The United States was founded on a philosophy of limited government. That
government that governed least was assumed to govern best. The core func-
tions of a limited government—collecting taxes, maintaining law and order, and
dispensing justice to the contractually and criminally aggrieved—are now only
minor aspects of modern government. The eclipse of limited government by
“positive” government has added functions to the nation-state totally foreign to
nineteenth-century and early twentieth-century governments. In the past four
decades, the national government has taken responsibility for protecting the
environment, solving the problems of the homeless, regulating the health and safety
of the nation’s workforce, curing AIDS and other dangerous diseases, and pro-
tecting society from the ill effects of drug abuse. Even radical conservatives in the
twenty-first century demand a larger government to ban abortions, permit prayer in
schools, and root out pornography.

The growth of positive government has exacerbated another trend—the
growth in the major instrument of positive government, bureaucracy. Each new
government function has spawned a corresponding bureaucracy to administer that
function. With the advent of President Lyndon Johnson’s Great Society programs,
the Department of Health and Human Services grew from a budget of $5 billion in
1963 to over $1.1 trillion in 2004 (including Social Security). To coordinate the
nation’s energy policies in the wake of the Arab oil embargo, the Office of
Emergency Preparedness was dusted off and charged with energy responsibilities.
When this small office appeared inadequate, the Federal Energy Office (FEO) was

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1 This book uses the term bureaucracy to refer to government organizations and bureaucrat to
refer to government employees. Both terms are used in a neutral way to describe specific
organizations or individuals. The reader should not infer anything pejorative from their use.
created in the Executive Office of the president. Even the FEO pales in comparison to its son, the Federal Energy Administration, and its grandson, the Department of Energy. Although the federal government abandoned most of its energy policies in the 1980s, the Department of Energy continued to survive. Concern for workers’ health and safety gave rise to the Occupational Health and Safety Administration (OSHA), and the needs of consumers were entrusted to the Consumer Product Safety Commission (CPSC). After the terrorist attacks of September 11, 2001, the Department of Homeland Security was the bureaucratic response. Other examples in the recent past are far too numerous to mention.

When faced with acute crises, chronic problems, or even apathy, the positive state responds; and the response usually includes a bureaucracy. Even under President Ronald Reagan, a vigorous public advocate of less government, the elaborate bureaucratic structure of the positive state remained intact. Although the Reagan administration created few new agencies, it did not eliminate any old ones. Under Reagan the total number of federal government employees actually grew from 2,821,000 in 1981 to 3,065,000 in 1989, and the federal budget breached $1 trillion for the first time.

Only under President Bill Clinton, with Vice President Al Gore’s initiative on reinventing government, did the size of the federal government decline. Total federal employees dropped from 3,128 million in 1990 to 2,765 million by March 1998. The reduction, however, was essentially blue smoke and mirrors. It was achieved by simply contracting out functions to private organizations, organizations often staffed by former federal employees. Republican members of Congress also made some token efforts in this direction in the mid-1990s when they abolished a few minor agencies, the most notable being the Interstate Commerce Commission. Big government and large deficits returned to vogue under President George W. Bush although much of the new public spending was funneled through the private sector.

Bureaucracy has grown both in size and quantity of resources it consumes and also in a qualitative sense. Few aspects of a citizen’s life are immune from the tentacles of government bureaucracy. Today’s citizens awake in the morning to breakfasts of bacon and eggs, both certified as fit for consumption by the U.S. Department of Agriculture (although the Department of Health and Human Services would urge you to eat a breakfast lower in cholesterol). When our citizens drive to work, their cars’ emissions are controlled by pollution control

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2The Civil Aeronautics Board was abolished, but that was scheduled under President Carter. The termination of the Law Enforcement Assistance Administration in 1982 had been planned under Carter. The Community Services Administration was eliminated under Reagan, but by the time of its elimination, the CSA had few actual programs.
equipment mandated by the Environmental Protection Agency. The cars have seat belts, padded dashboards, collapsible steering columns, and air bags—all required by the National Highway Traffic Safety Administration. When our citizens stop for gasoline, they pay a price that is partly determined by energy policies (or a lack thereof) administered by the Department of Energy. To take their minds off the numerous bureaucracies regulating their lives, the bureaucratic citizens turn on their radios. Each radio station is licensed by the Federal Communications Commission, and all advertising is subject to the rules and regulations of the Federal Trade Commission. When our citizens arrive at work (say, at a bureaucracy such as a university), they enter a handicapped accessible building (required by federal law) in a building built with federal funds to report to jobs financed in large part by the Department of Education.

Although our hypothetical citizens have been awake only a few hours, at least nine federal, state, and local bureaucracies have touched their lives. The normal citizen in the United States works in a government bureaucracy (one of every six workers) or in a private bureaucracy that is regulated obtrusively or unobtrusively by a government bureaucracy, eats bureaucratically inspected food, wears bureaucratically regulated clothes, plays in bureaucratically sanctioned places and ways, and will definitely be buried in a bureaucratically approved manner.

Few aspects of a person’s life are left untouched by bureaucracy. According to the Office of Management and Budget, Americans spend 785 million hours per year filling out federal government forms. One-third of the nation’s land and 400,000 buildings are owned by the federal government and managed by its bureaucracies (National Journal, 1982: 436).

This chapter discusses the development of bureaucracy as a government power center. First, the dissatisfaction with bureaucracy in the United States is examined. Second, this dissatisfaction is traced to the phenomenon of administrative power. Third, the use of administrative power by four federal government agencies is discussed to illustrate the range of bureaucratic action. Fourth, the term administrative power is explicitly defined as it is used in this book.

**BUREAUCRACY: A FAVORITE TARGET**

The growth of bureaucracy has not been without dissent. In a nation that pays lip service to notions of individual liberty and limited government, the growth of bureaucracy is viewed at best as a threat and at worst as un-American.

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3My students are fond of noting that all this contact with bureaucracy so early in the day will produce a painful headache. The remedy, of course, is two headache tablets regulated by the Food and Drug Administration.
Bureaucracy has become a favorite target of both politicians and citizens (see Hill, 1989b). In 1976 then-President Gerald Ford made the size and responsiveness of the bureaucracy a political issue. He attacked several regulatory agencies including the Civil Aeronautics Board (since abolished) and the Interstate Commerce Commission (ditto) as inefficient and harmful. Ford’s war on bureaucracy was extended to other agencies such as the Food and Nutrition Service, which was charged with incompetence and uselessness. Ronald Reagan, both in his 1976 primary race against Ford and in subsequent successful runs for the presidency, was equally critical of government bureaucracy and its inefficiency. In 1980 Reagan proposed that both the Department of Energy and the Department of Education be abolished.

In the past the bureaucracy could dismiss such criticisms as right-wing rhetoric, but increasingly politicians of the center and the left have also denounced the evils of bureaucracy (Kaufman, 1981). Democratic members of Congress indignantly criticized the Defense Department for purchasing $640 toilet seat covers, $659 ashtrays, and $7,000 coffee makers (Sussman, 1985: 37). Former Senator William Proxmire (D.-Wis.) continued to give his “Golden Fleece” award to National Science Foundation grants and other examples of bureaucratic waste even after his retirement from office in 1989. In 1976 Democrat Jimmy Carter ran for president on the pledge to reorganize the federal bureaucracy to make it more streamlined and efficient. The Clinton-Gore reinvention effort merely used different terms to undercut and restrict government bureaucracy.

Constant criticism of bureaucracy by politicians was both recognized and accepted by the general public. Business leaders led a chorus attacking the costs and restrictions of government regulation. In 1982 the President’s Private Sector Survey on Cost Control, known as the Grace Commission, issued a 47-volume report on government waste. The Grace Commission made 2,478 recommendations designed to achieve greater efficiency in government that according to the commission would save $424 billion over a three-year period (Goodsell, 1984). Although a subsequent analysis of the Grace Commission’s recommendations concluded that such savings were grossly overestimated (Goodsell, 1984), the general public accepted its claims as fact. A 1985 Washington Post poll found that people thought 42 cents of every federal tax dollar were wasted (Sussman, 1985: 37). In an earlier Washington Post poll, 57 percent of the American public believed that government was more responsible for inflation than business or labor (Washington Post Poll, 1982: 22). When asked “In your opinion which of the following will be the greatest threat to the country in the future—big business, big labor, or big government?”, nearly 50 percent answered big government (reported in Hill, 1989b). As one observer noted, fear of bureaucracy had become a “raging pandemic” (Kaufman, 1981). These pessimistic appraisals have persisted over time. Results from a 2005 poll by the Pew Research Center found that 38 percent of Americans strongly agreed with the statement that government is almost always wasteful and inefficient (Pew Research Center, May 10, 2005 Poll).

A detailed analysis of these criticisms of bureaucracy would reveal that they possess a common core—the belief that bureaucracy is inefficient. Bureaucracy, the argument goes, hinders the effective operation of the market economy that
efficiently allocates resources; therefore, the impact of bureaucracy will always be harmful (see Stokey and Zeckhauser, 1978).

CRITICISM AND RHETORIC

The broad criticism of bureaucracy indicates that something is wrong. Only an idealist would be so foolish as to contend that government bureaucracy is an unmixed blessing for modern society. The contemporary criticism, however, must be classified more as rhetoric than conclusive evidence for two reasons.

Efficiency: An Untested Hypothesis

First, the contention that government bureaucracy is inefficient is not a testable proposition. If efficiency is defined as delivering goods and services at the least possible cost, then efficiency standards are meaningful only when one organization is compared with another. Since we can never know the least cost of producing any good or service (such things change over time with new technologies), the only valid comparison is to compare one organization with another doing the same thing. In the private sector, efficiency comparisons are often possible because many firms produce the same item. Firms producing a specific item at lower cost can be termed more efficient. Many government bureaus, however, cannot be compared with other organizations or with each other because each bureau produces a unique product. Only the Department of Defense, for example, “produces” a national defense. As a result, descriptions of government bureaucracy as inefficient rarely have a solid comparative foundation.

The argument for government inefficiency is often based more on assumption than on fact. The critic of bureaucracy often uncritically accepts the assumption of classical economic theory that competition leads inevitably to efficiency through competitive allocation of scarce resources. Applying this assumption, the critic reasons, “If there is no competition to force efficient production, then the organization must be inefficient.”4 To support the claim of inefficiency, the critic usually presents a bureaucratic horror story, cites past mistakes made by the bureaucracy, or denounces bureaucratic red tape. Never are we told the extent of the condemned behavior, its frequency, or whether the bureaucracy has taken corrective action.

An excellent example of such rhetoric is the publicity campaign started by J. Peter Grace after the Grace Commission released its final report. A subsequent

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4The reader should note that the critic’s logic is fallacious. The critic assumed that if there is competition, then there will be efficient allocation of resources. Observing a basic fact of government bureaucracy, that there is no competition, the critic concludes that the bureaucracy must be inefficient. The critic has denied the antecedent, one of the most elementary of logical fallacies.
analysis by the General Accounting Office found that two-thirds of the Grace Commission’s claims had no factual support. Many other proposals were, in fact, policy recommendations disguised as efficiency proposals. For example, the commission proposed saving several million dollars by abolishing the Rural Electrification Administration, clearly a policy proposal rather than just an efficiency measure (Rauch, 1985b: 749).

Examples of bureaucratic inefficiency, whether cited by the Grace Commission or by others, demonstrate little because all large-scale formal organizations, whether public or private, make mistakes. Ford Motor Company’s decision to produce the Edsel and perhaps the Pinto rivals the Defense Department’s ill-fated Sergeant York gun. Sperry Rand, in the early 1950s, concluded that no market existed for computers and consequently gave up its technological advantages in the field, a forecasting error as large as predicting that Iraq would not invade Kuwait. Coca-Cola’s decision to alter its basic formula in 1985 generated as much public resentment as did the Department of Transportation’s decision in 1974 to prevent cars from starting unless seat belts were buckled; both decisions were reversed. These examples do not prove that Ford, Sperry Rand, and Coca-Cola are inefficient; they show only that large-scale organizations make mistakes. Without some information about the frequency of the mistakes, judgments about efficiency cannot be made. Because most claims of inefficiency in public sector bureaucracy are not based on solid comparative evidence, the “bureaucracy is inefficient” hypothesis has not been adequately tested.

Is Efficiency a Goal?

In some instances measures are available to judge the efficiency of a bureaucracy, but these measures are applicable only to a small portion of the government’s activities and may involve assuming that efficiency is a bureau’s only goal. The Postal Service, some defense procurement, the Government Printing Office, and, at the local level, garbage collection and street repair are government activities that are often assessed in terms of efficiency.

To make this assessment, however, we must assume that the primary goal of these organizations is to deliver services as efficiently as possible. Many times the goal of government agencies is universal service rather than efficient service. More efficient postal delivery, for example, could be achieved by shifting the tasks of small post offices to large mechanized centers where economies of scale could operate. Efficiency could be increased if the Postal Service merely assigned every citizen within a hundred-mile radius a post office box in a single building and had citizens pick up their own mail. The cost of delivering mail under these circumstances would be greatly reduced while the speed of “delivery” would increase. By definition, this type of service is more efficient. The public, however, would probably reject such efficient service.

Despite the constraints of universal service, the widely criticized Postal Service has received little credit for its efficiency gains. In 1970, 741,000 postal workers delivered 85 billion pieces of mail (National Journal, 1989: 98). In 2004, 707,000 postal workers delivered 206 billion pieces of mail (USPS, 2005a: 1). From 1970 to 1982 productivity in the Postal Service increased by 48.2 percent, a gain significantly
greater than the private sector improvement (Vittes, 1985: 508). A recent study by the General Accounting Office found that the Postal Service increased its productivity by over 5 percent between 2001 and 2004, while reducing the size of its workforce by 9.4 percent at the same time (General Accounting Office, 2005b). In 2004, the Postal Service delivered 95 percent of overnight First Class Mail on time and delivered 91 percent of First Class Mail within three days (USPS, 2005b: 78). Unlike such competitors as United Parcel Service, the Postal Service attained this record while serving all areas of the country.

In some areas government agencies perform services identical with those of private organizations, and efficiency comparisons may be appropriate. Examining a variety of studies comparing garbage collection, hospital operation, urban transportation systems, utilities, colleges, and insurance, Charles Goodsell (1983: 48–55) found that in some cases private organizations were more efficient, and in other cases government organizations were more efficient. On the average government and private organizations were about equally efficient. Using a broader definition of efficiency that included quality concerns, Poister and Henry’s (1994) survey of public and private sector services found no significant differences between the two. Hodge’s (2000) extensive assessment of existing studies reached a similar conclusion. Assessing a series of contracting studies, Boyne (1998) concludes that most studies were too poorly designed to be able to support the conclusion that private sector service delivery was more efficient. Other scholars studying the privatization of public services have found that some governments reassume responsibility for previously privatized services because the purported efficiency gains of moving to private sector service often fail to materialize (Hefetz and Warner 2004; Warner et al., 2002).

From a different perspective, Crewson (1995) compared the relative quality of public sector and private sector individuals who worked in similar jobs. His conclusion, based on a battery of tests, was that public sector individuals were consistently better qualified. The implication of Crewson’s finding is that public sector organizations may well be able to outperform private sector organizations given that they attract higher quality human resources.

If efficiency is a difficult concept to apply to the few areas of government that perform quasi-private functions such as delivering the mail, then for most government functions efficiency is at best a minor goal. Government programs have goals of equity, justice, fairness, and other similar values that take precedence over the goal of efficiency. According to former EPA administrator Douglas Costle (1980: 3), if efficiency were the predominant goal of government, then “the Washington Monument ought to be torn down and replaced by condominium apartments.” In other areas of public policy, efficiency concerns are irrelevant. How does one measure the efficiency of health research, or environmental protection, or even occupational safety in an unambiguous manner? Efficiency is a foreign term in these

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5For example, some of the cost savings of contracting out to private vendors are negated by new costs, such as hiring personnel skilled in contract administration and staff to monitor the performance of outside contractors (see O’Toole, 1997a).
and other areas of government (despite the efforts of economists to apply the term),
because the tasks we demand that government perform are more complex than the
tasks we demand of the private sector: The objective of building Ford Explorers
must pale before the goal of curing cancer; protecting the environment is much
more complex than designing a computerized payroll system; protecting workers’
safety is not amenable to the same standards of profit measurement as the production
of tires. Because the goals and objectives of public programs are more complex and
require different and possibly more sophisticated expertise, the public sector rarely
has the regularity and predictability needed to apply a simple standard such as
efficiency to its operations.

Perhaps the best assessment of efficiency and organizational form is that of
Nobel Laureate Herbert Simon (1998: 10):

The idea that there is one form of organization—specifically, the private
corporation—that has a unique capacity of efficient action is simply a
myth that ignores both the motivations at work in organizational
behavior and the limits on our capacities for measuring consequences
and converting them into costs and demand prices.6

**ADMINISTRATIVE POWER AS POLITICAL POWER**

Although the argument that the public is dissatisfied with bureaucracy because it
is inefficient lacks credibility, dismissing complaints against bureaucracy would be
too hasty. While the bureaucracy may not be peopled with incompetents eager to
infringe on the economic and political freedoms of the American people, neither
are they neutral angels without political objectives of their own.

To understand the criticism of bureaucracy in American society, bureaucracy
and its functions must be examined. What does bureaucracy do to cause the
American people to reject it? Bureaucracy, in the case of our hypothetical
bureaucratized citizens, affects all aspects of their lives. Bureaucracy regulates our
behavior, it redistributes our income, it distributes benefits of society; in short,
bureaucracy allocates societal resources.

The influence that bureaucracy has on our lives is authoritative. In most cases
it is perceived as legitimate and backed by the coercive power of the state. By
authoritatively allocating values, bureaucracy is engaging in politics of the first
order (Easton, 1965). As a political institution, the bureaucracy is subject to the
same criticism levied at all American political institutions. Recent public opinion
polls (see Table 1.1) demonstrate that all government institutions, and bureaucracy
is no exception, lack the confidence of a large number of people. This lack of
confidence is probably related to bureaucracy’s need to make hard political

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6Another perspective on organizational form and efficiency is what Cohen (2001) calls
“functional matching.” Rather than assuming that private organizations are inherently more
capable at providing services than public organizations, functional matching assumes that
public, private, and nonprofit organizations each have unique attributes that make them
more or less suited to carrying out certain tasks.
choices. Current politics is what Lester Thurow (1980) calls zero-sum politics; for every person who benefits from public policy, another person must pay for those benefits. Bureaucracy’s exercise of political power quite naturally leads to criticism by political elites and the public at large who favor different policies.

To a person used to viewing bureaucracy as a neutral instrument for implementing others’ political choices, the concept of bureaucracy as a political power is a difficult one. The following four cases are included to illustrate the political nature of bureaucracy in a variety of different policy areas.

**Case 1: Federal Housing**

The Federal Housing Administration (FHA), an agency within the Department of Housing and Urban Development (HUD), seeks to improve the quality of housing in the nation through construction and rehabilitation (see Boyer, 1973; Wolman, 1971). In 1937 Congress assigned the FHA the goal of improving housing but left much of the goal’s implementation to the FHA’s discretion. The FHA’s approach was to set standards of acceptable housing. To enforce those standards, the FHA guaranteed mortgages for houses that met their standards. In effect the FHA offered positive benefits for compliance with their housing standards.

Before 1967 the FHA also required that all mortgage loan guarantees be economically sound. The value of the house underwritten had to have a market value high enough to compensate the government’s loss if the homeowner defaulted. Within these narrow bounds, the FHA program was a spectacular success. Millions received the loan guarantees necessary to purchase homes, making the single-family

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**TABLE 1.1 People's Level of Confidence in Various Leaders**

<table>
<thead>
<tr>
<th>Percentage of Public with a Great Deal of Confidence in</th>
<th>the Leaders of the</th>
</tr>
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<tbody>
<tr>
<td>63</td>
<td>Military&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td>39</td>
<td>Education&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>32</td>
<td>Medicine&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>29</td>
<td>U.S. Supreme Court&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>12</td>
<td>Press&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>10&lt;sup&gt;+&lt;/sup&gt;</td>
<td>State government</td>
</tr>
<tr>
<td>17&lt;sup&gt;?&lt;/sup&gt;</td>
<td>Local government</td>
</tr>
<tr>
<td>23</td>
<td>Executive branch&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>16</td>
<td>Congress&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>15&lt;sup&gt;?&lt;/sup&gt;</td>
<td>Organized labor</td>
</tr>
</tbody>
</table>

<sup>*Last asked in 1990.</sup>
<sup>1Last asked in 1989.</sup>
<sup>2Last asked in 2001.</sup>

dwelling the norm for middle-class American families. The agency’s fiscally con-
servative management produced a loan default rate of less than one-half of 1 percent.

