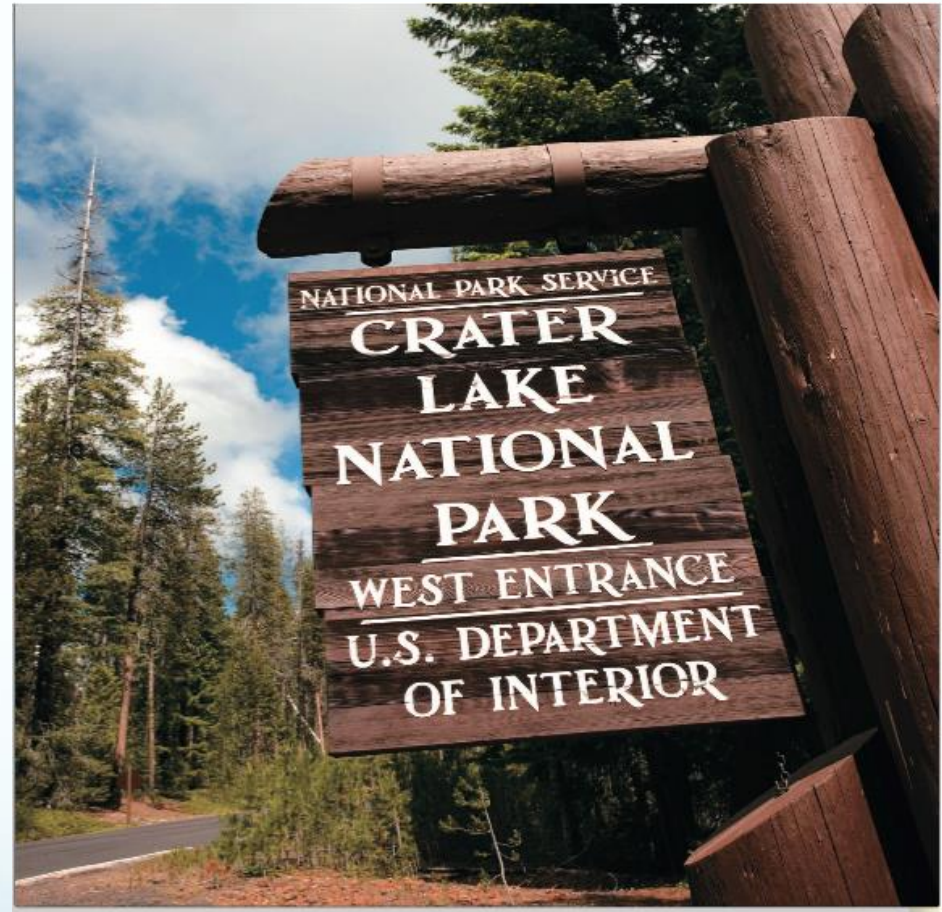


# The Federal Bureaucracy

From a purely technical point of view, a bureaucracy is capable of attaining the highest degree of efficiency, and is in this sense formally the most rational known means of exercising authority over human beings.

--Max Weber



# What is the Bureaucracy?

- A **bureaucracy** is a large, complex organization of **appointed, not elected, officials**.
- Bureaucracies **exist in many areas of life**
  - corporations, universities, local and state governments
- Derived from the French for “bureau”
  - Small desks the king’s representatives set up in towns as they were conducting the king’s business.
- Literally means **“government with small desks.”**

# What is the Bureaucracy?

- The agencies, departments, commissions, etc. within the executive branch.
- Executive offices of the President (already covered)
- Cabinet (already covered)
- Independent executive agencies
  - Organized much like Cabinet Departments but lack Cabinet Status.
    - NASA
    - SBA (Small Business Administration)

# What is the Bureaucracy?

- Independent Regulatory Commissions (covered already)
  - Created by Congress to regulate important aspects of the nations economy
  - Generally the decisions of these are beyond presidential control, though commissioners are appointed by the President with Senate consent:
    - Commissioners serve rather long terms (5-14 years)
    - Only a bare majority of commissioners can belong to the same party
    - Terms of commissioners are staggered
    - Commissioners can be fired by the President only for causes that Congress has specified.
  - Commissioners have quasi-legislative power. They have the authority to make rules and regulations which have the force of law. This is essentially policy implementation.
  - They also have quasi-judicial power. They can settle disputes in their fields: e.g. the FCC fined CBS \$500,000 for Janet Jackson's "wardrobe malfunction".
- Government Corporations: Created by Congress to carry out various business operations (e.g. postal service, FDIC)

# Max Weber & Bureaucracy

- Weber → 19<sup>th</sup> century German philosopher
- Believed bureaucracy was the most “rational” way for a complex society to organize its government
- Thought bureaucracies were an ideal organizational response to a fast changing capitalistic society.



**Germans love  
organizational efficiency.**

# Weber's Ideal Bureaucracy

## 1. Hierarchical Authority Structure

- Authority flows from the top down

## 2. Task Specialization

- Division of labor → every individual has a specialized job

## 3. Extensive Rules

- Clearly written, well-established formal rules that all follow

## 4. Clear Goals

- Clearly defined set of goals for all in the organization

## 5. The Merit Principle

- Merit-based hiring and promotion

## 6. Impersonality

- Job performance that is judged by productivity



# Bureaucracy in America

- Felt in almost all areas of American life  
...BUT, Bureaucracies are barely mentioned in the Constitution.
- Bureaucratic agencies are created and funded by Congress.
- Report to the President
  - Help him execute the law (Article II, Section 3).
- Bureaucracy controlled by both Congress and the President

**RESULT** → A Complicated, Confusing System



Pictured: 10<sup>th</sup> Circle of Hell

# Government agencies are seldom in the headlines ....unless they slip up

- Who ever heard of The Minerals Management Service (MMS), a bureau within the Department of the Interior...
- Until the sinking of the Deepwater Horizon and the resulting oil spill in the Gulf of Mexico?



