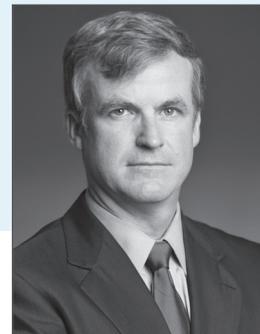


If We Can Put a Man on the Moon

- John O'Leary, co-author of *If We Can Put a Man on the Moon... Getting Big Things Done in Government*, a *Washington Post* bestseller published by the Harvard Business School Press.

The following is an adaptation of a lecture delivered at Northwood University's 34th Annual Freedom Seminar on May 19, 2012.



"If we can put a man on the moon..." How many times have you heard that expression? If we can put a man on the moon, why can't we cure cancer; or get our economy going? It's a cliché now right? But it didn't start out as a cliché. In 1961 the quest for the moon was really a metaphor for much a larger question that was facing our nation, in fact, facing the world.

THE JOURNEY TO SUCCESS

In 1961, there were two competing ideologies at play on our planet: one was freedom and democracy represented by the United States, the other was socialism and authoritarianism represented by the Soviet Union. The race to the moon became a metaphor for which system of government would prevail in the ideological race that was facing the globe. In 1960, John F. Kennedy was elected president, and gave that famous and inspiring inaugural address. The Soviet Union might be ahead of us in this space race—they had launched their Sputnik satellite in 1957—but Kennedy's speech reminded us of America's greatness.

Three months after Kennedy took office, however, the Soviets put a man into space. Then just a week later in April 1961, another dramatic event occurred that made communism seem like a much more effective and efficient system of government than democracy—The Bay of Pigs. Imagine young President John Kennedy in April of 1961. He has only been in office for three months, and already the Soviets have put a man into space and the communists have humiliated U.S. backed troops at the Bay of Pigs.

Kennedy's presidency is crashing and burning before it is even getting started. One month after the Bay of Pigs, he has a joint session of Congress and he makes a very famous and notable address: "I believe that this nation should commit itself to the goal before the decade is out, of putting a man on the moon and returning him safely to the Earth. No other space project will be so impressive to mankind... We do not choose to go to the moon and do the other things because they are easy, but because they are hard." The remarkable thing was that though we were behind in the space race, we pulled together as a nation. In 1969, Neil Armstrong planted the American flag on the moon.

Think about it, since the last time we walked on the moon in the mid-70s, no one else has managed to do it. Putting a man on the moon was remarkable. With our government, our way of life, our system of doing things it was easy to sit there and say, "Yes, American government is better than Socialism and Communism. Democracy can do incredibly important things. We are a great nation with a

great government." If you contrast the feeling of pride that we had when we were having a ticker tape parade for the astronauts then with what we have today, we've gone from ticker tape parades to Cash for Clunkers, Iraq, Katrina, the Boston Big Dig. We have the economy in a meltdown. And we can't seem to achieve anything through government. Nothing we try seems to be working.

We started to try and figure out why things are going this way. My co-author and I surveyed senior officials in government for our book. We asked them, "You have been in government for a long time. Do you think we are as effective as where we were 30 or 50 years ago?" Sixty percent of the senior officials said, "No, we are not as good." So why is it that some things succeed and some things fail? That is really what we tried to do with this book, to try to understand so that we can help guide public policy and public administration.

THE FIVE PHASES OF SUCCESS

Thus, we wrote the book, *If We Can Put a Man on the Moon*. My co-author is a consultant and I am an engineer, so we were really able to come at it from different perspectives. What we came up with is that the journey to success in government is a journey that goes through five stages. First, you have to have a good idea. Second, you have to have an effective legislative design. The next step is

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a step that most private sectors don't have: you have to get your idea through the "Stargate" of the legislature, which is a moment of political milestone. For example, when a bill becomes a law, or when budget money is attributed to a task—that is a big deal, but it isn't success itself. This brings me to the next point, once you commit to do something you still have to implement or execute on it. Then finally, get the results that you set out to find.

