

Commonwealth Forum: Do Businesspeople Make Good Chief Executives?

YES

Citizens look to governors to create jobs and economic development in their states. Overall trade policy is negotiated between Washington, D.C., and other countries. However, much of the competition for development within the United States takes place between different states and metropolitan regions. Governors are at the forefront of convincing businesses to relocate to their states, incubating the development of new technologies and industries, and creating tax and regulatory schemes that are attractive to business. Governors with business experience have an advantage over career politicians because they have real-world experience in creating jobs and understanding the effects of government policies on the private sector. They also are able to view government operations with a set of fresh eyes, unlike individuals who become governor by the standard practice of working their way through the political system. Business practices of focusing on good customer service provision and cost efficiencies help governors streamline and rationalize government programs that are often designed around what is politically possible rather than best practices.

Businesspeople often successfully run for governor by arguing that they are not part of the entrenched political system. They are above the partisan rivalries and conflicts that grip contemporary American politics. They do not owe favors or paybacks to other politicians and special interests because they have not spent their careers in the political system. This allows governors with a business background to be results-oriented. This focus on policy outcomes, rather than partisan points, makes “CEO” governors the best qualified people to be a state’s chief executive.

NO

Government is not a business, so why would a business executive be a better leader of government than a politician or someone with government experience? The idea that government should be run like a business is a myth that will not die. The differences between business and government are glaringly obvious. For one, business’ primary motive is to earn a profit. The primary goal of government is to serve citizens. Second, businesses

can choose with whom they interact and their clientele. Governments exist to serve all the people. Third, businesses have a strictly top-down structure, with good reason. Governments function on the basis of compromise on many levels, as they must weigh the outcomes of policies on the basis of how they would affect many groups and interests. Furthermore, executives in government work for the people, not the other way around. Finally (but by no means the only other reason), business decisions are private and, once made, require no public disclosure. Governments undergo constant criticism from the public and the press, and they function in plain view.

Two recent examples show the inadequacy of business executives in the highest position of state government. First, Governor Bruce Rauner of Illinois was elected in 2014 with an extensive business background leading investment firms. However, the state went without a complete budget through fiscal years 2016, 2017, and into 2018. Rauner's leadership has meant government dysfunction. Recent GOP presidential candidate and former governor of Florida Jeb Bush went straight from business into public office. Under his leadership from 1999 to 2007, spending ballooned by 45 percent, but taxes were cut largely for the wealthy and corporations, increasing debt by over \$8 billion. Such results would not serve a business well, let alone the public sector.

For More Information

The **National Governors Association (NGA)** (<http://nga.org>) represents the interests of the nation's fifty-five governors of states, commonwealths, and territories. Through the NGA, governors share best practices, learn from each other, and develop policy solutions. Its website has numerous news items and reports as they relate to the role of the state executive.

Rutgers University Center on the American Governor (<http://governors.rutgers.edu/>) promotes research and discussion on the history and current role of governors with archived reports, videos, and analysis.

The Best Job in Politics: Exploring How Governors Succeed as Policy Leaders (Thousand Oaks, CA: CQ Press, 2012), by Alan Rosenthal, explores the workings of state executives through interviews with governors and legislators.

A Legacy of Leadership: Governors and American History (Philadelphia: University of Pennsylvania Press, 2008), edited by Clayton McClure Brooks, presents the position of governor in historical context, demonstrating how the role has changed over time as a result of culture, the economy, and world events.

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