

EDITION

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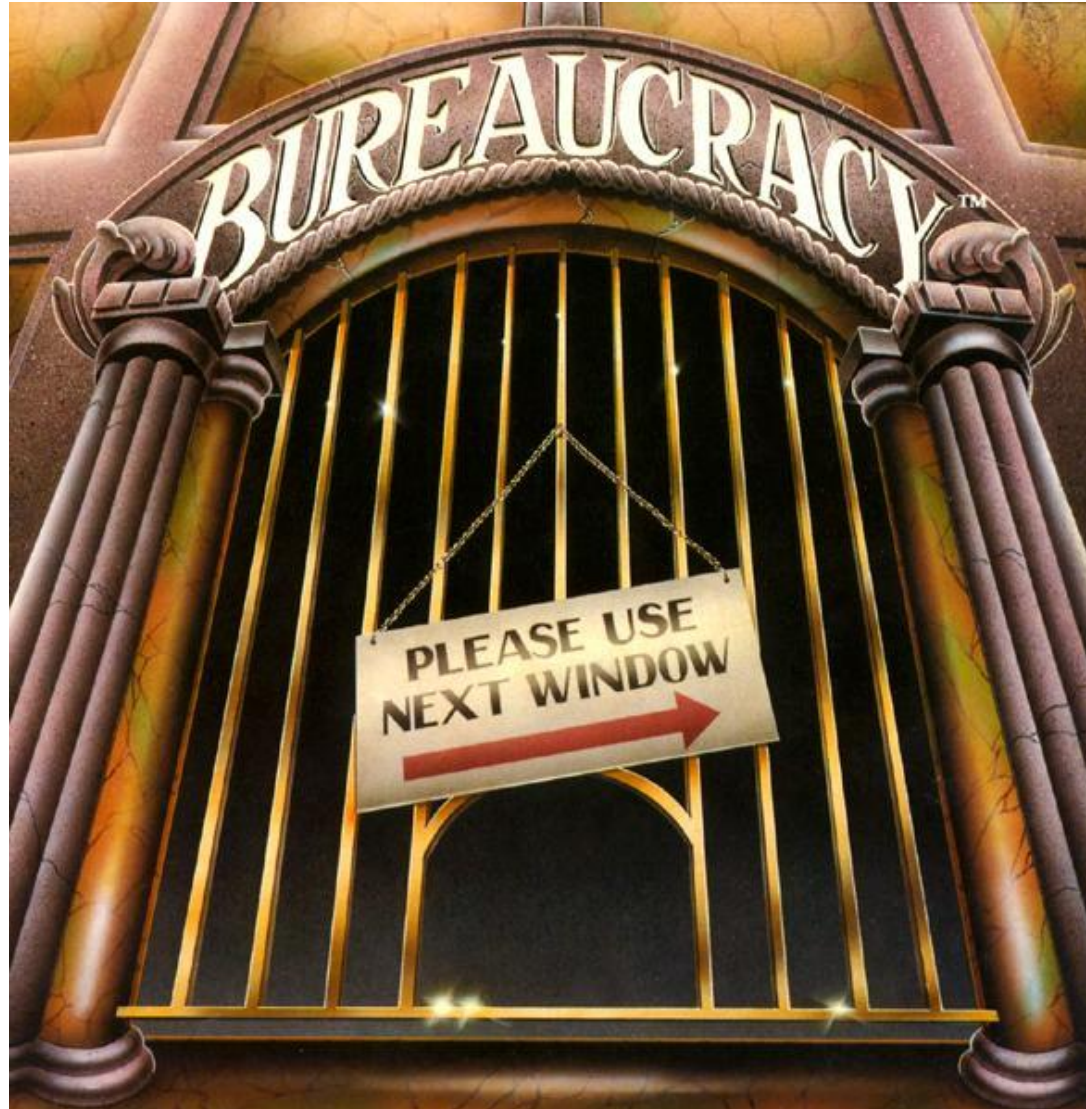
## CHAPTER 12

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### The Bureaucracy

# Bureaucracy in a Democracy

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## Chapter Goals

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- Describe the characteristics and role of bureaucrats and bureaucracies.
- Explain civil service hiring , political appointments, and the use of federal contracting.
- Explain how the president, congress and the judiciary try to manage the bureaucracy.

## Defining the Bureaucracy

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**Bureaucracy** is the complex structure of offices, tasks, rules, and principles of organization that is employed by all large-scale institutions to coordinate the work of their personnel.

It is a means of coordinating many different parts of government that work together to provide services.

- It employs specialists and provides resources and tools.
- It must be able to effectively reach out to the public.

The bureaucracy implements policies passed by Congress and the president as well as policies that are adjudicated by the courts.



