

# 14

# The Federal Bureaucracy

## Politics in Action: Regulating Food



Americans do not want to worry about the safety of the food they eat. Indeed, food safety is something we take for granted. But who assures this safety? Bureaucrats. It is their job to keep our food safe from contamination. Although we rarely think about food inspections, they represent one of the most important regulatory functions of government. The fact that we rarely think about food safety is testimony to the success of bureaucrats in carrying out their tasks.

Policing the food supply is not a straightforward task, however. It involves a complex web of federal agencies with overlapping jurisdictions. At least 15 agencies and 30 statutes regulate food safety. Eggs in the shell fall under the purview of the Food and Drug Administration (FDA), but once cracked and processed, they come under the jurisdiction of the U.S. Department of Agriculture (USDA). The USDA is responsible for regulating meat and poultry, while the FDA handles most other food products, including seafood and produce. Cheese pizzas are the FDA's responsibility, but if they have pepperoni on top, Agriculture inspectors step in.

Other parts of the government also play a prominent role in enforcing food safety laws. For example, the Environmental Protection Agency oversees pesticides applied to crops, the Centers for Disease Control and Prevention track food-related illnesses, and the Department of Homeland Security coordinates agencies' safety and security activities.

Is this complex system the result of bureaucratic maneuvering? No—Congress created the system layer on top of layer, with little regard to how it should work as a whole. Critics argue that the system is outdated and that it would be better to create a single food safety agency that could target inspections, streamline safety programs, and use resources more efficiently. However, such proposals have generated little enthusiasm in Congress, where committees are sensitive about

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Government bureaucrats, such as this meat inspector, provide essential services and have important expertise. Although we often take bureaucrats for granted, the quality of our lives would be considerably diminished without them.



1

**The Big Picture** Americans do not like the idea of bureaucracy, and yet they are very supportive of all the services it provides. Author George C. Edwards III discusses this paradox, and he reveals why you may enjoy working with bureaucrats more than you think you do.



**The Basics** What does the bureaucracy do? What is its role in our democracy? In this video, you will listen to what people think about bureaucrats and the job they do. You will also learn why the bureaucracy can have such a big impact on your life.



2

What does the bureaucracy do? Is it effective?



3

**In Context** Why is the bureaucracy important in the policymaking process? In this video, University of North Texas political scientist Matthew Eshbaugh-Soha talks about not only the bureaucracy and its importance at the federal level, but also the role the federal bureaucracy plays in cooperation with state and local bureaucracies.



**Thinking Like a Political Scientist** Are bureaucracies democratic? And if so, how are they democratic? University of North Texas political scientist Matthew Eshbaugh-Soha tackles this question and also looks at political appointments and other important research topics associated with bureaucracies.



4



5

**In the Real World** Is the federal bureaucracy too big and too powerful? Real people weigh in on this question and discuss whether they feel reducing the size of the bureaucracy is worth losing the protections that those agencies provide.



**So What?** Learn what bureaucracy can do (and is doing) for you. In this video, author George C. Edwards III shares reasons why bureaucracy has such a poor reputation, and argues that the answer to many of the problems with bureaucracy is—surprisingly—more bureaucracy.



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losing jurisdiction over agencies. (For example, in the House, the Energy and Commerce Committee has oversight over the FDA while the Agriculture Committee has responsibility for the USDA.) Furthermore, growers and manufacturers fear a single agency would impose onerous new regulations, product recalls, and fines and could be used by empire-building bureaucrats to expand their budget and regulatory authority. So, little change occurs.

Bureaucrats face other challenges in insuring safe food. The FDA is so short of staff that it can inspect the average U.S. food company just once every 10 years. Nearly two-thirds of all fruits and vegetables and three-quarters of all seafood consumed in the United States in a year come from outside the country in 24 million separate shipments through more than 300 ports, but the FDA can inspect less than 1 percent of food imports—despite repeated problems with contaminated products.

Bureaucrats are central to our lives. They provide essential public services. They possess crucial information and expertise that make them partners with the president and Congress in decision making about public policy. Who knows more than bureaucrats about Social Security recipients or the military capabilities of China? Bureaucrats are also central to politics. They do much more than simply follow orders. Because of their expertise, bureaucrats inevitably have discretion in carrying out policy decisions, which is why congressional committees and interest groups take so much interest in what they do.

Bureaucratic power extends to every corner of American economic and social life, yet bureaucracies are scarcely hinted at in the Constitution. Congress creates each bureaucratic agency, sets its budget, and writes the policies it administers. Most agencies are responsible to the president, whose constitutional responsibility to “take care that the laws shall be faithfully executed” sheds only a dim light on the problems of managing so large a government. How to manage and control bureaucracies is a central problem of democratic government.

Reining in the power of bureaucracies is also a common theme in debates over the scope of government in America. Some political commentators see the bureaucracy as the prime example of a federal government growing out of control. They view the bureaucracy as acquisitive, constantly seeking to expand its size, budgets, and authority while entangling everything in red tape and spewing forth senseless regulations. Others see the bureaucracy as laboring valiantly against great odds to fulfill the missions elected officials have assigned it. Where does the truth lie? The answer is less obvious than you may think. Clearly, bureaucracies require closer examination.

The German sociologist Max Weber advanced his classic conception of bureaucracy, stressing that the bureaucracy was a “rational” way for a modern society to conduct its business.<sup>1</sup> According to Weber, a **bureaucracy** depends on certain elements: It has a *hierarchical authority structure*, in which power flows from the top down and responsibility flows from the bottom up; it uses *task specialization* so that experts instead of amateurs perform technical jobs; and it develops extensive *rules*, which may seem extreme at times, but which allow similar cases to be handled similarly instead of capriciously.

Bureaucracies operate on the *merit principle*, in which entrance and promotion are awarded on the basis of demonstrated abilities rather than on “who you know.” Bureaucracies behave with *impersonality* so that they treat all their clients impartially. Weber’s classic prototype of the bureaucratic organization depicts the bureaucracy as a well-constructed machine with plenty of (hierarchical) working parts.

## bureaucracy

According to Max Weber, a hierarchical authority structure that uses task specialization, operates on the merit principle, and behaves with impersonality.

# The Bureaucrats

## 14.1 Describe the federal bureaucrats and the ways in which they obtain their jobs.

**B**ureaucrats are typically much less visible than the president or members of Congress. As a result, Americans usually know little about them. This section examines some myths about bureaucrats and explains who they are and how they got their jobs.

## □ Some Bureaucratic Myths and Realities

Bureaucrat baiting is a popular American pastime. Even presidential candidates have climbed aboard the antibureaucracy bandwagon. Jimmy Carter complained about America's "complicated and confused and overlapping and wasteful" bureaucracies; Gerald Ford spoke of the "dead weight" of bureaucracies; and Ronald Reagan insisted that bureaucrats "overregulated" the American economy, causing a decline in productivity.

Any object of such unpopularity will spawn plenty of myths. The following are some of the most prevalent myths about bureaucracy:

- ***Americans dislike bureaucrats.*** Despite the rhetoric about bureaucracies, Americans are generally satisfied with bureaucrats and the treatment they get from them. Americans may dislike bureaucracies, but they like individual bureaucrats. Surveys have found that two-thirds or more of those who have had encounters with a bureaucrat evaluate these encounters positively. In most instances, people describe bureaucrats as helpful, efficient, fair, courteous, and working to serve their clients' interests.<sup>2</sup>
- ***Bureaucracies are growing bigger each year.*** This myth is half true and half false. The number of government employees has been expanding, but not the number of *federal* employees. Almost all the growth in the number of public employees has occurred in state and local governments; this number more than doubled in a 40-year period beginning in 1965 while the number of federal employees remained constant. Today, the approximately 20 million state and local public employees far outnumber the approximately 2.7 million civilian (including postal) and 1.4 million active duty military federal government employees. As a percentage of America's total workforce, *federal* government civilian employment has been shrinking, not growing; it now accounts for about 2 percent of all civilian jobs.<sup>3</sup>

Of course, many state and local employees work on programs that are federally funded, and the federal government hires many private contractors to provide goods and services ranging from hot meals to weapons systems.<sup>4</sup> Such people provide services directly to the federal government or to citizens on its behalf.

- ***Most federal bureaucrats work in Washington, D.C.*** Fewer than one in seven federal civilian employees work in the Washington, D.C., metropolitan area. In addition, nearly 100,000 federal civilian employees work in foreign countries and American territories.<sup>5</sup> If you look in your local phone book under "U.S. Government," you will probably find listings for the local offices of the Postal Service, the Social Security Administration, the FBI, the Department of Agriculture's county agents, recruiters for the armed services, air traffic controllers, the Internal Revenue Service (IRS), and many others.
- ***Bureaucracies are ineffective, inefficient, and always mired in red tape.*** No words describing bureaucratic behavior are better known than "red tape."<sup>6</sup> Bureaucracy, however, is simply a way of organizing people to perform work. General Motors, a college or university, the U.S. Army, the Department of Health and Human Services, and the Roman Catholic Church are all bureaucracies. Bureaucracies are a little like referees: When they work well, no one gives them much credit, but when they work poorly, everyone calls them unfair, incompetent, or inefficient. Bureaucracies may be inefficient at times, but no one has found a substitute for them, and no one has yet demonstrated that government bureaucracies are more or less inefficient, ineffective, or mired in red tape than private bureaucracies.<sup>7</sup>

Anyone who looks with disdain on American bureaucracies should contemplate life without them. Despite all the complaining about bureaucracies, the vast majority of tasks carried out by governments at all levels are noncontroversial. Bureaucrats deliver mail, test milk, issue Social Security and student loan checks, run national parks, and perform other routine governmental tasks in a perfectly acceptable manner.

Most federal civilian employees work for just a few of the agencies (see Table 14.1 and Figure 14.1). The Department of Defense employs about 28 percent of federal *civilian* workers in addition to the more than 1.4 million men and women in uniform. Altogether, the department makes up more than half the federal bureaucracy. The

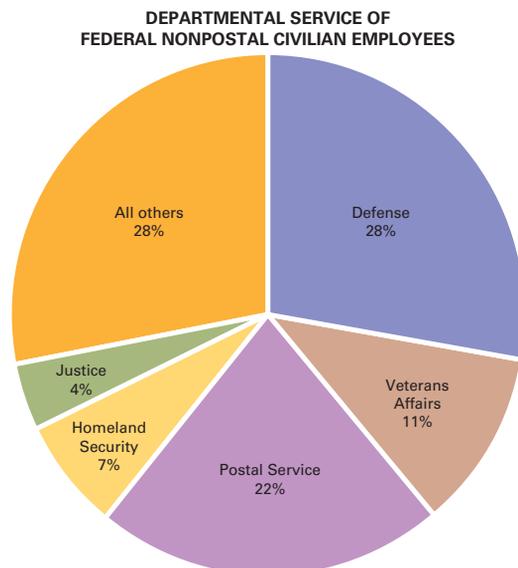
**TABLE 14.1** FEDERAL CIVILIAN EMPLOYMENT

Executive Departments	Number of Employees <sup>a</sup>
Defense (military functions)	764,300
Veterans Affairs	302,300
Homeland Security	187,500
Justice	117,900
Treasury	108,200
Agriculture	93,300
Interior	70,400
Health and Human Services	70,100
Transportation	57,700
Commerce	40,500
State	32,400
Labor	17,400
Energy	16,500
Housing and Urban Development	9,400
Education	4,300
Larger Noncabinet Agencies	Number of Employees <sup>a</sup>
U.S. Postal Service	579,069
Social Security Administration	65,400
Corps of Engineers	23,000
National Aeronautics and Space Administration	18,400
Environmental Protection Agency	17,100
Tennessee Valley Authority	12,800
General Services Administration	13,200

<sup>a</sup>Figures are for 2012.

**SOURCE:** *Budget of the United States Government, Fiscal Year 2013: Analytical Perspectives* (Washington, DC: U.S. Government Printing Office, 2012), Tables 11-2 and 11-3.

Postal Service accounts for an additional 22 percent of the federal civilian employees, and the Department of Veterans Affairs, clearly related to national defense, accounts for about 11 percent of employees. The Departments of Homeland Security and Justice represent 7 and 4 percent of employees, respectively. All other functions of government are handled by the remaining quarter or so of federal employees.

**FIGURE 14.1** DEPARTMENTAL SERVICE OF FEDERAL NONPOSTAL CIVILIAN EMPLOYEES

**SOURCE:** *Budget of the United States Government, Fiscal Year 2013: Analytical Perspectives* (Washington, DC: U.S. Government Printing Office, 2012), Tables 11-2 and 11-3.