Although the FHA’s method of implementing congressional housing policies is
an exercise in political decision making, the policy’s implications clearly demonstrate
the FHA’s influence on national priorities. In order to limit the losses from defaulted
mortgages, certain localities in every city were redlined; that is, they were designated
as areas where mortgages would be poor risks because of the nature of the neigh-
borhood and other factors. No mortgages were insured in redlined areas. Many of
the nation’s inner-city and ghetto areas were redlined, and no federal mortgage
guarantees were available in these areas. Because federal mortgage guarantees low-
ered housing costs by eliminating the hazards of default, permitting FHA-loan
guarantees in the “economically sound” areas only encouraged the white middle-
class to move to the suburbs where FHA-mortgage guarantees were available.
Redlining also contributed to inner-city decay by denying the financial support
needed to undertake rehabilitation through increased ownership.

The actions of the Federal Housing Administration were redistributive in
every sense of the word. Housing benefits were redistributed from the poor and
minorities in the cities to the middle class in the suburbs through selective
granting and denial of benefits. Loan guarantees redistributed income from other
social needs to housing but only to the portion of the housing market used by the
middle class. Financial institutions wisely invested their funds in completely safe
FHA loans rather than in myriad other uses.

This redistribution was the status of housing policy prior to 1967. With the
creation of the Department of Housing and Urban Development in 1965, the
Federal Housing Administration was transferred to HUD. Transferring the fiscally
conservative FHA to the Department of Housing and Urban Development, with
its social welfare orientation, had a profound impact on the goals of the FHA. The
FHA was charged with correcting the impact of past policies; the FHA was to
house the nation’s poor.

With this new goal, policy implementation was again left to the FHA because
the complexities of housing policy were beyond the ken of many HUD execu-
tives and members of Congress. The FHA moved to eliminate the practice of
redlining inner-city areas. Unfortunately, the agency’s new goal was counter to
the standard operating procedures of lower-level agency personnel. Newspapers
reported case after case of FHA appraisers estimating the market value of houses
from their cars because they were afraid to step out into the ghetto to appraise the
housing in a standard and adequate fashion (Boyer, 1973; Wolman, 1971). The
results were disastrous. Through both fear and corruption, thousands of shoddy
houses worth at most a few hundred dollars were each appraised at thousands.7
Individuals could purchase these houses with a down payment of a few hundred
dollars. When the inadequacies of a house became known to the owner and the

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7The charge of corruption has been documented by Boyer (1973), and there have
been several investigations by newspapers and congressional committees. By May 1973, 116
indictments had been handed down in cases involving the FHA program, naming some 250
people in more than 300 charges. Despite the low priority placed on these cases by local
prosecutors, 46 convictions were returned by May 1973.
costs for repairs exceeded the owner’s ability to pay, the house was abandoned. With abandonment came default, and the Federal Housing Administration became the proud owner of a defective house with no market value.

The redistributive nature of post-1967 FHA policies is evident. The FHA used its discretion and adopted an implementation strategy that increased inner-city deterioration. The poor, the intended beneficiary of the policy, suffered most because the amount of housing declined (in many cases after the FHA failed to resell a house, it was destroyed). The policy’s beneficiaries were the real estate brokers who were able to sell the houses and the bankers who were able to make risk-free investments at the expense of the government.

Case 2: The Cuban Missile Crisis

National security policy, especially during a crisis such as the Cuban Missile Crisis, is a policy area where we expect bureaucracy to be subservient (see Ripley and Franklin, 1991). Military bureaucracies have strong norms of hierarchy and obedience. As Oliver North remarked to Congress during the Iran-Contra hearings, if the president told him to go stand in the corner, then this lieutenant colonel would go stand in the corner. Power in such situations should pass to the president and his close circle of advisors. The Cuban Missile Crisis, in fact, had at least two characteristics that Richard Neustadt (1960) deemed necessary for the exercise of presidential power: presidential involvement was clear, and the other actors had no doubt about the president’s ability to act. The bureaus involved, the Central Intelligence Agency and the armed services, are also hierarchically structured organizations designed to carry out presidential orders quickly.

When President Kennedy and his advisors learned with certainty that the Soviet Union had placed offensive missiles in Cuba, they narrowed their response to two options—a surgical air strike against the missiles and a blockade of the island (Allison, 1971). The U.S. Air Force claimed that a surgical strike was not feasible. To be effective and to be certain of success, the air force argued that they must bomb all missile sites, storage depots, airports, and artillery batteries. Since that option was clearly beyond the level of force the president was willing to unleash, the advice of the air force effectively foreclosed one of the president’s two options.

With the decision for the blockade, the initial details were left to the navy’s discretion. The navy, to ensure the safety of its mission, initially established the blockade out of the range of the Cuban Air Force, five hundred miles from Cuba. The president, feeling that this gave the Soviets too little time to think and react, requested that the ships be moved closer to the Cuban coast. When the navy balked at the suggestion, Secretary of Defense Robert McNamara made the request a direct order.

Although the decision makers felt their order had been implemented, when the first ships were intercepted, it was clear that the navy had followed its own conscience. The first ship was intercepted some five hundred miles off the coast of Cuba. To avoid the appearance of direct disobedience, the navy permitted at least one ship to slip through its blockade (Allison, 1971). Clearly in the Cuban Missile Crisis the air force and the navy exercised political power: The air force through its advice foreclosed one option of the president; the navy chose to ignore an
order of the secretary of defense and in the process increased the risks of confrontation. However political power is defined, increasingly the risk of war must be considered when exercising that power.

**Case 3: The National Health Service Corps**

The National Health Service Corps was a program designed by Congress in 1970 to encourage physicians to practice in rural areas that lacked adequate health care (Thompson, 1982b). The brief four-page law gave the Health Services Administration (HSA) little guidance about implementation, although the intent was clear: physicians were to be placed in areas that could economically support a physician. HSA administrators loosely defined what an area lacking in physician services was and allowed exceptions to the “shortage” requirement if the area had a low use of health services (Thompson, 1982b: 433).

By 1978 health care professionals administering the program were placing physicians in urban sites where HSA-sponsored group practices were already established. Rather than serving as a method of providing physicians to rural areas, therefore, the program funneled physicians into inner-city areas. The agency had moved from “fighting geographic barriers inhibiting medical care availability to fighting economic barriers” (Thompson, 1982b: 435).

This fundamental change in the program goals of the National Health Service Corps resulted, not because Congress changed program goals, but rather because individual bureaucrats did so. The Health Services Administration accepted the values of delivering health services to the disadvantaged; it did not perceive its goals to include establishing physicians in private practice. Through the implementation process, therefore, the National Health Service Corps was transformed into a program more consistent with the goals of the administering agency.8

**Case 4: The Federal Trade Commission**

The Federal Trade Commission (FTC) was created in 1914 as an independent agency charged with maintaining a “strongly competitive enterprise as the keystone of the American economic system.” The FTC has several tools to pursue this goal, including the antitrust laws, consent decrees, cease and desist orders, and informal bargaining; but the FTC was given little guidance regarding where to act or what specific policies to follow.

For a long time the FTC was regarded as an agency with little life or power. In 1969 an expose by the Nader organization, written in part by President Nixon’s future son-in-law Edward Cox, revealed the agency to be generally incompetent.

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8During the 1980s, this program was reduced dramatically as part of the Reagan budget cutbacks. The number of medical personnel placed dropped from a high of 1,600 in 1985 to a low of 215 in 1989. Congress, by law in 1987, endorsed the idea of urban group practices at government facilities and created a loan revolving fund to continue this program (General Accounting Office, 1990a).
Nixon appointed Caspar Weinberger, who under the guise of a reorganization proceeded to fire one-third of all FTC employees and began to recruit bright, young, consumer-oriented lawyers (Clarkson and Muris, 1981).

With some encouragement from Congress, the FTC embarked on an aggressive, consumer-oriented program that affected major business interests. Antitrust suits were filed against the major oil companies and the largest cereal makers, the suits against the latter under the innovative legal concept of a shared monopoly. Rules were issued to prevent anticompetitive practices in the eyeglass industry. Along with the Justice Department, the FTC vigorously attacked professional associations of accountants, engineers, and physicians who prohibited advertising and other competitive behaviors. The FTC started major investigations involving advertising on children’s television shows (the kidvid study), practices in the insurance industry, competition in the funeral industry, deception in the used car market, and numerous other areas.

Although Congress had encouraged consumer activism (Pertschuk, 1982), the specific policies pursued by the FTC were its own. Such an aggressive move by a small agency against some of the major industries of the nation, however, did not go unnoticed. Used car dealers, funeral directors, large agricultural cooperatives, physicians, attorneys, and others affected by FTC actions or proposed actions demanded that Congress rein in this runaway bureaucracy (see Weingast and Moran, 1983). The FTC continued its pro-consumer actions despite yearly battles in Congress that threatened to restrict or even abolish the agency (Meier, 1985: 112).

Not until the election of Ronald Reagan and his appointment of James Miller to head the FTC was the regulatory fervor of the FTC quenched. Under Miller’s leadership the FTC became a strong advocate of market-oriented solutions to consumer problems. As an example, the FTC declined to force a manufacturer to recall defective survival suits used in ocean situations. The FTC reasoned that the heirs of individuals who drowned while wearing these suits would sue and, thus, be compensated for their losses (Wines, 1983a: 223).

The FTC example illustrates the major changes in public policy undertaken by agency employees. The agency was transformed from a passive observer of the marketplace to an aggressive consumer advocate between 1969 and 1980. Under Miller the agency was changed yet again into an organization more concerned with market efficiency than with traditional methods of consumer protection. Recent evidence suggests that under Presidents George H. W. Bush, Clinton, and George W. Bush the FTC has again become a more aggressive consumer advocate, although not to the extent of the 1969–1980 era.

The four case studies show not only the exercise of administrative power but also the breadth of policy areas affected by it. Many policy analysts divide most public policy into three categories—regulatory, distributive, and redistributive—with several other policies falling into a more general fourth category (Lowi, 1972; Ripley and Franklin, 1991; see Chapter 4 for a detailed discussion of policy areas). Our cases present evidence of bureau power in each of the four major
policy areas: the Federal Housing Administration operates in a sphere of redistributive policy; the Federal Trade Commission is a regulatory agency; the Health Services Administration’s policies are distributive; and the Department of Defense and national security policy are in the more general category.

Our cases do not demonstrate that administrative power is necessarily harmful. For every FHA policy that may pursue objectives in the narrow self-interest of its clientele, an FTC policy may seek a broader consumer interest despite organized opposition. For every navy admiral who may directly disobey an order of the secretary of defense, an administrator in the HSA may allocate health personnel to areas that need them more. The objective of the citizen in a state where bureaucracy exercises a great deal of political power, and the United States is such a state, should not be to condemn and destroy bureaucratic power but to structure it so that the benefits of bureaucracy can be attained without some of its negative consequences. Simply to denounce the growth of bureaucracy, as many politicians have done, is to ignore the positive contributions that bureaucracy has made to the nation.

**ADMINISTRATIVE POWER: A DIFFICULT TERM**

Until now administrative power has not been precisely defined. To be a useful concept, *administrative power* must be defined more carefully. Administrative power is the ability of a bureaucracy to allocate scarce societal resources. Administrative power, in this definition, is nothing more than political power exercised by a government bureaucracy when it determines, in Lasswell’s (1936) words, who gets what, when, and how. Administrative power, and political power for that matter, has two requisites—resources and autonomy. Administrative power is not possible without access to resources—legislative authority, money, trained personnel, and other tools necessary to make and carry out political decisions. One bureau, therefore, is more powerful than another when it extracts more resources from its environment.

Having access to resources or rather having the ability to extract resources, however, is not by itself sufficient to create a powerful bureaucracy. The National Institutes of Health (NIH) and the Social Security Administration (SSA) are both successful in extracting resources from their environments, but the Social Security Administration, especially the retirement system, is rigidly bound by rules and legislation passed by Congress to restrict the SSA’s discretion (Schick, 1971). To become powerful, an agency must have autonomy, the discretion to make decisions concerning agency activities. Having autonomy without resources, however, is as moderating as having resources without autonomy, because an agency with only a high degree of autonomy will not have the money, personnel, or authority to enforce the decisions it makes. The Internal Revenue Service, for example, estimates that it could collect $60 billion more annually in unpaid taxes if it had the resources to pursue these cases (Broder, 1990: 4). As the 1997–1998
congressional hearings on IRS abuses demonstrated, however, Congress is unlikely to authorize more resources for the IRS.

Resource extraction and autonomy in the use of resources are two distinct dimensions of administrative power. Agencies can have a great deal of resources with little discretion, as the Social Security Administration has in its retirement programs, or agencies can have few resources but a great deal of autonomy, as the Internal Revenue Service has. Some agencies are fortunate to have both, as in the case of the National Institutes of Health, while others are so unlucky as to have neither, as in the case of the Equal Employment Opportunity Commission (EEOC). Resources and autonomy are two distinct dimensions of administrative power and agencies can have varying combinations of either (see Table 1.2).

<table>
<thead>
<tr>
<th>Autonomy</th>
<th>Resource Extraction</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>National Institutes of Health</td>
</tr>
<tr>
<td>Low</td>
<td>Internal Revenue Service</td>
</tr>
<tr>
<td>Low</td>
<td>Social Security Administration</td>
</tr>
<tr>
<td>Low</td>
<td>Equal Employment Opportunity Commission</td>
</tr>
</tbody>
</table>

This chapter discussed the phenomenon of administrative power. The public displeasure with bureaucracy was noted and tied to the growth of bureaucracy as a powerful political institution. The policymaking power of the bureaucracy was illustrated with case studies of the Federal Housing Administration, the Cuban Missile Crisis, the National Health Service Corps, and the Federal Trade Commission. The chapter concluded with a definition of administrative power.

The remainder of this book will examine the exercise of bureaucratic power in a democracy. Chapter 2 presents a descriptive background of the federal bureaucracy so that the reader has a core of knowledge essential for understanding the remainder of the book. Chapter 3 discusses the reasons some bureaus develop political power and others do not; the discussion focuses on the political environment of federal agencies. Chapter 4 examines the policymaking process in the bureaucracy in an attempt to determine how different agencies affect public policy. With Chapter 5 the focus shifts to control of administrative power. Chapter 5 discusses the expectations that people have for bureaucracy, focusing on two major dimensions—competence and responsiveness. Chapters 6 and 7 examine a series of proposals for controlling the political power of bureaucracy. Chapter 8 provides some concluding comments about the role bureaucracy plays in the policymaking process of a democratic nation.
The Structure of American Bureaucracy

Bureaucracy is by far the least known of all U.S. political institutions. The president, a highly visible actor, is constantly in the public eye whether his activities are official or personal. Congress also maintains high visibility both as a focal point for opposition to the president and as a policymaking body in its own right (Hibbing and Theiss-Morse, 1995). Even the courts periodically receive public attention when they rule on significant cases. Although bureaucracy directly affects the lives of many citizens (Chapter 1), it rarely receives the public attention that other political institutions do.

Because general knowledge about the bureaucracy is lacking, this chapter describes the federal bureaucracy in detail and state and local bureaucracy briefly in order to provide a foundation for the arguments in later chapters. It examines several characteristics of American bureaucracy including the organization of the federal government (the types of departments, agencies, and other organizations that comprise the federal bureaucracy), the size of government bureaucracy, the government’s personnel system (the different types of government employees and how they are recruited to government), and the role of state and local bureaucracies in the federal system.

The Organization of the Federal Government

In theory the federal government’s organization is relatively simple. The U.S. government has three co-equal branches—the executive, the legislative, and the judicial. The bureaucracy is officially responsible to the president under his...
constitutional charge to take care that the laws of the nation are faithfully executed (see Figure 2.1). In reality the federal bureaucracy, despite its formal subordinate status, is a relatively autonomous policymaker. Both the president and Congress, partly in response to the growth of bureaucratic power, have developed bureaucratic organizations of their own. This section outlines the major organizational features of the federal bureaucracy and discusses the political bureaucracies of the president and Congress.

**Departments**

The first level of organization below the president is the fifteen executive departments, each headed by a cabinet secretary (Table 2.1). The departments contain 65 percent of all federal employees and conduct many important policy activities. Individual departments were established by Congress over a 200-year period with department structures and functions reflecting the political forces present during their creation.

**Departments Performing Essential Government Functions**

The Departments of State, Treasury, and War were created in 1798 as the three essential functions of government. Both the State and War Departments were initially perceived as presidential departments because they performed the functions of diplomacy and national defense, and the president is designated as chief diplomat and commander in chief of the armed forces. The Department of the Treasury, on the other hand, was initially perceived as a congressional department closely related to Congress’s power to tax. Currently the State Department conducts the nation’s diplomacy and coordinates a variety of U.S. programs that affect other nations. The Treasury Department through its bureaus collects the nation’s taxes, prints the nation’s money, finances the national debt, and dispenses federal grant funds to other governments. The War Department went through a variety of organizational permutations; in its last major reorganization in 1947 the Department of Defense was created by merging the Department of War and the Department of the Navy.

**Departments Reflecting the Needs of a Growing Nation**

Congress created two departments in response to national growth: the Department of Justice and the Department of the Interior. In the first cabinet President Washington had an attorney general, but at this time the attorney general was simply a private lawyer hired to serve the government. As the legal needs of the nation grew, so did the attorney general’s tasks; and in 1870 Congress created the Department of Justice. The Department of Justice is composed of several legal units that represent the United States in court on legal matters concerning antitrust, criminal law, civil law, civil rights, tax law, and land and natural resources law. The Department also contains the nation’s federal law enforcement agencies (for example, the FBI). The

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1 A good description of the formation of federal executive departments can be found in Van Riper (1958) and White (1948; 1951; 1954; 1959). A good brief summary that this section relies on is Diamond et al. (1970): 255–262.
### Figure 2.1 The Government of the United States

immigration service, and the federal prisons. The Department of Justice was the fastest growing federal department in the late 1980s as it expanded to fight President Reagan’s war on drugs.

A second federal department created in response to growing national needs was the Interior Department. Creating an Interior Department was a major political issue from 1789 to 1849 because the states feared that a federal department on the order of the British Home Department would interfere with states’ rights. Proposals to create a Department of the Interior were either proposed or debated in Congress several times before one finally passed in 1849. The Interior Department initially included such internal affairs programs as patents, public lands, and Indian affairs. Currently the department no longer has jurisdiction over patents but has added parks, recreation, and some natural resources programs. Soon after its creation, the Department of the Interior established strong ties to groups interested in public lands, recreation, and reclamation (Culhane, 1981). These ties with clientele groups established a pattern that served as a blueprint for the next three departments established.

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The Post Office Department was created in the nineteenth century in response to government needs, but it was changed to a government corporation in the 1970s and is discussed in the government corporation section of this chapter.

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**Table 2.1 Size of U.S. Government Executive Departments, 2004: Civilian Personnel and Budget**

<table>
<thead>
<tr>
<th>Department</th>
<th>Personnel</th>
<th>Budget ($Billions)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>109,800</td>
<td>71.8</td>
</tr>
<tr>
<td>Commerce</td>
<td>36,000</td>
<td>5.9</td>
</tr>
<tr>
<td>Defense</td>
<td>700,000</td>
<td>437.1</td>
</tr>
<tr>
<td>Education</td>
<td>4,400</td>
<td>62.8</td>
</tr>
<tr>
<td>Energy</td>
<td>16,100</td>
<td>19.9</td>
</tr>
<tr>
<td>Health and Human Services</td>
<td>67,000</td>
<td>543.3</td>
</tr>
<tr>
<td>Homeland Security</td>
<td>183,000</td>
<td>26.5</td>
</tr>
<tr>
<td>Housing and Urban Development</td>
<td>10,600</td>
<td>45.0</td>
</tr>
<tr>
<td>Interior</td>
<td>71,400</td>
<td>8.9</td>
</tr>
<tr>
<td>Justice</td>
<td>112,500</td>
<td>28.9</td>
</tr>
<tr>
<td>Labor</td>
<td>17,300</td>
<td>56.8</td>
</tr>
<tr>
<td>State</td>
<td>30,200</td>
<td>10.9</td>
</tr>
<tr>
<td>Transportation</td>
<td>58,600</td>
<td>54.5</td>
</tr>
<tr>
<td>Treasury</td>
<td>116,000</td>
<td>374.8</td>
</tr>
<tr>
<td>Veterans Affairs</td>
<td>218,000</td>
<td>59.6</td>
</tr>
</tbody>
</table>

*The figures are for budget outlays, which refer to actual spending. This is in contrast to budget authority, which refers to the legal authority to enter into spending obligations.