After the BP spill, MMS's top officials were forced to resign and a reorganization of MMS was undertaken.



# Bureaucracy & Public Opinion

- Americans have a favorable impression of personal encounters with the federal bureaucracy
- Low opinion of the bureaucracy as a whole.



Pew Research Center Poll:  
2/3rds of Americans believe that government programs are “usually inefficient and wasteful.”

# DO WE NEED THE BUREAUCRACY?

- Innovative programs would not be possible if the federal government lacked a bureaucracy.
  - space exploration, social security, interstate highways, postal service
- Bureaucracy exists wherever large numbers of people and tasks must be managed.

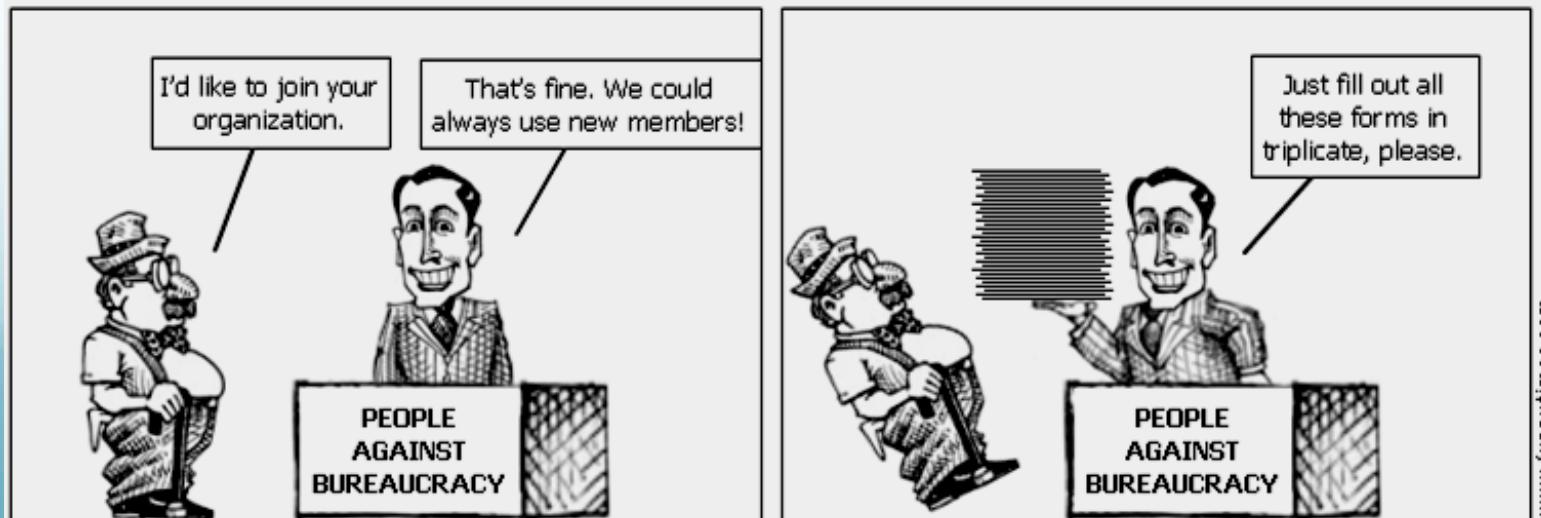
The National Hurricane Service monitors hurricane activity and provides early warning to affected coastal areas.



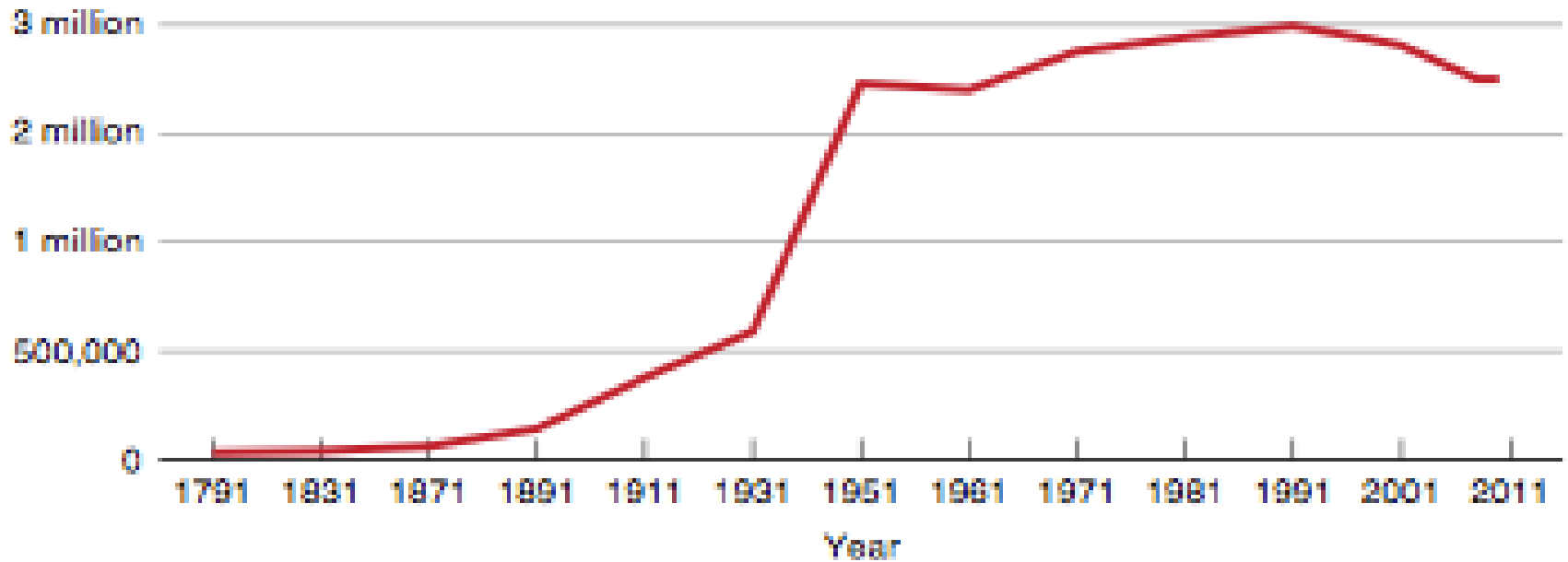
# Our Bureaucracy Is Smaller Than You Think (& getting smaller)

