

1



2

## Some Bureaucratic Myths and Realities

- ☐ Bureaucratic scapegoating is popular
- ☐ Myths about bureaucracy
  - Americans dislike bureaucrats
  - Bureaucracies are growing bigger each year
  - Most federal bureaucrats work in D.C.
  - Bureaucracies are mired in red tape
- ☐ Most bureaucrats work for a few agencies
  - DoD employees 34 percent of bureaucrats



Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

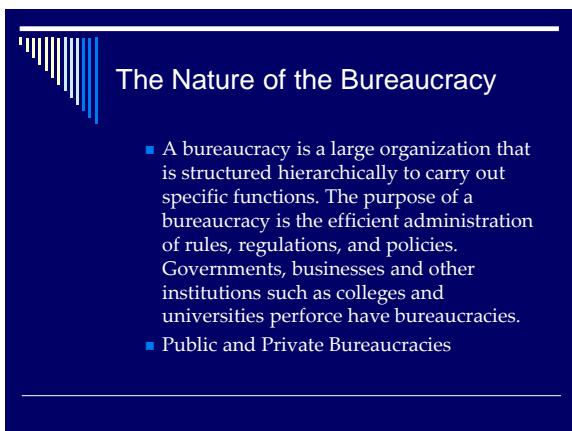
3



## Bureaucracy

- Large, complex organization of appointed, not elected, officials.
- “bureau” – French for small desks, referring to the king’s traveling business men who set up small desks in town squares
- Bureaucracy = “government of small desks”

4



5

Presidents and Their Plans	
TABLE 13-1   SELECTED PRESIDENTIAL PLANS TO END GOVERNMENT INEFFICIENCY	
PRESIDENT	NAME OF PLAN
Lyndon Johnson (1963–1969)	Programming, Planning, and Budgeting Systems
Richard Nixon (1969–1974)	Management by Objectives
Jimmy Carter (1977–1981)	Zero-Based Budgeting
Ronald Reagan (1981–1989)	President's Private Sector Survey on Cost Control (the Grace Commission)
George H. W. Bush (1989–1993)	Right-Sizing Government
Bill Clinton (1993–2001)	Reinventing Government
George W. Bush (2001–2009)	Performance-Based Budgeting

6

## What is the federal bureaucracy?



7

## The Federal Bureaucracy is:

- ❖ 4 million employees; 2.8 million are civilians or “civil servants”
- ❖ President only appoints 3% (patronage or political appointments)
- ❖ 15 cabinet level departments
- ❖ 200+ independent agencies with 2,000+ bureaus, divisions, branches, etc.
- ❖ Biggest - Dept. of Defense, U.S. Postal Service, Veterans Administration

8

## Models of Bureaucracy

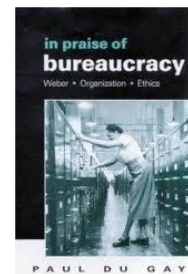
- Weberian Model
  - Hierarchy
  - Specialization
  - Rules and regulations
  - Neutrality
- Acquisitive Model
- Monopolistic Model
- Bureaucracies compared

9

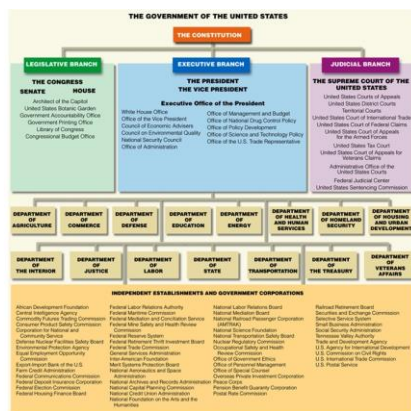


## Max Weber

- Famous early 20<sup>th</sup> century economist, German
- Bureaucracy – well organized, complex machine that is a “rational” way for society to organize its business



10



Source: United States Government Manual, 2003-2004 (Washington, D.C.: U.S. Government Printing Office, 2003).