Clientele Departments  The “clientele” departments are the Departments of Agriculture, Commerce, and Labor. These departments were not created to serve the general needs of government but rather in response to interest group pressure. Created in 1862, the U.S. Department of Agriculture (USDA) was the first of the clientele departments. The USDA began as a research organization devoted to developing new agricultural techniques (Carpenter, 2001). During the 1930s the department was transformed into a subsidies and regulation department designed to limit farm production and raise farm income. Currently many USDA programs concern marketing agricultural goods for domestic and foreign markets and distributing food (food stamps, school lunch programs, etc.). Its most recognized program, farm subsidies, cost nearly $16.5 billion in 2003 (see www.ewg.org for details).

The Commerce Department was established in 1903 and at one time may have been the dominant department of the federal government. During the 1920s the Commerce Department was a major force in shaping domestic policies of economic growth. With the rise of labor unions and the growth of government in other areas, the Commerce Department has lost influence. Today Commerce contains several diverse programs including business promotion, the Census Bureau, the Patent Office, and the National Oceanic and Atmospheric Administration.

The Department of Labor was originally part of the Department of Commerce but was separated from it in 1913. The current Labor Department monitors worker health and safety, employment standards, unemployment compensation, and programs to create additional jobs. For several decades after the creation of the Department of Labor, no new departments were established. Government expansion during the New Deal and World War II took place either within existing department organizations or in the form of independent agencies such as those discussed in the next section.

Departments Reflecting National Priorities  The next four federal departments were all established to respond to pressing national needs or to recognize the priority of certain problems. The Department of Health and Human Services (HHS) was created (initially as the Department of Health, Education, and Welfare) out of the Federal Security Administration and other programs to signify the priority of these functions. The present HHS operates programs that distribute funds for health research, health care (Medicaid, Medicare), welfare, and Social Security.

The Department of Housing and Urban Development (1965) reflected President Lyndon Johnson’s commitment to urban problems. The department administers the federal mortgage guarantee programs, the public housing programs, as well as programs designed to address problems of urban life. It is perhaps best known for a major corruption scandal in the late 1980s involving political favoritism. The Department of Transportation—containing most federal government transportation programs affecting railroads, airlines, and highways—was established in 1967 to emphasize the need for comprehensive approaches to transportation problems.

The Department of Energy was created in 1977 in response to growing concern about the nation’s energy shortage and President Carter’s request for a unified approach to energy problems. Although most of the department’s funds are devoted to nuclear energy, the department also contains research, development, and regulation functions for other forms of energy.
The tragic events of 9/11 and the growing problem of global terrorism led to the creation of the Department of Homeland Security in 2002. The department focuses on disaster prevention and management, emergency preparedness and response, border security and immigration, and transportation-related security issues. The department evolved from the Office of Homeland Security created in October 2001 through an executive order. The Homeland Security Act of 2002 resulted in the transfer of a number of federal agencies to this new department, including the Immigration and Naturalization Service (INS), Federal Emergency Management Agency (FEMA), Coast Guard, and Secret Service. Strategically important policy functions under the control of other federal agencies were also moved to Homeland Security, including agricultural import and inspection activities performed by the Department of Agriculture and several nuclear materials-related programs administered by the Department of Energy.

The New Clientele Departments Being an executive department (rather than an agency; see below) confers prestige on the organization and its clientele. Two of the more recent cabinet departments were both established as the result of political pressure from clientele groups. Initially, education programs were part of the Department of Health, Education, and Welfare (a precursor to Health and Human Services), but in 1979 education functions were elevated to a separate department. The Department of Education was established to redeem President Carter's campaign promise to the National Education Association that he would create such an organization. Although the Department of Education contains many federal education programs, it is not the home of several others, including Head Start, the school lunch program, and Indian schools (Stephens, 1983: 653). The Department of Veterans Affairs was created in 1989 in response to demands from veterans groups. Although the old Veterans Administration (VA) had a reputation as poorly managed and unresponsive to new needs, elevating the VA to department status was a politically popular move for both the president and Congress.

Department Bureaus and Agencies The fifteen executive departments of the federal government are not monolithic units. Each department is composed of several smaller bureaus and agencies that administer the department's programs. In some departments, such as the Department of Housing and Urban Development, the department exercises relatively close control over the bureaus and agencies so that they operate with less autonomy vis-à-vis the department. Other federal departments are not really departments at all; they are holding companies. In a holding company department, power resides at the bureau and agency level. The Department of Health and Human Services is a good example of a holding company. Some of the units in HHS such as the Public Health Service were in existence long before the department was created. These bureaus have their own clientele, were established by legislation different from the law that established the department, and operate with little departmental control.

A good example to illustrate the nature of department agencies and bureaus is the U.S. Department of Agriculture (See Figure 2.2). In the USDA, the assistant secretary for Marketing and Regulatory Programs is in charge of an administrative
apparatus designed to monitor the actions of three bureaus. The bureau level is one level down—the Agricultural Marketing Service, Animal and Plant Health Inspection Service, and the Grain Inspection, Packers, and Stockyards Administration. These bureaus and agencies in the USDA have substantial autonomy and actually administer the programs and make the policy choices.

The assistant secretary and the undersecretary are political appointee. Bureau chiefs may be either career civil servants or political appointees depending on the legal requirements. In actual practice, however, three types of persons become bureau chiefs. Approximately one-third of bureau chiefs are politicians who have been appointed by the president to fill these positions (Meier, 1980). These men and women have long records of service in the president’s party. Their average age is approximately 50, and they were appointed initially as a bureau chief or held at most one other position in the agency before assuming the top spot. The average politician spends less than four years in the agency and less than two years in the top position. During the Reagan administration, the average political appointee served only twelve months as a bureau chief (Ban and Ingraham, 1990).

Another third of bureau chiefs are career civil servants although many hold positions that are designated as political appointments. The careerist bureau chief is slightly older (56) than the politician. Unlike the politician, the careerist entered the federal service at a young age, spending an average of twenty-three years in the agency. Despite the longer career of the careerist, the average careerist bureau chief had been a bureau chief less than five years (Meier, 1980).

The remaining one-third of the bureau chiefs may be termed professionals. The professional pursues a scientific or technical career outside of government. After establishing reputations in their profession, these individuals are appointed to top-level bureau positions, moving up to bureau chief in a few years. Although some professionals may be associated with one political party or the other, they do not necessarily have strong party ties. Professionals (average age about 50) tend to head bureaus with research or scientific missions such as the National Institutes of Health. In recent years many regulatory agencies have been headed by professionals.

Independent Agencies

The federal government has approximately sixty independent agencies, similar in size and influence to department agencies and bureaus. These agencies, which are not included in the fifteen major departments, report directly to the president or directly to Congress. An independent agency may be fairly large, as is the National Aeronautics and Space Administration (NASA), which has 18,900 employees, more than four of the executive departments (Education, Energy, HUD, and Labor). Most independent agencies, however, are small; the American Battle Monuments Commission or the Federal Maritime Commission, for example, each has fewer than 400 employees (see Table 2.2).

Independent agencies are established outside the jurisdiction of the executive departments for a variety of reasons. President Franklin Roosevelt created many agencies outside the executive departments because he felt the departments were
tied to old ways of approaching policy problems (Seidman and Gilmour, 1986). Other independent agencies were created to avoid pressures in departments with strong clientele ties. Others still, including the independent regulatory commissions (for example, the Consumer Product Safety Commission), were made independent to avoid presidential control (Renfrow, 1980). Still other agencies, such as the National Aeronautics and Space Administration, were made independent because their function did not fit within any of the existing departments.

### The Government Corporation

Government corporations are business corporations established by the federal government to carry out some government task (Mitchell, 1998). As such they are located in a gray area where the distinction between government and the private sector blurs. To isolate the corporations from politics, they are usually headed by boards or commissions with bipartisan membership and long terms of office. Congress creates government corporations for a variety of political reasons; the corporate form permits Congress to shift responsibility to a “nonpartisan” arena and also to hide the cost of the program by removing it from the budget (Tierney, 1984: 78–79). A recent example of a government corporation was the creation of the Resolution Trust Corporation in 1989 to sell assets recovered from failed thrifts (i.e., savings and loans).

The isolation from politics, in theory, allows the corporations to employ efficient, businesslike procedures. Government corporations have separate personnel systems, can borrow money, can undertake projects without congressional approval, and can even operate at a profit. The Federal Reserve System, for example,
operates at a profit of several billion dollars a year. Some government corporations go so far as to sell stock and accord their stockholders certain rights that private sector shareholders have. On occasion government corporations are even sold to the private sector, as Conrail (a corporation that operated railroads in the northeastern United States) was in 1987 (Henig, 1989: 649) and COMSAT (created to operate communications satellites) was in 2000.

Government corporations exist in numerous areas. The Tennessee Valley Authority operates power systems, reclamation projects, and a variety of other enterprises in the Tennessee River Valley. The Federal Deposit Insurance Corporation insures deposits in national and state financial institutions. The Postal Service delivers the nation’s mail. Government corporations may be either independent agencies, as are the Postal Service, the Tennessee Valley Authority, and the Federal Deposit Insurance Corporation, or within a department, as are the Commodity Credit Corporation and the Federal Crop Insurance Corporation (both within the Department of Agriculture).

Another category of government corporations, government sponsored enterprises (GSEs), were created by Congress to promote the development of the home mortgage and agricultural lending markets. Prominent GSEs include the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Agricultural Mortgage Corporation (Farmer Mac). GSEs are a classic example of organizations where the distinction between public and private is blurred. For example, Fannie Mae and Freddie Mac (both publicly owned corporations) seek to promote liquidity in the home mortgage market by purchasing mortgages from financial institutions and repackaging them into debt securities purchased by investors. Critics argue that Fannie Mae and Freddie Mac possess unfair advantages over purely private sector financial corporations. While there is no official guarantee that the federal government will bail out their operations in the event of a financial crisis, the investment community generally believes that their status as GSEs implies that the federal government will rescue either firm should they default on their debts. This implied guarantee allows Fannie Mae and Freddie Mac to borrow money at lower rates than other financial firms. Federal Reserve Chairman Alan Greenspan has called for much tighter regulation of both Fannie Mae and Freddie Mac (Greenspan, congressional testimony, 2004). Others have called for the federal government to completely privatize both firms (White, 2004).

Government corporations closely resemble another type of institution that is neither a public nor a private sector organization. Federally Funded Research and Development Centers (FFRDCs) are private research centers established throughout the country and funded by the federal government to conduct government research (Lambright, 1976). These institutions may run solely on federal money or may combine federal money with private money.

The difference between FFRDCs or the Postal Service and private corporations that rely on government to provide most of the demand for their products is minor. Some corporations such as Northrop Grumman and General Dynamics receive such large percentages of their income in federal government contracts that they cannot be considered private organizations. In comparison, the Postal Service and the Federal Reserve receive far less (often nothing) of their
operating funds from the federal government than does General Dynamics. Because these companies have argued that they perform a role not unlike federal labs, they want government to guarantee that they do not suffer financial collapse. In such cases the distinction between government organizations and private organizations is unclear. This book does not deal with the problems of private sector bureaucracy even though those problems are as pressing as the problems of public sector bureaucracies.

When the terms agency and bureau are used in the remainder of this book, they will refer to department agencies, independent agencies, and government corporations. Departments will be referred to only by the term department. These four organization forms are the dominant forms of government organizations, but they do not exhaust the total variety of governmental units (see Seidman and Gilmour, 1986). Other forms include the federal advisory committee and the minor boards, commissions, and committees.

The Advisory Committee

Numerous federal programs and agencies have advisory committees to provide expert advice on a variety of topics. These committees may be either temporary and used for a single purpose or permanent with a multitude of purposes. Without restraints, advisory committees proliferate because such committees serve to link agencies with their clientele and to provide the president with prestigious patronage appointments. In 1975 the federal government had more than 1,500 advisory committees. As part of his reorganization efforts, President Carter abolished about 700 of these committees. With Carter gone from the White House, advisory committees again proliferated, growing to 928 by late 1984 (Rauch, 1985a). Approximately 1,000 advisory committees were in operation in 2005 (Federal Interagency Databases Online, 2005).

Minor Boards, Committees, and Commissions

The federal government has more than sixty minor boards, committees, and commissions established by Congress or the president for a specific purpose. These are not really agencies since they are usually staffed by temporary personnel, lack program responsibilities, are extremely small, or only have the power to recommend action.

While many of these bodies exist in relative obscurity, on occasion they attract a lot of attention. For example, the Grace Commission was famous for proposing a series of recommendations to cut the size of the federal government in 1984. Perhaps the most newsworthy commission recently was the National Commission on Terrorist Attacks Upon the United States, more commonly known as the 9/11 Commission. The 9/11 Commission was a bipartisan panel charged with examining both the events leading to and government response to the terrorist attacks on the United States on September 11, 2001. The 9/11 Commission issued a 571 page report that was highly critical of the federal government’s management of counterterrorism intelligence.
Other minor boards are less conspicuous. The Harry S Truman Scholarship Fund, for example, is administered by the Harry S Truman Scholarship Foundation. Another committee exists to encourage federal employees to purchase U.S. savings bonds. President Clinton’s commission on race relations was in the news frequently during his term. The bulk of these committees, boards, and commissions are relatively unimportant and will not be discussed in this analysis.

The Political Bureaus of the President and Congress

Both Congress and the president have institutionalized; that is, they have developed a system of supporting bureaucracies (Ragsdale and Theis, 1997). In part the institutionalization of Congress and the president was in response to the growing role of the federal bureaucracy in policymaking. To combat the power of the bureaucracy, alternative bureaucracies were created. Accordingly, these “political” bureaus are not just staff agencies designed to answer letters, but actual agencies that assist their sponsors in policymaking activities. The political bureaus of the president and Congress are important because they are often used in efforts to control the remainder of the federal bureaucracy.

The Presidential Bureaucracy

The bureau nearest the president is the White House Office; it provides staff assistance to the president. The White House Office contains the president’s congressional lobby, the press secretaries, and the president’s special assistants. Within the Executive Office of the President are a series of other bureaus designed to assist in policymaking activities. The first among equals is the Office of Management and Budget (OMB). The OMB prepares the federal budget and evaluates legislation to determine if it is in accord with the president’s program (Pfiffner, 1979). President Richard Nixon added the responsibility for federal management improvement and bureaucratic oversight to the OMB. President Carter lodged his government reorganization team in the OMB, and President Reagan placed his regulatory analysis unit there. In all administrations, the Office of Management and Budget is a power broker of the first order.

On roughly the same organizational level as the OMB, the presidency has several policy councils. The National Security Council advises the president on a wide range of foreign policy and defense issues. Although the NSC was a major policy-making force under McGeorge Bundy and Henry Kissinger, it has had less influence in recent years. The Council of Economic Advisors and its staff provide assistance in economic matters; its influence depends on the president’s confidence in it.

The Executive Office also contains a group of more than a dozen lesser bureaus. In 2005 some of these units included the Office of the U.S. Trade Representative, the Council on Environmental Quality, the Office of Faith-Based and Community Initiatives, the Office of Science and Technology Policy, the Office of National Drug Control Policy, and the Office of Administration. These units advise the president and assist in formulating policies in their specialized areas. At times these agencies become well known; William Bennett, President George H.W. Bush’s first drug czar, was head of the Office of National Drug Control Policy. More recently, the Office of Faith-Based and Community Initiatives
has attracted a lot of attention through its role as a provider of federal financial assistance to faith-based social service organizations.

The size of the president’s political bureaucracy is difficult to determine. Approximately 1,650 people are listed in the federal budget, but this figure can be augmented by detailing. The president can request that other agencies “detail” personnel temporarily to presidential agencies. Detailing has been used extensively to increase the president’s policymaking resources.

The Congressional Bureaucracy  The congressional bureaucracy is more complex than the president’s. Congress and its staff was the fastest growing bureaucracy in Washington, D.C., during the 1970s; it has grown little since 1980. Each member of Congress has a personal staff whose size depends on the size of the member’s district/state and the member’s access to funds. Personal staff is augmented by committee staff who assist members in their committee work. A reasonable estimate of total personal and committee staff is about 14,000 people (Ornstein, Malbin, and Mann, 2000: 129).

Congress supplements these staff members with a group of information-gathering bureaus. The Library of Congress, particularly its Congressional Research Service, provides general information on current policy issues. Established by the Congressional Budget Reform and Impoundment Control Act of 1974, the Congressional Budget Office (CBO) performs the same budget analysis for Congress that the OMB performs for the president. In recent years the CBO has acquired a reputation for objective analysis of the budget and economic trends. The Government Accountability Office (GAO)—previously the General Accounting Office—audits and analyzes federal programs for Congress.

Congress also has several bureaus with nonpolicy functions. The Government Printing Office prints not only Congress’s heavy volume of documents but also many other bureaus’ publications. The Architect of the Capitol maintains the buildings and grounds of Congress and plans its physical expansion. Even the Botanic Gardens is a congressional agency. Exclusive of the Government Printing Office, these nonpolicy congressional bureaus employ approximately 15,000 people (Ornstein, Mann, and Malbin, 1990: 130).

THE SIZE OF THE BUREAUCRACY

The size of the federal bureaucracy is the subject of more misinformation than probably any other topic. A common perception holds that the federal bureaucracy is growing rapidly and threatening to engulf us all. Although the federal budget is growing by leaps and bounds, the number of people employed by the federal government is not. Current total federal civilian employment is about 2.74 million people, and only 2.45 million are full time; this figure includes all civilian defense employees as well as all postal workers. Although 2.74 million people is not a small number, the size of the federal bureaucracy has declined by nearly 400,000 persons in recent years (Figure 2.3); before that it had not changed dramatically over the previous thirty-five years. In 2003 the federal bureaucracy
was 8.3 percent smaller than it was in 1980 and fully 24 percent smaller than it was at the end of World War II.

The relative size of the U.S. bureaucracy can best be gauged in comparison to those of other nations. All governments in the United States (state, local, and federal) employ about 18.3 percent of all workers in the United States. Compared to the nations of western Europe in the mid-1980s, this is a small number. Governments at that time employed 31.4 percent of the workforce in Great Britain, 32.6 percent in France, 25.8 percent in Germany, and 38.2 percent in Sweden (Rose, 1985: 6). Between 1951 and 1985, the U.S. bureaucracy grew only slightly faster than the U.S. population, whereas the bureaucracies of western Europe have grown twice as fast as their respective populations (Rose, 1985: 11).

In the late 1990s a major reform movement entitled the New Public Management swept many of the industrialized nations. This movement stressed greater reliance on the private sector to deliver public services, more flexibility for public managers, and generally smaller government overall (Pollitt and Bouckaert, 2000). Because this movement had greater political support in countries other than the United States, many other countries saw major reductions in the size of their bureaucracies. By 2002 government employment dropped to 18 percent of the workforce in Great Britain with similar drops in most developed countries other than France (Suleiman, 2003).

Although the U.S. federal bureaucracy has generally decreased in size since World War II, it fluctuates in response to environmental conditions. During wars, recessions, and other crises (for example, drug wars), the bureaucracy grows as government attempts to deal with these problems. During quiet periods, the
bureaucracy goes through a period of fasting with gradual reductions in size. The recent shrinkage, however, is unprecedented.

Most federal bureaucrats are not located in Washington but are decentralized throughout the nation. Of the 2.74 million civilian employees, only 189,000 or 7 percent work in the District of Columbia. This percentage has been relatively constant through history. The relatively small number of capital city bureaucrats can be understood in comparison: The 189,000 federal bureaucrats in Washington are fewer than the number of federal employees located in California (245,000) and less than half the number of people employed by New York City (455,000).

The number of federal civil servants is actually dwarfed by the number of state and local bureaucrats in this country. Since 1950, the federal bureaucracy has grown 29 percent to include 2.74 million people. At the same time, the 50 state bureaucracies have grown 376 percent to 5.04 million people. Local government bureaucracies have ballooned 259 percent to 11.6 million people. The total federal civilian bureaucracy is now smaller than the combined state and local bureaucracies of California and New York.

Figure 2.4 shows the relative decline in the size of the federal bureaucracy compared to the growth of state and local bureaucracies. One of every three bureaucrats worked for the federal government in 1950 (over one-half worked for the federal government in 1945), while about one in seven bureaucrats in 2004 were employed by the federal government.

