

## Organization of the Bureaucracy

- I. Historical Notations
  - a. The competitive service: most bureaucrats compete for jobs through OPM
    - i. Appointment by merit based on written exam
    - ii. Pendleton Act (1883) - transferred basis of government jobs from patronage to merit
  - b. Most bureaucrats are lifetime employees who have worked for no other agency
    - i. Leads to expertise, but gives subordinates power
  - c. Bureaucratic Inertia
    - i. This leads to what I call "Bureaucratic Inertia." Since it is difficult to fire and change those who actually carry out policy, agencies may often continue to do what has been before, regardless of official Presidential policy. Consider the IRS. To what extent would agents of the IRS become "friendlier" just because it was policy. Likewise, if it was a Presidential order, as Commander in Chief, to accept Gays in the military, would they be accepted by Commanders and the rank and file?
- II. "General" Classifications of Bureaucratic institutions
  - a. Cabinet Departments
    - i. Head of department – secretary; followed by several top administrators, etc. (Agriculture example)
    - ii. "bureau level"
      - 1. Highest level of responsibility for specialized programs
      - 2. FBI, Forest Service, Food Safety and Inspection Service
  - b. Independent Agencies
    - i. Set up by Congress, outside the department structure
    - ii. Head appointed by President
    - iii. Broad powers to provide public services
    - iv. NASA, EPA, CIA,
  - c. Government Corporations
    - i. More like private businesses
    - ii. US Postal Service, Amtrak
  - d. Independent Regulatory Commissions
    - i. Given broad discretion to make rules
    - ii. Considered "minilegislatures", rules are same as legislation but require the kind of expertise and attention that is beyond the capacity of Congress
    - iii. Trade Commission, TCC,
- III. Organization of Agencies by Mission
  - a. Clientele Agencies
    - i. Departments or bureaus whose mission is to promote, serve or represent a particular interest
    - ii. Directed by law to foster and promote the interests of their clientele
      - 1. foster client's interest by providing "functional representation" – learn what their clients needs and

interests are then operate almost as a lobby in Washington on their behalf

- b. Agencies for Maintenance of the Union
  - i. Revenue Agencies
    - 1. IRS
    - 2. process/audit tax returns
  - ii. Agencies for Internal Security
    - 1. national unity maintained by routines of civil law (Department of Justice)
    - 2. Presidentially appointed US Attorney assigned to each federal judicial district
    - 3. Dept. Homeland Security, FBI (under DoJ)
  - iii. Agencies for External National Security
    - 1. State, Defense
    - 2. Diplomacy is primary task of State, also comprised of geographic or regional bureaus concerned with all problems within a defined region
    - 3. DoD created to unify varying branches of military and War Department
    - 4. Primary political problem with military has been “pork barrel” (not coups)
      - a. Emphasis on jobs rather than strategy and policy means pork use of the military for political purposes (DISTRIBUTIVE TENDENCY)
- c. Regulatory Agencies
  - i. Departments or bureaus or independent agencies whose primary mission is to eliminate or restrict certain behaviors defined as being evil in themselves or evil in their consequences
    - 1. Health & Human Services, FDA, OSHA
  - ii. Not developed until late 19<sup>th</sup> Century
  - iii. Rules made have force of legislation (referred to as ADMINISTRATIVE LEGISLATION)
  - iv. Most important regulatory programs were delegated to independent commissions with direct responsibility to Congress rather than the White House (Congress hated giving up authority)
  - v. With rise of Presidential gov, recent presidents have supported more regulatory programs, but successfully opposed the expansion of regulatory independence
- d. Agencies of Redistribution Implement Fiscal/Monetary and Welfare Policies
  - i. Influence the amount of money in the economy and directly influence who has money, and whether people will want to invest or spend money
  - ii. Two Types:
    - 1. Fiscal and Monetary Agencies
      - a. FISCAL = taxing, spending