11



## Characteristics of a Bureaucracy

- Hierarchical Authority System: Powers flows from top to bottom
- Task Specialization: Experts in their field perform technical jobs.
- Development of extensive rules: Allows for uniformity in dealing with similar issues.

12



## Characteristics of a Bureaucracy

- Operate on the Merit Principle: jobs and promotions are based on ability not on "who you know"
- Impersonal: Well organized with efficiency not personal contact as a priority.

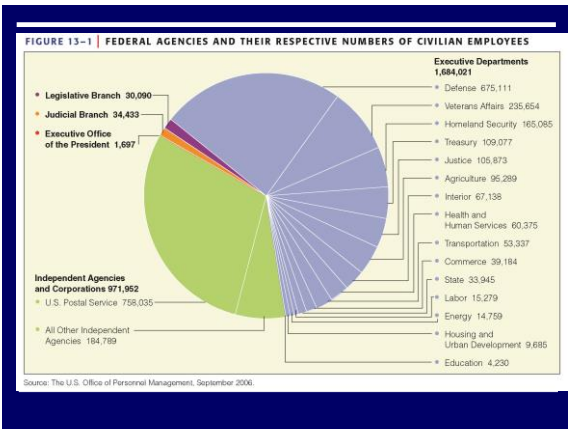
13



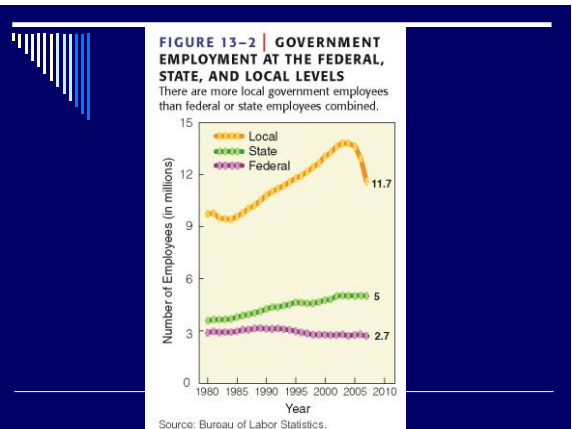
## The Size of the Bureaucracy

- Today there are about 2.7 million civilian employees of the federal government. (The two biggest employers are the U.S. Postal Service, with almost 800,000 workers, and the Department of Defense, with more than 650,000 civilian staff.) In recent years, the greatest growth in government employment has been at the local level. Federal employment has remained stable.

14



15



16



## Who are bureaucrats?

- 1 out of 100 Americans work for government bureaucracy
- Examples
  - US Postal Service
  - Amtrak
  - Corporation for Public Broadcasting
  - Interstate Commerce Commission
  - Federal Trade Commission
  - Securities and Exchange Commission
  - National Aeronautics and Space Administration

17

**Table 14.1 Federal Civilian Employment (1 of 3)**

Federal Bureaucracy	Number of Employees
<b>Executive Departments</b>	
Defense (military functions)	732,900
Veterans Affairs	366,500
Homeland Security	188,100
Justice	119,800
Treasury	103,000
Agriculture	90,500
Health and Human Services	74,400
Interior	66,700
Transportation	56,200
Commerce	45,600

18

**Table 14.1 Federal Civilian Employment (2 of 3)**

Federal Bureau	Number of Employees
<b>Executive Departments</b>	
State	34,500
Labor	17,1700
Energy	16,100
Housing and Urban Development	8,400
Education	4,500
<b>Larger Noncabinet Agencies</b>	
U.S. Postal Service	562,024
Social Security Administration	67,000
Corps of Engineers	22,200
National Aeronautics and Space Administration	17,400



Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

19

**Table 14.1 Federal Civilian Employment (3 of 3)**

<b>Larger Noncabinet Agencies</b>	
Environmental Protection Agency	15,600
Tennessee Valley Authority	11,500
General Services Administration	11,900

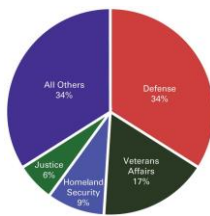
Source: *Budget of the United States Government, Fiscal Year 2017: Analytical Perspectives* (Washington, DC: US Government Printing Office, 2016), Tables 8.2 and 8.3.



Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

20

**Figure 14.1 Departmental Service of Federal Nonpostal Civilian Employees**



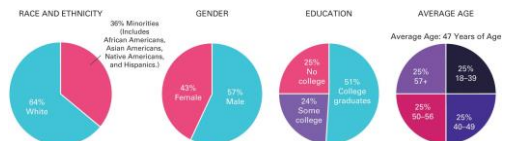
Source: *Budget of the United States Government, Fiscal Year 2017: Analytical Perspectives* (Washington, DC: US Government Printing Office, 2016), Tables 8.2 and 8.3.



Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

21

**Figure 14.2 Characteristics of Federal Nonpostal Civilian Employees**



Source: United States Office of Personnel Management, *Common Characteristics of the Government, Fiscal Year 2015* (Washington, DC: 2016).



Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

22



## Federal Bureaucracy: Administering the Government

- The Federal Bureaucracy in Americans' Daily Lives
  - Delivers mail
  - Maintains parks and forests
  - Administers Social Security and Medicare
  - Produces utility power
  - Provides for the national defense
  - Regulates banks and the financial markets

23



## What do bureaucrats do?

- Discretionary action** – have the power to execute laws and policies passed down by the president or congress.
- Implementation** – develop procedures and rules for reaching the goal of a new policy
- Regulation** – check private business activity
  - Munn v. Illinois* (1877) – SC upheld that government had the right to regulate business rates and services

24

## Civil Servants

### □ Development of civil service system

- Patronage v. merit
- Pendleton Act (1883)
- Hatch Act (1939)

P Pearson

Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

25

## Staffing the Bureaucracy

- Political Appointees
  - The aristocracy of the federal government.
  - The difficulty of firing civil servants
- History of the Federal Civil Service
  - To the victor belong the spoils
  - The Civil Service Reform Act of 1883
  - The Civil Service Reform Act of 1978
  - Federal Employees and Political Campaigns

26

## SPOILS SYSTEM

- ❖ Under the Spoils System (**patronage**), candidates for political office would offer potential jobs in exchange for votes.
  - gave supporters access to money and political favors.
- ❖ During the Gilded Age, the Republicans and Democrats had roughly the same number of supporters.
  - To keep party members loyal, candidates rewarded supporters and tried to avoid controversial issues.

### The Republicans

- appealed to the industrialists, bankers, and eastern farmers.
- They favored the gold standard (**sound money**) and high tariffs
- **Blue laws**, regulations that prohibited certain activities people considered immoral.

### The Democrats

- attracted the less privileged groups.
- such as northern urban immigrants, laborers, southern planters, and western farmers.
- Supported **soft money** and silver coinage.

27

## SPOILS SYSTEM

### President Rutherford Hayes

- ❖ Elected in 1877
- ❖ Reformed the civil service, appointing qualified political independents instead of giving positions to supporters.
- ❖ No Congressional support or from the Republican Party.
- ❖ Hayes did not seek a second term.

### President James A. Garfield

- ❖ 1880 election, Republicans were split into 3 factions.
  - ✓ **Stalwarts** defended the spoils system—Senator Roscoe Conkling
  - ✓ **Half-Breeds** reform but still supported it—Senator James Blaine
  - ✓ **Independents** opposed the spoils system.
- ❖ Garfield wanted reforms. His running-mate was Chester Arthur, a **Stalwart**.
- ❖ July 2, 1881 Garfield was assassinated by a **Stalwart** who wanted Arthur as president.

28

## 1881: Garfield Assassinated!



Charles Guiteau:  
*I Am a Stalwart, and Arthur is President now!*



29

## PRESIDENT GARFIELD'S ASSASSINATION



- Assassinated by an upset Spoilsman.
- Led to VP Chester Arthur becoming president
- Supported a change to the corrupt spoils system.

- Signed into the law the **Pendleton Act** also called **the Civil Service Act**.
- Required candidates applying for government positions to a test to determine their qualifications.