**BUDGETARY GROWTH**

Even though federal employment stayed relatively constant, the federal budget has grown greatly from $46.2 billion in 1950 to $2.29 trillion in 2004. Budgetary growth without personnel growth is possible because the federal government engages in proxy administration. Proxy administration is nothing more than the
federal government providing money to other organizations and governments and having those organizations actually provide the services (Kettl, 1988). Such programs as environmental protection, unemployment insurance, food stamps, family planning, and many others operate with federal funds and state personnel. Proxy administration permits the federal government to expand without increasing employment.

What causes the growth in government budgets is subject to some dispute. Buchanan and Tullock (1977) present the cynical view that government bureaucrats are strong advocates of greater growth based on the assumption that bureaucrats seek to maximize their budgets (see Niskanen, 1971). These demands coupled with the growing voting strength of government employees fuel the growth in budgets. A less cynical view of growth is presented by Baumol (1967); he argues that because the public sector is labor-intensive it cannot take advantage of many technologies that increase productivity in the private sector. According to Baumol, capital-intensive processes have an inherent productivity advantage over labor-intensive processes.

Unfortunately for these advocates, the theories of neither Baumol nor Buchanan and Tullock are supported by evidence. In a series of studies of government growth, Berry and Lowery (1984a; 1984b; Lowery and Berry, 1983) found no support for these explanations of growth. Other studies have linked the growth in government to changes in demographic composition, changes in economic situations, changes in military tensions, and a variety of other factors (Lewis-Beck and Rice, 1985). At the state level, education budgets rise and fall in response to the number of school-age children (Dye, 1988). This literature is consistent with the common-sense view that government grows because people demand that government do things (Berry and Lowery, 1987). They demand better health care, a financially secure old age, safer workplaces, cleaner environments, and numerous other benefits. Politicians respond to these demands (Page and Shapiro, 1983), and part of the response is the expenditure of funds, which in turn increases the size of either the federal or the state/local bureaucracies. Government grows, in short, because people demand more government goods and services.

THE FEDERAL PERSONNEL SYSTEM

People in the public service are key actors in bureaucratic policymaking. The methods used to recruit bureaucrats are discussed because public service selection processes influence the type of bureaucrats hired. Public servants are recruited via a variety of different government personnel systems with each system designed to meet different needs. The largest system is the competitive civil service. Created in 1883, the civil service system, according to the predominant view, was established

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3A wealth of data on the demographic makeup and performance of the federal civil service system can be found in Federal Civilian Workforce Statistics: The Fact Book, published annually by the Office of Personnel Management.
in response to the evils of the spoils system, which led in part to the assassination
of President Garfield by a disappointed office seeker (F. C. Mosher, 1982). A
minority view holds that the merit civil service was created to protect the job
security of partisan appointees who faced dismissal (Meier, 1981).

Whatever the reason for creating a merit-based civil service system in federal
government, it gradually spread to most government agencies. In addition to the
career civil service, the federal government has four other personnel systems. Several
federal agencies do not use the competitive civil service but rely on their own
agency merit systems, which incorporate principles similar to those of the civil
service system. These separate merit systems provide more specialized personnel
than does the competitive civil service. The Senior Executive Service (SES) is a
special personnel system designed for higher level management positions. The
excepted service provides for patronage employees and other personnel hired on a
noncompetitive basis. The executive schedule encompasses the political leadership
of the bureaucracy. Each of the five personnel systems—the civil service system, the
separate merit systems, the Senior Executive Service, the excepted service, and
the executive schedule—has characteristics that affect the values held by the
bureaucrats and, therefore, their role in policy process.

The Career Civil Service

Containing three-fifths of all civilian federal employees, the career civil service
system is governed by the Office of Personnel Management (OPM) and the Merit
Systems Protection Board (MSPB) along with the Office of the Special Counsel. These
agencies were created by the Civil Service Reform Act of 1978, which
split the old Civil Service Commission into two agencies. The OPM has a rapidly
decreasing staff (6,200 in 1993 to 3,500 in 2004) who set personnel policy and
oversee the process of hiring, training, promoting, and terminating personnel. The
system is built around merit principles: individuals are hired based on qua-
lifications, promoted based on job performance, and given tenure in their jobs. The
OPM’s role is to be a staff arm of the president and to manage government
personnel. Under President Carter’s director Alan K. Campbell, much of the day-
to-day work of the civil service system was delegated to individual agencies, with
the OPM focusing on overall personnel policy questions. Under Reagan’s first
OPM director, Donald Devine, some effort was made to recentralize such
functions in the OPM (Ban and Marzotto, 1984: 103). At the present time the agency has been so radically downsized that some observers question whether it
can be an effective personnel agency (Marshall 1998). Personnel administration
was considered a nonpartisan process under the old Civil Service Commission;
with the creation of the OPM more political appointees were slotted to the agency,
and partisan concerns were more prevalent (Rosen, 1986: 209).

The MSPB and the Office of the Special Counsel are designed to be watchdogs
over the OPM; their function is to enforce merit principles and protect civil
servants from arbitrary treatment. Civil servants who are disciplined or fired can
appeal to the MSPB. Since its creation in 1978 the MSPB has been able to process
cases reasonably well, but it has also been characterized by weak leadership and a
general reputation for ineffectiveness (Ban, 1984; Vaughn 1988: 356). Bernard Rosen
(1986: 212), a former high-level federal personnel administrator, has gone so far as to term the MSPB “irrelevant” and a “mirage.” The Office of Special Counsel, far from being an aggressive defender of the rights of civil servants, has become a passive agency with little influence. A more recent study of the MSPB (Durant and West, 1998; West and Durant, 2000) gives it more positive remarks. It has established a reputation as a generally fair and impartial monitor of the disciplinary process. It has not had a major policy role, but the organization tends to see itself as an adjudicator of complaints rather than a policymaker.

The career civil service contains two merit systems. Blue-collar employees are hired under the OPM’s wage board schedule based on local wages in the private sector. Because wage board employees are not policymaking personnel for the most part, they will not be discussed here. Wage board employees are often union members, and these unions are active in federal personnel issues.

The more important career system is the general schedule (GS) for clerical, administrative, and professional personnel. The general schedule has fifteen grades from GS1 to GS15, and within each grade are steps based on seniority, time-in-grade, or scarcity of the person’s skill (see Table 2.3). The lower four grades of the general schedule are for clerical personnel—the clerks, administrative aides, and secretaries that perform the day-to-day nonpolicy tasks of the government.

### Table 2.3 Federal Pay Schedule: Annual Salary in Dollars

<table>
<thead>
<tr>
<th>Grade</th>
<th>Steps</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>16,016 16,550 17,083 17,613 18,146 18,459 18,984 19,515 19,537 20,036</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>18,007 18,435 19,031 19,537 19,755 20,336 20,917 21,498 22,079 22,660</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>19,647 20,302 20,957 21,612 22,267 22,922 23,577 24,232 24,887 25,542</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>22,056 22,791 23,526 24,261 24,996 25,731 26,466 27,201 27,936 28,671</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>24,677 25,500 26,323 27,146 27,969 28,792 29,615 30,438 31,261 32,084</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>27,507 28,424 29,341 30,258 31,175 32,092 33,009 33,926 34,843 35,760</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>30,567 31,586 32,605 33,624 34,643 35,662 36,681 37,700 38,719 39,738</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>33,852 34,980 36,108 37,236 38,364 39,492 40,620 41,748 42,876 44,004</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>37,390 38,636 39,882 41,128 42,374 43,620 44,866 46,112 47,358 48,604</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>41,175 42,548 43,921 45,294 46,667 48,040 49,413 50,786 52,159 53,532</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>45,239 46,747 48,255 49,763 51,271 52,779 54,287 55,795 57,303 58,811</td>
</tr>
<tr>
<td>12</td>
<td>12</td>
<td>54,221 56,028 57,835 59,642 61,449 63,256 65,063 66,870 68,677 70,484</td>
</tr>
<tr>
<td>13</td>
<td>13</td>
<td>64,478 66,627 68,776 70,925 73,074 75,223 77,372 79,521 81,670 83,819</td>
</tr>
<tr>
<td>14</td>
<td>14</td>
<td>76,193 78,733 81,273 83,813 86,353 88,893 91,433 93,973 96,513 99,053</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>89,625 92,613 95,601 98,589 101,577 104,565 107,553 110,541 113,529 116,517</td>
</tr>
</tbody>
</table>


The general schedule once had eighteen grades, but the top three grades were moved into the Senior Executive Service under the Carter civil reforms.
Grades 5, 7, and 9 are the professional entry-level grades. A college graduate normally enters the civil service at GS5; if the graduate has a good undergraduate record or other qualifications, he or she might enter at GS7 level. A job applicant with a needed master's degree or a master's of public administration degree would normally expect to enter at GS9. Grades 6, 8, and 10 are usually reserved for executive secretaries; most professional personnel skip these grades with two grade promotions such as from GS9 to GS11. Grades 13, 14, and 15 are the civil service’s midlevel management positions; pay increases at this level are linked to performance on the job (Ingraham and Ban, 1984; Perry, 1988).

The general schedule contains a broad cross-section of the American people. The two groups compare favorably in terms of region of origin, occupation, education, income, social background, and race (Meier and Nigro, 1976). For many of these characteristics, the American people and the federal bureaucracy are replicas of one another. The differences are modest. Civil servants, for example, are slightly better educated and have slightly higher status occupations than the rest of the American people; but, as Charles Goodsell (1983) concludes, they are mostly “ordinary people.” If the American people and the civil service differ on any significant dimension, it is partisanship. As would be expected, civil service employment appeals more to Democrats than to Republicans (Garand, Parkhurst, and Seoud, 1991a: 209) although this may be changing (Aberbach and Rockman, 1995). Republicans with their strong beliefs in smaller government are more likely to be attracted to private sector employment (Aberbach and Rockman, 1976: 459; Garand, Parkhurst, and Seoud, 1991a: 205–207).

The Senior Executive Service

Under the Civil Service Reform Act of 1978, most GS16, 17, and 18 positions became part of the Senior Executive Service (SES). The SES contains 6,700 upper-level managers; of these 10 percent can be filled via political appointments, and the remainder must be careerists promoted from the career civil service system. SES members do not have the job protection rights that general schedule personnel do. SES members can be transferred to different positions both within their agency and in other agencies. If an SES member receives two consecutive poor performance evaluations, that member is dismissed from the SES. In compensation for reduced job security, a system of bonuses for exceptional performance and generally higher pay levels were envisioned (Ingraham and Ban, 1984). Although these financial rewards were generally not forthcoming (Newland, 1983), the creation of the SES gave the president and his appointees more flexibility in managing the bureaucracy.

The Separate Merit Systems

Thirty percent of federal employees work for agencies that operate their own merit systems. The largest of these separate merit systems governs the U.S. Postal Service. Other agencies with separate merit systems include the Department of State for its foreign service officers, portions of the Public Health Service, the
Department of Veterans Affairs for scientists and doctors, the Tennessee Valley Authority, the Federal Bureau of Investigation, and a portion of the Department of Energy that was once the Atomic Energy Commission. Separate systems are established to make public employment more attractive to professionals, to give the agency greater freedom in hiring and firing employees, or to allow greater employee screening before and during employment.

Each agency with a separate merit system establishes its own personnel procedures, thus making each merit system somewhat unique. Frederick Mosher (1982), however, has discovered some similarities in these separate merit systems. In these agencies employment is usually considered a career rather than a short period of employment. People joining the FBI or the Department of State are expected to remain with the agency until retirement. To ensure adequate promotion opportunities, which are considered to be automatic, these organizations permit little lateral entry (hiring at other than the entry level). Sometimes the systems have an up-or-out promotion system whereby an individual passed over for promotion is involuntarily retired.

The Excepted Service

The excepted service is often considered the patronage area of the public service. In reality few members of the excepted service are patronage appointments despite the absence of competitive entry procedures and merit system principles. The excepted service includes four separate groups: schedule A, schedule B, schedule C, and the noncareer senior executives.

Schedule A includes those jobs for which recruiting personnel through competitive civil service procedures is not practical and the positions are not of a “policymaking” nature. Approximately 100,000 positions are included under schedule A. One major occupational category in schedule A is attorneys because the Office of Personnel Management is prohibited by law from spending any funds to examine or rate attorneys for public employment. Attorneys are hired by the individual agencies through noncompetitive procedures; that is, attorneys apply and the agencies select those they wish to hire without an exam or explicit rating system. Also included under schedule A are chaplains, undercover narcotics agents, and certain seasonal workers.

Schedule B includes additional jobs where recruiting persons through competitive civil service procedures is not practical and where the positions are not policymaking positions. The difference between schedule B and schedule A is that schedule B employees in order to be hired must take a noncompetitive exam while schedule A employees do not have this restriction. Relatively few people were hired under schedule B before 1980 (approximately 1,700). Good examples of schedule B personnel at that time were Treasury Department bank examiners and air force communications intelligence personnel.

Schedule B became important in 1982 when the Office of Personnel Management settled a discrimination lawsuit. In the court case *Luevano v. Devine*, minorities charged that the federal PACE exam (the entrance exam for administrators and professionals) discriminated against minority applicants. At the time
the PACE exam was the major recruiting device for administrative and professional people at entrance levels and was used for 116 job classifications. As part of the settlement, the federal government abolished the PACE exam and promised to create valid exams for the 116 job classes. As an interim measure, agencies were authorized to use schedule B to hire entry-level professional and administrative personnel. Unfortunately, the OPM did not quickly develop new exams, and as of 1985 only one of the 116 exams had been put in place; by 1988 six exams covered 52 percent of former PACE positions. Schedule B, as a result, was a major method of recruitment for several years. In 1987 in response to a court order, executive order 12596 converted these schedule B personnel to career civil service status (Ban and Ingraham, 1988: 711). The court order also blocked future use of schedule B for these positions (Havemann, 1987: 31). Two prominent scholars of federal personnel administration have concluded that the use of schedule B along with the decentralized hiring process resulted in hiring persons with narrower skills than the PACE exam would have. They feel this will benefit the agencies in the short run but will reduce the quality of federal management in the long run (Ban and Ingraham, 1988: 715).

Schedule C includes about 1,400 positions at GS15 and below that the president uses for patronage purposes. President Dwight Eisenhower created schedule C in response to perceived problems with the 1950s civil service. By 1953 a large majority of civil servants had not been appointed through competitive exams but were hired in a variety of ways including partisan preference and were later “blanketed in” (designated as civil servants without ever taking an exam). Since these civil servants were likely to be Democrats, President Eisenhower created schedule C so that he could appoint some Republican loyalists to lower-level bureau positions. Despite their patronage origins, schedule C employees have valid administrative functions in a nation that demands a responsive public service. Schedule C employees can provide “unbiased” information to the president so that he can determine if programs are working and if other bureaucratic information is accurate. Agency heads appoint schedule C personnel at their own discretion (with the assistance of the White House Personnel Office) without any civil service restrictions.

Noncareer senior executives are those members of the SES who are appointed by the president or agency heads; they perform jobs similar to schedule C personnel but at a higher level. Noncareer senior executives include some 700 policymaking positions. A noncareer SES person will usually either head a small bureau or serve in a staff unit that reports directly to an agency or department head. The agency head normally appoints noncareer SES persons, but the person's qualifications must be approved by the Office of Personnel Management.

The Executive Schedule

The executive schedule includes those positions of a policymaking nature that the president appoints either with or without senatorial confirmation. Approximately 800 positions are in the executive schedule, and these positions have a pay schedule
different from the rest of the public service. The executive schedule has five salary levels although most of the positions in the two lower levels were moved into the Senior Executive Service in 1978. Level 1 is reserved for cabinet secretaries and their equivalents; level 2 positions are usually held by department undersecretaries or heads of major subcabinet agencies such as the Department of the Army. Levels 3, 4, and 5 are used for agency-head positions, with the exact level based on the size and prestige of the agency. Normally the chair of a regulatory commission would be a level 3, while the head of a bureau or independent agency would be a level 5. The status of these rankings is reflected by J. Edgar Hoover's successful effort to acquire a level 2 position to head the Federal Bureau of Investigation despite the fact that its size merited no more than a level 3 position.

Although this chapter has included the executive schedule, the noncareer Senior Executive Service, and schedule C in this discussion of personnel, they should not be considered part of the bureaucracy. They are part of the president's management and policy team. As such they are politicians not bureaucrats. Bureaucrats have a long-term attachment to specific agencies; politicians generally do not. This distinction is especially important when evaluating the quality of the bureaucracy (see Chapter 5). Many perceived failings of bureaucracy are, in fact, failings of the political system, not the bureaucracy.

DISMISSALS

No description of the federal personnel system would be complete without a discussion of the termination of federal employees. A common perception exists that civil servants cannot be fired; or if they are, the process takes an excessive amount of time. President Carter in 1978 made the misleading statement that only 226 people of the 2 million federal employees (not counting the Postal Service) had been fired for incompetence or inefficiency (Washington Post, March 3, 1978: A-18). A 1995 study by the Merit Systems Protection Board found that even government managers themselves overestimate both the number of employees who appeal removals or demotions and their success of winning on appeal. The MSPB study found that about a fifth of managers felt their decisions would be reversed on appeal. Yet MSPB records showed that only about 20 percent of removals or demotions were actually appealed, and penalties were reduced in only about 17 percent of these cases (Merit Systems Protection Board, 1995, 6).

Although civil servants leave the public service at approximately one-half the rate of persons who leave private sector jobs, a large number of public employees leave government service. In fiscal year 2003, 461,000 people were separated from the federal service (Office of Personnel Management, 2004: 24). Many leave involuntarily. A study by the Merit Systems Protection Board (1982) found that 12,078 persons were dismissed from the federal service for performance-related reasons in a single year. In addition, they estimated that perhaps another 5,000 persons were dismissed during their probationary periods (court decisions require
that such dismissals be confidential so numbers can only be estimated). Although 17,000 is a significant number of dismissals, it clearly is an underestimate. In many cases individuals who would be dismissed are given the opportunity to resign or are transferred to other positions and subsequently resign. Most experienced managers know a variety of ways to eliminate inadequate employees without going through formal termination hearings. The 17,000 cases referred to by the Merit Systems Protection Board are probably only the difficult cases in which less conspicuous methods of termination were not possible.

A General Accounting Office (1990c) study confirmed these expectations. Their survey of supervisors revealed that 5.7 percent of all employees (about 89,500 persons) were performing at less than “fully successful” levels at some time during the year. Of these 38 percent improved their performance and were no longer a problem. Some 22 percent (or about 19,700 persons) voluntarily agreed to demotions, retirements, resignations, or other forms of discipline. Of the remaining 40 percent, disciplinary action was taken against about one-third (12,500 persons). The rest remained poor performers and were still employed. Combining these two studies suggests that about 37,000 federal employees are terminated or disciplined for performance reasons in any given year. Clearly these studies show that federal civil servants can be fired or disciplined for poor performance.

STATE AND LOCAL BUREAUCRACIES

Although this book focuses on the federal bureaucracy, the important role of state and local bureaus in the policy process must be discussed. As stated earlier, state and local bureaucracies have grown rapidly while the size of the federal bureaucracy has increased only slightly. The reasons for this growth and the importance of state and local bureaus to federal policymaking are related to the nation’s federal system.5

State and local government bureaucracies have grown in part because federal policy encourages that growth. Under a system of proxy administration, federal programs are implemented via federal government grants to state and local agencies that actually oversee the program. Proxy administration permits the federal government to use its superior ability to collect resources and its national scope to attack problems yet avoid the political embarrassment of a growing federal bureaucracy. The pattern of federal funds with state administration developed as early as the 1860s with the Department of Agriculture. The Department of Agriculture gave federal grants to state colleges and local governments to develop agriculture research and to disseminate the research through county extension agents. Garand (1988) 

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5Bohte and Meier (2000a) model the relationships among federal, state, and local bureaucracies and find that state-level bureaucracy has a significant impact on the size of both federal and local government bureaucracies.
has demonstrated that federal grants are a major factor in explaining the growth of state government.

Much federal policy, including most federal redistribution programs (see Chapter 4), is designed to include state implementation. An example is welfare. Spending federal money (with some matching state funds), states determine, within limits, the amount of benefits, eligibility, and other implementation questions. Actual benefits are then distributed by state agencies or local government agencies. The food stamp program is another federally funded program with the actual distribution of food stamps by local employees. Highway construction, Medicaid, and some health care programs are also administered in this manner.