In order to find success, we found that you must be effective every step along this journey. But to fail, all you had to do is fail at any part of the journey. It's like the weakest link in the chain. If you

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(continued)

have a bad idea, it doesn't matter how good you execute it. In order to get success you need successful results. So, we looked at the problems, challenges, and the ways that you can experience failure at each of these different phases.

IDEA

In 1971, the nation was starting to experience some inflation – it was really starting to be a concern. The U.S. Congress did a very interesting thing in 1970, they passed a law that basically gave President Richard Nixon extraordinary and quite possibly unconstitutional powers over the economy. They basically said that he could do anything he needed to, to solve this problem. Nonetheless, inflation was continuing and after 10 months he made the extraordinary leap to declare a 90 day freeze on wages and prices. In order to execute this, he actually hired and brought on board, to lead the Cost of Living Council, two young very bright Republicans: Dick Cheney and Donald Rumsfeld. Government can pass a law and say that the lovely salmon dinner that we just had is going to cost \$9.95. But just because they issue such a law, it does not mean it is going to happen, and that's what happened with the Cost of Living Council. It went on for about 18 months, passing rules, and despite their efforts inflation just went crazy. People are clever enough to get around the rules of anything, and they went right past the wage and price controls, so it wasn't a very good idea.

Richard Nixon ran into some problems and left the presidency. A guy by the name of Gerald Ford came into office. President Ford believed, mistakenly, that inflation was largely a psychological phenomenon. If people believed that prices were going up, they would charge more for prices and demand more for wages. His solution was to ask people to wear buttons that said, WIN, short for "Whip Inflation Now." President Ford was wrong about what caused inflation, and his solution was a bad idea too. Inflation is entirely a monetary phenomenon. Low and behold, inflation was reaching 13 to 15 percent within a year or two, and Gerald Ford did not win re-election. Bad ideas *cannot* be implemented successfully. One of the traps along the journey of success that we talk about in this book is what we call the overconfidence trap: overestimating the government's ability to tackle a problem through legislation.

DESIGN

The next stage in this journey is design. In 1999, California was facing high energy prices for electricity, so what they wanted to do was to introduce a market system for energy purposes. It sounded like a good idea, but what it really did was lead to rolling blackouts and led to incredible spikes of energy prices. In fact, there were a group of folks at Enron who understood the law better than the legislators who passed it, and took great advantage of the loopholes in the new electricity system to make huge profits in a short period of time. What was so wrong about the legislative design that the legislature had passed? They just didn't understand the way the markets worked well enough to fix them in a way that there would be checks and balances. The scary thing about the California energy crisis that cost \$40 billion is the fact that it

was passed unanimously by the California Legislature; not a single vote against it, with a very healthy split between Democrats and Republicans. Nobody who passed this bill understood how this was going to work. Within 18 months it started to unravel, and within three years Governor Grey Davis was recalled out of office.

STARGATE

The next phase is the Stargate, which is where you have to get a piece of legislation passed for it to become reality. You can have the best idea in the world, you can craft a really wonderful piece of legislation, but if it doesn't get voted on by a majority and passed into law, it doesn't happen. The challenge here is that many people will change the design at this phase to make it through the Stargate,

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and will get something that doesn't look anything like the original idea. The Freedom Act, the Dream Act, the Economic Stabilization Act, the stimulus bill are all in the political world until the moment it passes and enters into the bureaucratic world. Once a bill passes, that is a moment that politicians celebrate their success because their job is done. You have these huge celebrations at bill signings but you really haven't achieved the results. A Stargate, a sci-fi based show, was basically something that you entered and it allowed you to instantly travel to a different universe, which is kind of what happens when a bill becomes a law. It goes from the political universe to the bureaucratic universe.

What happens when a bill becomes a law? People celebrate. When Gerald Ford signed the Energy Policy and Conservation Act of 1974, his goal was energy independence. Six years later we were importing 400,000 barrels of oil more per day than when he signed the legislation; that one didn't work. However, when Jimmy Carter signed the National Energy Act in 1978 the goal was to get 20 percent of the energy from the sun by the year 2000. By the year 2000, the sun was providing .007 percent of the energy. George W. Bush signed the Energy Policy Act of 2005. This piece of legislation worked so poorly that it was just two years later that he signed the Energy Independence Act of 2007. And I don't know if you have noticed, but we haven't solved our energy issues yet. Legislation gets signed, politicians celebrate, but no results are achieved.