30



## Chester A. Arthur: The Fox in the Chicken Coup?



31

## Pendleton Act (1883)

- Civil Service Act.
- The "Magna Carta" of civil service reform.
- 1883 → 14,000 out of 117,000 federal govt. jobs became civil service exam positions.
- 1900 → 100,000 out of 200,000 civil service federal govt. jobs.

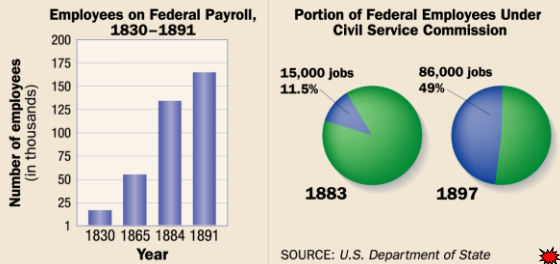


32

## Arthur Reforms the Civil Service

After the assassination, President Arthur was able to get congressional support for the Pendleton Civil Service Act, which created a commission of classified government jobs

### Reforming the Civil Service



33

## Laissez Faire Federal Govt.

- From 1870-1900 → Govt. did very little domestically.
- Main duties of the federal govt.:
  - Deliver the mail.
  - Maintain a national military.
  - Collect taxes & tariffs.
  - Conduct a foreign policy.
- Exception → administer the annual Civil War veterans' pension.

34

## Staffing the Bureaucracy

- Political Appointees
  - The aristocracy of the federal government.
  - The difficulty of firing civil servants
- History of the Federal Civil Service
  - To the victor belong the spoils
  - The Civil Service Reform Act of 1883
  - The Civil Service Reform Act of 1978
  - Federal Employees and Political Campaigns

35

## Modern Attempts at Bureaucratic Reform

- Sunshine laws require agencies to conduct many sessions in public.
  - The 1966 Freedom of Information Act opened up government files to citizen requests for information, in particular about themselves.
  - After 9/11, however, the government established a campaign to limit disclosure of any information that could conceivably be used by terrorists.
- Sunset Laws require congressional review of existing programs to determine their effectiveness. If Congress does not explicitly reauthorize a program, it expires.

36

## Modern Attempts at Bureaucratic Reform (cont.)

- Privatization
- Incentives for Efficiency and Productivity
  - ▢ The Government Performance and Results Act of 1997
  - ▢ One argument is that bureaucratic inefficiencies are the direct result of the political decision-making process.
  - ▢ Saving Costs through E-Government
- Helping Out the Whistle Blowers

37

## Political Appointees

- ▢ *Plum Book*
  - 500 top policymaking posts
  - 2,500 lesser posts
  - Ambassadorships go to contributors
  - Demographic balance
- ▢ Transient employees
  - Last less than two years
  - Dependent upon senior civil servants
  - Less power than anticipated
  - Take one for the team

 Pearson

Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

38



## Four Types of Federal Government Organizations

39

## How the Federal Bureaucracy Is Organized

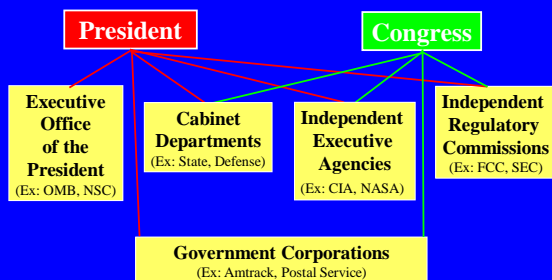
- ▢ Cabinet Departments
- ▢ Independent Regulatory Commissions
- ▢ Government Corporations
- ▢ The Independent Executive Agencies

 Pearson

Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

40

## Federal Bureaucracy



41



## Departments (Cabinet)

- 15 Departments
- Cabinet members are appointed by the POTUS confirmed by the Senate.
- Inner Cabinet: State, Defense, Justice, Treasury, Now Homeland Security