- U.S. federal bureaucracy has about 3.2 million employees
- Federal bureaucracy has a more direct impact on Americans' everyday lives than the President or Congress.
- President Trump has made an [exec. order](#) to reduce the size of the bureaucracy. His order will “reorganize governmental functions and eliminate unnecessary agencies ... components of agencies, and agency programs.”

**People Against Bureaucracy** by Eric Perlin



Number of civilian federal employees



- Bureaucracy grew slowly until the 1930s, New Deal → explosive growth. Increased number of programs that required ongoing administration by the federal government.
- The number has been fairly constant since 1950. From one perspective this suggests that bureaucrats have become increasingly more efficient since fewer of them are called upon to administer more and more regulations and spend more and more \$. However a great deal of federal money has been transferred to state and local governments (remember block grants) to administer federal programs. Not surprisingly the number of state and local employees has risen tremendously since 1950. These facts would work against the argument that federal bureaucrats have become increasingly efficient.

# Growth of the Bureaucracy

- **FACT**

- the number of Federal employees has not changed markedly since the late 1960s.

- **WHY?**

- The federal government has increasingly contracted some of its work to privately owned firms.

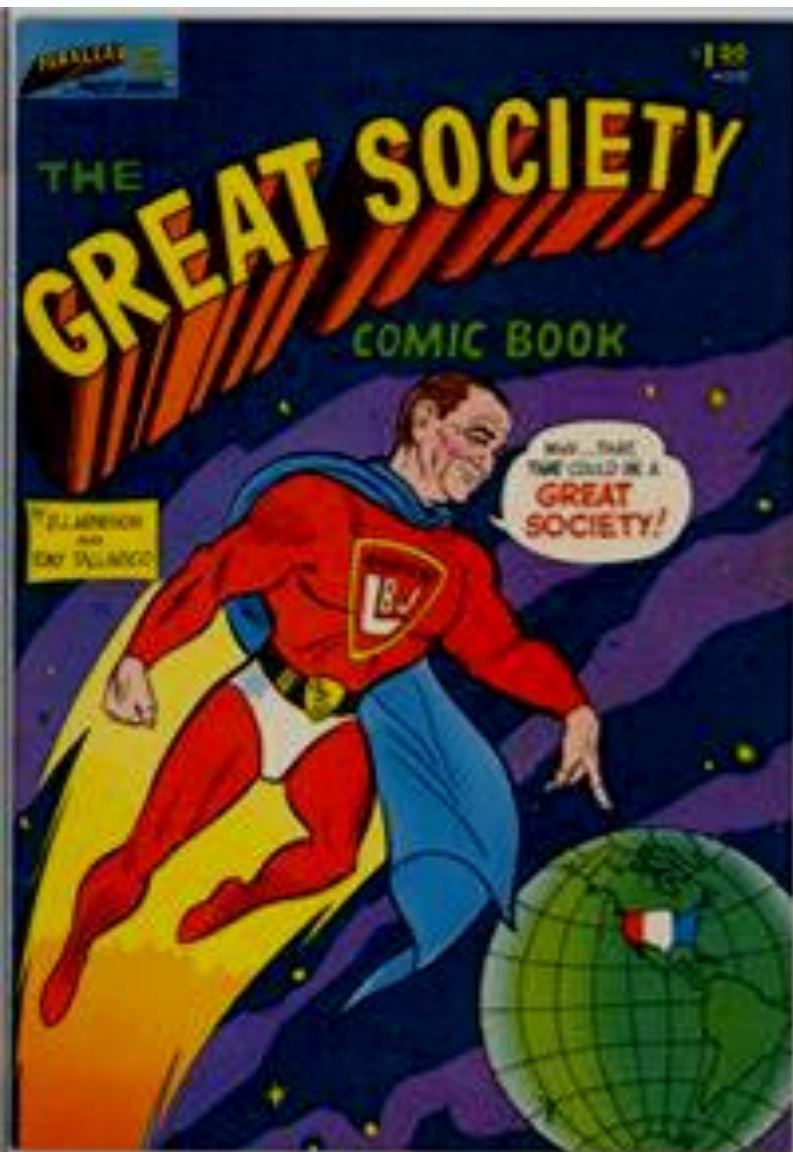


Also, State and Local  
bureaucracies have  
grown tremendously.





# Blame it on LBJ! (At least he's more recent)



## The Great Society

- Thrust federal government into policy areas traditionally dominated by the states
- Creation of additional federal agencies
  - Department of Transportation (DoT)
  - Department of Housing and Urban Development (HUD)

# Who Are These People?

- 57% male, 43% female.
- 73% white, 27% minority
- 10% work in Washington area
- 90% in other parts of the United States.
- Average age = 42.
- The number of federal employees per 1,000 people in the U.S. population has ***decreased*** from 14 in the 1970s to 10 by the 1990s.

**More representative of the US population than Congress!**

# Recruitment and Retention Policies

- >90% of bureaucrats are appointed by virtue of some sort of merit exam, however agencies can circumvent the merit system in various ways:
  - Writing job qualifications that fit only one person
  - Making 'temporary appointments' of the desired person, and renewing them yearly
  - Bringing a person into a lower level job but giving him duties of the actual job
    - All these lead to criticisms of a 'buddy system' or a 'good 'ol boys network'
- Bonus points on an exam for veteran status/race/gender
- Extremely difficult to fire a civil servant, elaborate steps make sure that due process must be followed.