State and local bureaucracies are often miniature federal bureaucracies in form and substance. These bureaus are generally organized functionally along the same lines as the federal government. Most states have both the executive departments and a variety of independent agencies that report directly to the governor, similar to the federal government. Government corporations are also prevalent at the state and local level; Mitchell (1990: 930) counts 6,350 state and local government corporations that provide housing, economic development, and a variety of other functions. All states and many localities have independent merit systems that range from more comprehensive than the federal system to token efforts covering only a small percentage of employees.

State and local bureaucracies are subject to the same political influences that affect the federal bureaucracy. Agencies such as the Wisconsin Department of Transportation set policy and develop clientele support among those they serve. Although generalizations about the relative influence of state and local bureaucracies are difficult to make, they are probably less powerful than federal bureaucracies because they are weaker on the dimensions that contribute to bureau power (see Chapter 3; Fox, 1974; Grady, 1989). Despite the present level of state and local bureau influence, the impact that these bureaus have on public policy is likely to increase as a result of federal policies. Under proxy administration the federal government grants money to state agencies with restrictions concerning the use of the money; often the money is given directly to a state bureau charged with administering the program at the state level. Because these state agencies may receive more money from the federal government than they do from the state legislature, they naturally develop close relationships with the federal bureau that controls its funds. The end result is that such state bureaus gain resources from the federal government and establish autonomy in the use of those resources because their funds are not subject to the control of the state governor or legislature (Hale and Palley, 1979: 16; Hedge, 1983: 149). State governments lose control over these state bureaucracies, and the bureaus are able to develop independent power bases just as federal bureaus do. According to former North Carolina Governor Terry Sanford (1967), who termed this relationship “vertical functional autocracies,” the federal bureau to state bureau relationships weaken state governments by isolating state bureaus from political control. Sanford believed the independence of state and local bureaucracies created by the federal relationship was one of the major dangers facing state government.
IMPLEMENTATION NETWORKS

The description of the various agencies should not be taken to imply that programs are always implemented in a straightforward manner by a single bureaucracy. Congress has shown an interest in creating implementation networks—a combination of federal, state, and local government agencies in conjunction with nonprofit organizations, and private sector companies—to implement many public programs. One illustration of an implementation network is federal family planning programs. The federal government funds family planning services for low-income individuals through not one but four different statutes. Title X of the Public Health Service Act creates a categorical grant for family planning services that is administered by the Public Health Service regional offices who contract with state health or welfare agencies or private organizations (such as Planned Parenthood) to provide family planning services to low-income women. The services themselves are delivered either via nonprofit organizations or by local county health departments. Title XIX of the Social Security Act (Medicaid) provides the largest share of family planning funds. These funds go to welfare departments to reimburse physicians for specific services. The actual administration of these funds is often done via nonprofit organizations such as Blue Cross. Services are provided by private physicians. Title XX of the Social Security Act is a block grant to state welfare agencies; funds from these grants are used for family planning but may also be used for other social services. Title V of the Social Security Act, also known as the Maternal and Child Health and Crippled Children Act, is a formula grant to state health departments; federal law specifies that a minimum percentage of such funds be spent on family planning. In addition to the four federal sources of funds, approximately half of the states fund their own family planning programs (McFarlane and Meier, 2001).

The complexity of funding sources is matched by the complexity of the implementation process. Family planning is a policy with a known and effective technology; the basic problem is getting individuals to co-produce “family planning.” Programs as a result rely on a network of physicians who treat Medicaid patients, county health departments that interact with poor women who are not Medicaid patients, nonprofit organizations such as Planned Parenthood that primarily treat a similar group, health clinics at universities, and some private health care providers. Family planning illustrates in practice how complex the bureaucratic systems are that actually implement public policy.

Family planning is not unusual. Examining two recent sessions of Congress, Hall and O’Toole (2004) document an extensive set of network-like relationships in a wide variety of policy areas including mental health, environmental protection, low-income housing, and numerous other areas (see also O’Toole, 1997b). The creation of implementation networks exacerbates the problems of bureaucratic power noted in Chapter 1 because these networks rely on various actors to cooperate voluntarily with government agencies and because these networks are generally not thought of as “bureaucracy” per se.
This chapter serves as a descriptive introduction to the federal bureaucracy so that the reader will have an adequate background for the remaining chapters. Common misperceptions about the size of the federal bureaucracy were discussed. The federal bureaucracy is not growing rapidly; in fact, it is actually decreasing in size. The recent growth in bureaucracy has taken place at the state and local levels, where the size of these bureaucracies has doubled in the past fifty years. The growth of state and local bureaucracies is, in part, a function of federal policy that emphasizes the use of federal funds and state administrative organizations to combat public policy problems.

The chapter also discussed the organization of the federal government and the federal personnel system. The federal government is organized functionally into fifteen departments. Each was created to meet different needs at different points in the nation's history. Despite the functional organization preference of the federal government, several other organizational forms exist at the federal level. Many independent agencies were created to avoid biases and problems of department organizations. A variety of third-sector institutions—government corporations, advisory boards, and so forth—blur the normal distinction between the public sector and the private sector. These organizations operate with the powers of government and the flexibility of business.

The federal personnel system is designed to meet the goals of merit performance and political responsiveness. The bulk of federal employees enter through the merit system either by competitive or noncompetitive exams and are promoted on the same basis. A small percentage of employees enter via patronage procedures to guarantee a cadre of public servants loyal to the president.
CHAPTER 3

BUREAUCRATIC POWER AND ITS CAUSES

According to Chapter 1, bureaucracy often exercises the political power normally reserved for others in the American polity. The existence of bureaucratic power raises two immediate questions. First, why do bureaucracies take over political functions and exercise the power that in traditional political theory is granted only to the “political” branches of government? Second, given the general causes of administrative power, why do some agencies such as the U.S. Army and the National Institutes of Health have political power and other agencies such as the Bureau of Public Debt and the Selective Service System struggle along without it?

This chapter discusses these two questions. Before controlling the bureaucracy can be discussed (see Chapters 6 through 8), knowledge about how both bureaucracy in general and specific bureaus in particular acquire resources and autonomy is necessary. First, a framework for assessing bureau power in relation to bureau environments is presented. Second, using this framework, the reasons why bureaucracy becomes a separate political force is discussed. Third, the reasons why some bureaus are able to act relatively autonomously within their own policy spheres are examined.

A FRAMEWORK FOR THE STUDY OF BUREAUS

Examining a bureau in isolation reveals little about how the bureau operates and why it acts as it does. Many students of bureaucracy believe that organizations can be understood only in terms of their environment and their relationships with that environment (O’Toole, 1997; Perrow, 1972; Rainey, 1997; Rourke, 1984).
To understand the causes and consequences of bureaucratic power, therefore, a framework relating bureaucracy to its relevant environment must be constructed.

An open systems model for analyzing bureaus is presented in Figure 3.1. Although the model oversimplifies reality, it contains the major environmental influences on a bureau. A bureau receives from its environment a series of inputs that can be classified generally as demands and supports. The model postulates that the proximity of the inputs to the organization is crucial in the bureau's power setting. Level 1 inputs from the environment have little impact on bureau power but rather establish the conditions necessary for bureaucracy to exist. A nation's culture, economics, history, and technology combine to favor the development of bureaucracy. Max Weber (1946) argued that the development of bureaucracy was related to the emergence of the money economy and that bureaucracy often formed by routinizing the charisma of a dominant leader. The impact of these level 1 factors on bureaus is relatively remote and will not be considered specifically in this analysis because they should be common to most developed or developing nations of the world. Our concern is with the more proximal factors.

The environmental influences in level 2 are more direct than those in level 1. An examination of level 2 influences will reveal why bureaucracy gains political influence at the expense of the other political institutions. Briefly, four factors (each discussed below) in the environment contribute to bureaucracy assuming political functions: (1) the nature of politics—what questions are considered in the realm of politics and what questions are the sphere of professionals and administration? (2) the organization of government—how is the political power of the state distributed among governmental institutions? (3) task demands—what tools are necessary to perform the tasks of government effectively? and (4) the nature of the bureaucratic function—how does implementation generate additional power for bureaucracy?
Level 3 environmental inputs determine whether or not a specific bureau has political power. These factors may be divided into two types: the bureau’s external environment and its internal characteristics. The relevant portions of a bureau’s external environment are its political support and its policy environment. A bureau’s political support includes support from both citizens and government officials who deal with the bureau or are affected in some way by its operation. The policy environment of a bureau concerns the type of public policy—regulatory, distributive, redistributive, or other forms—that the bureau administers. The policy environment affects both political support and a bureau’s internal sources of power. The internal sources of power are three: (1) knowledge—the information and expertise possessed by the agency; (2) cohesion—the commitment of the bureau’s personnel to the organization and its goals; and (3) leadership—the effectiveness of the agency chief in managing the agency.

To some extent the distinction between level 2 and level 3 inputs to a bureau is artificial. Each of the level 2 inputs influences the level 3 inputs and, thus, is indirectly related to bureau power as well as the transfer of political functions to the bureaucracy. The organization of government, the nature of politics, and the function of bureaucracy, for example, combine to determine the political support of the bureau. The task demands of government policy and the bureaucratic function determine a bureau’s knowledge. Leadership is a function of the organization of government and the nature of politics, while cohesion is directly related to the task demands of government policy. The distinction between level 2 and level 3, although partially artificial, is heuristically valuable, since level 2 inputs can effectively explain the transformation of bureaucracy into a political institution, and level 3 inputs contribute directly, not through other factors, to the enhancement of the power of individual bureaucracies.

A final observation about the model in Figure 3.1 is in order. A bureau makes decisions, establishes policies, and delivers goods and services; these actions feed back to the environment. In this way a bureau affects the nature of the environment it occupies so that a bureau not only responds to its environment but over time can shape the environment that influences its power base (see Krause, 1996). The Department of Agriculture, for example, was active in forming the American Farm Bureau and developing the National Farmers’ Union, giving the department a strong, unified clientele; the department could then cite Farm Bureau demands as evidence of public support (Baldwin, 1968; Brown, 1989). Similarly the Women’s Bureau in the Department of Labor played a supportive role in the development of feminist groups during the 1960s (Duerst-Lahti, 1989). Most attempts to control bureaucracy (see Chapter 6) occur because bureaucracy has acted in such a way to influence other political institutions (Krause, 1996). O’Leary (1994) even documents a case in which lower and midlevel managers shaped the political environment; these lower-level bureaucrats were able to marshal political support to enact federal legislation that authorized them to protect more wetlands in Nevada. These efforts were undertaken against the wishes of their hierarchical superiors. The open system aspect of bureaus, therefore, is very important. Bureaus interact with the environment, and both the agency and the environment change as the result of the interaction.
WHY BUREAUCRACY IS A POLICYMAKING INSTITUTION

Bureaucracy is a fourth branch of government. The four level 2 factors within the environment that cause bureaucracy to assume political functions are: (1) the nature of politics—the distinction between political and administrative questions; (2) the organization of government—the distribution of political power among government institutions; (3) task demands—the tools that are necessary to perform the tasks of government; and (4) the nature of the bureaucratic function.

The Nature of American Politics

The nature of American politics determines what questions will be resolved by the political branches of government, and this determination contributes to bureaucratic power. Early twentieth-century government theorists recognized a politics/administration dichotomy that required Congress or the president to decide policy questions. Bureaucracy’s role according to Woodrow Wilson (1887) and Frank Goodnow (1900) should be to neutrally implement policy determined elsewhere.

Even though it was never a realistic description of the political process (Appleby, 1949), the politics/administration dichotomy greatly influenced academic thoughts about bureaucracy. The growth of the positive state, however, contributed to the intellectual demise of the politics/administration dichotomy. People demanded that government solve economic, environmental, health, and numerous other problems. Congress, faced with demands for action and a lack of expertise to adequately design public policy to remedy perceived ills, turned to the bureaucracy. 1 The bureaucracy was delegated difficult public policy problems with little or no guidance. The Department of Energy, for example, is charged with resolving the nation’s energy problems with the only requirement that programs be “equitable.” The Environmental Protection Agency is charged with making waters fishable and swimmable by requiring the “best available technology.” If determining future energy questions and regulating pollution involves political choices, then administrative agencies are forced to decide political questions.

The nature of politics in the United States blurs the distinction between political and administrative functions. Congress is no longer the dominant arbiter of policy questions but rather shares this power with the federal bureaucracy and others. Congress gains in this process. By setting other policymaking mechanisms in action, Congress can produce better policies because the bureaus have access to more specialized knowledge than does Congress. The courts have sanctioned this situation

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1Congress turned to bureaucracy for reasons other than insufficient expertise. If a question was politically sensitive, delegating it to a bureau shifted the pressure from Congress to the bureau. Congress also delegates authority because it is unsure about the direction policy should take. The bureau can try several alternatives with Congress retaining a “veto” over the final policy.
with a series of court rulings upholding the delegation of legislative authority to administrative agencies even under vague standards (Davis, 1971).

Today “political” questions in the United States differ from “administrative” questions only by who decides them. Political questions are decided by Congress and the president, while administrative questions are decided by the bureaucracy. In content, political and administrative decisions do not differ. Congress, for example, sets pollution control emissions standards for automobiles but delegates the task of setting pollution control standards for industry to the Environmental Protection Agency. The National Highway Traffic Safety Administration sets safety standards for motor vehicles, but in 1974 Congress decided that those standards could not include a seat belt–ignition interlock system. In many practical situations such as these, congressional action and administrative action deal with similar problems even though the scope of congressional lawmaking can be greater than the scope of administrative discretion (We cannot conceive that a bureau could decide the nation should have a Social Security system and then legitimately adopt one).

As Wolin (1960) notes, the United States, by permitting political abdication of policymaking, has sublimated political issues into professional, technical, and administrative questions. Since the American people perceive politics as basically corrupt and evil, the removal of policy from the political institutions has public support. In fact, the argument that sublimation is good appears frequently in the history of the nation; the merit system was created to remove personnel functions from the evils of spoils system politics; city manager government was established to free the city from the corruption of politics; the reform movement in education substituted professional control for political control.

Efforts to separate politics from administration enhance the autonomy of bureaucracy. Bacharach and French (1981) found that the establishment of merit principles and competitive exams in Belgium did more to establish administrative autonomy over the personnel process than to improve the competence of the civil service. Similarly in the United States, Nelson’s (1982) history of the bureaucracy argues that attempts to control bureaucracy via merit systems actually lead to greater bureaucratic autonomy.

A good contemporary example of the sublimation of politics is the nation’s school system. The subjects and values taught in the nation’s school system are of vital concern to the government because they establish the deep public support for the government that allows it to operate successfully. But the mere suggestion that government, particularly the federal government, should have a say in what is taught in the nation’s schools would be met with vocal and perhaps violent opposition. If a professional administrator decides curriculum content, however, that is permissible despite the fact that the end result is the same. Politicians can set general education standards but leave actual curriculum decisions to professional administrators.

As a recent manifestation of this opposition is the current resistance to a national performance exam for all students. Or, in the case of the federal No Child Left Behind Act (NCLB), critics claim that even though NCLB does not expressly detail what schools should or should not teach, it has forced school officials to spend more time and resources preparing students to take standardized skills tests.
goals (e.g., higher test scores) but not specific policies (e.g., the appropriate social studies curriculum). The public’s preference for decisions by administrators, professionals, and technicians rather than by politicians undermines the legitimacy of politics. Politicians, as a result, lack the public support to be the major arbitrator of all political questions.

The nature of American politics, therefore, transforms bureaucracy into a political institution in two ways. First, the political branches of government acquiesce in the exercise of policymaking by bureaucracy. Second, by granting autonomy to bureaucratic institutions, political institutions grant legitimacy to bureaucratic institutions that they deny to themselves. Together these factors strengthen the hand of bureaucracy in the policy process.

**The Organization of Government**

American government is structured to require large policymaking bureaucracies. If any ideal other than private property was sacred to the founding fathers, it was the concept of limited government. Since the founders felt that everyone was subject to the corrupting temptations of power, the power that any one individual could exercise was severely limited. Government at the federal level was fragmented by the separation of political power into executive, legislative, and judicial branches, with each branch given the means to check the other two.

In dividing political power, the fragmentation at the national level was augmented by a federal system with the federal and state governments exercising different powers. In the era of strong state government, the individual states provided a powerful check on the actions of the national government. Even today, when the federal government is the dominant partner, it must rely on the states to implement many of its policies (Kettl, 1988). In the process states can limit the impact of federal policies (see Chapter 6; Marvel, 1982; Scholz and Wei, 1986; Thompson and Scicchitano, 1985; Wood and Waterman, 1992).

If the formal fragmentation of American government was not sufficient, informal mechanisms also developed that further limited each political actor. Courts, by accepting the doctrine of judicial self-restraint, have sometimes limited their role in the policy process. Presidents have specialized in defense and foreign policy, areas where their impact is likely to be greater. The emergence of the United States as a world power means presidents spend most of their time on foreign policy to the neglect of domestic policy, a pattern that held even for a domestic advocate such as Lyndon Johnson. Congress, discovering that its size made action difficult if not impossible, divided itself into tens of committees and hundreds of subcommittees, all more or less independent of Congress as a whole. As a result Congress evolved into 535 separate political actors each pursuing different goals.

Politics, the unifying force in English government and American cities with political machines, does not unify American national government. Despite their increasing concern with political issues and the recent increase in party unity,
American parties are broker parties; that is, they are broad coalitions more concerned with winning office than enacting specific policies. Candidates can run for office independently of the party organization and feel no need to follow the party’s lead (if the party even has a position) on most issues. Without the disciplinary authority to purge mavericks and deny party nominations, the parties remain loose coalitions incapable of unifying the fragmented American policy process. The most recent effort at party control, the 1994 Republican “Contract with America,” quickly fell apart and remains a vague memory.

Fragmentation permits loose coalitions of interests to dominate the policy process; most such coalitions contain at their core what has been termed a subsystem. A subsystem is a triumvirate of a bureau, congressional subcommittees, and the relevant interest groups who in normal political times can act independently of the major political institutions. The reason subsystems exist is that the nature of American politics ensures that bureaucracy has a role in determining political questions. After a policy question is shifted from a “political” to an “administrative” area, organized groups and others interested in the policy do not abandon their advocacy and return home simply because the area has become administrative (Truman, 1951). Interest groups remain to develop relationships with bureaucrats. These bureaus and interest groups are monitored by congressional subcommittees with functional interests similar to the bureaus. Long-term bureau-subcommittee relationships develop because most substantive committees and subcommittees are staffed with members of Congress who have a direct interest in the agency policy that they oversee (Cater, 1964; Freeman, 1965). Students of state government have identified similar patterns at the state level (Thompson, 1987: 764).

Together congressional subcommittees, interest groups, and bureaus have all the necessary political resources to satisfy each other’s needs as long as other political actors acquiesce. Bureaus supply services or goods to organized groups but need resources to do so. Congressional committees supply the bureau with resources but need electoral support to remain in office and political support to win policy disputes in Congress. The interest groups provide political support to members of Congress but need government goods and services to satisfy members’ demands. The result can be a tripartite relationship that has all the resources necessary to operate in isolation from politics if other interests are not adversely affected. The subsystem, therefore, can continue to satisfy each member’s demands only if extensive political interest is not focused on the policy area. If the subsystem’s activities become important to political leaders as the farm credit system did in 1985 when serious financial problems threatened the agricultural sector or as the savings and loan crisis of 1989 did, then the president and other members of Congress have incentives to intervene in the subsystem.4 The recent wave of

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4The breakup of subsystems has received a great deal of study recently under the rubric of agenda setting. Baumgartner and Jones (1993) argue that subsystems are in a period of equilibrium and that changes in the agenda open up subsystems to outside forces. Eventually, subsystem stability reasserts itself, but the new subsystems can look a lot different from the old subsystems.
corporate accounting scandals illustrates this point well. Securities regulation has traditionally attracted limited attention from the public because it is a highly technical area of policymaking dominated by a small number of experts in Congress and the Securities and Exchange Commission (SEC) (Khademian, 2002: 518). With the dramatic collapse of major corporations such as Enron and WorldCom, the activities of the agency came under much greater scrutiny as Congress and other critics began to raise serious questions about its performance. The best interests of all subsystem participants, therefore, demand that they resolve disagreements within the subsystem and limit the scope of any conflict.

Even though all members of a policy subsystem benefit from the relationship, the three participants are not necessarily equal (McCool, 1989). Veterans’ organizations and congressional committees clearly dominate the Department of Veterans Affairs. Some research implies that agriculture agencies tend to dominate their clientele; as a result clientele provide a great deal of support but receive few tangible benefits (Meier, 1978). At the state level insurance companies and the regulatory agency often overwhelm legislative committees (Meier, 1988).