42

## Cabinet Departments

### ☐ Organization

- 15 cabinet departments
- Each headed by secretary
- Undersecretaries, deputy undersecretaries, assistant secretaries, etc.
- Own policy area, own budget, own staff
- Bureaus within departments

## Independent Regulatory Commissions

- ☐ Alphabet soup: FRB, NLRB, FCC, FTC, SEC, etc.
- ☐ Make and enforce rules
- ☐ Judge disputes over rules
- ☐ Governed by 5–10 commissioners with fixed terms
- ☐ Somewhat insulated from politics
- ☐ Regulatory capture



## Independent Regulatory Agencies

- Responsible for regulating some sector of the economy, EXAMPLES:
- FCC Federal Communications Commission
- FTC Federal Trade Commission
- SEC: Securities and Exchange Commission
- Appointed by the President confirmed by the Senate (Usually run by a small group five to ten people)

## Independent Regulatory Agencies

TABLE 13-4 | SELECTED INDEPENDENT REGULATORY AGENCIES

NAME	DATE FORMED	PRINCIPAL FUNCTIONS
<b>Federal Reserve System Board of Governors (Fed)</b> (1,068 employees)	1913	Determines policy with respect to interest rates, credit availability, and the money supply.
<b>Federal Trade Commission (FTC)</b> (1,045 employees)	1914	Prevents businesses from engaging in unfair trade practices; stops the formation of monopolies in the business sector; protects consumer rights.
<b>Securities and Exchange Commission (SEC)</b> (3,261 employees)	1934	Regulates the nation's stock exchanges, in which shares of stocks are bought and sold; requires full disclosure of the financial profiles of companies that wish to sell stocks and bonds to the public.
<b>Federal Communications Commission (FCC)</b> (2,051 employees)	1934	Regulates all communications by telegraph, cable, telephone, radio, and television.
<b>National Labor Relations Board (NLRB)</b> (1,931 employees)	1935	Protects employees' rights to join unions and bargain collectively with employers; attempts to prevent unfair labor practices by both employers and unions.
<b>Equal Employment Opportunity Commission (EEOC)</b> (2,589 employees)	1964	Works to eliminate discrimination based on religion, gender, race, color, national origin, age, or disability; examines claims of discrimination.
<b>Nuclear Regulatory Commission (NRC)</b> (3,083 employees)	1974	Ensures that electricity-generating nuclear reactors in the United States are built and operated safely; regularly inspects the operations of such reactors.

## Government Corporations

### ☐ Different from other government agencies

- Provide services that could be handled by private sector
- Charge consumers for these services, albeit at cheaper rates

### ☐ Tennessee Valley Authority (TVA)

### ☐ U.S. Postal Service

### ☐ Amtrak



## Government Corporations

- These corporations provide a service that could be handled by private sector. However, the U.S. Govt. decided they are needed.
- The corporations charge for their service
- Post Office, Tenn. Valley Authority, Amtrak
- Appointed by the Pres. At his service



## The Independent Executive Agencies

- ☐ Everything else
  - 45 to 50 agencies
  - Administrators appointed by president
- ☐ GSA, NSF, NASA

P Pearson

Copyright © 2018, 2016, 2013 Pearson Education, Inc. All Rights Reserved

49

NAME	DATE FORMED	PRINCIPAL FUNCTIONS
The Smithsonian Institution (5,245 employees)	1846	Runs the government's museums and the National Zoo.
Central Intelligence Agency (CIA) (number of employees not released)	1947	Gathers and analyzes political and military information about foreign countries; conducts covert operations outside the United States.
General Services Administration (GSA) (12,757 employees)	1949	Purchases and manages property of the federal government; acts as the business arm of the federal government in overseeing federal government spending projects; discovers overcharges in government programs.
National Science Foundation (NSF) (1,315 employees)	1950	Promotes scientific research; provides grants to all levels of schools for instructional programs in the sciences.
Small Business Administration (SBA) (5,630 employees)	1953	Protects the interests of small businesses; provides low-cost loans and management information to small businesses.
National Aeronautics and Space Administration (NASA) (18,954 employees)	1958	Is responsible for the U.S. space program, including the building, testing, and operating of space vehicles.
Environmental Protection Agency (EPA) (18,217 employees)	1970	Undertakes programs aimed at reducing air and water pollution; works with state and local agencies to help fight environmental hazards.