# The Bureaucracy

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- Often referred to as the fourth branch of government.
- The word bureaucracy usually has a chilling effect on many Americans who associate the word with monotony, inefficiency, and waste. But what is the bureaucracy and why do citizens hold it in such low esteem?
- Everyday, citizens make demands on the government for assistance. When Congress passes legislation, and presidents pronounce executive orders in response to these demands, federal agencies—if they do not exist; are established—are required to implement them.

## The Bureaucracy

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- The growth of the federal bureaucracy has been more pronounced in times of economic challenges, war and threats to national security.
- After the catastrophic events of September 11, 2001, the Department of Homeland Security was established to coordinate and boost national security.
- And, in responding to the economic crisis of 2008, a new consumer protection agency (CFPB) is being organized.

## The Bureaucracy

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- Bureaucratic policy making action that concerns citizens is regulation. In this capacity agencies can confer benefits and impose restrictions on business conduct and economic activity.
- While the public is alarmed at the nature of the bureaucracy, it is a vital organ of the government as it tries to address the needs and concerns of the people under its jurisdiction.

# The Bureaucracy

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- Bureaucracy:
  - Bureaucracy is the primary form of organization of government and most major corporations.
  - These organizations are developed to carry out complex policies and procedures or to deliver multiple services or products in a fair, consistent, and effective manner.
  - Bureaucracies are hierarchical organizations characterized by a division of labor and extensive procedural rules.
- *Bureaucrat = often negative connotations associated with the word*



## Size of the Bureaucracy

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### The Beginning Size

- Founders made few formal provisions for the bureaucracy.
  - Recognized the need for administrators and clerical workers to carry out the laws and programs passed by congress.
- Washington's first cabinet had only three departments (State, Treasury, War,) and the offices of Postmaster General and Attorney General.
- Since the founding of the United States, the federal bureaucracy has grown from 50 to about 2.8 million employees (excluding the military).

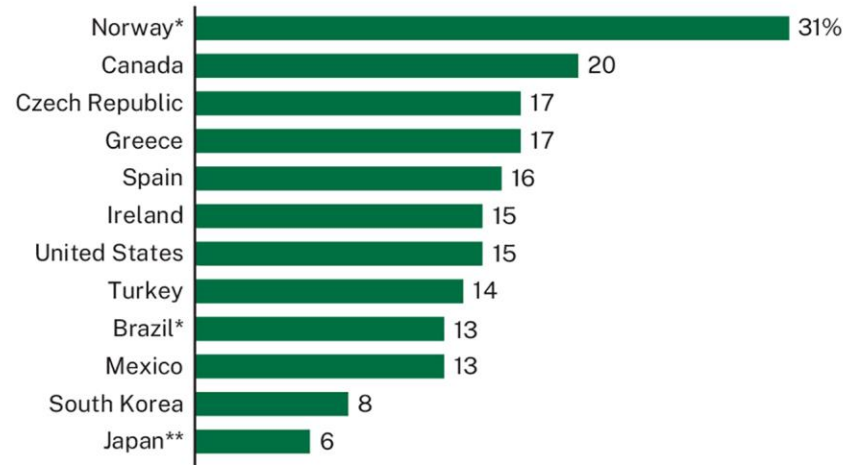
## Size of the Bureaucracy

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Contrary to popular assertions, bureaucracy has not grown significantly over the past 35 years.

- 1968: 3 million civilian employees; 3.6 million military personnel
- 2019: 2.8 million civilian employees; 1.3 million military personnel
- The ratio of federal employment to the total workforce has declined slightly over the past 60 years.
  - However, the number of state and local government employees has grown.
- Some of the decline in the size of the bureaucracy is because of privatization efforts.