14.1

**patronage**

A system in which jobs and promotions are awarded for political reasons rather than for merit or competence.

14.2

**Pendleton Civil Service Act**

Passed in 1883, an act that created a federal civil service so that hiring and promotion would be based on merit rather than patronage.

14.3

**civil service**

A system of hiring and promotion based on the merit principle and the desire to create a nonpartisan government service.

14.4

14.5

**merit principle**

The idea that hiring should be based on entrance exams and promotion ratings to produce administration by people with talent and skill.

14.6

**Hatch Act**

A federal law prohibiting government employees from active participation in partisan politics while on duty or for employees in sensitive positions at any time.

## □ Civil Servants

Given the size of the bureaucracy, it is difficult to imagine a statistically typical bureaucrat. As a whole, however, the permanent bureaucracy is more broadly representative of the American people than are legislators, judges, or presidential appointees in the executive branch<sup>8</sup> (see Figure 14.2).

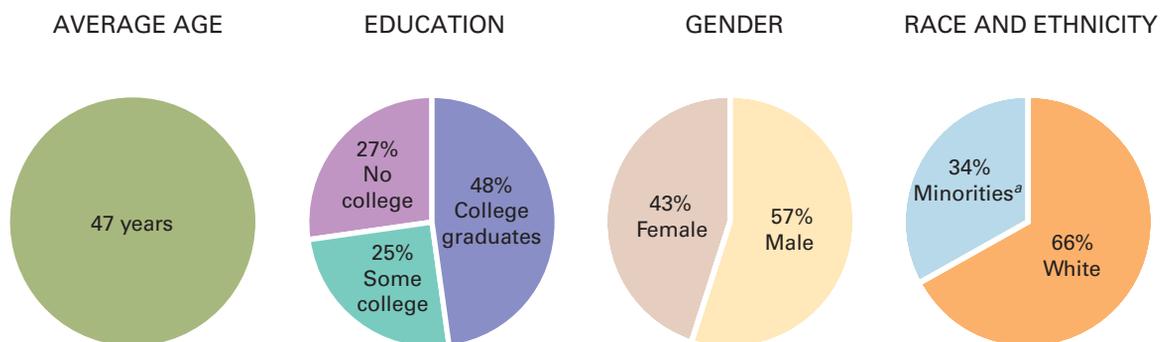
The diversity of bureaucratic jobs mirrors the diversity of private-sector jobs, including occupations literally ranging from A to Z. Accountants, bakers, census analysts, defense procurement specialists, electricians, foreign service officers, guards in federal prisons, home economists, Indian Affairs agents, judges, kitchen workers, lawyers, missile technologists, narcotics agents, ophthalmologists, postal carriers, quarantine specialists, radiologists, stenographers, truck drivers, underwater demolition experts, virologists, wardens, X-ray technicians, youth counselors, and zoologists all work for the government.

Until little more than one hundred years ago, a person got a job with the government through the patronage system. **Patronage** is a hiring and promotion system based on political factors rather than on merit or competence. Working in a congressional campaign, making large donations, and having the right connections helped people secure jobs with the government. Nineteenth-century presidents staffed the government with their friends and allies, following the view of Andrew Jackson that “to the victors belong the spoils.” Scores of office seekers would swarm the White House after Inauguration Day. It is said that during a bout with malaria, Lincoln told an aide to “send in the office seekers” because he finally had something to give them.

A disappointed office seeker named Charles Guiteau helped end this “spoils system” of federal appointments in 1881. Frustrated because President James A. Garfield would not give him a job, Guiteau shot and killed Garfield. Vice President Chester A. Arthur, who then became president, had been known as the Prince of Patronage; he had been collector of the customs for New York, a patronage-rich post. To the surprise of his critics, Arthur encouraged passage of the **Pendleton Civil Service Act** (1883), which created the federal civil service. Today, most federal agencies are covered by some sort of civil service system.

All **civil service** systems are designed to hire and promote members of the bureaucracy on the basis of merit and to create a nonpartisan government service. The **merit principle**—using entrance exams and promotion ratings to reward qualified individuals—is intended to produce an administration of people with talent and skill. Creating a nonpartisan civil service means insulating government workers from the risk of being fired when a new party comes to power. At the same time, the **Hatch Act**, originally passed in 1939 and amended most recently in 1993, prohibits civil service employees from actively participating in partisan politics while on duty. While off duty they may engage in political activities, but they cannot run for partisan elective offices or

**FIGURE 14.2** CHARACTERISTICS OF FEDERAL NONPOSTAL CIVILIAN EMPLOYEES



<sup>a</sup>Includes African Americans, Asian Americans, Native Americans, and Hispanics.

SOURCE: United States Office of Personnel Management, *Common Characteristics of the Government*, 2012, Tables 6-9.

solicit contributions from the public. Employees with sensitive positions, such as those in the national security area, may not engage in political activities even while off duty.

## Why It Matters to You

### The Merit System

People obtain positions in the federal bureaucracy through a merit system and are protected against losing their jobs because of their political views. If the president could appoint a substantial percentage of bureaucrats, it is likely that they would be more responsive to the president but also likely that they would be less qualified to serve the public interest than today's bureaucrats.

The **Office of Personnel Management** (OPM) is in charge of hiring for most federal agencies. The president appoints its director, who is confirmed by the Senate. The OPM has elaborate rules about hiring, promotion, working conditions, and firing. To get a civil service job, usually candidates must first take a test. If they pass, their names are sent to agencies when jobs requiring their particular skills become available. For each open position, the OPM will send three names to the agency. Except under unusual circumstances, the agency must hire one of these three individuals. Each job is assigned a **GS (General Schedule) rating** ranging from GS 1 to GS 18. Salaries are keyed to rating and experience.

At the very top of the civil service system (GS 16–18) are about 9,000 members of the **Senior Executive Service**, the “cream of the crop” of the federal employees. These executives earn high salaries, and the president may move them from one agency to another as leadership needs change.

After a probationary period, civil servants are protected by the civil service system—overprotected, critics claim. Protecting all workers against political firings—a prerequisite for a nonpartisan civil service—may also protect a few from dismissal for good cause. Firing incompetents is hard work and is unusual. Employees are entitled to appeal, and these appeals can consume weeks, months, or even years. More than one agency has decided to tolerate incompetents, assigning them trivial or no duties, rather than invest its resources in the task of discharging them. In the case of female, minority, or older workers, appeals can also be based on antidiscrimination statutes, making dismissal potentially even more difficult.

Sometimes presidents seek more control over federal employees. President George W. Bush proposed to limit job protection for employees in the Department of Homeland Security. After a protracted battle, Congress agreed, although implementation of this change has been slow and opposed by employee unions.

## □ Political Appointees

As an incoming administration celebrates its victory and prepares to take control of the government, Congress publishes the *Plum Book*, which lists top federal jobs (that is, “plums”) available for direct presidential appointment, often with Senate confirmation. There are about 500 of these top policymaking posts (mostly cabinet secretaries, undersecretaries, assistant secretaries, and bureau chiefs) and about 2,500 lesser positions.

All incoming presidents launch a nationwide talent search for qualified personnel. Presidents seek individuals who combine executive talent, political skills, and sympathy for policy positions similar to those of the administration. Often, the president tries to ensure some diversity and balance in terms of gender, ethnicity, region, and different interests within the party. Some positions, especially ambassadorships, go to large campaign contributors. A few of these appointees will be civil servants, temporarily elevated to a “political” status; most, however, will be political appointees, “in-and-outers” who stay for a while and then leave.<sup>9</sup>

### Office of Personnel Management

The office in charge of hiring for most agencies of the federal government, using elaborate rules in the process.

### GS (General Schedule) rating

A schedule for federal employees, ranging from GS 1 to GS 18, by which salaries can be keyed to rating and experience.

### Senior Executive Service

An elite cadre of about 9,000 federal government managers at the top of the civil service system.

Once in office, these administrative policymakers constitute what Hugh Heclo has called a “government of strangers.” Their most important trait is their transience. The average assistant secretary or undersecretary lasts less than two years.<sup>10</sup> Few top officials stay long enough to know their own subordinates well, much less people in other agencies. Administrative routines, budget cycles, and legal complexities are often new to them. And although these *Plum Book* appointees may have the outward signs of power, many of them find it challenging to exercise real control over much of what their subordinates do and have difficulty leaving their mark on policy. They soon learn that they are dependent on senior civil servants, who know more, have been there longer, and will outlast them.

Analytical intelligence, substantive expertise, and managerial skills may be crucial to implementing policies effectively, but presidents usually place a premium on personal loyalty and commitment to their programs when evaluating candidates for positions in the bureaucracy. The White House wants bureaucratic responsiveness to its policies. Nonetheless, evidence indicates that bureaucratic resistance to change does not pose a substantial obstacle to presidents’ achieving their goals and that career civil servants are more effective than political appointees at managing agencies.<sup>11</sup>

If policy loyalty can be problematic as a criterion for filling key positions, even more potentially problematic are the practices of using these positions to reward political associates and key campaign contributors and of satisfying the desire of high-level appointees to name their own subordinates. Such factors were, for example, behind George W. Bush’s nomination of Michael Brown, the former president of the Arabian Horse Association, to head the Federal Emergency Management Agency—an appointment that came back to haunt him in the wake of the agency’s performance in dealing with the destruction caused by Hurricane Katrina.

## How the Federal Bureaucracy Is Organized

**14.2** Differentiate the four types of agencies into which the federal bureaucracy is organized.



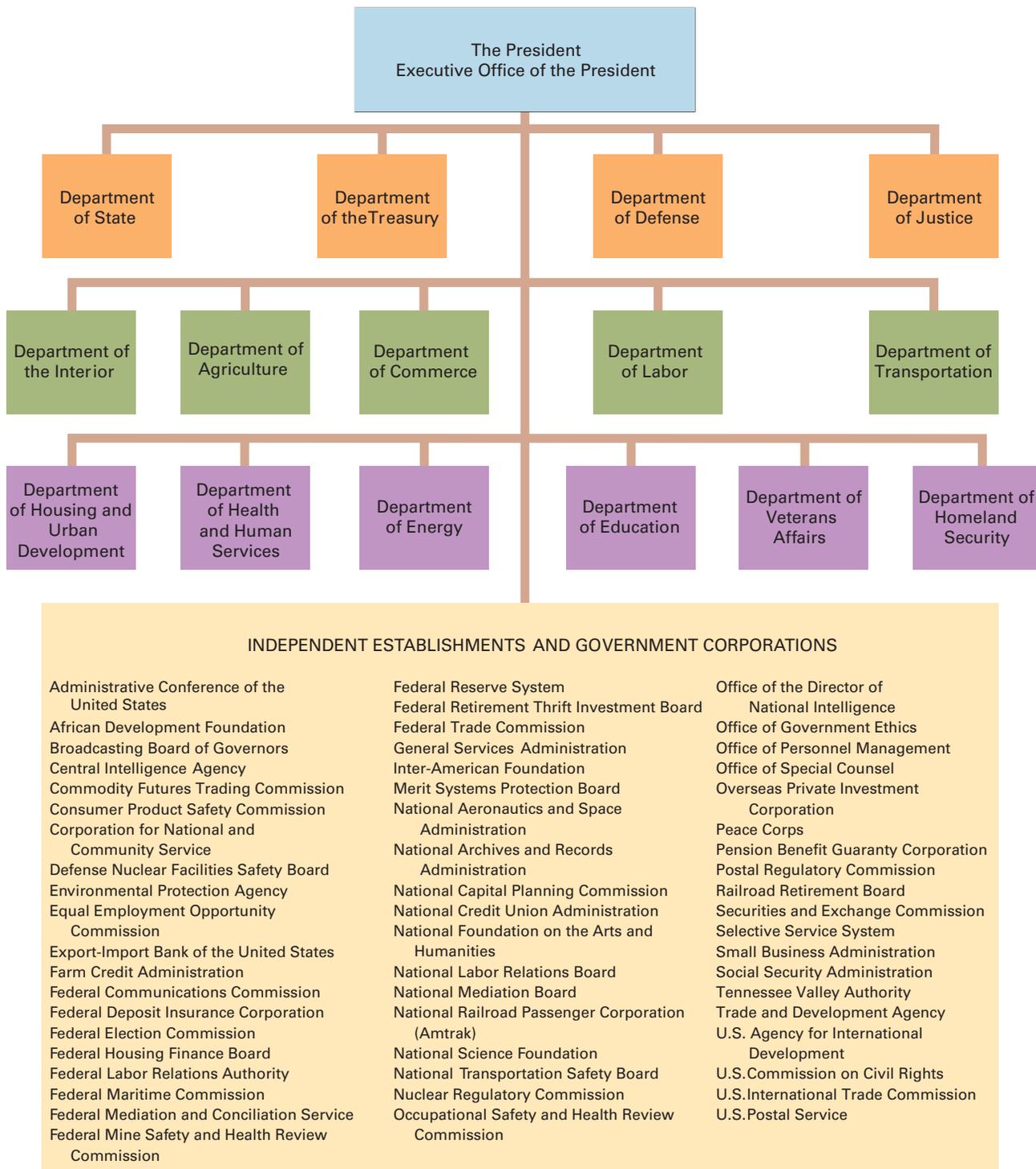
A complete organizational chart of the American federal government would occupy a large wall. You could pore over this chart, trace the lines of responsibility and authority, and see how government is organized—at least on paper. A very simplified organizational chart appears in Figure 14.3. A much easier way to look at how the federal executive branch is organized is to group agencies into four basic types: cabinet departments, independent regulatory commissions, government corporations, and independent executive agencies.