51



## Independent Executive Agencies

- All the rest of the agencies that are not departments or regulatory agencies
- Appointed by the president, serve at his will
- CIA, FDA, FBI, IRS, DEA, ATF

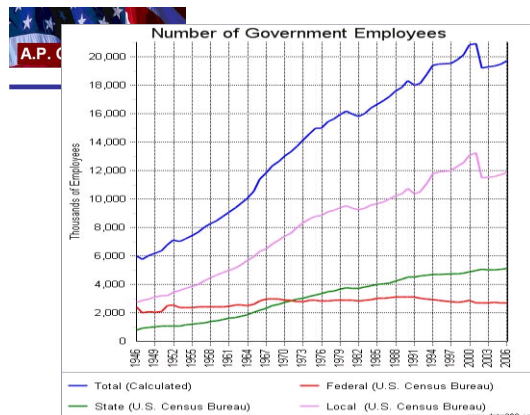
50



## Politics of bureaucracy

- Conservatives believe that bureaucracy is too large and too liberal with too much power that is unaccountable.
- It must be downsized or curtailed... reflects belief that government is too meddlesome in our lives
- Video on defeating the Bureaucracy
- <http://www.youtube.com/watch?v=yKIE3IUkcp8>

52



53



## Criticism of Bureaucracy

- "Red tape" – maze of government rules, regulations, and paperwork that makes gov overwhelming to citizens
- Conflict – agencies that often work toward opposite goals
- Duplication – agencies appear to do the same thing
- Unchecked growth – agencies expand unnecessarily at high costs
- Waste – spending more than necessary
- Lack of accountability – difficult in firing an incompetent bureaucrat

54



## RED TAPE

- “Red tape” – maze of government rules, regulations, and paperwork that makes government overwhelming to citizens



55



## Criticism of Bureaucracy

- Duplication – agencies appear to do the same thing



56



## Criticism of Bureaucracy

- Waste – spending more than necessary



57



## Criticism of Bureaucracy

- Lack of accountability – difficult in firing an incompetent bureaucrat



58



## Criticism of Bureaucracy

- Impersonal bureaucrats at Government offices



59



## Politics of bureaucracy

- Liberals believe that bureaucracy is too slow, too willing to keep status quo (although many conservatives would agree with this).
- Also believe it doesn't protect our civil liberties enough.

60

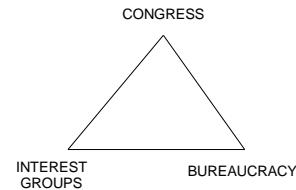
## Bureaucrats as Politicians and Policy-Makers (cont.)

- **Iron Triangles:** three-way alliance among legislators, bureaucrats, and interest groups that seeks to make or preserve policies that benefit their respective interests
- **Issue Networks:** legislators, interest groups, bureaucrats, scholars and experts, and members of the media who share a position on a given issue may attempt to exert influence on the executive branch, on Congress, on the courts or on the media to see their policy position enacted

61



## Iron Triangles

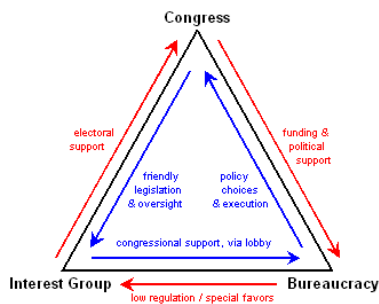


Iron Triangle - three-way alliance among legislators, bureaucrats, and interest groups to make or preserve policies that benefit their respective interests

62



## Iron Triangles



63



## How it works?

- Everyone in the triangle has a similar interest
- **Legislators** get funding from interest groups and make laws reality with the help of the bureaucracy
- **Interest groups** provide valued information to bureaucrats and money to legislators
- **Bureau chiefs** implement legislator policy and interest group goals.