The openness of subsystems to outside influences is a key variable in policymaking. With the growth of entitlement programs and large national deficits, policy has taken on a distinctive zero-sum quality whereby benefits to one group can result in denial of benefits to others (Thurow, 1980). The structure of many subsystems has changed in this political environment with a variety of other actors more or less interested in subsystem decisions. Heclo (1978) terms the new-style policy system that has developed an “issue network” that includes state agencies, journalists, other federal agencies, academics/policy analysts, key executive branch personnel (such as OMB), and congressional staff members. Such a network might well contain two or more advocacy coalitions pressing different issue positions within the subsystem (see Sabatier, 1988; Sabatier and Jenkins-Smith, 1993).

Perhaps the best way to view bureau–committee–interest group relationships is as a continuum with policy subsystems at one pole and issue networks at the other. Despite a recent academic preference for issue networks, McCool (1989: 264) identifies two political trends that increase the likelihood of policy subsystems. First, Congress and policymaking in general has become more decentralized; with decentralization, issue networks/policy subsystems are likely to become more homogeneous, have fewer policy disputes, and thus move toward the policy subsystem’s pole. Second, requirements to consult with and accommodate others (e.g., state agencies, citizens), particularly in policy implementation networks (O'Toole, 1997a), have increased. With increased accommodation, agencies have more choice in selecting specific groups and responding to them. A rational agency will respond to groups with interests similar to its own. Again the end result is more likely to be a policy subsystem than an issue network.

Actors in a policy network retain strong incentives to create or recreate subsystems if they can. Browne’s (1990) work in agriculture shows that groups seek

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out niches that are not occupied by other interests and seek to avoid competition. At the state level, the work of Gray and Lowery (1996) shows a similar process. Subsystems offer the promise of stable, long term benefits, and political actors see this as the best of all possible worlds. Bickers and Stein (1994) found that federal agencies with grant programs systematically reduced the diversity of their recipients in the 1980s to facilitate supportive (read subsystem) group actions.

Bureaucracy is a key policy actor with opportunities to exercise political power whether the policy arena resembles a policy subsystem or an issue network. Because bureaucracies are permanent and because political power is too fragmented to give overall direction to public policy (Long, 1949), bureaucracies occupy a strategic position and can create coalitions in support of specific policy options. Bureaucracies generally have greater influence in subsystems, but they retain an influential role in issue networks. Recent work by Sabatier and Zafonte (1999), for example, shows that bureaucracies participate in advocacy coalitions on both sides of the issues in environmental policy.

Task Demands

A third reason why public bureaucracy has enjoyed a position of political power in the United States is the task demands of public policy. Most public policy is no longer so simple that legislative decrees are self-implementing (see Mazmanian and Sabatier, 1983). The complexities of modern public policy demand functions that can only be performed by large-scale formal organizations. No other institution can rival bureaucracy in its ability to perform the tasks of positive government.

The first task demand of current public policy is the ability to organize large projects. In a nation of more than 296 million people, few public policies are small scale. Making air travel safe requires traffic controllers monitoring millions of flights a year at thousands of airports. Maintaining a Social Security system means that every month 47 million checks are processed and 192 million accounts credited. A clean environment requires that the Environmental Protection Agency define what the best available pollution control technology is for every type of manufacturing plant in the United States. Bureaucracy has several characteristics that permit it to organize large tasks effectively. The hierarchical nature of bureaucratic authority allows thousands of individuals to be coordinated indirectly by a few persons. If the Department of the Army is any indication, bureaucratic organizations can expand almost indefinitely. Bureaucracies also have continuity; permanent employees deal with the same problems day after day. As the bureaucracy becomes accustomed to its tasks, it develops standard operating procedures and shortcuts for handling problems. Thus a bureaucratic organization learns and becomes more effective as time passes (Kettl, 1990: 415; Lebovic, 1995; Meier and Keiser, 1996; Sabatier, 1988). Bureaucracies also have permanence, which, combined with continuity, gives the bureaucracy the advantage of time. Unlike the president who must conduct foreign policy in the morning, tax policy in the afternoon, and regulatory policy after dinner, a bureaucracy can concentrate on a single problem or series of problems. A bureaucracy, as a result, is under no pressure to solve a problem immediately; it can nibble away at the problem until an adequate solution is found.
A second task demand of government is the need for expert knowledge when dealing with public policy problems. The average person does not have knowledge and training to understand the intricacies of tax policy, the limits of health care research, or the technicalities of weapons development. Compared to other political institutions, this task demand is best met by bureaucracy because the large size, continuity, and permanence of bureaucracy permit specialization. Specialization allows bureaucracy as an entity to know more about a public policy than any individual or institution that lacks its size, continuity, and permanence (that is, everyone else). Despite years of concentration even the House Ways and Means Committee must occasionally defer to the tax experts in the Internal Revenue Service. That any collection of individuals knows more about government bonds than the Federal Reserve is difficult to believe. Specialization also means that many bureaucrats are highly trained professionals—tax experts, doctors, scientists, accountants, and so forth. Fifty-eight percent of the federal government’s white-collar employees are classified as professionals by the Office of Personnel Management. Professionalization further augments influence because, as politics becomes sublimated into administration, politicians will defer to experts. While alternative sources of expertise exist in think tanks and in the other political institutions, they usually cannot match the bureaucracy’s knowledge.

A third task demand of public policy that contributes to bureaucratic influence is the need for fast, decisive actions. Policymakers want clean air as soon as possible, schools to be desegregated with all deliberate speed, and a cure for AIDS now. If bureaucracy is structured hierarchically and if the bureaucracy has norms of obedience and discipline, it possesses the ability to act quickly. Although bureaucracy is often cited for its slow procedures, too many counterexamples exist to condemn all bureaucracies as slow especially when compared to other policymaking institutions. The Defense Department quickly deployed troops and implemented the 1991 war with Iraq. The Food and Drug Administration set records for fast rulemaking when it required tamper-proof containers in the wake of the Tylenol poisonings and when it “fast-tracked” experimental drugs for AIDS. In response to congressional mandates, the Department of Agriculture’s Women, Infants, and Children (WIC) nutrition program expanded by 60 percent in only six months (Rauch, 1984: 2199).

The task demands of public policy, therefore, increase the bureaucracy’s influence in the policy process. The need to perform large tasks, the need for expert knowledge, and the need for fast, decisive action are all needs where bureaucracy can perform better than other political institutions. Because it holds a quasi-monopoly on the tools to meet these needs, bureaucracy may be the only way to deliver the goods and services demanded by the public.

The Nature of Bureaucracy’s Function

Bureaucracy gains political power relative to other institutions of government from the nature of the bureaucratic function. Although bureaucracy is involved in all stages of the policymaking process—writing legislation, adopting policy through rulemaking, and evaluating policy—bureaucracy’s primary function is to
implement public policy (Anderson, 1997; Jones, 1984). Most astute analysts of public policy have given up the idea that implementation is unimportant; it contains the roots of additional power (Goggin et al., 1990; Mazmanian and Sabatier, 1983; O’Toole and Mountjoy, 1984).

The initial reason why implementation contributes to the power base of all bureaucracies is that law or policy statements can never be specific enough to cover all future applications. The function of bureaucracy is to fill in the gaps of official policy, and filling in the gaps means the exercise of discretion. Congress has passed laws prohibiting deceptive advertising, but the Federal Trade Commission must decide if a given commercial is deceptive. Similarly Congress has decreed that health and safety hazards in the workplace should be limited, but the Occupational Safety and Health Administration both defines what the hazards are and enforces the safety and health regulations concerning them (Thompson and Scicchitano, 1985). According to Theodore Lowi (1969), administrative discretion is increasing because our laws are less specific than they were in the early twentieth century. As a result, bureaucrats have more discretion, and policy implementation decisions have a greater impact on public policy.

During the implementation process, changes in the policy environment also require bureau discretion. The Department of Agriculture in the 1960s was charged with maintaining farm income by decreasing the supply of farm goods. After large Soviet grain purchases resulted in severe commodity shortages in the early 1970s, the USDA’s priorities changed to increasing production. As the fruits of the 1970s policy were harvested, the department’s priorities changed again to restricting farm production in hopes of raising farm income (Anderson et al., 1984).

A special case of change in the policy environment is the discovery of new information. If the National Institutes of Health discovered a radical new cure for AIDS tomorrow, we would expect them to pursue this cure with new research rather than await political action. When effective performance requires changes in policy as the result of new information, discretion must be given to bureaucrats. If Congress or the president had to adopt new policies whenever the environment changed, they would be swamped with decisions. Congress and the president set priorities, and bureaucrats consider them but are granted sufficient discretion to make effective policy.

Another reason for discretion in policy implementation is the uncertainty of political forces. Congress may desire some action but be unsure about specifics. In that case giving discretion to an agency permits the agency to bargain with interested parties and to try out several policies without lobbying Congress for changes. In other circumstances with unsettled political forces, Congress or the president may wish to take action on a problem but have no preferred solution (for example, energy policy from 1973 to 1977, Kash and Rycroft, 1984), so they establish an agency charged with solving the problem subject to congressional review. Discretion with post hoc review provides both action and flexibility.

Implementing public policy, the task of bureaucracy, is not a simple process. Other political elites and possibly even the public are not satisfied if implementation is the strict application of a detailed law. They expect and demand implementation
that includes flexibility, creativity, and responsiveness to changing needs (see Chapter 5). Only if the bureaucracy is granted discretion can it perform according to expectations. Clearly Max Weber (1946) was correct; bureaucracy is a power instrument of the first order. Bureaucracy has become a powerful force in American politics because the nature of politics thrusts bureaucracy into policymaking, because the organization of government requires bureaus to acquire power, because the task demands of current policy require qualities that bureaucracy monopolizes, and because bureaucratic policy implementation entails discretion. Several factors basic to the American political process, therefore, contribute to the strengthening of bureaucracy and require that bureaucracy be a co-equal fourth branch of government.

**SOURCES OF BUREAU POWER**

Although bureaucracy in general has become a powerful political institution, individual bureaus vary substantially in their influence over public policy. Powerful agencies such as the Defense Department, the Environmental Protection Agency, and the National Institutes of Health have both resources and autonomy; but other agencies such as the Selective Service System, the Arms Control and Disarmament Agency, the American Battle Monuments Commission, and the Bureau of the Mint have neither. The level 2 (see Figure 3.1) political and technical environment of American politics that permits the growth of bureaucracy as a political institution also affects whether or not an individual bureau has power. Bureau power is a function of the policy environment, public support, the bureau's special knowledge, the cohesion of bureau personnel, and bureau leadership.6

A bureau’s policy environment actually interacts with the other four causes of bureau power, determining which of them are significant. Because the policy environment has such an impact on all these factors and also affects the policymaking process within a bureau, discussion of the policy environment will be deferred to Chapter 4. The remainder of this chapter discusses the political support, knowledge, cohesion, and leadership of government bureaus.

**External Sources of Bureaucratic Power: Political Support**

A bureau’s political support is its relative balance of support to opposition among the people and groups affected by the bureau’s actions (Downs, 1967; Rainey, 1997). Because a bureau’s clientele can provide political support that other policymaking elites need to perform effectively in office, public support can be a

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6The following discussion draws heavily on Rourke (1984). The analysis contains Rourke’s four determinants of bureau power—constituency support, expertise, leadership, and vitality, although the variables have been regrouped and integrated into the general model presented earlier in the chapter.
source of bureau power. A political elite that opposes a bureau’s position must bear the wrath of that bureau’s supporters. Many political elites will also respond to a bureau’s supporters for nonelectoral reasons. Groups supporting or opposing bureaus are perceived as representing legitimate interests that government should satisfy (Zeigler and Peak, 1972). American political elites do not respond to the merchant marine because they fear the electoral consequences of that small group, but rather because maintaining a U.S. shipping capacity is a valid political interest worthy of representation.

Bureaus develop public support in response to three level 2 environmental conditions that make bureaucracy a political institution (Figure 3.1). The nature of American politics, by sublimating political questions into administrative ones, makes the bureau decide questions of concern to interest groups. The organization of American government, with its fragmentation and issue networks, forces bureaus to come to terms with their clientele because neither Congress nor the president provide the support necessary for a bureau to impose its wishes on its clientele. Finally, the nature of the bureaucratic function also facilitates the development of a positively balanced power setting by allowing the bureau to exercise discretion in policy implementation, discretion that can be used to build political support.

A bureau’s public support ranges from diffuse support for the bureau’s general function to specific support for individual programs. This section examines the various sources of public support for agencies beginning with the most diffuse and proceeding through the more specific.

Public Opinion On the diffuse end of the public support continuum is the general public opinion concerning the agency and its functions. Public opinion can either support an agency (e.g., the Environmental Protection Agency) or oppose an agency (e.g., Internal Revenue Service). Individual agencies, however, vary greatly in public visibility; a recent public opinion poll found that 97 percent of the public felt they understood the functions of the Food and Drug Administration, 96 percent understood the Federal Bureau of Investigation, and 93 percent understood the Environmental Protection Agency. Public knowledge was lower for the Securities and Exchange Commission and the National Institutes of Health, with 69 percent and 62 percent of respondents respectively understanding the functions these agencies perform (Harris Poll, November 24, 2004). Without some understanding of what an agency does, public opinion in regard to the agency is meaningless. Agencies recognize this relationship and often seek to create a favorable image via public relations efforts. In 2004, the U.S. government spent over $1.2 billion on advertising, making it the 25th largest advertiser in the nation and putting it ahead of companies such as J. C. Penney, Citigroup, and Wal-Mart (Advertising Age, 2005: 5). The Department of Agriculture alone annually issues 3,000 publications and distributes 9.3 million bulletins (Yarwood and Enis, 1982: 38).

In situations in which few individuals have feelings one way or another about an agency, the public opinion most relevant to an agency is public opinion
concerning the agency’s general function, for example, agriculture, foreign aid, defense, health, and so forth. The public’s regard for the agency’s function affects the value other political elites place on the agency and, thus, its relative position of power. The overall public salience of policy problems is also important because as policy issues gain greater public salience, Congress sometimes responds by writing legislation to gain more control over the agencies that address the policy issues in question (Ringquist, Worsham, and Eisner, 2003).

Wlezien (1995) contends that public opinion acts like a thermostat for public policy. Whenever policy diverges from opinion or opinion changes, policy is then readjusted to conform with public opinion. Agencies are swept along with other political institutions in the adjustments of this thermostat process.

Defense spending provides a good example of Wlezien’s argument. After the Second World War, public support for defense spending was high and budgets grew rapidly. Beginning in the late 1960s public opinion turned against defense spending, and defense budgets suffered a decline. After several years the public began to oppose cuts in the defense budget, and the defense budget began to grow again. With the rise of $200 billion annual deficits in the 1980s, public opinion again favored restrictions on defense spending; and efforts were made to reduce this budget. Although many other factors affected the Defense Department’s budget from 1960 to 2000, general trends in public opinion and defense spending were often similar.
A bureau basking in the warm glow of diffuse public support should be able to press its claims for resources with more authority. The Environmental Protection Agency was able to achieve major budget growth during the strong environmental movement of the early 1970s. Later, energy programs grew rapidly after the 1973 Arab oil embargo. During the late 1980s, drug control programs mushroomed. After the terrorist events of September 11, 2001, homeland security became the growth area. Table 3.1 presents the 2002 national spending priorities of the American people. These figures suggest that bureaus able to tie their programs to education, health care, environmental protection, and perhaps Social Security should fare reasonably well. Bureaus in the areas of foreign aid, space exploration, defense, and welfare generally face a hostile public.

Bureaus recognize that public opinion can be influenced by a favorable media image and, thus, seek to cultivate members of the media. The FBI's J. Edgar Hoover was the bureaucratic master of media influence; Hoover's public enemy campaigns (designating certain criminals as public enemies) generated massive media attention. Hoover also hired a ghost writer to author books for him and was instrumental in getting favorable treatment of the FBI in motion pictures and television shows (Poveda, 1990). The FBI also sought jurisdiction over kidnapping and bank robbery, highly visible crimes that were relatively easy to solve. Although Hoover's media skills have yet to be matched by other bureaucrats, efforts to

### Table 3.1 National Priorities

<table>
<thead>
<tr>
<th>Policy area</th>
<th>% Too Little</th>
<th>% About Right</th>
<th>% Too Much</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space exploration</td>
<td>11.8</td>
<td>50.4</td>
<td>37.7</td>
</tr>
<tr>
<td>Protecting the environment</td>
<td>60</td>
<td>33.2</td>
<td>6.8</td>
</tr>
<tr>
<td>Health care</td>
<td>74.9</td>
<td>21.3</td>
<td>3.9</td>
</tr>
<tr>
<td>Problems of big cities</td>
<td>45.4</td>
<td>39.9</td>
<td>14.8</td>
</tr>
<tr>
<td>Combating crime</td>
<td>57.4</td>
<td>35.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Drug addiction</td>
<td>59.1</td>
<td>31.2</td>
<td>9.7</td>
</tr>
<tr>
<td>Education</td>
<td>73.9</td>
<td>20.7</td>
<td>5.4</td>
</tr>
<tr>
<td>The condition of blacks</td>
<td>32.7</td>
<td>49.0</td>
<td>18.3</td>
</tr>
<tr>
<td>The military</td>
<td>31.3</td>
<td>46.5</td>
<td>22.3</td>
</tr>
<tr>
<td>Foreign aid</td>
<td>6.7</td>
<td>27.8</td>
<td>65.5</td>
</tr>
<tr>
<td>Welfare</td>
<td>21.2</td>
<td>38.2</td>
<td>40.6</td>
</tr>
<tr>
<td>Social Security</td>
<td>60.8</td>
<td>34.6</td>
<td>4.6</td>
</tr>
<tr>
<td>Highways</td>
<td>35.7</td>
<td>51.7</td>
<td>12.7</td>
</tr>
<tr>
<td>Parks and recreation</td>
<td>35.0</td>
<td>59.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>

influence media are fairly universal among agencies. The Defense Department, for example, obviously learned a great deal about media and its impact in the 1980s; the Persian Gulf War generated far more immediate favorable publicity than did the invasion of Grenada or Panama.

The precise impact of public opinion on bureaucracy and public policy is subject to some debate. Some scholars contend public opinion has a dominant impact on public policy. Page and Shapiro examined 357 significant changes in public opinion over an extended period of time. In instances where good output measures of public policy existed and when the change in public opinion was lasting, Page and Shapiro (1983: 180) found that policy shifted to be congruent with public opinion 87 percent of the time. Examining tax and education policies at the state level, Lowery, Gray, and Hager (1989) also found policies over time became more consistent with public opinion. Burstein’s (2003) meta-analysis of thirty studies examining the relationship between public opinion and public policy found that in three-quarters of the cases, public opinion had a significant impact on public policy. His analysis further showed that the impact of public opinion on public policy was strongest when the public expressed preferences on highly salient issues. Peters and Hogwood (1985) linked public opinion more directly to bureaucratic growth. They identified issue cycles when certain public opinion issues became salient and found that during the high point of these cycles bureaucratic activities also increased (Peters and Hogwood, 1985: 250). The issue cycles they found included public works, commerce, and agriculture in the 1930s; defense, international relations, and housing during the 1940s; social welfare and transportation during the 1960s; and environmental protection in the 1970s.

Although favorable diffuse support can be used to extract resources from other political elites, public opinion is fickle; it changes, sometimes rapidly. An agency dependent on the whim of public opinion is in a precarious position. The public, for example, strongly supported the U.S. space program in the early 1960s, but by 1965 and more so by 1971 the space program’s public support had dissipated, and NASA faced funding problems. Support increased again during the 1980s but dropped after the Challenger explosion and the problems with the Hubble telescope. Support in the mid-1990s rose briefly with the Sojourner mission to Mars. The drastic nature of public opinion swings is shown by the overwhelming support for increased defense expenditures (63 percent) in 1950 compared to the small support for defense expenditures in 1969 (8 percent). Given the transitory nature of public opinion, a bureau is well advised to seek more reliable support to ensure its continued survival.

**Clientele Support** Bureaus can gather specific support from their clientele—the people who directly benefit or suffer from the programs that the bureau administers. The Environmental Protection Agency, for example, affects a wide variety of people including environmental groups such as the National Wildlife Federation and the Sierra Club, business organizations that must install pollution control devices, state pollution control agencies that implement EPA rules, scientists who study
environmental problems, journalists who cover the area, and other agencies with related problems such as the Forest Service or the Bureau of Land Management. Since clientele may be either supportive or hostile, it behooves the bureau to have more support than opposition. Even members of Congress recognize this necessity; in one survey of members 73 percent stated that bureaus should have close relationships with their clientele (Aberbach and Rockman, 1978: 820). Favorable clientele support means some portion of an elected policymaker’s constituency benefits from bureau programs and feels they are worthwhile. If a bureau has clientele support, a rational elected official will respond by granting the bureau more resources or permitting it to operate with greater autonomy.