### □ Cabinet Departments

Each of the 15 cabinet departments is headed by a secretary (except the Department of Justice, which is headed by the attorney general), who has been chosen by the president and approved by the Senate. Undersecretaries, deputy undersecretaries, and assistant secretaries report to the secretary. Each department manages specific policy areas, and each has its own budget and its own staff. Each department has a unique mission and is organized somewhat differently. The real work of a department is done in the bureaus, which divide the work into more specialized areas (a bureau is sometimes called a *service*, *office*, *administration*, or other name).

Sometimes status as a cabinet department can be controversial. For several years, some Republicans have tried to disband the Education, Energy, and Commerce departments, arguing that they waste tax dollars and implement policies that should be terminated.

**FIGURE 14.3 ORGANIZATION OF THE EXECUTIVE BRANCH**



**SOURCE:** Office of the Federal Register, *United States Government Manual 2011–2012* (Washington, DC: U.S. Government Printing Office, 2012).

## □ Independent Regulatory Commissions

Each **independent regulatory commission** has responsibility for making and enforcing rules to protect the public interest in a particular sector of the economy, as well as for judging disputes over these rules.<sup>12</sup> The independent regulatory commissions are sometimes called the alphabet soup of American government because most of them are known by their initials. Some examples follow:

- *FRB* (*Federal Reserve Board*), charged with governing banks and, even more importantly, regulating the supply of money and thus interest rates

### **independent regulatory commission**

A government agency with responsibility for making and enforcing rules to protect the public interest in some sector of the economy and for judging disputes over these rules.

- *NLRB (National Labor Relations Board)*, created to regulate labor–management relations
- *FCC (Federal Communications Commission)*, charged with licensing radio and TV stations and regulating their programming in the public interest as well as with regulating interstate long-distance telephone rates, cable television, and the Internet
- *FTC (Federal Trade Commission)*, responsible for regulating business practices and controlling monopolistic behavior, and now involved in policing the accuracy of advertising
- *SEC (the Securities and Exchange Commission)*, created to police the stock market

Each of these independent regulatory commissions is governed by a small number of commissioners, usually 5 to 10 members appointed by the president and confirmed by the Senate for fixed terms. The president cannot fire regulatory commission members as easily as he can cabinet officers and members of the White House staff. The difference stems from a Supreme Court ruling in a case in which President Franklin Roosevelt fired a man named Humphrey from the FTC. Humphrey took the matter to court but died shortly afterward. When the executors of his estate sued for back pay, the Court held that presidents could not fire members of regulatory agencies without just cause (*Humphrey's Executor v. United States*, 1935). “Just cause” has never been defined clearly, and no member of a regulatory commission has been fired since.

## Why It Matters to You

### Independent Regulatory Commissions

Independent regulatory commissions, such as the Federal Reserve Board, are designed to be somewhat insulated from the influence of politics. Their independence makes them less responsive to the president and Congress than other agencies. It also provides the potential—but not the certainty—of taking a long-range view and acting in the public interest.

Interest groups consider the rule making by independent regulatory commissions (and, of course, their membership) very important. The FCC can deny a multimillion-dollar TV station a license renewal—a power that certainly sparks the interest of the National Association of Broadcasters. The FTC regulates business practices, ranging from credit and loans to mergers—a power that prompts both business and consumers to pay careful attention to its activities and membership.

So concerned are interest groups with these regulatory bodies that some critics speak of the “capture” of the regulators by the regulatees.<sup>13</sup> It is common for members of commissions to be recruited from the ranks of the regulated. Sometimes, too, members of commissions or staffs of these agencies move on to jobs in the very industries they were regulating. Some lawyers among them use contacts and information gleaned at the commission when they leave and represent clients before their former employers at the commission.

For years the Minerals Management Service (now known as the Bureau of Ocean Energy Management, Regulation and Enforcement), which regulates offshore oil drilling, had the dual role of both fostering and policing the industry. The agency declared itself industry’s partner and often adopted industry-generated standards as federal regulations, waived environmental reviews, and failed to pursue companies for equipment or safety failures. Agency employees also accepted gifts from oil and gas firms and partied with industry officials. The Nuclear Regulatory Commission is another agency that critics charge has been captured by those it regulates. A later section of this chapter discusses the bureaucracy’s relationship with interest groups in more detail.

## □ Government Corporations

The federal government also has a handful of **government corporations**. These are not exactly like private corporations in which you can buy stock and collect dividends, but they are like private corporations—and different from other parts of the government—in two ways. First, they provide a service that could be handled by the private sector. Second, they typically charge for their services, though often at rates cheaper than those the consumer would pay to a private-sector producer.

The granddaddy of the government corporations is the Tennessee Valley Authority (TVA). Established in 1933 as part of the New Deal, it has controlled floods, improved navigation, protected the soil against erosion, and provided inexpensive electricity to millions of Americans in Tennessee, Kentucky, Alabama, and neighboring states. The post office, one of the original cabinet departments (first headed by Benjamin Franklin), has become the government's largest corporation: the U.S. Postal Service. Occasionally the government has taken over a “sick industry” and turned it into a government corporation. Amtrak, the railroad passenger service, is one example.

## □ The Independent Executive Agencies

The **independent executive agencies** are essentially all the rest of the government—the agencies that are not cabinet departments, regulatory commissions, or government corporations. Their administrators typically are appointed by the president and serve at his will. Some 45 to 50 such agencies are listed in the current United States Government Manual. Among the biggest (in size of budget) are the following:

- *General Services Administration (GSA)*, the government's landlord, which handles buildings, supplies, and purchasing
- *National Science Foundation (NSF)*, the agency supporting scientific research
- *National Aeronautics and Space Administration (NASA)*, the agency that takes Americans to the moon and points beyond

### government corporation

A government organization that, like business corporations, provides a service that could be delivered by the private sector and typically charges for its services. The U.S. Postal Service is an example.

### independent executive agency

The government agencies not accounted for by cabinet departments, independent regulatory commissions, and government corporations. Administrators are typically appointed by the president and serve at the president's pleasure. NASA is an example.

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We depend on bureaucrats, such as those in the Environmental Protection Agency, to clean up our environment. They have had many successes, such as restoring Lake Erie to a state in which fish, and these fishermen, can thrive.



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of FEMA

### policy implementation

The stage of policymaking between the establishment of a policy and the consequences of the policy for the people affected. Implementation involves translating the goals and objectives of a policy into an operating, ongoing program.

# Bureaucracies as Implementors

## 14.3

Identify the factors that influence the effectiveness of bureaucratic implementation of public policy.



Bureaucracies are essentially *implementors* of policy. They take congressional, presidential, and sometimes even judicial pronouncements and develop procedures and rules for implementing policy goals. They also manage the routines of government, from delivering mail to collecting taxes to training troops.

## □ What Implementation Means

Public policies are rarely self-executing. Congress typically announces the goals of a policy in broad terms, sets up an administrative apparatus, and leaves the bureaucracy the task of working out the details of the program. In other words, the bureaucracy is left to implement the program. **Policy implementation** is the stage of policymaking between the establishment of a policy (such as the passage of a legislative act, the issuing of an executive order, the handing down of a judicial decision, or the promulgation of a regulatory rule) and the results of the policy for individuals.<sup>14</sup> In other words, implementation is a critical aspect of policymaking. At a minimum, implementation includes three elements:

1. Creation of a new agency or assignment of a new responsibility to an old agency
2. Translation of policy goals into operational rules and development of guidelines for the program
3. Coordination of resources and personnel to achieve the intended goals<sup>15</sup>

## □ Why the Best-Laid Plans Sometimes Flunk the Implementation Test

The Scottish poet Robert Burns once wrote, “The best laid schemes o’ mice and men/ Gang aft a-gley [often go awry].” So, too, with the best intended public policies. Policies that people expect to work often fail. High expectations followed by dashed hopes are the frequent fate of well-intended public policies. Analysis reveals that implementation can break down for any of several reasons.

**PROGRAM DESIGN** One reason implementation can break down is faulty program design. Congress overwhelmingly passed a bill to guarantee health insurance to millions of Americans when they change or lose their jobs or lose coverage. Yet the law has been ineffective because insurance companies often charge these individuals premiums far higher than standard rates and thus they cannot afford the insurance.<sup>16</sup>

**LACK OF CLARITY** Congress is fond of stating a broad policy goal in legislation and then leaving implementation up to the bureaucracies. Members of Congress can thus escape messy details and place blame for the implementation decisions elsewhere (see “Young People and Politics: Drug Offenses and Financial Aid”).

Such was the case with the controversial Title IX of the Education Act of 1972,<sup>17</sup> which declared, “No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving federal financial assistance.” Because almost every college and university receives some federal financial assistance, the law forbade almost all colleges and universities from discriminating on the basis of gender. Interest groups supporting women’s athletics convinced Congress to include a provision about college athletics. Congress directed the Secretary of Health, Education, and Welfare (today, Education) to publish regulations implementing the law, with “reasonable provisions considering the nature of the particular sports.”

Just what does this part of the law mean? Proponents of women's athletics thought it meant that discrimination against women's sports was also prohibited. Some, with good reason, looked forward to seeing women's sports funded on an equal footing with men's. To colleges and universities with big-time athletic programs and to some alumni, however, the vague language called for equality in golf and swimming, not men's football and basketball programs, which could continue to have the lion's share of athletic budgets. The Department of Health, Education and Welfare developed a 30-page interpretation that recognized that football was "unique" among college sports. If football was unique, then the interpretation implied that male-dominated football programs could continue to outspend women's athletic programs.

Supporters of equal budgets for male and female athletics were outraged. A 100-word section in a congressional statute had prompted a 30-page interpretation by the bureaucracy, and the statute and its interpretation in turn prompted scores of court cases. Policy problems that Congress cannot resolve are not likely to be easily resolved by bureaucracies.

Bureaucrats receive not only unclear orders but also contradictory ones. James Q. Wilson points out that the Immigration and Naturalization Service (INS) was supposed to keep out illegal immigrants but let in necessary agricultural workers, to carefully screen foreigners seeking to enter the country but facilitate the entry of foreign tourists, and to find and expel undocumented aliens but not break up families,

## Young People & Politics

### Drug Offenses and Financial Aid

In 1998, Congress included in a law governing financial aid for college students a provision that prohibited students convicted of drug offenses from receiving grants and loans from the federal government—even if the offense was relatively minor or the conviction happened years ago. A student convicted of a drug offense as an adult could be denied financial aid from one year to life, depending on the number of offenses and severity of conviction. Not surprisingly, the provision became a matter of contention.

The provision itself might seem a bit severe, but there is more. Someone convicted of armed robbery, rape, or even murder, once out of prison, is entitled to government grants and loans with no questions asked. And yet drug offenses were enough to deny tens of thousands of would-be college students financial aid.

Members of Congress accused the Department of Education, under Clinton and Bush, of distorting the law's intent. They argued that the department, which administers financial aid programs, was being too strict in its interpretation. The department responded that Congress had written a vague law—one that simply referred to "a student who has been convicted," and that it was faithfully implementing the letter of the law. In effect, the department argued that it had no discretion in the matter and could not act on its own to make financial aid policy more just.