64



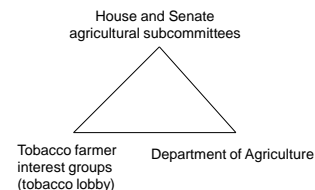
## Why are they “iron”?

- Strong – bond can't be broken by President or Congress
- Referred to as “sub governments,” all the real decisions are made among these 3 groups
- Might maintain interests that might not be publicly popular... like what?

65



## Example – Why is tobacco not illegal?



House and Senate representatives, sympathetic to tobacco, receive campaign funds and support from tobacco by interest groups, and the representatives make sure that tobacco farmers are defended through legislation. DOA agency executes the legislation while relying on the Congressional budget. The interest groups provide the DOA with valuable information to effectively execute laws.

-COMMON INTEREST – Keep tobacco alive = keep their jobs alive

66



## Issue Network

- More complicated connection exists
- Iron triangle too simple – there are IGs from opposite sides of an issue who compete
- Issue Network – complex group (includes media) that debates an issue and slows policy-making
- Policy-making is not as smooth with competing demands from IGs
- President can appoint an agency head who steers policy, but can never smoothly control policy

67



## How The Three Branches Check the Bureaucracy

68



## Judicial Branch

- The Federal Courts may rule any governmental regulation as unconstitutional.
- Government agencies must follow due process rights guaranteed by the constitution.
- Injured parties may sue government agencies in court.

69



What are some ways the Bureau. can be controlled by the Prez?

### Powers:

- Hires & fires of the top-level bureaucrats
- May propose reorganization after 9-11
- Proposes agency budgets each year. May cut or add to the yearly budget.
- May issue executive orders that bypass Congress and Agency discretion.
- May request a Congressional Oversight Hearing

70



## How Congress control the Bureaucracy

- Appropriations of budgets: Power of the Purse
- Standing Committee oversight, investigations, and hearings of any agency
- Write clear and **detailed** legislation that limits the agencies bureaucratic discretion on how to implement the new laws
- Appointment confirm. (simple majority)
- Make laws the privatize government functions: Prisons



71



## Other influences on the Bureaucracy?

### Interest Groups:

- Lobbying
- “revolving door”
- Iron triangles/issue & policy networks (common interests)

72



## Final influences



### Media:

- Scrutinize behavior: Report on wasteful spending.
- **Whistle-blowers**
- Government employees who report to the media on the agency they work for.  
Example: Hurricane Katrina: FEMA employees. (Banking collapse: SEC employees went on 60 minutes)

73



## Myths about the Bureaucracy

- Americans dislike bureaucracies
- The Federal Bureaucracy is growing every year.
- The Bureaucracy is located in Wash. D.C (only 12%) Location often Used as pork
- Government institution that is slow, and ineffectiv

74



## Is the federal bureaucracy growing?

- In reality the percentage of federal employees as a percentage of the total workforce has decreased since the Vietnam War while the number of state and local employees has increased.
- Candidates enforce this myth by promising to "cut the fat in D.C."

75



## How can the Federal Bureaucracy be reduced?

- Termination: eliminate programs= eliminate jobs
- Budget Cuts
- Deregulation: Cut the regulations= cutting the number of employees needed.
- Devolution: Downsizing the federal government by delegated responsibility to the states.

76



## How can the Federal Bureaucracy be reduced?

- Privatization: The act of moving all or part of a program from the public sector to the private sector.

The idea behind privatization is that a private company can do the same job for less money.

77



## PIGS IS PIGS

- <http://www.youtube.com/watch?v=GYXIF3sa9xs>

78



## Bureaucrats as Politicians and Policy-Makers

- The Rulemaking Environment
  - ▢ Waiting periods and court challenges
  - ▢ Negotiated Rulemaking



79

## Congressional Control of the Bureaucracy

- The ultimate control is in the hands of Congress because Congress controls the purse strings. Congressional control of the bureaucracy includes the establishment of agencies and departments, the budget process, and oversight conducted through investigations, hearings, and review.

80