# Effects of Recruitment and Retention

- Many Bureaucrats have a loyal or agency point of view
- Continuity of agency behavior
- Expertise in policies and procedures among many bureaucrats
- Agency managers must cultivate the support of subordinates.



# History of the Bureaucracy

- **George Washington → 1789**
  - Bureaucracy began with Washington's creation of the cabinet
  - Congress created Department of State soon after
- **Andrew Jackson & the Spoils System → 1829**
  - Rewarded party loyalists with federal jobs
  - Thought rewards would provide greater participation by the middle and lower classes
  - Also insured loyalty from those who owed their jobs to the president.

**PATRONAGE AS A POLITICAL TOOL**

# History of the Bureaucracy

- Criticism of the Spoils System
  - Allowed people with little knowledge and background to be appointed to important government positions
  - Accused presidents of using positions as bribes to gain support for campaigns
  - BUT-it did ensure a certain responsiveness of government as presidential supporters were more likely to carry out the will of the elected president
- **Pendleton Act (1883)**
  - Passed after a disgruntled office seeker assassinated Garfield.
  - Federal employees selected and retained according to merit, not party loyalty
  - Civil Service Commission → supervised a testing program to evaluate candidates. Now carried out by the Office of Personnel Management.

# The End of Patronage

- **Office of Personnel Management**
  - Administers written examinations for the competitive service
  - The OPM is in charge of hiring for most agencies
  - Assign GS ratings
- **General Schedule (GS) Rating**
  - Determines salaries of federal employees
  - Ranging from GS 1 to GS 15
  - College graduates usually start at the GS-5 level (\$28,000 per year) - GS 15 (~\$103,000)
  - Better job security than private sector counterparts, but less \$\$

# The End of Patronage

- **The Merit Systems Protection Board**
  - Protects the integrity of the federal merit system and the rights of federal employees.
  - Hears charges of wrongdoing and employee appeals against agency actions
  - Orders disciplinary actions against agency executives or employees.

# Powers of the Bureaucracy

- Discretionary Authority: agencies have the power to choose various courses of action when Congress writes broadly-worded laws that allow for bureaucratic interpretation
  - Because legislation lacks details, Bureaucracies can fill in the gaps
- Delegated Authority: because Congress and the President cannot handle everything, they delegate authority to the Bureaucracy.
- Passing rules and regulations: TSA airport security regs, OSHA workplace regulations, IRS Tax code regulations
- Helping Congress Draft Legislations
- Providing advice to the White House
- Settling Disputes.



# Factors Contributing to Bureaucratic Independence

- Structure of the Bureaucracy as a whole
  - Large
  - Specialized units/expertise
  - Tenure protections/hard to fire
  - Based on merit
  - Independent agencies/regulatory commissions
- Complexity of Public Policy Problems
  - Specialized units or expertise
  - Delegated authority
  - Discretionary authority

# Reasons for the Growth of Power of the Bureaucracy

- National Growth→ need for agencies to cope with additional population
- Technology: need for agencies to manage new technologies (ICC, FAA, FCC)
- International Crises: Increase in power for the Defense Dept, Dept of Homeland Security
- Citizen demands that the federal government assume sole responsibility for the welfare of the nation
- Persistent nature of agencies to survive: Once they are created they develop constituencies that make it difficult for Congress to kill them off.

# Limitations on Federal Employees

- The Hatch Act (1939)
  - Requires employees to have as little to do with political parties as possible
  - Forbids employees from engaging in many party activities
- Freedom of Information Act
  - Gives citizens the right to access information from the government
- Federal Employees Political Activities Act (1993)
  - Can run for office in non-partisan elections
  - Can donate money to campaigns
  - Can campaign for or against candidates
- Taft-Hartley Act (1947)
  - prohibits strikes by federal employees
  - permits the firing of striking workers.
  - 1981 → federal air traffic controllers went on strike → President Reagan fired them.

# Characteristics of American Bureaucracy

## 1. Divided Supervision

- Congress has the power to create, organize, and disband all federal agencies.
- Most are under the control of the president
- Political authority over the bureaucracy is shared
- Divided authority encourages bureaucrats to play Congress and President against the other

## 2. Close Public Scrutiny

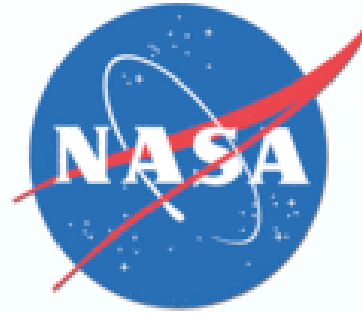
- 50% of cases in federal courts involve the US government as defendant or plaintiff

## 3. Regulation NOT Public Ownership

- Agencies regulate privately owned enterprises, rather than operate publicly owned ones.

