class at the center. I don't think we did a good job of following up on that after the election. The President's attitude about it was, "I have this list of things that I want to do and work on. And if I don't do them in my eight years as President, I will have felt like I failed, even if I fail in trying." Climate change was one of them. Trying to deal with the impasse between Israel and the Palestinians was one of them. Gay rights was one of them. I had some very animated conversations with him before the 2012 campaign about how all of these things are worthy and need to be addressed, but for the purposes of our campaign we need to really focus like a laser on this economic issue. And we did. And then after the campaign, his view was, now I need to deal with this list.

So there was a failure to communicate on a regular basis with the same group of voters, and Americans on the economic issues in the second term—at the same time as he was very much focusing on these other issues. Restoring our relationship with Cuba, the Iran agreement—all important things. But if I'm sitting in Buchanan, Michigan, and my concern is fundamentally that the factories that used to be here closed down and I'm struggling to make a living, those things seem like an abstraction. And so to the degree that the administration didn't communicate to that group regularly, even as it was doing things to try and help those people, I think it abetted the Trump project and probably hurt Hillary.

Every departing president defines the next election. People never look for the replica of what they have; they always look for the remedy. That's why Barack Obama won in 2008. And there was no one who was a more distinct departure from Barack Obama in style, temperament and approach than Donald Trump. And that probably benefited him. ♦