The George W. Bush administration suggested ending the prohibition on aid for those who violated

drug laws before entering college. However, it wanted to continue the aid ban for those who commit such crimes while enrolled in college. Its goal, the administration said, was to discourage students from using drugs. The problem, as others saw it, was that such a rule would still impose stiffer penalties for drug use than for any other crime. It would also have the effect of barring some first-time, minor offenders from getting financial aid while restoring it for more serious drug lawbreakers.

Eight years after passing the original ban on financial aid for drug use, Congress revised the law. The new statute allows students with past drug convictions to receive student aid, but current students who are convicted of drug offenses will still lose their federal aid—for a year for a first offense, two years for a second offense, and indefinitely for a third offense.

Anticipating implementation problems is difficult. Putting together coalitions within Congress is also difficult. One consequence of these difficulties is that laws are often vague—and often have unintended consequences as well.

#### CRITICAL THINKING QUESTIONS

1. How much discretion should a bureaucratic unit have to correct injustices in laws?
2. Why is it so difficult for Congress to anticipate problems implementing laws?



Bureaucracies are often asked to implement unclear laws. When Congress prohibited gender discrimination in college athletics, for example, it left it to bureaucrats to create guidelines that would end discrimination while addressing the unique needs of different sports. It took years—and several lawsuits—to establish the law’s meaning.

impose hardships, violate civil rights, or deprive employers of low-paid workers. “No organization can accomplish all of these goals well, especially when advocates of each have the power to mount newspaper and congressional investigations of the agency’s ‘failures.’”<sup>18</sup> Similarly, Congress has ordered the National Park Service to preserve the environmental quality of national parks *and* to keep the parks accessible to tourists. The Forest Service is supposed to help timber companies exploit the lumber potential in the national forests *and* to preserve the natural environment. The Bureau of Ocean Energy Management, Regulation and Enforcement is to meet the nation’s energy needs by leasing tracts for exploration and collect the government’s share of oil and gas revenue while also regulating the industry. It is not surprising that the former goal, supported by the energy industry, became the agency’s primary objective.

**LACK OF RESOURCES** As noted earlier, we often hear the charge that bureaucracies are bloated. The important issue, however, is not the size of the bureaucracy in the abstract but whether it is the appropriate size for the job the bureaucracy has been assigned to do.<sup>19</sup> As big as a bureaucracy may seem in the aggregate, it frequently lacks the staff—along with the necessary staff training, funding, supplies, and equipment—to carry out the tasks it has been assigned. In recent years, for example, the news has been filled with stories of serious problems, many of them ongoing, such as the following:

- U.S. troops in Iraq had insufficient numbers of body armor and armored Humvees and trucks to protect them against roadside bombs.
- After the invasion of Iraq in March 2003, the United States had too few troops to devote to fighting the Taliban in Afghanistan.
- Although 80 percent of the nation’s drug supply and half of its medical devices and food are imported, the Food and Drug Administration lacks the personnel and computer systems to identify, much less inspect, the plants producing these items.
- Because of a lack of funding, the popular Head Start program serves only about half the children who are eligible to participate.

- Because of a lack of personnel, the Social Security Administration takes well over a year to process claims for Disability Insurance.
- The Fish and Wildlife Service can only consider a very small fraction of the warranted petitions to protect endangered species.
- The U.S. Immigration and Customs Enforcement (ICE) lacks the personnel to track most of the millions of aliens who overstay their visas or engage in suspicious activities. The ICE also lacks the resources even to identify, much less deport, more than a small percentage of the 200,000 convicted criminal aliens in the United States.
- The FBI headquarters lacks computers that would allow the agency to search its own databases for multiple terms such as “aviation” and “schools,” which would have helped in identifying the 9/11 terrorists. Only about 50 agents can converse in Arabic, and the agency has a serious shortage of translators for intercepted communications.
- National Guard units have only a third of the equipment they need to respond to domestic disasters and terrorist attacks.
- The Federal Aviation Administration (FAA) lacks the proper personnel and equipment to direct the nation’s air traffic safely.
- The Department of Homeland Security could not deploy new machines for detecting smuggled nuclear bombs because the United States had run out of a crucial element, helium 3.
- A lack of skilled personnel, the use of outdated instruments, and aging facilities hamper the nation’s ability to identify the source of a nuclear weapon used in a terrorist attack.
- The Bureau of Ocean Energy Management, Regulation and Enforcement lacks the resources and technically trained personnel to oversee ocean drilling and has to rely on the expertise of those it is supposed to regulate.
- There is a shortage of epidemiologists who are trained to recognize and investigate the outbreak of infectious disease.

## Why It Matters to You

### Bureaucratic Resources

A case can be made that some bureaucracies are too small. It is likely that a substantial increase in the resources available to those who implement policies would result in improved quality of government services and in the increased ability of agencies to appropriately implement the policies established by Congress and the president.

Why does Congress not simply give the bureaucracies more resources? Some well-organized interests fight against adding resources to particular agencies because they do not wish to be inspected or regulated and prefer an ineffective bureaucracy. Polluters, coal mine owners, and bankers, for example, rarely welcome inspections.

Equally important is the scarcity of budgetary resources. Pressures to allocate personnel to direct services—for example, to the provision of agricultural expertise to farmers—limit the staff available to implement other policies. In addition, the irresistible urge of policymakers to provide services to the public helps to ensure that the bureaucracies will have more programs than they have resources to adequately implement. In 2010, Congress expanded the FDA’s mission for food safety, requiring more frequent inspections of food facilities. It did not expand the agency’s budget commensurate with its new responsibilities, however. The budget for the agency overseeing offshore oil drilling was basically flat for four decades, even as drilling activity in deep water drastically increased and the technology grew more complicated.

Finally, in an age when “big government” is under attack, there are strong political incentives to downsize government bureaucracy.

14.1

**standard operating procedures**

Better known as SOPs, these procedures for everyday decision making enable bureaucrats to bring efficiency and uniformity to the running of complex organizations. Uniformity promotes fairness and makes personnel interchangeable.

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**LACK OF AUTHORITY** Agencies may also lack the *authority* necessary to meet their responsibilities. In 2008, we learned that the Securities and Exchange Commission's supervision of Wall Street's largest investment banks was on a "voluntary" basis. The FDA, which has responsibility for protecting the public from prescription drugs that have dangerous side effects, does no testing of its own and must rely entirely on the test results submitted by manufacturers. Yet it lacks the subpoena power to obtain documents when it suspects that drug companies are withholding data about adverse drug reactions or misrepresenting test results. It often lacks access even to company documents used as evidence in private product-liability cases. Similarly, the Department of Agriculture lacks authority to close meat processing plants—even those with serious violations of food safety standards.

Some agencies not only lack authority but frequently fail to exercise the authority that they have. The Mine Safety and Health Administration can seek to close mines that it deems unsafe and to close repeat offenders, but it rarely does so. In addition, the fines it levies are relatively small and many go uncollected for years. It lacks subpoena power, a basic investigatory tool, and its criminal sanctions are weak.

Many policies are implemented by state and local governments. The federal government may try to influence elementary and secondary education, for example, but it is the state and local governments that provide the actual services. Federal influence over these governments is indirect, at best. Other policies, ranging from safety in the workplace to pollution control, are implemented by thousands of private individuals, groups, and businesses.<sup>20</sup> With such implementers, bureaucrats are more likely to request, educate, and negotiate than to issue orders and institute legal proceedings.

**ADMINISTRATIVE ROUTINE** For most bureaucrats, administration is a routine matter most of the time. They follow **standard operating procedures**, better known as SOPs, to help them make numerous everyday decisions. Standard rules save time. If a Social Security caseworker had to take the time to invent a new rule for every potential client and clear it at higher levels, few clients would be served. Thus, agencies write detailed manuals to cover as many particular situations as officials can anticipate. The regulations elaborating the Internal Revenue Code compose an IRS agent's bible. Similarly, a customs agent has binders filled with rules and regulations about what can and cannot be brought into the United States duty free.

In addition, SOPs bring uniformity to complex organizations. Justice is better served when officials apply rules uniformly, as in the implementation of welfare policies that distribute benefits to the needy or in the levying of fines for underpayment of taxes. Uniformity also makes personnel interchangeable. The army, for example, can transfer soldiers to any spot in the world, and they can find out how to do their job by referring to the appropriate manual.

Routines are essential to bureaucracy. Yet, when not appropriate to a situation, they can become frustrating "red tape" or even potentially dangerous obstacles to action. An October 1983 terrorist attack on their barracks outside Beirut, Lebanon, killed 241 Marines while they slept. A presidential commission appointed to examine the causes of the tragedy concluded that, among other factors, the Marines in the peace-keeping force were "not trained, organized, staffed, or supported to deal effectively with the terrorist threat."<sup>21</sup> In other words, they had not altered their SOPs regarding security, which is basic to any military unit, to meet the unique challenges of a terrorist attack.

The FAA's protocols (routines) for hijackings assumed that the pilot of a hijacked aircraft would notify an air traffic controller that there had been a hijacking, that the FAA could identify the plane, that there would be time for the FAA and NORAD (North American Aerospace Defense Command) to address the issue, and that the hijacking would not be a suicide mission. As the 9/11 Commission put it, these SOPs were "unsuited in every respect" for the 9/11 terrorist hijackings.<sup>22</sup>

Sometimes an agency simply fails to establish routines that are necessary to complete its tasks. For example, the General Accounting Office found that the FAA failed to determine whether the violations its inspectors uncovered at aircraft repair

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## Point to Ponder

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Bureaucracies are inherently hierarchical, have many rules, and accord bureaucrats discretion in the implementation of those rules. Sometimes the rules are inappropriate and frustrate those to whom they apply.

**However, is there an alternative to providing services through bureaucracies?**



*"It's always cozy in here. We're insulated by layers of bureaucracy."*

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stations were ever corrected. The FAA did not keep the proper paperwork for adequate follow-up activities.

**ADMINISTRATORS' DISPOSITIONS** Bureaucrats operate not only within the confines of routines, but often with considerable discretion to behave independently. **Administrative discretion** is the authority of administrative actors to select among various responses to a given problem.<sup>23</sup> Discretion is greatest when rules do not fit a particular case, and this situation is common—even in agencies with elaborate rules and regulations.

Some administrators exercise more discretion than others. Michael Lipsky coined the phrase **street-level bureaucrats** to refer to those bureaucrats who are in constant contact with the public (often a hostile one) and have considerable discretion; they include police officers, welfare workers, and lower-court judges.<sup>24</sup> No amount of rules, not even in thousands of pages as with IRS rules, will eliminate the need for bureaucratic discretion on some policies. It is up to the highway patrol officer who stops you to choose whether to issue you a warning or a ticket.

Ultimately, the way bureaucrats use discretion depends on their dispositions toward the policies and rules they administer. Some of these policies and rules may conflict with their views or their personal or organizational interests. When people are asked to execute orders with which they do not agree, slippage is likely to occur between policy decisions and performance. A great deal of mischief may occur as well.

On one occasion, President Nixon ordered Secretary of Defense Melvin Laird to bomb a Palestine Liberation Organization hideaway, a move Laird opposed. As Laird later said, "We had bad weather for forty-eight hours. The Secretary of Defense can always find a reason not to do something."<sup>25</sup> The president's order was stalled for days and eventually rescinded.

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### administrative discretion

The authority of administrative actors to select among various responses to a given problem. Discretion is greatest when routines, or standard operating procedures, do not fit a case.

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### street-level bureaucrats

A phrase coined by Michael Lipsky, referring to those bureaucrats who are in constant contact with the public and have considerable administrative discretion.

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Bureaucrats typically apply thousands of pages of rules in the performance of routine tasks, but many bureaucrats—especially street-level bureaucrats—must use administrative discretion as well. These border patrol officers, shown arresting undocumented immigrants on the U.S.–Mexican border, must decide whom they will search carefully and whom they will let pass with a quick check.

Controlling the exercise of discretion is a difficult task. It is not easy to fire bureaucrats in the civil service, and removing appointed officials may be politically embarrassing to the president, especially if those officials have strong support in Congress and among interest groups. In the private sector, leaders of organizations provide incentives such as pay raises to encourage employees to perform their tasks in a certain way. In the public sector, however, special bonuses are rare, and pay raises tend to be small and across the board. Moreover, there is not necessarily room at the top for qualified bureaucrats. Unlike a typical private business, a government agency cannot expand just because it is performing a service effectively and efficiently.