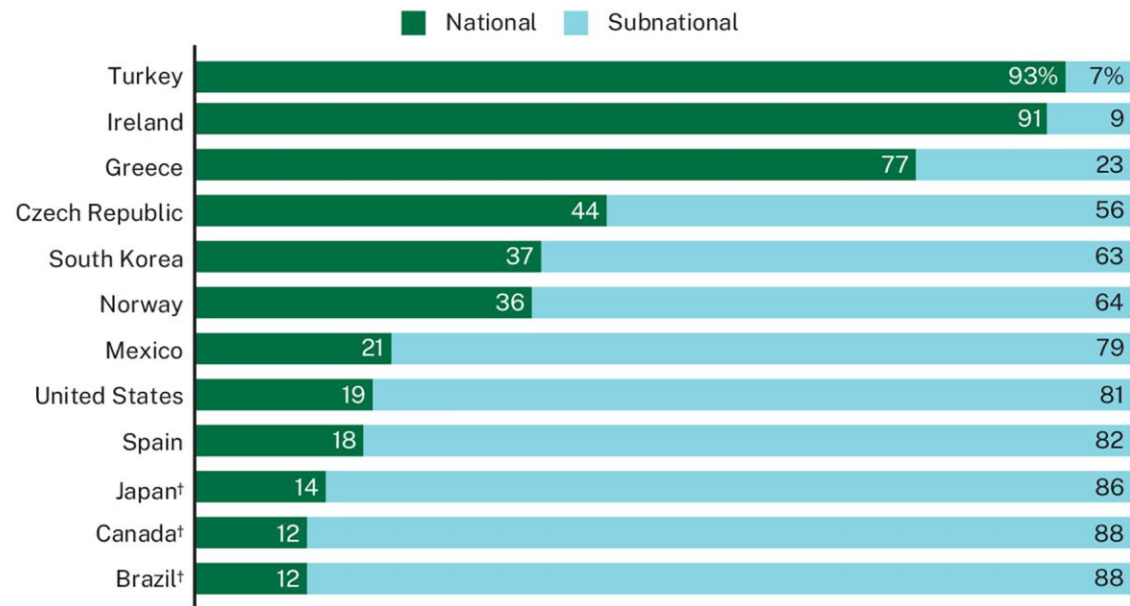
### OVERALL GOVERNMENT EMPLOYMENT



\* Data are from 2018.

\*\*Data are from 2017.

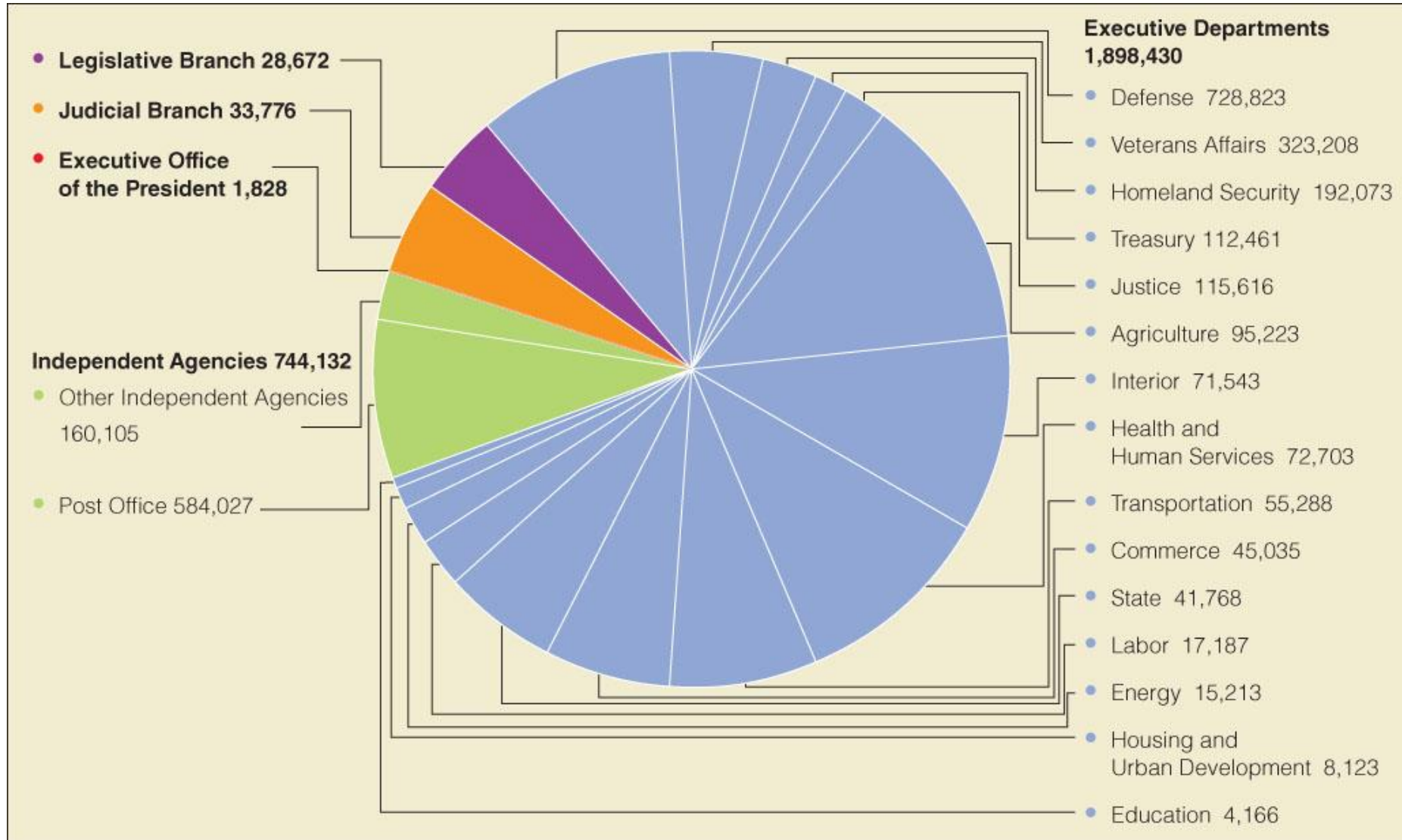
### EMPLOYMENT BY LEVEL OF GOVERNMENT



†Data are from 2014.