# Four Types of US Agency

1. Cabinet department
2. Independent agency
3. Regulatory agency
4. Government corporation





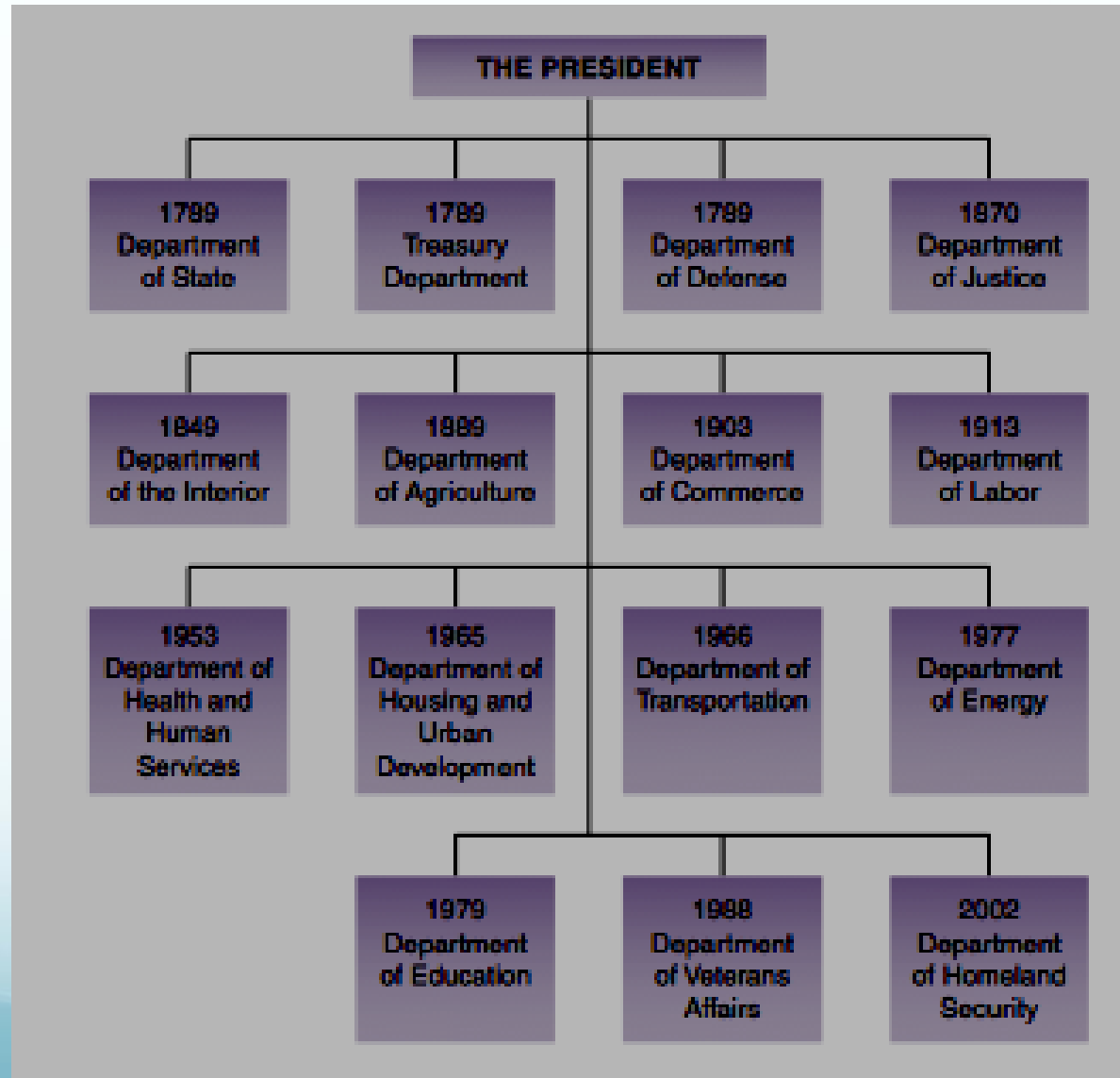
# Cabinet Departments

- 15 cabinet departments
- Each headed by a secretary
  - Except for the Department of Justice → Attorney General.
- All heads chosen by the President
  - Must be approved by the Senate
- Each manages a specific policy area
  - Responsibility is divided among undersecretaries and assistant secretaries
  - Manage various agencies within the department.

# Cabinet Departments

- **The Department of State**
  - Oldest and most prestigious
  - Also one of the smallest (about 25,000 employees)
- **The Department of Defense**
  - Largest workforce → about 600,000 civilian employees (also 1.4 million uniformed active service members).
- **The Department of Health and Human Services**
  - Largest budget
  - Account for more than  $\frac{1}{4}$  of all federal spending
  - Mostly Social security and Medicaid payments.

# The Cabinet



# Independent agencies

- Heads of these agencies are appointed by and report to the president
  - Not members of the cabinet.
- Independent agencies exist apart from cabinet departments
  - Their placement within a department would pose symbolic or practical problems



NASA could be located in the Department of Defense, but it would suggest that the space program exists solely for military purposes.

# Regulatory agencies

- Regulate important parts of the economy.
- Develop rules for large industries and businesses that affect the interests of the public
- Judge whether individuals or organizations are complying with them.
  - The EPA can impose fines & other penalties on businesses that violate environmental regulations.
- Serve as watchdogs
  - They are not part of a department
  - Most are not directly controlled by the President

# Regulatory agencies

- **The Interstate Commerce Commission (ICC)**
  - Oldest of the regulatory agencies. It first regulated railroads, but now oversees trucking as well.
- **The Federal Trade Commission (FTC)**
  - Regulates business practices and controls monopolies
- **The National Labor Relations Board (NLRB)**
  - Regulates labor-management relations.
- **The Federal Reserve Board (FRB)**
  - Governs banks and regulates the supply of money.
- **The Securities and Exchange Commission (SEC)**
  - The SEC polices the stock market.