In the absence of positive and negative incentives, the government relies heavily on rules to limit the discretion of implementors. As former vice president Al Gore put it in a report issued by the National Performance Review,

Because we don't want politicians' families, friends, and supporters placed in "no-show" jobs, we have more than 100,000 pages of personnel rules and regulations defining in exquisite detail how to hire, promote, or fire federal employees. Because we don't want employees or private companies profiteering from federal contracts, we create procurement processes that require endless signatures and long months to buy almost anything. Because we don't want agencies using tax dollars for any unapproved purpose, we dictate precisely how much they can spend on everything from telephones to travel.<sup>26</sup>

Often these rules end up creating new obstacles to effective and efficient governing, however. As U.S. forces were streaming toward the Persian Gulf in the fall of 1990 to liberate Kuwait from Iraq, the air force placed an emergency order for 6,000 Motorola commercial radio receivers. But Motorola refused to do business with the air force because of a government requirement that the company set up separate accounting and cost-control systems to fill the order. The only way the U.S. Air Force could acquire the much-needed receivers was for Japan to buy them and donate them to the United States!

**FRAGMENTATION** Sometimes, as we saw in the regulation of food, responsibility for a policy is dispersed among several units within the bureaucracy. The federal government has had as many as 96 agencies involved with the issue of nuclear proliferation. Similarly,

in the field of welfare, 10 different departments and agencies administer more than 100 federal human services programs. The Department of Health and Human Services has responsibility for basic welfare grants to the states to aid families, the Department of Housing and Urban Development provides housing assistance for the poor, the Department of Agriculture runs the food stamp program, and the Department of Labor administers training programs and provides assistance in obtaining employment.

The resources and authority necessary for the president to attack a problem comprehensively are often distributed among many bureaucratic units. In 2009, the National Security Agency, the State Department, and the CIA had separate bits of information that Umar Farouk Abdulmutallab was a potential threat to the United States. Nevertheless, on Christmas Day he was allowed to board a plane to the United States with explosives hidden in his underclothing. The agencies had failed to share and “connect the dots” among the various pieces of information.

More broadly, consider border security, an important element of homeland security. In 2002, prior to the establishment of the Department of Homeland Security, at least 33 departments and agencies had responsibility for protecting America’s borders, focusing on threats ranging from illegal immigrants and chemical toxins to missiles and electronic sabotage. It is difficult to coordinate so many different agencies, especially when they lack a history of trust and cooperation. Moreover, there are often physical obstacles to cooperation, such as the largely incompatible computer systems of the ICE and the Coast Guard. Once the borders have been breached and an attack has occurred, many other offices get involved in homeland security, including hundreds of state and local agencies.

When the BP Deepwater Horizon spill occurred in the Gulf of Mexico, Americans learned that although the federal government owns the ocean up to 200 miles off U.S. shores, Washington had no central body directed with making decisions about how to explore, map, preserve, exploit, and manage it. Disaster struck, and the nation watched in dismay as the dozens of offices and agencies with jurisdiction over slices of ocean activity—environmental protection, offshore drilling, national security, science—scrambled to take control. But the bureaucrats were mostly at the mercy of the only people with the expertise to plumb the Gulf’s depths, the BP engineers. At the height of the crisis, President Obama issued an executive order pulling together the 24 separate offices and agencies—housed in the Commerce, Defense, Energy, and Interior departments, the Environmental Protection Agency, the National Oceanic and Atmospheric Administration, and elsewhere—and required them all to report to a new umbrella entity, the White House’s National Oceans Council.

If fragmentation is a problem, why not reorganize the government? The answer lies in hyperpluralism and the decentralization of power. Congressional committees recognize that they would lose jurisdiction over agencies if these agencies were merged with others. Interest groups do not want to give up the close relationships they have developed with “their” agencies. Agencies themselves do not want to be submerged within a broader bureaucratic unit. Moreover, most bureaucratic units have multiple responsibilities, making it difficult to subsume them under one organizational umbrella. All these forces fight reorganization, and they usually win.<sup>27</sup> President Clinton’s proposal to merge the Drug Enforcement Administration and the Customs Service met with immediate opposition from the agencies and their congressional allies. Pursuing the merger became too costly for the president, who had to focus on higher-priority issues.

Nevertheless, under the right conditions, reorganization is possible. Following the attacks of September 11, 2001, President George W. Bush concluded, in the summer of 2002, that the only way to overcome the fragmentation of agencies involved in providing homeland security was to create a new department. Congress created the Department of Homeland Security at the end of 2002, the largest reorganization of the federal government in half a century.

Fragmentation not only disperses responsibility but also allows agencies to work at cross-purposes. For years, one agency supported tobacco farmers while another discouraged smoking. One agency encourages the redevelopment of inner cities while

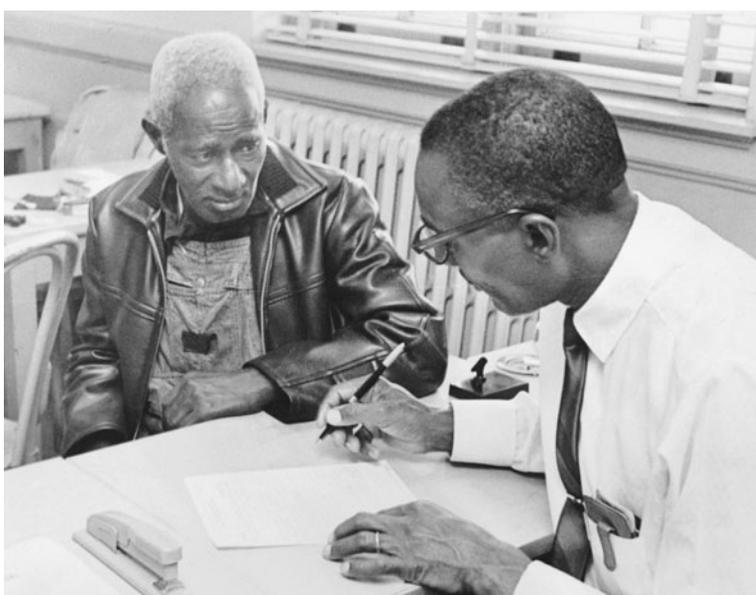
another helps build highways, making it easier for people to live in the suburbs. One agency helps farmers grow crops more efficiently while another pays them to produce less. As long as Congress refuses to make clear decisions about priorities, bureaucrats will implement contradictory policies.

### □ A Case Study of Successful Implementation: The Voting Rights Act of 1965

Even when a policy is controversial, implementation can be effective if goals are clear and there are adequate means to achieve them. In 1965, Congress, responding to generations of discrimination against prospective African American voters in the South, passed the Voting Rights Act. The act outlawed literacy tests and other tests previously used to discriminate against African American registrants. Congress singled out six states in the Deep South in which the number of registered African American voters was minuscule and ordered the Justice Department to send federal registrars to each county in those states to register qualified voters. Those who interfered with the work of federal registrars were to face stiff penalties.

Congress charged the attorney general, as the head of the Justice Department, with implementing the Voting Rights Act. He acted quickly and dispatched hundreds of registrars—some protected by U.S. marshals—to Southern counties. Within seven and a half months of the act's passage, more than 300,000 new African American voters were on the rolls. The proportion of African Americans in the South who were registered to vote increased from 43 percent in 1964 to 66 percent in 1970, partly because of the Voting Rights Act.<sup>28</sup>

The Voting Rights Act was a successful case of implementation by any standard, but not because it was popular with everyone. Southern representatives and senators were outraged by the bill, and a filibuster had delayed its passage in the Senate. It was successful because its goal was clear (to register large numbers of African American voters), its implementation was straightforward (sending out people to register them), and the authority of the implementors was clear (they had the support of the attorney general and even U.S. marshals) and concentrated in the Justice Department, which was disposed to implementing the law vigorously.



Implementation of the 1965 Voting Rights Act was successful because its goal was clear: to register African Americans to vote in counties that had denied them their voting rights for years. In addition, implementors, such as this federal registrar, had the authority to do their jobs.

## □ Privatization

A movement to “reinvent government” started in the 1980s. At the heart of this endeavor were efforts to decentralize authority within agencies to provide more room for innovation and to provide performance incentives for government bureaucracies through market competition with private contractors, which could bid to provide government services. Since that time private contractors have become a virtual fourth branch of the national government, which spends nearly half a trillion dollars a year on them. The war in Iraq, increased emphasis on domestic security, and the aftermath of Hurricane Katrina all gave this trend a further impetus.

Everyone seems to agree that the government cannot operate without contractors, which provide the surge capacity to handle crises without expanding the permanent bureaucracy. Moreover, contractors may provide specialized skills that the government lacks. Some government executives favor contractors because they find the federal bureaucracy slow, inflexible, or incompetent. Using contractors also allows officials to brag about cutting the federal work force while actually expanding the number of people working for the government.<sup>29</sup>

The theory behind contracting for services is that competition in the private sector will result in better service at lower costs than that provided by public bureaucracies, who have traditionally had a monopoly on providing services. Although there is evidence that some local governments have saved money on services such as garbage collection, there is no evidence that private contractors have provided services more efficiently at the federal level. Moreover, competition is not always present. One study found that fewer than half of the new contracts and payments against existing contracts are now subject to full and open competition.<sup>30</sup> For example, the government has spent billions of dollars in no-bid contracts for companies such as Halliburton to rebuild Iraq.

Contracting also almost always leads to less public scrutiny, as government programs are hidden behind closed corporate doors. Companies, unlike agencies, are not subject to the Freedom of Information Act, which allows the public to gain access to government documents. Members of Congress have sought unsuccessfully for years to get the Army to explain the contracts for Blackwater USA security officers in Iraq, which involve several costly layers of subcontractors. Partly because of the relative lack of openness, efforts to privatize public services have been marked by extensive corruption and sometimes by extensive cost overruns.

### regulation

The use of governmental authority to control or change some practice in the private sector.

## Bureaucracies as Regulators

14.4

Describe how bureaucracies regulate, and assess deregulation and alternative approaches to regulation.

**G**overnment **regulation** is the use of governmental authority to control or change some practice in the private sector. Regulations by government, filling hundreds of volumes, pervade Americans’ everyday lives and the lives of businesses, universities, hospitals, and other institutions. Regulation may be the most controversial role of the bureaucracies. Congress gives bureaucrats broad mandates to regulate activities as diverse as interest rates, the location of nuclear power plants, and food additives.

## □ Regulation in the Economy and in Everyday Life

The notion that the American economy is largely a “free enterprise” system, unfettered by government intervention, is about as up to date as a Model T Ford. You can begin to understand the sweeping scope of governmental regulation by examining how the automobile industry is regulated:

**deregulation**

The lifting of government restrictions on business, industry, and professional activities.

- The Securities and Exchange Commission regulates buying and selling stock in an automobile corporation.
- Relations between the workers and managers of the company come under the scrutiny of the National Labor Relations Board.
- The Department of Labor and the Equal Employment Opportunity Commission mandate affirmative action in hiring workers in automobile production plants because automakers are major government contractors.
- The EPA, the National Highway Traffic Safety Administration, and the Department of Transportation require that cars include pollution-control, energy-saving, and safety devices.
- Unfair advertising and deceptive consumer practices in marketing cars come under the watchful eye of the FTC.

From the beginnings of the American republic until 1887, the federal government made almost no regulatory policies. The little regulation that was produced originated with state and local authorities, and opponents disputed even the minimal regulatory powers of state and local governments. In 1877, the Supreme Court upheld the right of government to regulate the business operations of a firm. The case, *Munn v. Illinois*, involved the right of the state of Illinois to regulate the charges and services of a Chicago warehouse. Farmers at this time were seething about alleged overcharging by railroads, grain elevator companies, and other business firms. In 1887—a decade after *Munn*—Congress created the first regulatory agency, the Interstate Commerce Commission (ICC), and charged it with regulating the railroads, their prices, and their services to farmers; the ICC thus set the precedent for regulatory policymaking.

As regulators, bureaucratic agencies typically operate with a large grant of power from Congress, which may detail goals to be achieved but permit the agencies to sketch out the regulatory means. In 1935, for example, Congress created the National Labor Relations Board to control “unfair labor practices,” but the NLRB had to play a major role in defining “fair” and “unfair.” Most agencies charged with regulation must first develop a set of rules, often called *guidelines*. The appropriate agency may specify how much food coloring it will permit in a hot dog, how many contaminants it will allow an industry to dump into a stream, how much radiation from a nuclear reactor is too much, and so forth. Guidelines are developed in consultation with—and sometimes with the agreement of—the people or industries being regulated.