Although clientele are, all things considered, better to have than not, clientele vary in their contribution to a bureau’s political support. Clientele groups range in size from the gigantic American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) to the relatively small American Soybean Producers. Generally the literature argues that, all things being equal, the larger a bureau’s clientele is, the more weight clientele support is given in allocating resources (Rourke, 1984; Stigler, 1971). Size implies that the clientele can influence, more or less effectively, electoral consequences (in terms of votes and contributions) for other political elites. In addition, the larger a specific clientele group is, the easier the group can argue that its demands are broad enough to be considered a “public interest” rather than a narrow private interest. Despite the difficulties in defining the “public interest,” a clientele group’s ability to tie its demands to the public interest benefits the agency.

Although the hypothesis concerning size makes theoretical sense, empirical studies of politics have found that clientele size is rarely relevant. In insurance regulation those states with larger insurance industries do not establish regulation more favorably to the industry (Meier, 1988). The Environmental Protection Agency faces a political environment where the regulated industry always has more resources than the pro-environmental forces, yet many times the EPA expressly favors environmental groups (Ringquist, 1993; Vig and Kraft, 1984). Despite the overwhelming opposition of airline companies to deregulation and almost no initial support for deregulation, the Civil Aeronautics Board and the Congress deregulated air travel after 1978 (Brown, 1987). In fact, one study of interest groups shows several cases where smaller groups were able to triumph over larger groups in the policy process (Ornstein and Elder, 1978). Larger groups have more difficulty reaching consensus and often react too slowly to affect the policy process. For example, Carpenter (2002) finds that FDA approval times for new drugs are often longer for diseases with large numbers of organized interests because varying goals among these interests impede unified lobbying efforts. In contrast, drug approval times for diseases represented by only a few interest groups often proceed more rapidly because the lobbying strategies of these groups are more focused.

With the growth in policy complexity, information can be a valuable clientele resource. Interest groups who supply objective or alternative sources of information are valuable particularly to regulatory agencies since they permit a regulatory agency to avoid reliance on the regulated industry for information. Such information may permit an agency to develop greater autonomy. The value of
information as a clientele resource is best illustrated by the rise in influence of
public interest groups who have few traditional resources but often access to good
information (J. M. Berry, 1977).

Clientele also vary in their geographical dispersion (Rourke, 1984). If a
bureau’s clientele are centered in only one part of the country, then other political
elites may perceive that the bureau serves only a local interest. Politicians not from
the area will be little concerned. The Bureau of Reclamation, for example, serves
a western clientele; the National Aeronautics and Space Administration’s clientele
are concentrated in Texas, Maryland, Florida, California, and Ohio. In contrast to
these narrow bases, the Department of Defense engages in significant activity in
most of the nation’s congressional districts, and the Department of Labor’s cli-
entele is organized in most areas of the country. Some agencies exploit this, as the
navy did during the mid-1980s when it begin to disperse its fleet so that as many
cities as possible could be home ports and thus gain the benefits of the navy’s
presence (Weisskopf, 1985: 12).

The more cohesive a bureau’s clientele, the more value the clientele is in
developing the bureau’s power base (Rourke, 1984). A cohesive clientele is one
that is organized, self-conscious (that is, recognizes that it has policy interests), and
receives tangible benefits from the bureau. A small, well-organized, cohesive
clientele is always better than a large, unorganized clientele because the former
has the motivation and the ability to mobilize support for the bureau. As a result,
producer interests should normally contribute more to the power base of a bureau
than consumer groups or any other similar broad, but unorganized group.7

Dissension among clientele groups weakens the agency because it can no longer
claim that it is serving all its clientele.

Clientele groups vary by how intensely committed to a bureau they are, and
this variation affects the bureau’s political support. If an interest is intensely
committed to a bureau, then it will be more loyal and more aggressive in
advocating the bureau’s interest. Ideally, loyalty and commitment can be best
assumed if the clientele has only one bureau that can meet its demands. In such
circumstances the interest is placed in a dependent position vis-à-vis the bureau.
The railroads had this relationship with the Interstate Commerce Commission in
the 1950s, as does the U.S. Merchant Marine with the Maritime Administration
at the present time. With this commitment, the bureau can expect the clientele to
strongly advocate and never criticize (assuming the bureau keeps the clientele
reasonably happy).

Bureaus can augment their political support if the public in general and other
political elites in particular hold the bureau’s clientele in high esteem (Rourke,
1984). The impact of professional clientele such as physicians and scientists is
impressive, especially when compared to such clientele as welfare recipients or
prison inmates. Since professional groups also tend to be well organized, the

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7 In reality, the orientation of other political elites is crucial. If other political elites are pro-
consumer, then strong government support from producer clientele can be taken as an
indicator of poor performance. Such a relationship has been found in insurance regulation
(Meier, 1988) and could be found in other areas by reading congressional oversight hearings.
impact of prestigious clientele is multiplied. High esteem is in the eye of the beholder, of course. Some political elites give great deference to environmental groups while others give similar deference to manufacturers. Bureaus lacking impressive clientele occasionally compensate by having well-known people support them. The agriculture community did this in 1985 when several actresses who had starred in films concerning farm problems testified before Congress in support of the farm bill.

Finally, the structure of a bureau’s clientele affects its political support (Rourke, 1984). If a bureau’s clientele is organized into a single group, the bureau probably depends on the clientele more than the clientele depend on the bureau. If the clientele group withholds its support, the bureau is left with little specific public support. As a result the interest group can exercise a de facto veto power over bureau actions. Other political elites may perceive such a bureau as the captive of a narrow interest and deny it resources or autonomy. A bureau is more fortunate if its clientele are organized into several groups with no single dominant group. Multiple groups permit the bureau to be flexible, playing one interest’s demands against another’s.

The ideal clientele for a power-seeking bureau, therefore, is one that is dispersed geographically throughout the nation, well-organized, intensely committed to the organization, in possession of valuable policy information, valued in the eyes of the nation, and organized into several groups. The more a bureau is able to build and maintain a positive rather than a negative evaluation by such clientele, the greater the political support the bureau will have.

Bureaus are hardly passive pawns of their clientele. Many can choose which clientele to serve or what position to take relative to their clientele. The Food and Drug Administration can seek support from either pharmaceutical companies or the public interest groups that support stronger drug regulation (Quirk, 1980). The Federal Aviation Administration, by determining how strict to set airline safety standards, can seek to have either airlines or airline passengers as clientele. The Federal Reserve banks target major corporations as their clientele and appoint top executives from major corporations to their boards of directors in an effort to generate business support for the autonomy of the Federal Reserve (Havrilesky, 1986: 398). Such choices are important because the selection of certain clientele might violate the values of agency bureaucrats (e.g., the EPA and polluters) or might result in a loss of support from political elites who feel specific clientele should benefit (e.g., consumers versus industry in consumer protection policies).

Richard Fenno (1966) in his classic study of congressional budgeting has shown that clientele support is related to a bureau’s ability to extract resources. Bureaus with strong public support were able to expand their resource base by receiving larger appropriations from Congress. Rubin (1985) also found that clientele support was the key variable in permitting some agencies to avoid major budget cuts during the Reagan administration. Other studies of budgeting reveal a complex impact for clientele support. Meier and Copeland (1983) found that clientele support helped agriculture agencies avoid budget cuts in both the House and the Senate (it had no impact on budget growth) but that these impacts were eliminated by the conference
committee. Copeland (1985) reexamined budgeting patterns after the conference committee was opened to the public (group concessions are easier to eliminate if the process is private) and found that interest group support did result in greater budget support for the supported agencies.

Other Political Elites Other members of an issue network can have the same impact on resources and autonomy as traditional clientele. The support of journalists allowed individual members of the EPA to leak crucial documents, thus damaging the administration of Anne Burford and eventually leading to her ouster (Vig and Kraft, 1984). State agencies that enforce traffic safety laws have become a strong force for greater automobile safety. State program administrators for nutrition programs have developed strong links to Congress that are used to protect the Women, Infants, and Children nutrition program (Rauch, 1984: 2198). Even academics have been able to affect bureau power bases and policy actions; economists were critical in setting the intellectual environment favoring deregulation of the airlines, surface transportation, antitrust policy, and other areas (Derthick and Quirk, 1985; Eisner, 1991).

Perhaps the most important political elites are other policymakers: individuals in Congress and the executive branch. A long-held truism of politics is that a member of Congress is the best lobbyist an interest group or an agency can have. Members of Congress may be enticed to testify for a bureau if the members’ constituents are served by the bureau. The Agricultural Research Service is very effective in getting members of Congress to advocate research programs that affect their districts (Hadwiger, 1982). One study of budget subcommittee actions found that budget decisions were highly responsive to requests by individual members of Congress, far more responsive than they were to requests from interest groups (Wanat, Burke, and Snodell, 1984: 396).

Separating out the difference between clientele support and support from individual members of Congress is sometimes difficult since they often overlap. In fact, such support may well be purposely linked because interest groups can generate support for an agency’s programs by making campaign contributions. The popular literature contains numerous examples that show supporters of certain agencies (say, Defense) receive larger campaign contributions from defense interest groups (Mapes, 1984: 1942). The more scholarly literature also shows an impact. Welch (1982) found that members of Congress who received contributions from milk producers were more likely to vote to raise milk price supports. In studies covering several areas, both Ginsberg and Green (1979) and Wright (1985: 411) also show a small but positive impact of campaign contributions on program support.

Support for a bureau among members of Congress is beneficial, but a bureau does not need political support from just any member of Congress. If the bureau can develop good relations with strategically placed members of Congress, then it should fare well at the hands of Congress. The leadership on the substantive committees that oversee the agency is important because these committees authorize bureau programs. Members of the appropriations subcommittee for the agency are vital since they have control over the agency’s resources.
Since substantive committees are staffed according to the interests of member’s constituencies, substantive committee support for a bureau is usually forthcoming (Fenno, 1966; McCool, 1989; Ray, 1980). Substantive committee members are usually bureau advocates. Welch and Peters (1983: 384), for example, found that every member of the House Agriculture Committee had a private financial interest in some phase of agriculture. Although agencies seek to cultivate these ties (Weisskopf, 1985), studies show that placing agency units in a congressional district can increase support for that individual program but not necessarily the entire agency (Ray, 1981).

The appropriations subcommittees were traditionally viewed as the guardians of the public purse, and these subcommittee members treated agency claims with skepticism (Fenno, 1966). Under such norms if an agency could convince the appropriations subcommittee leadership that it was a well-meaning, efficient organization, then it could benefit many times over. Fenno (1966) found that legislative support for a bureau was translated into support for the bureau’s budget; favored agencies were successful in avoiding cuts in their budget, that is, they received a higher percentage of the money that they requested. Since the 1980s, however, the role of the appropriations committees has become less clear. With high inflation, executive budget cutting, and massive deficits, members of appropriations committees became more supportive of spending (Kettl, 1989). These patterns established in the 1980s and 1990s appear to have continued to the present day even during periods of low inflation and moderate government deficits. Appropriations support is still important; the role the committee members play in the process, however, has become similar to the role played by substantive committee members.

Support for a bureau’s programs can also be generated within the executive branch of government. Executive branch support resembles political support in general because executive branch support may be specific or diffuse. The best political support in the executive branch is presidential support (or gubernatorial support at the state level). In a study of eight agencies, Shull (1978) found that presidential endorsement of an agency’s position resulted in successful legislation 76 percent of the time. Thompson (1987) found support from the governor was a crucial factor in the ability of state agencies to get budget increases. The amount of specific, program-oriented support from the president or the governor, however, is limited. More often the president or the governor can give diffuse support to an agency by advocating general priorities that favor the agency’s function as President Johnson did for poverty programs. In more recent times President Reagan’s support for defense resulted in higher appropriations for all military programs. President George H.W. Bush was able to bolster appropriations for drug abuse control. President George W. Bush was a strong advocate for funds to fight terrorism.

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6McCool (1990: 280) argues that members of Congress do not actually need to benefit from committee assignments. If they perceive there are benefits, whether or not they actually materialize, this should be sufficient to seek substantive committee posts and support agency activities.
More specific, program-oriented support must come from other members of the institutionalized presidency, specifically bureaucrats in the Office of Management and Budget (OMB). The OMB has developed into a first-rate power broker owing to presidential confidence and its strategic location. It acts as a budget and legislative clearing house; all bureau proposals for additional legislative authority must be cleared by the OMB. Of course, the OMB also compiles the budget and makes decisions on resources often with little presidential guidance. John Wanat (1974), a perceptive student of federal budgeting, found the OMB was the focus of key important budget decisions (see also Bromiley and Crecine, 1980; Kamlet and Mowery, 1983: 640; Pfiffner, 1979). OMB decisions define the base from which congressional decisions are made. Under the direction of David Stockman in the 1980s, the OMB increased its technological capacities and became one of the dominant policy actors in Washington. It retains this position to the present day. As a result, support from the OMB is a resource that all bureaus desire.

Executive branch support can also be generated among other government bureaus (see Rainey, 1997). For example, NASA could have increased its power base in the late 1960s if it had been more effective in gaining support from the Department of the Interior, the USDA, the Weather Bureau, and other agencies for its manned space program. These agencies’ desire for cheaper unmanned satellites for the earth-resources and weather-prediction programs contributed to a lower priority for manned spaceflight. Not until the space shuttle program and the use of the shuttle to launch such satellites did NASA receive much support from these agencies. Lack of support can seriously limit an agency’s actions. The Department of the Interior cannot set policies for national parks without considering the positions of the Forest Service and the Environmental Protection Agency. In perhaps the most extreme case, the Selective Service System, a powerful organization during the 1960s, essentially collapsed when its main clientele, the Defense Department, opted to support an all-volunteer army. Support among other executive agencies is especially important for bureaus whose clientele is defined as other federal agencies (for example, the General Services Administration or the Office of Personnel Management). Without support among government units these federal agencies have no power base at all.

In unique situations, agencies can even develop the equivalent of clientele support among the courts. At the state level, Hale (1979: 302) found that administrators perceived courts as another forum to resolve policy disputes. State agencies did not resist the efforts of federal courts to mandate expenditures by specific agencies (see also Harriman and Straussman, 1983).

In summary, the development of a bureau’s clientele is necessary to augment bureau power and ensure organizational survival. Specific support is necessary to gain resources and autonomy in the use of those resources, the necessary components of bureau power. Diffuse support is valuable because it facilitates the acquisition of specific support. Since diffuse support is constantly changing, a rational bureau exploits diffuse support when it exists and at the same time seeks as much specific support as possible.
Internal Sources of Bureau Power

If organizational theory provides a lesson for the study of bureaucracy and politics, it is that organizations do not passively respond to their environment (see Perrow, 1972; Rainey, 1997). As an open system, a bureau not only responds to environmental pressures, the bureau interacts with the environment and shapes those pressures. This reasoning implies that the internal workings of a bureau can further the development of a positive bureau power setting. Three internal characteristics of a bureau affect the political power the bureau can exercise—knowledge, cohesion, and leadership.

Knowledge  Information is a source of power for bureaus simply because other political elites are concerned with making good public policy (Rourke, 1984). For this reason they cannot afford to press proposals against the advice of experts. Studies of utility regulation, for example, show that professional advice from career staff is a major determinant of utility regulation policy (W. D. Berry, 1984; 1979). Although knowledge usually results in greater bureau autonomy, if knowledge produces superior performance, it can also help an agency extract needed resources.

Bureaus have several natural advantages over other political institutions in developing superior policy information. First, a bureau’s organizational size permits specialization beyond the capabilities of other political institutions; specialization in turn produces more detailed information about policy problems (W. D. Berry, 1984). Concomitant with specialization is a second factor, the ability of bureaucrats to concentrate their full time and energies on a single subject. Together concentration and specialization mean bureaus learn over time to develop better, more effective policies (Lebovic, 1995; Meier and Keiser, 1996; Sabatier, 1988; Sabatier and Jenkins-Smith, 1993; Thompson, 1982a). The fact that bureaucracies build up substantial experience in dealing with particular policy issues ultimately helps reduce uncertainty in how policy problems are managed (Gajduschek, 2003). Such learning is enhanced as a policy weapon by the generalist nature of other political elites who cannot devote similar resources to the development of information. Fleishman’s (1989: 343) study of Atlanta-area zoning decisions found that less than 15 percent of staff recommendations were reversed by elected officials. A study of state hazardous waste disposal policies found that state bureaucracies were especially dominant in states where the legislature was less professionalized (Lester et al., 1983). Politicians in such situations lack an independent source of verification to determine the quality of bureaucratic information. Finally, the influx of professionals into bureaucracy adds the weight of scholarly reputation to bureaucratic advice. Federal executive branch agencies employ approximately 91,000 engineers and architects, 21,000 physicians, 6,300 chemists, and 28,000 attorneys. In total, about 429,000 employees or 27 percent of the total executive branch workforce consists of professionals (Office of Personnel Management, 2003). Federal laboratories employ one-sixth of all U.S. scientists and engineers (Kosterlitz, 1988: 73). Deference to professional advice is a longstanding American tradition. In
combination, the above factors limit the control politicians can exercise over bureaucratic policymaking.

The task demands of public policy (level 2, see Figure 3.1) provide a favorable soil for knowledge to develop into a bureau power source. Complex policy problems can be solved only with technical expertise, giving an advantage to bureaus that possess technical knowledge. State governments cannot determine how to handle hazardous waste, for example, without the knowledge possessed by state pollution agencies and the Environmental Protection Agency. The nature of the bureaucratic function, implementation, also provides additional knowledge to bureaus. Day-to-day bureau operations provide administrators with insight into policy problems that cannot be gained from a casual inspection of program budgets once a year. This understanding places political elites at a relative disadvantage because they are unable to refute bureaucrats who can cite countless reasons why a proposed policy is not feasible.

Just as all clientele support is not equally beneficial in building a bureau’s power base, neither is all knowledge. Knowledge gained from large numbers of professional employees is especially valuable. Every agency has some professionals—some lawyers, social scientists, planners, or natural scientists. The key, however, is the extent to which the middle and upper levels of the organization are dominated by scientists, engineers, doctors, social scientists, and other professionals. The greater the penetration of professionals, the more likely that professional reasons will be presented to the outside world to justify the agency’s decisions, justifications that are difficult to counter.

The incorporation of professionals into bureaus also incorporates their professional values. In 1973 the Antitrust Division of the Department of Justice began to hire economists and give them a role in selecting cases for prosecution. Over time economists were able to educate others in the organization to an economic view of antitrust policy. As a result, the Antitrust Division concentrated almost exclusively on price fixing cases. Little attention was given to once-popular monopoly and merger cases (Eisner, 1991; but see Wood and Anderson, 1993). Similarly, Hodges and Durant (1989) found changes in management style among professional foresters that could be attributed to changes in professional norms.

A second aspect of knowledge that varies by bureau is whether the public holds the agency’s specific profession in high esteem. Many agencies are dominated by professionals, but reaction to these professionals differs. While the nation and its political elites trust physicians and defer to natural scientists, lawyers and accountants are respected only as long as they remain in their specializations; and,

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9The variable under consideration is designated as knowledge rather than expertise, as Rourke (1984) terms it, to distinguish power as the result of professionalism and the ability to do a task well from power as information that others do not possess. J. Edgar Hoover’s access to information about congressional leaders, for example, is knowledge but can hardly be characterized as expertise (Poveda, 1990). Few will contend such information did not augment the FBI’s power. Similarly, the influence of David Stockman as budget director was a function of his knowledge of budget detail, a knowledge that others if willing to spend the time could also develop. Possession of information per se is the variable that affects bureau power. The possession of information as the result of specialization or professionalism is a special case.
except for economists, social scientists are rarely trusted. The more prestige a profession has both within and outside the government, the more members of that profession are allowed to regulate their own affairs. Many states have quasi-private professional organizations passing on the qualifications, ethics, and membership of the professions (Shimberg, Esser, and Kruger, 1973). The same relationship holds in the policy process; the more prestige a profession has, the more that profession is allowed to designate part of public policy as a professional matter and the more that profession is deferred to in that area. The argument that professionals should be allowed to regulate their own conduct has been translated into a justification for policymaking autonomy.