# Government Corporations

- **Similar to private corporations**
  - Charge clients for their services
  - Governed by a board of directors.
- **Receive federal funding**
  - Help defray operating expenses
  - Directors are appointed by the president with Senate approval.
- **More control over their budgets**
  - Often have the right to decide how to use their own earnings

# Government Corporations

- **FDIC**
  - Insures individuals' savings accounts against bank failures
- **National Railroad Passenger Corporation (Amtrak)**
  - Provides passenger rail service.
- **U.S. Postal Service**
  - Roughly 700,000 employees
- **Corporation for Public Broadcasting**
  - Operates public radio and television stations.
  - Largely funded by private donations
  - Government provides policies and money to support their programs

# The Work of the Bureaucracy: **Implementation**

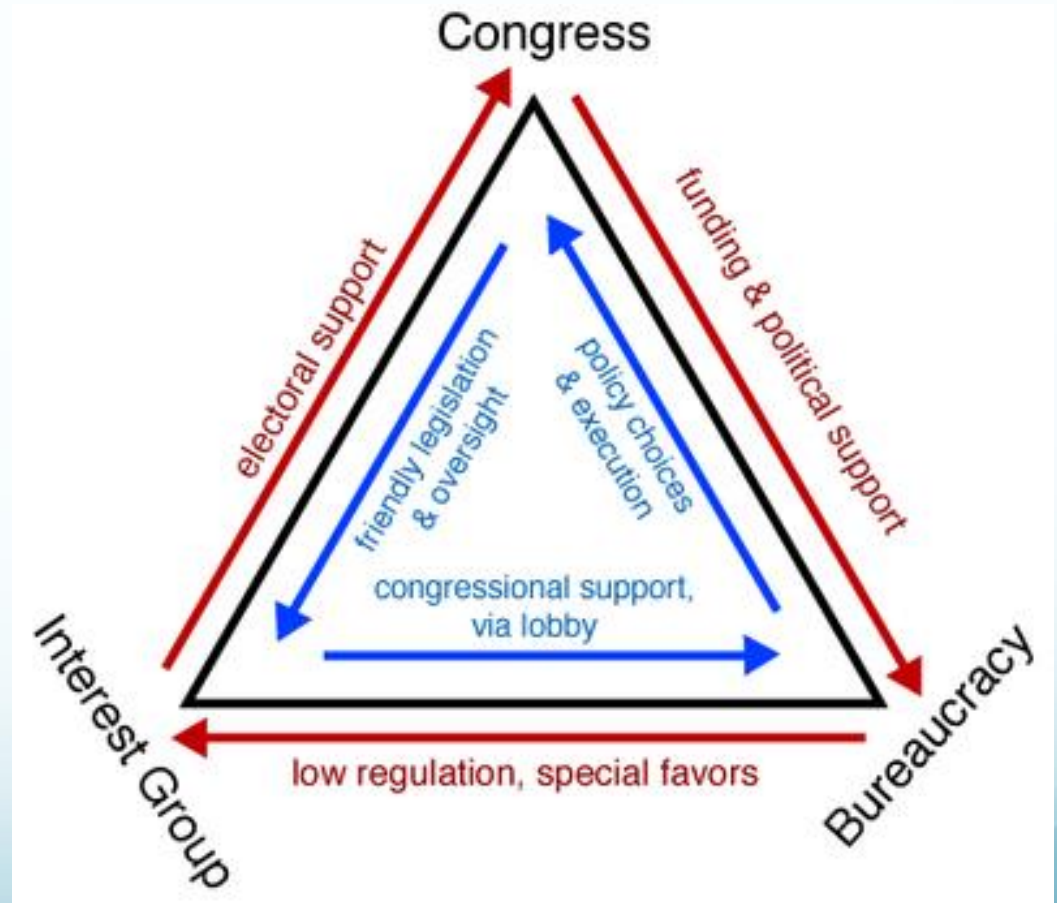
- Develop procedures for implementing policy
- Manage the routines of government
  - delivering mail and collecting taxes
- Real consequences for real people!
- More power in the policymaking process than we realize
  - Translate general guidelines from legislation into specific directives → **Power is in the details!**

# The Work of the Bureaucracy: Regulation

- Agencies receive a grant of power from Congress
  - Sketches out the means of executing broad policy decisions
- Agency develops a set of guidelines to govern an industry
  - Usually in consultation with people who work in those industries
- Must apply and enforce its rules and guidelines
  - Through its own administrative (sometimes through court)
  - Reacts to complaints
  - Sends inspectors out to the field
  - Can require applicants to acquire a permit or license to operate under their guidelines and Congressional policies

# Iron Triangles

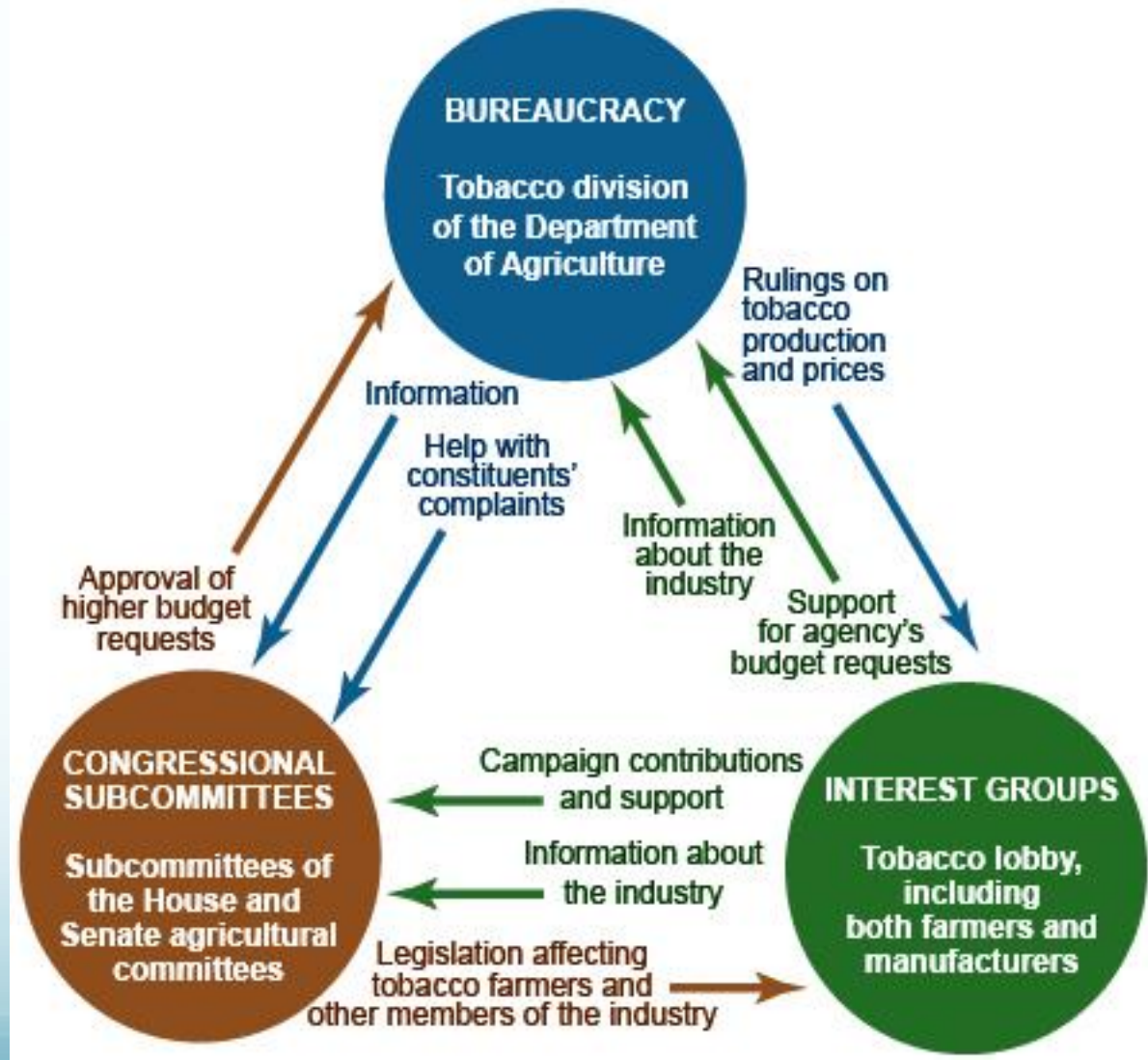
- Iron Triangle
  - Alliances among bureaucrats, interest groups, and congressional subcommittee members as a result of common interest