Next, the agency must apply and enforce its rules and guidelines, either in court or through its own administrative procedures. Sometimes it waits for complaints to come to it, as the Equal Employment Opportunity Commission does; sometimes it sends inspectors into the field, as OSHA does; and sometimes it requires application for a permit or license to demonstrate performance consistent with congressional goals and agency rules, as the FCC does. Often government agencies take violators to court, hoping to secure a judgment and fine against an offender (see “You Are the Policymaker: How Should We Regulate?”). Whatever strategy Congress permits a regulating agency to use, all regulation contains these elements: (1) *a grant of power and set of directions from Congress*, (2) *a set of rules and guidelines* by the regulatory agency itself, and (3) *some means of enforcing compliance* with congressional goals and agency regulations.

## □ Deregulation

With the growth of regulation, **deregulation**—the lifting of government restrictions on business, industry, and professional activities—became a fashionable term.<sup>31</sup> The idea behind deregulation is that the number and complexity of regulatory policies have made regulation too complicated and burdensome. To critics, regulation distorts market forces and has the following problems:

- **Raising prices.** If the producer is faced with expensive regulations, the cost will inevitably be passed on to the consumer in the form of higher prices.

# You Are the Policymaker

## How Should We Regulate?

Almost every regulatory policy was created to achieve some desirable social goal. When more than 6,000 people are killed annually in industrial accidents, who would disagree with the goal of a safer workplace? Who would dissent from greater highway safety, when more than 32,000 die each year in automobile accidents? Who would disagree with policies to promote equality in hiring, given the history of discrimination against women and minorities in the workplace? Who would disagree with policies to reduce industrial pollution, when pollution threatens health and lives? However, there may be more than one way to achieve these—and many other—desirable social goals.

One approach to regulation is **command-and-control policy**, in which the government tells business how to reach certain goals, checks that these commands are followed, and punishes offenders. An alternative approach is an **incentive system**, in which policymakers employ marketlike strategies to regulate industry. Advocates of using incentives argue that, instead of, for example, telling construction businesses how their ladders must be constructed, measuring the ladders, and charging a small fine for violators, it would be more efficient and effective to levy a high tax on firms with excessive worker injuries. Instead of trying to develop standards for about 100,000 pollution sources, it would be easier and more effective to levy a high tax on those who cause pollution. The government could even provide incentives in the form of rewards for such socially valuable behavior as developing technology to reduce pollution.

This second approach is evident in a proposal by President Obama to stem carbon dioxide emissions

through a market-based cap-and-trade system in which the government sets a mandatory cap on emissions and then issues companies or other groups credits for a certain amount of emissions. Companies that need to increase their emission allowance must buy credits from those who pollute less. In effect, the buyer is paying a charge for polluting, while the seller is being rewarded for having reduced emissions by more than was needed. Thus, in theory, those who can reduce emissions most cheaply will do so, achieving the pollution reduction at the lowest cost to society. The goal is to encourage the development of the most innovative and efficient means of limiting emissions without inhibiting economic growth.

Not everyone is keen on the use of incentives. Some argue that the command-and-control system of regulation is preferable because it works like preventive medicine—it is designed to minimize pollution or workplace accidents before they become too severe. They point out that penalties for excessive pollution or excessive workplace accidents would be imposed only after substantial damage had been done. They add that taxes on pollution or unsafe work environments could be passed along to consumers as higher prices, in which case they would not be much of a deterrent. Moreover, it would take a large bureaucracy to carefully monitor the level of pollution discharged and a complex calculation to determine the level of tax necessary to encourage businesses not to pollute.

**What do you think?** The issue of the manner of regulation is a complex one. Is the command-and-control system the best way of achieving regulatory goals, or might an incentive system be more effective?

- **Hurting America's competitive position abroad.** Other nations may have fewer regulations on pollution, worker safety, and other business practices than the United States. Thus, American products may cost more in the international marketplace, undermining sales in other countries.
- **Failing to work well.** Tales of failed regulatory policies are numerous. Regulations may be difficult or cumbersome to enforce. Critics charge that regulations sometimes do not achieve the results that Congress intended and maintain that they simply create massive regulatory bureaucracies.

Not everyone, however, believes that deregulation is in the nation's best interest.<sup>32</sup> For example, critics point to severe environmental damage resulting from lax enforcement of environmental protection standards during the Reagan administration. Similarly, many observers attribute much of the blame for the enormously expensive bailout of the savings and loan industry in 1989 to deregulation in the 1980s. Californians found that deregulation led to severe power shortages in 2001. The burst of the real estate bubble in 2007 and 2008 and the resulting financial crisis and bailouts led to demands for increased regulation of financial institutions.

### command-and-control policy

The typical system of regulation whereby government tells business how to reach certain goals, checks that these commands are followed, and punishes offenders.

### incentive system

An alternative to command-and-control, with marketlike strategies such as rewards used to manage public policy.

**executive orders**

Regulations originating with the executive branch. Executive orders are one method presidents can use to control the bureaucracy.

In addition, many regulations have proved beneficial to Americans. To give just a few examples, as a result of government regulations, we breathe cleaner air,<sup>33</sup> we have lower levels of lead in our blood, miners are safer at work,<sup>34</sup> seacoasts have been preserved,<sup>35</sup> and children are more likely to survive infancy.<sup>36</sup>

## Controlling the Bureaucracy

**14.5** Identify the means of controlling the bureaucracy and assess the role of iron triangles.



Nothing as large and powerful as the federal bureaucracy requires watching. Both the president and Congress have responsibility for making the bureaucracy responsive to elected officials (and presumably the public), and both have a set of tools for, and challenges in, doing so.

### □ Presidents Try to Control the Bureaucracy

Presidents try hard—not always with success—to impose their policy preferences on agencies (although their frustrations might be less than those of leaders in some other countries, as you can see from “America in Perspective: Influencing Independent Agencies”). Following are some of their tactics:

- **Appoint the right people to head the agency.** Normally, presidents control the appointments of agency heads and subheads. Putting their people in charge is one good way for presidents to influence agency policy.<sup>37</sup> The president does not have a completely free hand, however. President Clinton had no use for his FBI director, Louis Freeh, who would barely talk to him, but he did not fire Freeh, for fear of being denounced as purging an enemy.
- **Issue orders.** Presidents can issue **executive orders** to agencies. These orders carry the force of law and are used to implement statutes, treaties, and provisions of the Constitution.<sup>38</sup> For example, following the 9/11 terrorist attacks, George W. Bush issued executive orders creating a new cabinet position to coordinate homeland security and a Homeland Security Council, authorizing the secretaries of the navy, army, and air force to call up reservists for active duty, lifting a ban on the CIA engaging in political assassination, and establishing military tribunals to try terrorists. Sometimes presidential aides simply pass the word that the president wants something done. These messages usually suffice, although agency heads are reluctant to run afoul of Congress or the press on the basis of a broad presidential hint. The president’s rhetoric in speeches outside the bureaucracy may also influence the priorities of bureaucrats.<sup>39</sup>
- **Alter an agency’s budget.** The Office of Management and Budget (OMB) is the president’s own final authority on any agency’s budget. The OMB’s threats to cut here or add there will usually get an agency’s attention. Each agency, however, has its constituents within and outside of Congress, and Congress, not the president, does the appropriating.
- **Reorganize an agency.** Although President Reagan promised, proposed, and pressured to abolish the Department of Energy and the Department of Education, he never succeeded—largely because each department was in the hands of an entrenched bureaucracy backed by elements in Congress and strong constituent groups. Reorganizing an agency is hard to do if it is a large and strong agency, and reorganizing a small and weak agency is often not worth the trouble. Nevertheless, as we saw, a massive reorganization occurred in 2002 with the creation of the Department of Homeland Security.

## Influencing Independent Agencies

**W**e often think of the president as head of the executive branch, but there are agencies, such as the Federal Reserve Board, that are very powerful and are generally free from the chief executive's direction. This often leaves presidents frustrated, as when they wish the Federal Reserve Board to lower interest rates to stimulate the economy. There are even more autonomous agencies in Latin America, however—agencies removed from the direct control of the president and the legislature.

Why would Latin American governments create agencies they cannot control? The primary reason is to protect a new agency providing a new service from changes in policy made by future decision makers. Those who create an agency fear that its policies will be undone by a new administration or legislature, so they make it autonomous.

These autonomous agencies often have their own sources of revenue and thus can increase their

budgets without going through the public and controversial process of government budget debates. They are also freer from legislative oversight and formal presidential controls than are regular agencies, and conflict over their programs is less visible. Until recently, expenditures for autonomous agencies also allowed the government to engage in creative financing because when these agencies contracted debt, it did not count against the central government's debt (which is substantial in some Latin American countries).

Autonomy is decidedly a mixed blessing, however. Creative financing is not necessarily good for a nation, nor is the difficulty policymakers have in consolidating bureaucracies and increasing their efficiency. The lack of traditional means of influence also makes it difficult to alter the priorities of agencies, such as shifting the emphasis from building roads to building apartments.

**SOURCES:** Michelle M. Taylor, "When Are Juridically Autonomous Agencies Responsive to Elected Officials? A Simulation Based on the Costa Rican Case," *Journal of Politics* 57 (November 1995): 1070–92; Bruce M. Wilson, Juan Carlos Rodríguez Cordero, and Roger Handberg, "The Best Laid Schemes ... Gang Aft A-gley: Judicial Reform in Latin America—Evidence from Costa Rica," *Journal of Latin American Studies* 36 (August 2004).

## □ Congress Tries to Control the Bureaucracy

Congress exhibits a paradoxical relationship with the bureaucracies. On the one hand (as we have seen), members of Congress may find a big bureaucracy congenial.<sup>40</sup> Big government provides services to constituents, who may show their appreciation at the polls. Moreover, when Congress lacks the answers to policy problems, it hopes the bureaucracies will find them. Unable itself, for example, to resolve the touchy issue of equality in intercollegiate athletics, Congress passed the ball to the Department of Health, Education, and Welfare. Unable to decide how to make workplaces safer, Congress produced OSHA. Congress is typically the problem-identifying branch of government, setting the bureaucratic agenda but letting the agencies decide how to implement the goals it sets.

On the other hand, Congress has found it challenging to control the government it helped create. There are several measures Congress can take to oversee the bureaucracy:

- **Influence the appointment of agency heads.** Even when the law does not require senatorial approval of a presidential appointment, members of Congress are not shy in offering their opinions about who should and should not be running the agencies. When congressional approval is required, members are doubly influential. Committee hearings on proposed appointments are almost guaranteed to produce lively debates if some members find the nominee's probable orientations objectionable.
- **Alter an agency's budget.** With the congressional power of the purse comes a mighty weapon for controlling bureaucratic behavior. For example, cutting a budget will make it more difficult for an agency to regulate behavior. Congress can also pass limitation riders, which forbid agencies from spending money for specific purposes.<sup>41</sup> At the same time, Congress knows that many agencies perform services that its constituents demand. Too much budget cutting may make an agency more responsive—at the price of losing an interest group's support for a reelection campaign. Congress can also order the bureaucracy to spend money in certain ways through detailed provisions in laws or, more informally, through statements in reports on legislation.

## iron triangles

Also known as *subgovernments*, a mutually dependent, mutually advantageous relationship between bureaucratic agencies, interest groups, and congressional committees or subcommittees. Iron triangles dominate some areas of domestic policymaking.

- **Hold hearings.** Committees and subcommittees can hold periodic hearings as part of their oversight responsibilities, and in these hearings they may parade flagrant agency abuses of congressional intent in front of the press. However, the very committee that created a program usually has responsibility for oversight of it and thus has some stake in showing the agency in a favorable light. Furthermore, members of Congress have other disincentives for vigorous oversight, including a desire not to embarrass the chief executive.
- **Rewrite the legislation or make it more detailed.** Congress can overturn agency rules or limit an agency's authority to make them. In addition, every statute is filled with instructions to its administrators. To limit bureaucratic discretion and make its instructions clearer, Congress can write new or more detailed legislation. Still, even voluminous detail can never eliminate discretion.

Sometimes these efforts are detrimental to bureaucratic performance. In 2008, about 80 House and Senate committees and subcommittees claimed jurisdiction over a portion of homeland security issues. Officials in the Department of Homeland Security have to spend a large percentage of their time testifying to these committees, and the balkanized jurisdiction has undermined the ability of Congress to perform comprehensive oversight. Moreover, different committees may send different signals to the same agency. One may press for stricter enforcement of regulations, for example, while another seeks for more exemptions.