- b. MONETARY = banks, credit, currency
      - c. Treasury Department – manages federal debt, prints currency,
      - d. Federal Reserve System (The Fed) – Consists of 12 Federal Banks, facilitates exchanges of cash, checks and credit, regulates member banks, uses monetary policies to fight inflation and deflation
        - i. Shifts money from where there is too much to where it is needed
    - 2. Welfare Agencies
      - a. Most are MEANS-TESTED programs, requiring applicants to demonstrate *NEED* (except Social Sec)
      - b. 1996 - Virtually all means-tested assistance programs were legally abolished as national programs and were “devolved” to the state
        - i. Federal authority remains through discretionary block grants
      - c. Social Security, TANF, Medicaid
- IV. Control of the Bureaucracy
  - a. The Role of the President
    - i. Expansion of Bureaucracy response to presidential “call for help”
      - 1. Three results:
        - a. communications and decisions related to executive policy must pass through White House
        - b. White House must have adequate staff of specialists to deal with this flow
        - c. Must have additional staff to follow through on presidential decisions
    - ii. Historical Development of Presidential Influence
      - 1. JFK, Lyndon Johnson – expansion of bureaucracy (spirit of FDR)
      - 2. Nixon – expanded managerial presidency (most federal employees were Democrats)
      - 3. Carter – reorganization and reform
        - a. Civil Service Reform Act of 1978 created OPM, Federal Labor Relations Authority, Merit Systems Protection Board
        - b. Implemented “zero-base budgeting”, idea that each agency was required to justify its existence rather than just next year’s budget. “Bottom-Up”
      - 4. Reagan – centralized management to unprecedented degree
        - a. “Top-Down” – budget decisions made by White House, agencies required to fit in those decisions
        - b. Made OPM an agency of policy determination and presidential management

5. Clinton – criticized for “laid back” “bull sessions”
  6. GW Bush – used business theories, select subordinates, delegate heavily
- iii. Underlying Principle: **each expansion of the national government in the 20<sup>th</sup> century was accompanied by a parallel expansion of presidential management authority**
- b. Congress
    - i. The key to government responsibility is legislation (Congress essential to bur)
    - ii. Vague legislation = more agency authority to interpret (interest groups play role)
    - iii. **OVERSIGHT** – Effort by Congress, through hearings, investigations, and other techniques to exercise control over the activities of executive agencies
      1. More power Congress has delegated to executive, more it has sought to get back through committee oversight of agencies
      2. Public Hearings most reflective
        - a. 1950 – 1980 committee meetings rose from 3,210 to 7,022 in House, from 2,607 to 4,265 in Senate. (Has declined steadily since)
      3. Most effective form “power of the purse”
        - a. Agencies must be attentive to Congress because Congress determines funding
        - b. Usually some downsizing, rarely any termination
      4. Individual members can carry out oversight
        - a. “Casework” following constituent complaints
      5. Agencies such as GAO, CRS engage in some oversight
      6. Some argue Congress transferred too much power “runaway bureaucracy” – weak oversight
        - a. Opposing view: Fire Alarm vs. Police Patrol
          - i. Police Patrol – systematic investigations
            1. Costly, inefficient
            2. effective oversight
          - ii. Fire Alarm – investigation in response to complaints
            1. electoral incentives
    - iv. Bureaucratic drift
      1. Use EPA Example (agency wants more power budget, is willing to “drift” – but not totally exceed – the power granted to it by Leg/Exec.
      2. Relate back to “bureaucratic theory” of political elites
      3. Principle-Agent Problem
        - a. Before the Fact Controls
          - i. Appointment process (most powerful weapon)

- ii. **Procedural controls** – rules and regulations that govern agency behavior
            - 1. Contained in “Administrative Procedures Act”
  - v. Coalitional drift
    - 1. Prospect that enacted policy will change because the composition of the enacting coalition is temporary and provisional
    - 2. tradeoff between coalitional/bureaucratic drift. If enactors **insulate** agency from intervention, more likely to become powerful and engage in bureaucratic drifting
- V. Can Bureaucracy be reduced?
  - a. Size remained constant since late 1960s
    - i. **Use Charts on pg. 300-301** – Demonstrate that while expenditures have grown, percentage of GDP, workforce actually declined
  - b. Termination of Programs
    - i. Public grows attached to services, termination very unlikely
    - ii. Ex. Closing military bases
    - iii. Deregulation preferred
      - 1. More “incremental” – reduction in the number of rules regulatory agencies are allowed to pass (more freedom for individuals or institutions)
  - c. Devolution
    - i. Downsizes federal bureaucracy, delegates implementation of programs to state/local level
  - d. Privatization
    - i. Aim is to reduce cost of government
    - ii. Farming out government goods and services to private contractors (under government supervision)
    - iii. Military production
- VI. Bureaucratic Pathologies
  - a. Red tape--complex and sometimes conflicting rules
  - b. Conflict-agencies work at cross-purposes
  - c. Duplication-two or more agencies seem to do the same thing
  - d. Imperialism-tendency of agencies to grow, irrespective of benefits and costs of programs
  - e. Waste--spending more than is necessary to buy some product or service