The third dimension of knowledge contributing to the power of professionals and experts is the possession of technical knowledge that a layperson cannot master. Open-heart surgery, high-tech weapons, environmental sciences, and other techniques impress the normal citizen with their complexity and requisite skills. In a survey of political elites’ perceptions of the knowledge of policymakers in environmental protection, only one-third rated either legislators or environmental groups as knowledgeable, but 91 percent rated state water pollution agencies and 99 percent rated the federal EPA as knowledgeable (Zeigler, 1983: 125).

Not all professionals, however, are able to achieve autonomy with their knowledge. The scientists who conducted the drug research on cyclamates and saccharine were closely questioned. Not only were other scientists offering conflicting information, but the lay politician can understand injecting chemicals into rats even if he or she does not understand why it is done. Technical knowledge that the layperson cannot master is divisible into three categories. The bottom category includes all the tasks where the layperson can understand the entire process. In these cases, such as the processing of Social Security checks, the bureaucrat’s autonomy is not enhanced. In the second category the layperson knows what the professional does but not how the task is performed; in the top category neither the process nor the professional’s task is understood. Lawyers and bridge builders are examples of the middle category; the politician may not understand how the experts do these things but has a fair idea what they do. Professionals in the middle category have influence as long as the topic is within their area of expertise. Atomic scientists, research physicians, and weapons technologists fall into the top category. Since these professionals are removed from the everyday experiences of the politician, their expert advice, if unchallenged, will be accepted uncritically.

At times bureaus resort to secrecy to retain a knowledge edge over other policymakers. Classification of documents or claims of confidentiality can serve as surrogates for technical knowledge. The Reagan administration with executive order 12356 in 1982 reversed a long-term trend toward less secrecy in government. In 1982 alone, the Department of Defense classified 291,000 documents and restricted another 13.7 million documents because they contained material similar to classified documents. According to Jones (1988: 245), in many cases information is classified to avoid accountability for agency actions rather than to protect national security.

The fourth dimension of knowledge contributing to bureau power is experience dealing with technical or even political problems. As noted above,
over time bureaus learn how to approach problems and avoid mistakes (Sabatier, 1988). Often this learning is reflected in bureau standard operating procedures. Johnson (1990: 74) demonstrated that the Consumer Product Safety Commission was a weak policymaker in the 1970s because, as a new agency, it had not developed the sophisticated standard operating procedures necessary for consumer product regulation. Experience also has a political side. Because agencies have fought numerous policy battles, they have extensive information about potential support or opposition and about tactics likely to succeed.

Finally, the position of bureaucrats and their knowledge is enhanced to the extent that the bureaucrats have credibility. Past actions that resulted in good policy generate acceptance and gain legitimacy for bureau policymaking (Maynard-Moody, 1989: 141). One study of information in the area of water pollution revealed that the information from state agencies was trusted by most participants in the process whereas the information of interest groups was not (Pierce and Lovrich, 1983: 629; see also Abney, 1988: 913). Credibility in turn is enhanced by performance, the production of tangible benefits. Mystery about the methods of science adds to bureau policymaking autonomy only if the mysterious actions produce something valued by others. As an example one only needs to note the rapid rise and fall of supply-side economics. If methods are mysterious and benefits lacking, the political elite is likely to believe mysterious behavior is one of the deleterious consequences of being an egghead. Something useful that the political elite can see, feel, or appreciate—for instance, a better economy, miracle drugs, or lessening of terrorist activity—must result from the process. Bureaucracy, in general, has produced such benefits; civil servants, for example, patent nearly 900 inventions per year (U.S. Patent Office, 2005). National Institutes of Health employees have won four Nobel Prizes and funded the research for 70 others (Kosterlitz, 1988: 71).

The best combination of knowledge variables for an agency desiring to build resources and autonomy includes a high percentage of experts in the bureau who belong to a highly esteemed profession, who use techniques that laypeople cannot understand, and who produce tangible results. Under such conditions, the contribution of knowledge to the power base of the agency is maximized.

Cohesion  The second internal bureau characteristic contributing to a bureau’s power base is agency cohesion. Cohesion may be defined as the commitment of bureau members to the organization and its goals.10 If an organization is dominated by members who believe in its goals, the bureau can more easily motivate its members (Wilson, 1973). People who strongly identify with an organization will see their job as more than a weekly paycheck and are quite willing to work long hours necessary to improve bureau performance. Problems of high turnover, which require the bureau to commit resources to recruitment and training rather

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10The reader should be aware that while cohesion is defined as commitment to the organization and that this commitment is a source of power, one cause of both is the performance of a function that excites the community. Commitment is the key variable, however, because agencies within limits can develop more or less commitment among their employees whereas the degree to which their function excites the general public is fixed.
than its prime function, are less severe in cohesive, vital organizations (Romzek, 1990: 377). Organizational involvement, thus, contributes to power in the policy process (Romzek, 1985: 282; Romzek and Hendricks, 1982).

The reason cohesion contributes to agency power is related to the task demands of public policy (see Figure 3.1). Public policy problems, as noted in Chapter 1, are complex and defy easy solutions. Public policy in such areas as drug abuse, health care, and defense require creativity, dedication, and long hours to produce solutions. Cohesion makes a bureau a more effective policymaker because it promotes better employee performance, and a reputation for effectiveness is an asset in power politics (Maynard-Moody, 1989).

Some agencies, the early Peace Corps and the Marine Corps being the best examples, clearly benefit from cohesion. If an agency performs a function that excites the general public or some portion of it, the agency can attract well-qualified people because it offers an identity as well as a job. Thousands of the best and brightest university products in the early 1960s turned down well-paying jobs to work in the Peace Corps. After a massive reorganization in 1969, the Federal Trade Commission became known as the place for talented consumer advocates; and many bright young attorneys joined the FTC. If an agency is stocked with zealous, talented people, it must only structure its tasks appropriately to take advantage of normally withheld energy. If the agency is organized creatively, it should be more effective on effort alone.

The key element in creating a cohesive organization is the values held by individual bureaucrats; cohesion is a direct product of shared values. Organizations in many ways consciously or unconsciously influence the values held by its members, especially those values relevant to agency policies (see Carpenter, 2001; Sabatier and Hunter, 1989). One study of federal bureaucrats found that agency of employment was a strong predictor of individual bureaucrat's values (Meier and Nigro, 1976; Sabatier and Zafonte, 1999). A study of surface mine regulation found agency affiliation was the single best predictor of regulatory actions (Hedge, Menzel, and Williams, 1988: 331). Three major methods of instilling values are available to the agency—socialization of members, recruiting members who already hold the appropriate values, or establishing decision rules or procedures that incorporate certain values. Recruitment of individuals with the appropriate values may be intentional or may result unintentionally because individuals only apply for positions in agencies compatible with their personal values (for an early example see Carpenter, 2001). Establishing standard operating procedures and decision rules is almost always intentional. Maynard-Moody goes so far as to contend that administrative policy is shaped by “established definitions of problems and solutions that are enshrined in organizational rules, norms, and habits” (1989: 140). Sometimes such procedures are imposed on the organization. Davis and Davis (1988: 7) found that after Congress required environmental impact statements for federal agency actions, the Bureau of Land Management had to hire environmental scientists who did not share traditional BLM values. As a result, BLM decisions began to reflect environmental concerns.

That values differ among bureaucrats should not be surprising. Individuals who seek government employment obviously have values different from those
who do not. Several studies found that individuals pursuing a master of public administration degree and thus are likely candidates for public sector employment held predictably different values from individuals pursuing a master of business administration degree (Edwards, Nalbandian, and Wedel, 1981; Nalbandian and Edwards, 1983). Potential public sector employees were more likely to be empathetic to the plight of others, more innovative, more interested in the “public interest” (Nalbandian and Edwards, 1983), and more interested in public service (Perry and Wise, 1990: 371; Rainey, 1982: 293). They are more likely to be motivated by challenging work than by higher pay (Pearce and Perry, 1983: 318; see also DiIulio, 1994). In a comparison of engineers employed in the public and private sectors, Crewson (1997: 505) found that public sector engineers were more likely to support making contributions to society and helping others; because this study surveyed only engineers, the differences could not be attributed to differences in the types of professions employed in government. Crewson (1997: 512) also found that public sector employees had stronger organizational commitments than private sector employees did. Although not an attitude, public employees are also less likely to use illicit drugs than private sector employees (0.7 percent versus 14 percent, see General Accounting Office, 1990b; Rosenburg, 1990: 1).

In policy terms, civil servants are somewhat more liberal than the general population, although political ideology does vary by agency (Aberbach and Rockman, 1976; Garand, Parkhurst, and Seoud, 1991a; Lewis, 1990). In a study of state agencies, Uslaner and Weber (1983: 187) found agency heads were more liberal than legislators or party elites on seven of ten issues. Other studies reveal socialization; a study of social service bureaucrats found that certain task-related attitudes developed over time, a pattern consistent with agency socialization (Stone, 1977). The socialization/selection process of agencies has even been institutionalized as Miles’ Law (1978), which states that “where you stand [on an issue] depends on where you sit.”

Individual values, in turn, affect public policy whether these values are adopted from the agency, from professional training, or from personal experience (F. C. Mosher, 1982; Sabatier and Zafonte, 1999). Because most administrators have some discretion and are likely to exercise that discretion consistent with their personal values, several studies have demonstrated that bureaucratic values affect public policy. The initial policies of the EPA, for example, were determined in part because the first administrator, William Ruckelshaus, was an attorney and recruited several attorneys to top positions. As attorneys they implemented environmental laws using the technique they knew best, court suits against visible polluters (Marcus, 1980). A study of the Help through Industry Retraining and Employment (HIRE) jobs program demonstrated that it was changed from a program for veterans to a general jobs program because the latter was more consistent with the values of Department of Labor bureaucrats (deHaven-Smith and Van Horn, 1984). Attainment of affirmative action goals has been related to the attitudes of personnel administrators toward affirmative action (Saltzstein, 1983). In housing policy, Bell (1985) found that when values are consistent with those favored by the organization, values affected policy; but when values were inconsistent with those of the organization, they had little impact. In a detailed
study of land use decisions, Sabatier and others (1985) found that nearly 80 percent of decisions could be explained by knowing the values of the career bureaucrats. A study of legal services agencies found employee values affected the cases selected if the policy environment had a variety of interested groups (Kessler, 1987). Similar influences of values on public policy have been found for safety engineers in the Occupational Safety and Health Administration (Thompson, 1982a), for city planners (Vasu, 1979), housing loan officials (Seldon, 1997), and police officers (Brehm and Gates, 1997).

Some agencies go so far in instilling values or recruiting individuals with the correct values that they create an organizational ideology (Romzek, 1990: 377). An organizational ideology serves as a perceptual screen on the outside world and ties the members closely to the organization and its goals. The Forest Service does this by rotating its personnel, stressing its goals of sustained product yields, and creating “saints” such as Gifford Pinchot (Kaufman, 1960). As a result, the Forest Service is a reluctant regulator; but when it responds, it regulates strictly. In contrast the National Parks Service, a competitor with the Forest Service, has socialized more ecological and preservationist values (see Allin, 1987). The U.S. Marines built an organizational ideology as the nation’s elite military force. “The marines are looking for a few good men” is more than a recruiting slogan to the organization.

Nowhere is the impact of a bureau’s function clearer than in shaping an organization’s cohesion. Some organizations by their nature have difficulty in creating an organizational ideology. This prevents building agency power by announcing “the Government Accountability Office is looking for a few good accountants” or “the few, the proud, the letter carriers.” In all organizations some socialization is possible, but the development of a full-scale organizational ideology is limited by the agency’s function.

Although cohesion is a difficult and elusive term to apply to agencies, some agencies have the ability to motivate their members with appeals to common goals. With this additional commitment, the agency can ask for and get better performance from its employees. Performance and the reputation for performance are invaluable assets to a power-seeking bureau.

Leadership  Leadership contributes to agency power both as a result of the organization of American government and the nature of politics (see Figure 3.1). The fragmentation resulting from the organization of government makes the bureau leader a politician in the classic sense. The bureau chief must build a coalition, seek resources to placate the coalition, and implement programs that please clientele, other political elites, and agency employees. The nature of politics makes leadership a factor because the sublimation of politics provides the leader with opportunities to aggrandize political power by making policy and allocating scarce societal resources.

Case studies indicate that leadership is a vital factor in augmenting agency power. One need only compare the differences in respect for the FBI when it was run by a power broker such as J. Edgar Hoover to its diminished respect under L. Patrick Gray (Poveda, 1990). Although individual bureau chiefs vary in their ability to build effective organizations, leadership is also situational. Caspar Weinberger was perceived as the consummate bureaucratic politician when he
remade the Federal Trade Commission in 1969 and consolidated power for the Office of Management and Budget shortly thereafter (earning the nickname Cap the Knife). Even from 1980 to 1984 with the Department of Defense, Weinberger was recognized as a strong leader; but when the diffuse support for more defense spending evaporated and delicate issues of control arose, Weinberger was perceived as less than able. The specter of expensive toilet seats, $7,000 coffee machines, weapons systems that did not work, and numerous examples of mismanagement destroyed Weinberger’s reputation much faster than it was built.

Bureau leaders can build agency power by affecting both internal and external variables. Internally, a good leader can develop cohesion and expertise. The ability of William Ruckelshaus or Joan Claybrook to motivate agency personnel offers a sharp contrast to the impact that Anne Burford had on the morale of the Environmental Protection Agency (Meier, 1985; Vig and Kraft, 1984). Leaders of the Office of Surface Mining Regulation and Enforcement in the late 1970s adopted a vigorous enforcement policy as a way to instill cohesion in this new agency (Hedge, Menzel, and Krause, 1989: 286; Shover, Clelland, and Lynxwiler, 1986: 138). Jack Knott (1986: 206) found that successful chairs of the Federal Reserve Board were able to build a cohesive coalition of professional staff, members of the board, and heads of the regional banks. A bureau chief who loses the confidence of bureau personnel soon sees the agency’s influence dissipate. In the mid-1970s IRS employees, who felt Commissioner Donald Alexander’s leadership was not “nonpartisan” enough, leaked information damaging to the commissioner and undermined both Alexander and the status of the agency. Similarly the position of EPA chief Anne Burford was seriously weakened because unsympathetic members of Congress somehow gained access to internal agency documents (see Vig and Kraft, 1984).

A bureau chief can also increase a bureau’s reputation for expertise either through the chief’s own expertise or by developing research units within the agency. The appointment of Eula Bingham, a well-known expert in occupational safety and health, was credited with improving the scientific competence of OSHA. Susan King was perceived as installing an economic analytic capacity in the Consumer Product Safety Commission for the first time, whereas her successor, Nancy H. Stoerts, was viewed as a person who did not listen to staff advice (National Journal, 1981: 1960).

Externally, the bureau chief may build power through a variety of strategies. The chief may cultivate congressional allies, as Bobby Inman, the deputy director of the CIA in the late 1970s, was able to do, but Michael Pertschuk, the chair of the Federal Trade Commission at the same time, was not. For many years the Federal Aviation Administration and its leaders have had the ability to exploit accidents to augment the resources of the agency, but the Securities and Exchange Commission rarely was able to benefit from major securities’ crises (Kemp, 1984). Frances Knight, former director of the State Department’s passport office, had the reputation in Washington for developing strong congressional ties by doing favors for members despite the unexciting function of her bureau.

Fenno’s (1966) study of the federal budget indicates congressional confidence in bureau leadership safeguards resources by allowing the bureau to avoid budget
cuts. Bureau chiefs with strong ties to clientele groups can build an agency’s power base by tying the beneficiaries closer to the agency. Mary Switzer, as head of the Rehabilitation Services Administration, had strong support from state agencies in vocational rehabilitation, but several of her successors were widely disliked by the same persons. Former Secretary of Health and Human Services Richard Schweiker lost support from that agency’s clientele when he appeared to surrender control over the HHS budget to the OMB and failed to become an independent advocate (Demkovich, 1982: 848). Too much independence, however, can be fatal also as Margaret Heckler discovered in 1985 when President Reagan removed her from the HHS position.

Finally, leadership is important because an administrator’s reputation for political skills is an aid that helps any agency. William Ruckelshaus was perceived as a good administrator, and his reappointment to the EPA revitalized the agency. David Stockman’s reputation for mastery of detail enabled the OMB to become a dominant actor in the budgeting process. His replacement, James C. Miller III, lacked his political skills, and the reputation of the OMB dropped (Haas, 1987: 1690). Others who lack the reputation as good administrators detract from their agency’s ability to win political battles. Don Noble, the head of the Synthetic Fuels Corporation, was perceived as a poor administrator who eventually destroyed the effectiveness of the agency’s programs. Congress subsequently abolished the agency. Charles Z. Wick, an administrator with a reputation for cheerleading and little administrative ability, weakened the U.S. Information Agency’s already marginal reputation (Madison, 1984).

The importance of leadership in bureaucratic politics is illustrated well by the role Paul Volcker, chair of the Federal Reserve, played in economic policy from 1978 to 1986 (Kettl, 1986). In 1979 Volcker began a campaign to lower inflation by manipulating reserve requirements, discount rates, and monetary policy. Volcker eventually was able to reduce inflation from double-digit range because he established a clear policy to combat inflation, built support for that policy among other political elites, and was sensitive in how far he could press unpopular policies (Kettl, 1986). Exercising such leadership, Volcker established effective policies that elected officials were unwilling to try on their own.

**SUMMARY**

The discussion of bureau power and its sources is not just a theoretical argument bolstered by a few case studies; it is an empirical theory that describes the actual process of building support for agencies. One study of 127 federal agencies that attempted to measure both the power of individual agencies (defined as autonomy and extraction of resources) and the independent variables—clientele support, knowledge, cohesion, and leadership—found that each of these variables was related to bureau power (Meier, 1980). The results of this analysis are shown in Table 3.2. The table shows that the two stronger sources of bureau power are clientele support and agency cohesion while knowledge and leadership are
somewhat weaker. The significant direct impact illustrates that each force is a separate determinant of bureau power and that they are independent of each other. An examination of the separate dimensions of power (resources and autonomy) revealed that clientele support and expertise had a strong impact on autonomy but little impact on resource extraction (the latter might be expected given the mixed findings in the budgeting literature). Leadership and cohesion, on the other hand, had a major impact on resource extraction but did not affect the agency’s autonomy.11

Dennis Grady (1989) completed a similar study of bureaucratic power with state economic development agencies. He found a positive relationship between both agency expertise (knowledge) and clientele support and the ability to extract resources. Agency autonomy was linked to clientele support, gubernatorial support (another form of public support), and lack of partisan divisions in the legislature.

The growth of bureau power, therefore, is a function of both the characteristics of individual bureaus and the environment in which they operate. Bureaucracies in general become policymaking institutions in response to four environmental conditions. The nature of American politics defines many political questions as the responsibility of administrative agencies. The organization of government disperses political power, thus permitting bureaucracy to coalesce with others in an issue network. The task demands of public policy require an institution that can concentrate expertise on specific problems as the bureaucracy

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<th>Impact of Clientele Support, Expertise, Cohesion, and Leadership on Bureaucratic Power</th>
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<tr>
<td><strong>Independent Variables</strong></td>
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<td>Expertise</td>
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<td><strong>R = .60</strong></td>
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*Standardized regression coefficients; all are significant at .01 or less.

11The empirical example is shown for a specific reason even though the argument of the chapter does not require it. The study of public administration, of which bureaucratic politics is a part, at one time had a reputation as a methodological backwater. In part that reputation was well deserved, but much good quality research is now being done (see Krause and Meier, 2003); and much of it is cited in this and other chapters. This research, however, is being ignored for the most part by texts on public administration, thus perpetuating the stereotype. Only by incorporating empirical research into the body of the chapter can attention be drawn to it.
can. Finally, the bureaucratic function, implementation, has within it additional opportunities for discretion and power.

Individual bureaus, however, vary a great deal in political influence. One environmental factor and three internal factors permit individual bureaus to become powerful institutions. First, the political environment of the bureau provides specific and diffuse support for both the bureau and the programs it administers. Second, the bureau’s ability to store and process information that other political elites do not have gives it a relative advantage in policymaking. Third, the organization’s cohesion contributes to power by improving agency performance through motivation of agency personnel. Fourth, positive agency leadership is necessary to exploit environmental opportunities for building powerful bureaus. Powerful bureaus do not develop because bureaucrats conspire to bureaucratize American life. Powerful bureaus develop in response to environmental demands. Those agencies blessed with a favorable environment and the internal characteristics necessary to exploit that environment become power brokers of the first order.