## □ Iron Triangles and Issue Networks

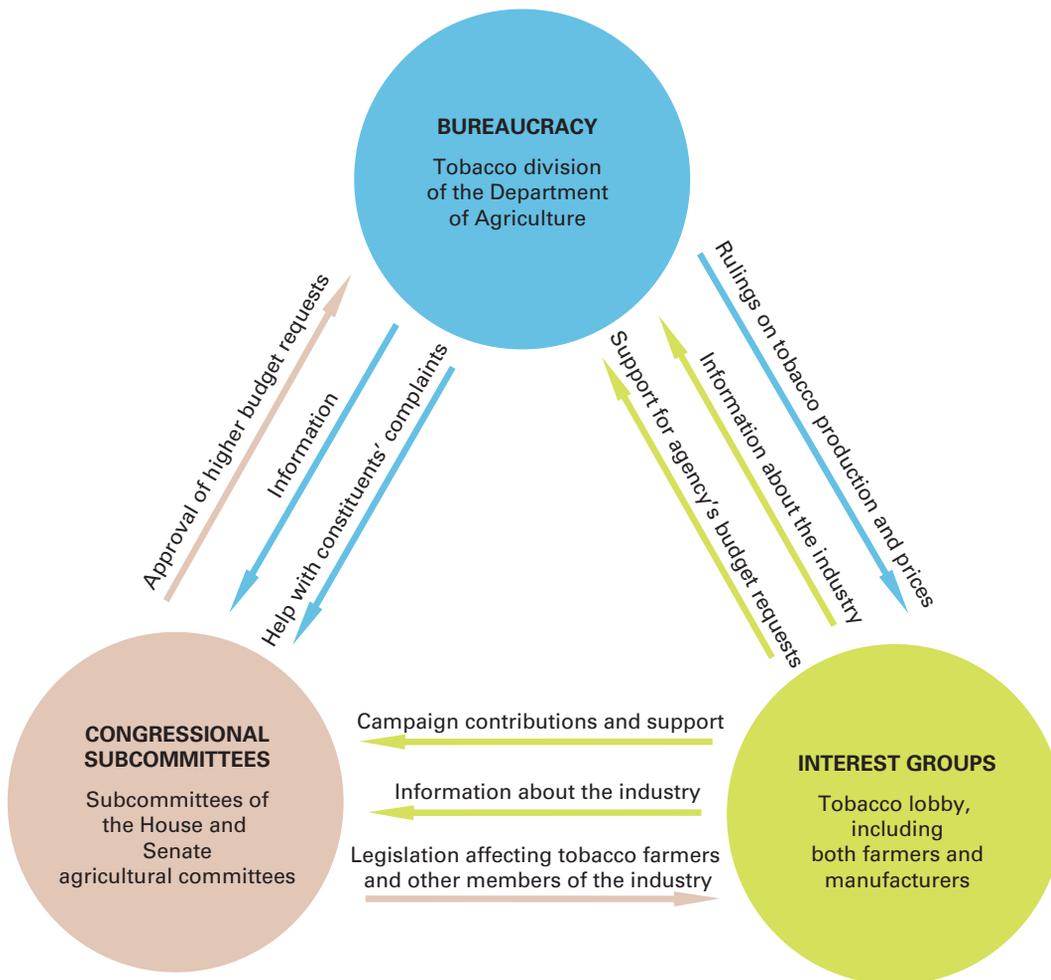
Agencies' strong ties to interest groups on the one hand and to congressional committees and subcommittees on the other further complicate efforts to control the bureaucracy. Bureaucracies often enjoy cozy relationships with interest groups and with committees or subcommittees of Congress. When agencies, groups, and committees all depend on one another and are in close, frequent contact, they form what are sometimes called **iron triangles** or subgovernments—triads that have advantages for all sides (see Figure 14.4). Thus, for example, a subcommittee on aging, senior citizens' interest groups, and the Social Security Administration are likely to agree on the need for more Social Security benefits. Richard Rettig has recounted how an alliance slowly jelled around the issue of fighting cancer. It rested on three pillars: cancer researchers, agencies within the National Institutes of Health, and members of congressional health subcommittees.

When these iron triangles shape policies for senior citizens, the fight against cancer, tobacco, or any other interest, officials in the different triangles make each policy independently of the others, sometimes even in contradiction to other policies. For example, for years the government supported tobacco farmers in various ways while encouraging people not to smoke. Moreover, the iron triangles' decisions tend to bind larger institutions, such as Congress and the White House. Congress often defers to the decisions of committees and subcommittees, especially on less visible issues. The White House may be too busy wrestling with global concerns to fret over agricultural issues or cancer. Emboldened by this lack of involvement, subgovernments flourish and add a strong decentralizing and fragmenting element to the policymaking process.

There is often a cozy relationship—and even movement—between components of the three sides of a subgovernment. For example, in 2003, Congress added a massive prescription drug benefit under Medicare. Representative Billy Tauzin shepherded the drug bill through the House as chair of the Energy and Commerce Committee. He then retired from Congress to head the Pharmaceutical Research and Manufacturers of America, a powerful industry lobby group, for an estimated \$2 million a year. Thomas Scully, the Medicare administrator and lead negotiator for the administration, resigned his position within weeks after the passage of the bill to join a lobbying firm that represented several health care industry companies significantly affected by the new law. He also announced he would be working part time for an investment firm with interests in several more companies affected by the new law.

**FIGURE 14.4 IRON TRIANGLES: ONE EXAMPLE**

Iron triangles—composed of bureaucratic agencies, interest groups, and congressional committees or subcommittees—have dominated some areas of domestic policymaking by combining internal consensus with a virtual monopoly on information in their area. The tobacco triangle is one example; there are dozens more. Iron triangles are characterized by mutual dependency in which each element provides key services, information, or policy for the others. The arrows indicate some of these mutually helpful relationships. In recent years, a number of well-established iron triangles, including the tobacco triangle, have been broken up.



In recent years, the system of subgovernments has become overlaid with an amorphous system of *issue networks*. These networks have led to more widespread participation in bureaucratic policymaking, including by many who have technical policy expertise and are drawn to issues because of intellectual or emotional commitments rather than material interests. Those concerned with environmental protection, for example, have challenged formerly closed subgovernments on numerous fronts. This opening of the policymaking process complicates the calculations and decreases the predictability of those involved in the stable and relatively narrow relationships of subgovernments.<sup>42</sup>

**THE DEATH OF AN IRON TRIANGLE** Although subgovernments are often able to dominate policymaking for decades, they are not indestructible.<sup>43</sup> For example, the subgovernment pictured in Figure 14.4 long dominated smoking and tobacco policy, focusing on crop subsidies to tobacco farmers. But increasingly, these policies came under fire from health authorities, who were not involved in tobacco policymaking in earlier years. Similarly, Congress no longer considers pesticide policy, once dominated by chemical companies and agricultural interests, separately from environmental and health concerns.

An especially vivid example of the death of an iron triangle is the case of nuclear power.<sup>44</sup> During the 1940s and 1950s, Americans were convinced that the technology

that had ended World War II could also serve peaceful purposes. Nuclear scientists spoke enthusiastically about harnessing the atom to achieve all sorts of goals, eventually making electricity so inexpensive that it would be “too cheap to meter.” Optimism in progress through science was the rule, and the federal government encouraged the development of nuclear power through a powerful iron triangle.

Congress established a special joint committee, the Joint Committee on Atomic Energy, with complete control over questions of nuclear power. It also created a new executive agency, the Atomic Energy Commission (AEC). The committee, the commission, the private companies that built nuclear power plants, and the electrical utilities that operated them together formed a powerful subgovernment. America built more nuclear power plants than any other country in the world, and American technology was exported overseas to dozens of nations.

Nuclear power today—after the accidents at Three Mile Island and Chernobyl and the various cost overruns associated with the industry—bears almost no resemblance to nuclear power in the early 1960s when the iron triangle was at its peak. What happened? Before the 1960s had ended, the experts had begun to lose control. When critics raised questions concerning the safety of the plants and were able to get local officials to question the policies publicly, the issue grew into a major political debate, associated with the growth of environmentalism. Opposition to nuclear power destroyed two of the most powerful legs of the iron triangle. Congress disbanded the Joint Committee on Atomic Energy; a variety of congressional committees now claim some jurisdiction over nuclear power questions. Similarly, Congress replaced the AEC with two new agencies: the Nuclear Regulatory Commission and the Department of Energy.

The nuclear power industry was devastated: no new nuclear power plants have been started in the United States since 1978, and almost all those under construction at that time have been abandoned at huge financial loss. Nuclear power provides only about 12 percent of our total energy production. In sum, the wave of environmental concern that developed in the late 1960s swept away one of the most powerful iron triangles in recent American history.

This is not the end of the story, however. The extraordinarily high price of gasoline and heating fuel since 2005 and concerns over global warming have encouraged a reconsideration of nuclear power. The Gallup Poll has found, for example, that a majority of the public supports the use of nuclear energy to produce electricity.

If the nuclear power industry should revive, there will be renewed calls for strict regulation—from both the bureaucracy and Congress. Whether an iron triangle reemerges will depend on whether the public is attentive to the issue of nuclear power and whether it allows experts to define safety concerns as technical matters appropriate only for experts to decide.

## Understanding Bureaucracies

### 14.6

Assess the role of unelected bureaucrats in American democracy and the impact of the bureaucracy on the scope of government.



As both implementors and regulators, bureaucracies are making public policy, not just administering someone else’s decisions. The fact that bureaucrats, who are not elected, compose most of the government raises fundamental issues about who controls governing and about the proper role of bureaucracies.

### □ Bureaucracy and Democracy

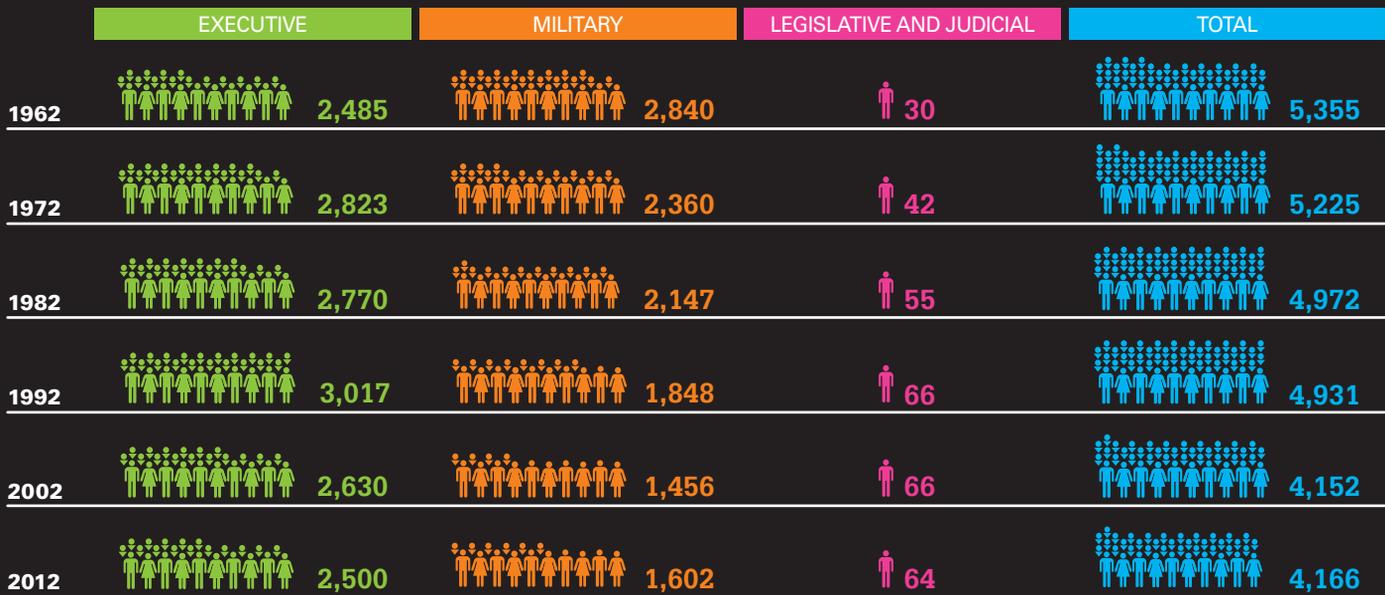
Bureaucracies constitute one of America’s two unelected policymaking institutions (courts being the other). In democratic theory, popular control of government depends on elections, but we could not possibly elect the millions of federal civilian

# What Puts the “Big” in Big Government?

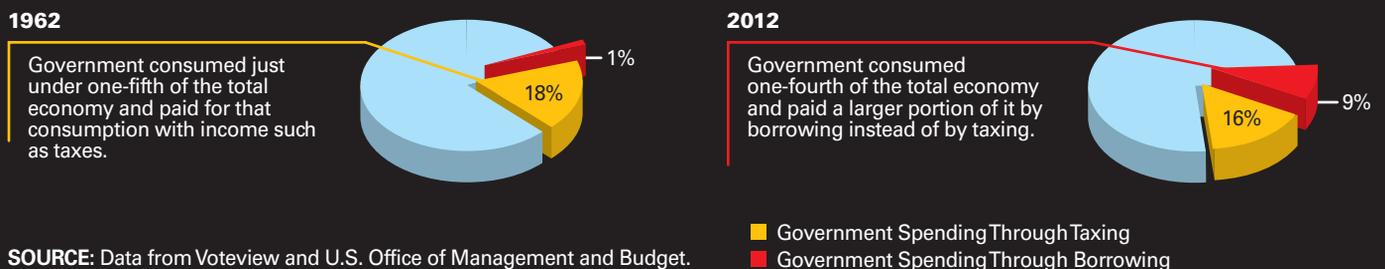
The national government is actually not as big as it once was. Since 1962, the total number of government employees has fallen due to a reduction in the number of military personnel after Vietnam and the Cold War. The number of civilians employed by the government has also declined since the 1980s. However, even as the size of government has grown smaller, its spending has increased to the point that one-fourth of the U.S. economy comes from government funded programs, contracts, and benefits.