# Tobacco Industry Iron Triangle

## Result:

President and Congress beyond the subcommittee have little decision-making power.



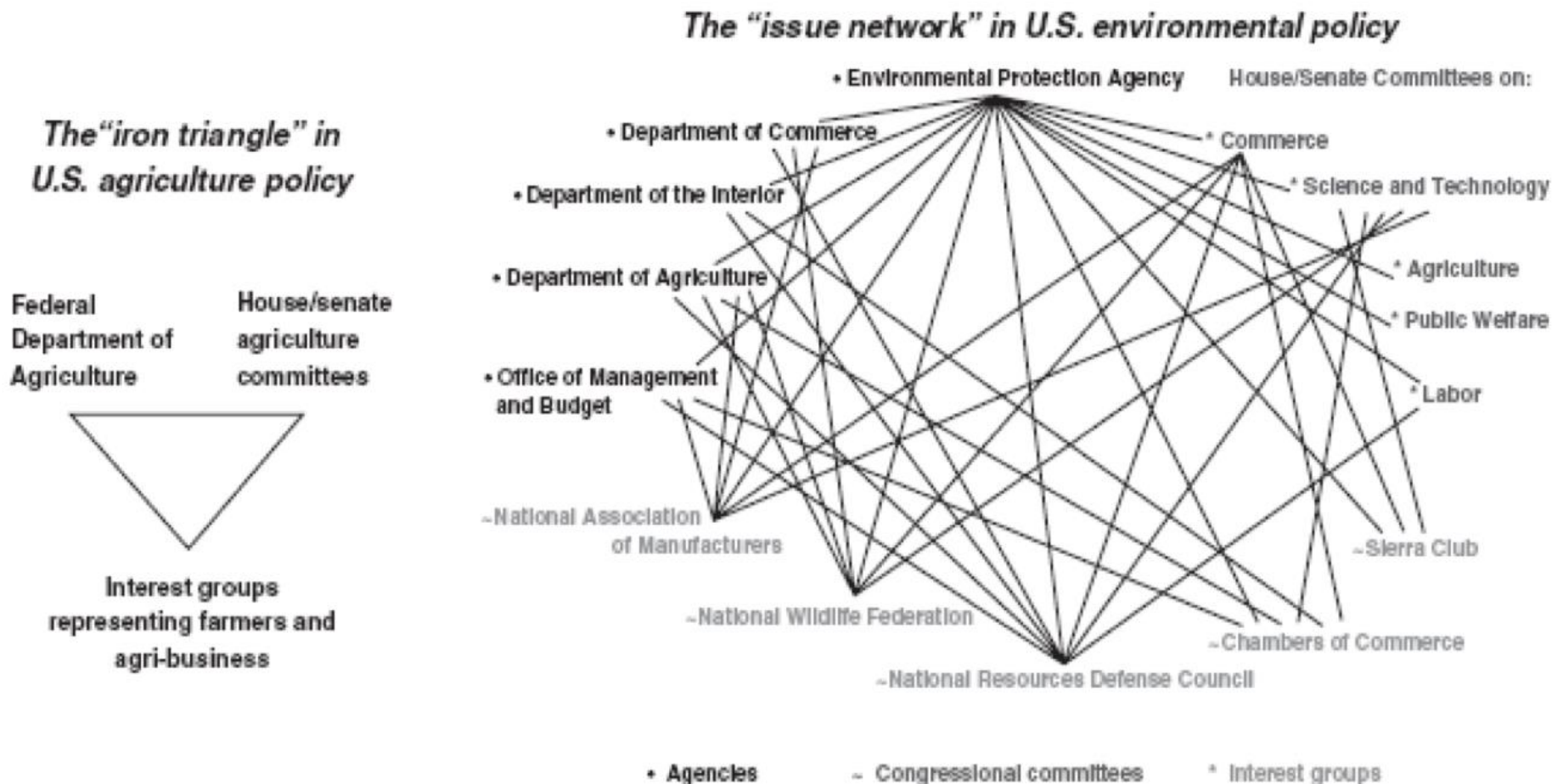


# Issue Networks

- Some argue iron triangles are too simplistic
- Increased number of interest groups = cross demands on bureaucrats
  - EX. Tobacco lobby v. Anti-Smoking Lobby
- Broadens number of people in the system
  - Both in and out of government
- **Issue Networks** = people in interest groups, on congressional staffs, in universities, and in the mass media who regularly debate an issue
  - Arguments and disagreements are common
  - More pluralistic view