Once something goes through the Stargate, they're not only in the bureaucratic realm where they are executed on by the bureaucracy, they are also on the public realm where they have to act on real people. Depending on how people respond to the law that gets

passed, you may get results different from which you intended. People will take advantage of laws in ways you would never anticipate.

IMPLEMENTATION

The implementation phase is another area where you can have a lot of problems. We conducted another survey with the senior officials and asked, “How well does the federal government design legislation?” Only 16% said that the federal government designed policies that can actually be implemented successfully. This is similar to saying that only 16% of architects can give you a design that you can actually build. I want to emphasize that these results are coming from senior level officials that have been in our federal government for a very long time.

There are a lot of political forces that separate the public sector from the private sector. One barrier is that there is no single measure of success. Without the comparison of competition you have a challenge in judging whether a public entity is doing well or poorly. Another barrier is that there is no feedback on performance. Many government entities are monopolies, so they don’t get the painful feedback of losing business. Managerial uncertainty is certainly another barrier. If you go into the public sector as a manager, one of the things that you live with is that you are only in the role until the next election. The next point is the time horizon: in government it is very short term. Short-term pain for long-term gain is a very difficult exchange for politicians to make.

The last barrier that I want to point out is the political economy. In 2002, the Farm Bill was reauthorized and for the first time in our nation’s history garbanzo beans were included in the list of crops that received federal price supports. The garbanzo beans subsidies cost consumers millions a year, which maybe comes to be around twenty cents a person in the United States since there are 300 million Americans that are paying the cost. There are only a handful of garbanzo bean growers in the world that are splitting up that multi-million dollar pot. So, the benefits are concentrated and the costs are diffused. In the political economy it means that a senator sitting on the agricultural committee gets donations, support, and kudos from the concentrated people (garbanzo bean farmers) who receive the benefit. This “concentrated benefits and diffused costs” phenomenon works over and over again.

About the Author - *John O’Leary is a graduate of MIT and holds an M.S. degree in engineering. Mr. O’Leary has served as the Chief Human Resource Officer for the Commonwealth of Massachusetts, a Research Fellow at Harvard’s Kennedy School of Government, and as a policy analyst at the Reason Foundation. He is the author of numerous articles and studies and his writings have appeared in The Wall Street Journal, Washington Post, Boston Globe and elsewhere.*

Questions about NU’s Freedom Seminar should be directed to Dr. Dale Matcheck, chair and professor of Economics at matcheck@northwood.edu.

Since 1969, we have had a government that has struggled to achieve successes on large projects. So far, I’ve been pretty hard and critical on government, but I want to pause and think about how it is we feel and talk about government, because I want to talk about the importance of government. Good government is critical to our peace, prosperity, and our economic well-being. Our human happiness is so dependent on the feeling that government is just and not corrupt. We need to be reverent of good government and the benefits that our society has because we have inherited this good government. Our problems today are not the result of bad people—although there are some corrupt public officials and lazy bureaucrats, most are decent—but it is the result of bad systems. We need to rethink the systems of government. We need to also think about not just what government ought to do, but how government operates. I would argue that we need to take the study of public administration more seriously and look at why government doesn’t function effectively. That is our road on the journey to success.

We are similarly in a march of folly when it comes to our debt and deficit. There is a road to fiscal sanity. However, we are not following it. We need to accept the idea that unsustainable spending really is unsustainable; we cannot continue with our careless spending and the risk of rising interest rates. There have been commissions and “committees” and no one so far has come up with a bipartisan approach to this issue. We have tried to make up rules to make ourselves limit spending; they have not been followed. The result is that we either change the way that we are operating or our future is grim. I would argue that we need an entire reboot of how we think about government. As the generation that is coming up and inheriting this next layer of government, I think it is so important that you actively participate in our political life. Our nation is in need of serious rethinking and improvement in terms of how we are governing ourselves. I would argue that if you get involved and have the courage to participate in the promise of the American government and democracy, we could go to a place where we can achieve great success—like putting a man on the moon. ■

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