## Size of the Government Workforce\*

\* In Thousands



## Government as Percent of GDP



SOURCE: Data from Voteview and U.S. Office of Management and Budget.

## Investigate Further

**Concept** Is the federal government growing larger? The number of federal employees has actually decreased by over one million in a half-century. Since the late 1960s, the main difference in the size of its workforce is due to a smaller military.

**Connection** Do fewer federal employees mean smaller government? While the number of employees may be smaller, the federal government’s share of the country’s gross domestic product has grown every decade since the 1960s.

**Cause** If the government employs fewer people, how is it “bigger” than it was in 1962? Even with fewer people, the government implements more expensive programs that contribute to the total U.S. economy. Higher salaries, more expensive defense programs, larger entitlement programs, and increased spending to pay for past debt drive up costs.

and military employees, or even the few thousand top bureaucrats, though they spend nearly \$4 trillion. Furthermore, the fact that voters do not elect civil servants does not mean that bureaucracies cannot respond to and represent the public's interests. And as we saw earlier, in their backgrounds, bureaucrats are more representative of the American people than are elected officials. Much depends on whether bureaucracies are effectively controlled by the policymakers citizens do elect—the president and Congress.<sup>45</sup>

## □ Bureaucracy and the Scope of Government

To many, the huge American bureaucracy is the prime example of the federal government growing out of control. As this chapter discussed earlier, some observers view the bureaucracy as acquisitive, constantly seeking to expand its size, budgets, and authority. Much of the political rhetoric against big government also adopts this line of argument, along with complaints about red tape, senseless regulations, and the like. It is easy to take potshots at a faceless bureaucracy that usually cannot respond.

One should keep in mind, however, that the federal bureaucracy has not grown over the past 40 years. Moreover, since the population of the country has grown significantly during this period, the federal bureaucracy has actually *shrunk* in size relative to the population it serves.

Originally, the federal bureaucracy had the modest role of promoting the economy, defending the country, managing foreign affairs, providing justice, and delivering the mail. Its role gradually expanded to include providing services to farmers, businesses, and workers. With social and economic changes in the United States, a variety of interests placed additional demands on government. We now expect government—and the bureaucracy—to play an active role in dealing with social and economic problems. A good case can be made that the bureaucracy is actually too *small* for many of the tasks currently assigned to it—tasks ranging from the control of illicit drugs to protection of the environment.

In addition, it is important to remember that when the president and Congress have chosen to deregulate certain areas of the economy or cut taxes, the bureaucracy could not and did not prevent them from doing so. The question of what and how much the federal government should do—and thus how big the bureaucracy should be—is answered primarily at the polls and in Congress, the White House, and the courts—not by faceless bureaucrats.

## Review the Chapter



Listen to **Chapter 14** on **MyPoliSciLab**

### The Bureaucrats

**14.1** Describe the federal bureaucrats and the ways in which they obtain their jobs, p. 475.

Bureaucrats perform most of the vital services the federal government provides, although their number has not grown, even as the population has increased and the public has made additional demands on government. Bureaucrats shape policy as administrators, as implementors, and as regulators. Most federal bureaucrats get their jobs through the civil service system; as a group, these civil servants are broadly representative of the American people. The top policymaking posts, however, are filled through presidential appointments, often with Senate confirmation.

### How the Federal Bureaucracy is Organized

**14.2** Differentiate the four types of agencies into which the federal bureaucracy is organized, p. 480.

The organization of the federal bureaucracy is most easily understood by categorizing agencies into four types: cabinet departments, independent regulatory commissions, government corporations, and independent executive agencies. The 15 cabinet departments each manage a specific policy area. Independent regulatory commissions make and enforce rules in a particular sector of the economy. Government corporations provide services that could be handled by the private sector and charge for their services. Independent executive agencies account for most of the rest of the federal bureaucracy.

### Bureaucracies as Implementors

**14.3** Identify the factors that influence the effectiveness of bureaucratic implementation of public policy, p. 484.

As policy implementors, bureaucrats translate legislative policy goals into programs. The effectiveness of policy implementation is influenced by various factors: the policy or program design, the clarity of the legislation or regulations being implemented, the resources available for implementation, the ability of administrators to depart from SOPs when

necessary, the disposition of administrators toward the policy they implement, and the extent to which responsibility for policy implementation is concentrated rather than dispersed across agencies.

### Bureaucracies as Regulators

**14.4** Describe how bureaucracies regulate, and assess deregulation and alternative approaches to regulation, p. 493.

Congress increasingly delegates large amounts of power to bureaucratic agencies to develop rules regulating practices in the private sector. Agencies apply and enforce their rules, in court or through administrative procedures. Regulation affects most areas of American society, and criticism that regulations are overly complicated and burdensome has led to a movement to deregulate. However, many regulations have proved beneficial, and deregulation has itself resulted in policy failures.

### Controlling the Bureaucracy

**14.5** Identify the means of controlling the bureaucracy and assess the role of iron triangles, p. 496.

The president and Congress have several means of controlling the bureaucracy, including appointments, budgets, reorganization, investigations, and direct orders and specific legislation. Nevertheless, the president and Congress face challenges to their control, among them iron triangles, which include agencies, congressional committees or subcommittees, and interest groups.

### Understanding Bureaucracies

**14.6** Assess the role of unelected bureaucrats in American democracy and the impact of the bureaucracy on the scope of government, p. 500.

Although bureaucrats are not elected, bureaucracies are not necessarily undemocratic. Bureaucrats are competent and reasonably representative of Americans. And they may be controlled by elected decision makers. The role of government and hence the size of the bureaucracy depends more on voters than on bureaucrats.

# Learn the Terms



**Study** and **Review** the **Flashcards**

bureaucracy, p. 475  
patronage, p. 478  
Pendleton Civil Service Act, p. 478  
civil service, p. 478  
merit principle, p. 478  
Hatch Act, p. 478  
Office of Personnel Management,  
p. 479

GS (General Schedule) rating, p. 479  
Senior Executive Service, p. 479  
independent regulatory commission,  
p. 481  
government corporations, p. 483  
independent executive agency, p. 483  
policy implementation, p. 484  
standard operating procedures, p. 488

administrative discretion, p. 489  
street-level bureaucrats, p. 489  
regulation, p. 493  
deregulation, p. 494  
command-and-control policy, p. 495  
incentive system, p. 495  
executive orders, p. 496  
iron triangles, p. 498

# Test Yourself



**Study** and **Review** the **Practice Tests**

**1.** The civil service system was designed for which of the following purposes?

- a. to hire and promote bureaucrats on the basis of merit
- b. to produce an administration with talent and skill
- c. to limit bureaucrats' participation in partisan politics
- d. to protect workers from politically motivated firings
- e. all of the above

**2.** The permanent bureaucracy tends to be less broadly representative of the American people than are legislators, judges, or presidential appointees.

True \_\_\_\_\_ False \_\_\_\_\_

**3.** What is the Office of Personnel Management and what is its primary function?

**4.** How might the current system of political appointments undermine or benefit effective policy implementation? In your opinion, in what ways should this system be reformed to ensure that the most talented and skilled people not only work in the bureaucracy but lead it as well?

**5.** Which of the following statements best characterizes the functioning of government corporations?

- a. They help regulate corporations and businesses in the private sector.
- b. They provide and charge for services that could be provided by the private sector.
- c. They help the government hire talented workers from the private sector.
- d. They help manage the government's many buildings, archives, and storage facilities.
- e. They implement congressional policies in the economic domain.

**6.** The president appoints and the Senate confirms both members of independent regulatory commissions and cabinet secretaries for fixed terms.

True \_\_\_\_\_ False \_\_\_\_\_

**7.** Why are independent regulatory commissions prone to "capture"? How might capture undermine effective policy implementation and, ultimately, democracy?

**8.** That the Food and Drug Administration lacks the personnel to inspect plants that produce food imported into the United States is an example of

- a. a fragmented policy area.
- b. an ineffective set of standard operating procedures.
- c. a lack of administrative discretion.
- d. a lack of bureaucratic resources.
- e. a lack of legislative clarity.

**9.** An example of a street-level bureaucrat is a police officer.

True \_\_\_\_\_ False \_\_\_\_\_

**10.** What are three main factors that make policy implementation difficult? Which of these do you think is most problematic, and why?

**11.** Which of the following is true about bureaucracies as regulators?

- a. Bureaucratic agencies must adhere to strict guidelines mandated by Congress.
- b. Bureaucratic agencies regulate products without consulting the industries being regulated.
- c. Bureaucratic agencies have a grant of power and set of directions from Congress.
- d. Bureaucratic agencies' regulation of society has declined in recent decades.
- e. Bureaucratic agencies' regulatory activity increases only during liberal administrations.

**12.** The EPA's requirement that cars include pollution-control devices is an example of government deregulation.

True \_\_\_\_\_ False \_\_\_\_\_

- 13.** Compare and contrast the command-and-control and incentive systems of regulation and provide an example of each. In your opinion, which is the more efficient approach, and why?
- 14.** What are the advantages and problems generally connected with regulation? Do you think that in general we need more or less regulation of the economy and society? Explain your answer, drawing on the text and giving examples.
- 15.** The overlaying of subgovernments with a system of issue networks has ensured which of the following?
- Presidents are actively involved in most policy areas.
  - Subgovernments will be virtually impossible to dismantle.
  - Policymaking is stable and predictable.
  - Participation in the policy process is more widespread.
  - The bureaucracy is more independent of elected branches of government.

- 16.** Which statement is true?
- Bureaucrats are more representative of the public than are presidents and members of Congress.
  - Bureaucrats are unresponsive to the public's interests.
  - The federal bureaucracy has grown substantially over the past 40 years.
  - The federal bureaucracy is too large for the tasks assigned to it.
  - The bureaucracy has been the driving force behind the growth of government.
- 17.** Because it is unelected, the federal bureaucracy is often criticized as undemocratic. How do the elected branches of government—Congress and the presidency—exert control over the federal bureaucracy? How might they exert more control over the bureaucracy so that the system will be more democratic?
- 18.** A common perception of the federal bureaucracy is that it epitomizes out-of-control government growth. Based on your reading of the textbook, make an argument that this perception is incorrect, citing specific evidence and examples.

## Explore Further

### WEB SITES

<http://www.usgovernmentmanual.gov/?AspxAutoDetectCookieSupport=1>

U.S. Government Manual, which provides information on the organization of the U.S. government.

[www.gpoaccess.gov/fr/index.html](http://www.gpoaccess.gov/fr/index.html)

The *Federal Register*, which provides information on U.S. laws and regulations.

[www.whitehouse.gov/administration/cabinet](http://www.whitehouse.gov/administration/cabinet)

Information on federal cabinet departments.

[www.usa.gov/Agencies/Federal/All\\_Agencies/index.shtml](http://www.usa.gov/Agencies/Federal/All_Agencies/index.shtml)

Information on all federal departments, independent agencies, and commissions.

[www.opm.gov/feddata/](http://www.opm.gov/feddata/)

Federal employment statistics.

[www.opm.gov](http://www.opm.gov)

Office of Personnel Management Web site, with information on federal jobs and personnel issues.

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