# Issue Network: Environmental Policy

FIGURE 6.1 IRON TRIANGLES AND ISSUE NETWORKS



# Why Do Special Interests Target the Bureaucracy?

- The Department of Agriculture is a dependable ally of farm interests year after year.
- Agencies often share with interest groups a common view that more money should be spent on federal programs run by their agency.
- The same cannot be said of the president or Congress as a whole.
- Must balance farmers' demands against those of other groups and international concerns regarding the price of food.



# Criticisms of the Bureaucracy

- **Red Tape**
  - Maze of government rules, regulations, and paperwork. Has increased substantially over the last 50 years.
- **Conflict**
  - Agencies that often work at cross purposes with one another
- **Duplication**
  - More than 1 agency doing the same thing
- **Unchecked Growth (Imperialism)**
  - Tendency of agencies to grow unnecessarily (increased costs)
- **Waste**
  - spending more on products and services than is necessary.
- **Lack of Accountability**
  - Difficulty in firing or demoting an incompetent bureaucrat. Permanent government that is largely unresponsive to the public
- **Lack of a good incentive system**
  - nothing to encourage bureaucrats to be more efficient or productive.

# In Defense of the Bureaucracy

- To correct the excessive red tape would require more regulations→ more red tape!
- Red tape is used to ensure fairness and impartiality
- To reduce agency conflicts and duplication would require Congress to set priorities (give projects to some agencies and not other). Rocks the constituency boat!
- To reduce waste Congress would need more regulations (red tape!)
- Hard for Congress to reduce excessive growth because they would, again, have to set priorities
- A few agencies have shrunk or been eliminated
- The public demands that the government do things but gripes when government grows
- Compared to other nations the US bureaucracy is fairly efficient.

# Holding Bureaucracies Accountable: Congress

- **Duplication**
  - Most jobs given to multiple agencies.
  - No 1 agency can become too powerful
- **Authorization/Appropriation**
  - Agency may not spend money unless authorized by Congress
  - Congress must also appropriate the money → money formally set aside for a specific use
  - \$ can be used to reward or punish agencies
  - Gov't Accountability Office (GAO) a congressional watchdog agency ensures that agencies spend \$ in accordance with Congressional law
- **Standing Committee Oversight**
  - Agency abuses may be questioned publicly and hearings conducted to be sure they are following Congressional rules and expectations.
    - Power to subpoena agency employees
    - Power to swear agency employees under oath (threat of perjury)
    - Power to charge agency employees with contempt of Congress
- **Rewriting Legislation**
  - More detailed laws = less policy-making power for bureaucrats.
  - Pass laws that impact specific bureaucracies
- **Appointment Confirmation:** Can reject Presidential appointments to the Bureaucracy.



# Limits on Congressional Influence

- Congress may not want to really clamp down on the bureaucracy
  - Members profit politically from the existence of federal programs within their states or districts
  - It is much easier for Congress to function when they can simply pass broadly worded legislation and have the experts within bureaucracies fill in the holes.

# Holding Interest Groups Accountable: The President

- Appointments
  - If a president disagrees with the policies of an agency, he can appoint a head that agrees with him. (hire/fire)
- Executive Orders
  - Agencies must follow rules made by the president.
- Economic Powers
  - Authority, through the Office of Management and the Budget, over any agency's budget (again Congress has the power of authorization and appropriation, but the Pres can make recommendations with regards to budgets too)
- Reorganization
  - Reorganize or combine agencies to reward or punish them
- Office of Management and Budget: an executive office, charged with oversight of agencies to ensure effectiveness and that they are carrying out the will of the administration.

# Checks on Presidential Influence

- Senate confirmation needed for top personnel
- President cannot fire vast majority of bureaucrats
- Reorganization must go through the Congress
- Agency budgets must go through the Congress
- Senior Executive Service has had little impact on the accountability of the bureaucracy.

# Interest Group Influence on Bureaucracies

- Use of the 1<sup>st</sup> Amendment
  - Lobbying
  - Protest Organization
  - Media Usage (press)
  - Speech
- Revolving Door: many agencies are staffed by people who move back and forth between the public and private sectors. The concern is that these people would not really regulate very carefully the very industries that might be their next employers
  - Some Agency-Interest Group relations are so close that the interest group is said to be a client of the agency e.g. defense contractors and the Defense Dept.
- Iron Triangles/Issue Networks

# Media Influence on Bureaucracies

- Scrutiny of agency behavior
- Use of whistle blowers within the bureaucracy
- Releasing leaks from government officials

# Court's Influence on Bureaucracies

- Use of injunctions
  - A court order that compels someone to do (or cease doing) something.
  - Courts can issue an injunction before a law even officially takes hold
- Use of Writs of Mandamus
  - an order from a court to an inferior government official ordering the government official to properly fulfill their official duties or correct an abuse of discretion.
- Judicial Review
  - Can declare acts of a bureaucracy unconstitutional
- Influence of litigation or the threat of litigation



# THREE POINTS TO REMEMBER:

1. Bureaucracy is an **inevitable consequence of complexity and scale**. Modern government could not function without a large bureaucracy.
2. **Bureaucrats** naturally take an “agency point of view,” seeking to **promote their agency’s programs and power**.
3. Although agencies are subject to oversight by the president and Congress, **bureaucrats exercise considerable power in their own right**.