## America Side by Side: Bureaucracy in Comparison

# Size of the Bureaucracy



# The Bureaucracy

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There are four major types of bureaucratic agencies:

- *Executive Cabinet Departments.*
- *Independent Executive Agencies.*
- *Independent Regulatory Agencies/Commission.*
- *Government Corporations.*

Each performs specific tasks—carrying out the president's policy in specific functional areas, regulating specific areas of business or the economy, and providing services to the public that no private company would.

## Bureaucracy and Bureaucrats: What Bureaucrats Do

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**Policy implementation is the primary job bureaucrats do.**

- **Convert laws passed by Congress and signed by the president into rules and actions that make it possible to realize the intent of the law.**
- In this role they provide continuity in governing.
  - Essential work continues as elected and appointed officials come and go.
  - Career civil servants have greater knowledge of their agency's work which makes them more productive than a short-term political appointee.



## Bureaucracy and Bureaucrats: What Bureaucrats Do

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**Administering the law – to execute, enforce, and apply the rules that have been made either by Congress or the bureaucracy itself.**

- Includes thousands of different kinds of activities
  - Writing checks to support growing of crops/or not growing
  - Providing direct services to the public
  - Evaluating programs
  - Prosecuting those who try to defraud the government
  - Maintaining buildings and offices
  - Forest rangers even put out forest fires....

# Bureaucracy and Bureaucrats: What Bureaucrats Do

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## Enforcing laws

- Agency powers to enforce rules can include:
  - Demanding reports
  - Auditing books
  - Monitoring contracts
  - Tracking company obligations
  - Regulating citizens' actions

## Key Characteristics of Bureaucracies

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The bureaucracy in the American government has several key characteristics:

- **Mission-driven:** Each department has its own mission statement.
- **Expertise:** Many who work in bureaucracies are policy experts in their area.
- **Hierarchical structure:** Bureaucracies function along clear lines of authority using standard operating procedures.

## Delegating to the Bureaucracy

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Congress delegates significant policy-making responsibility to the bureaucracy.

Why would Congress choose to give such discretion to unelected bureaucrats?

- The bureaucracy has more expertise than Congress.
- The bureaucracy can be more flexible and responsive than Congress.

This delegation of authority sets up a principal-agent problem: a conflict in priorities between an actor (Congress) and the representative authorized to act on the actor's behalf (the bureaucracy).

## Organization of the Executive Branch: Executive Departments

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The Constitution says little about the organization of the executive branch other than indicating the need for the President to have a cabinet. (Article 2, Section 2 only mentions Executive Departments)

- No single type of organization is appropriate for every task assigned to the bureaucracy.
  - 15 Executive Departments
  - Independent Executive Agencies
  - Independent Regulatory Agencies/Commissions
  - Government Corporations

# Organization of the Executive Branch: Executive Departments

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The 15 **executive departments** in the federal government.

- Departments are- State, Treasury, Defense, Justice, Interior, Agriculture, Commerce, Labor, Health and Human Services, Housing and Urban Development, Transportation, Energy, Education, Veterans Affairs, and Homeland Security.
- Appointed by the president with the consent of the Senate.
- These 15 departments employ over 80 percent of the federal civilian workforce.
- Department heads are called secretaries and are directly accountable to the president.
- The secretaries of these departments along with the vice president and the attorney general, make up the Cabinet.



# The Interior Department

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Don and Melinda Crawford/UCG/Universal Images Group via Getty Images



Don and Melinda Crawford/UCG/Universal Images Group via Getty Images

# Organization of the Executive Branch: Independent Agencies

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The Independent Executive Agencies-Basic Operational Unit.

Differ from departments in that they are usually smaller, and their heads do not sit on the cabinet. Sometimes called a bureau, service, or administration.

- Agency heads are appointed by and responsible to the president.
- Employees have expertise; professional background, not just an acceptable political profile.
- Have independent authority to implement policy and design regulations.
- Some agencies head may be given cabinet status. Ex. EPA
- Some independent agencies are responsible for specialized areas of policy:
  - NASA – space exploration
  - FBI – law enforcement
  - SSA – Social Security Administration

# Organization of the Executive Branch: Corporations and Commissions

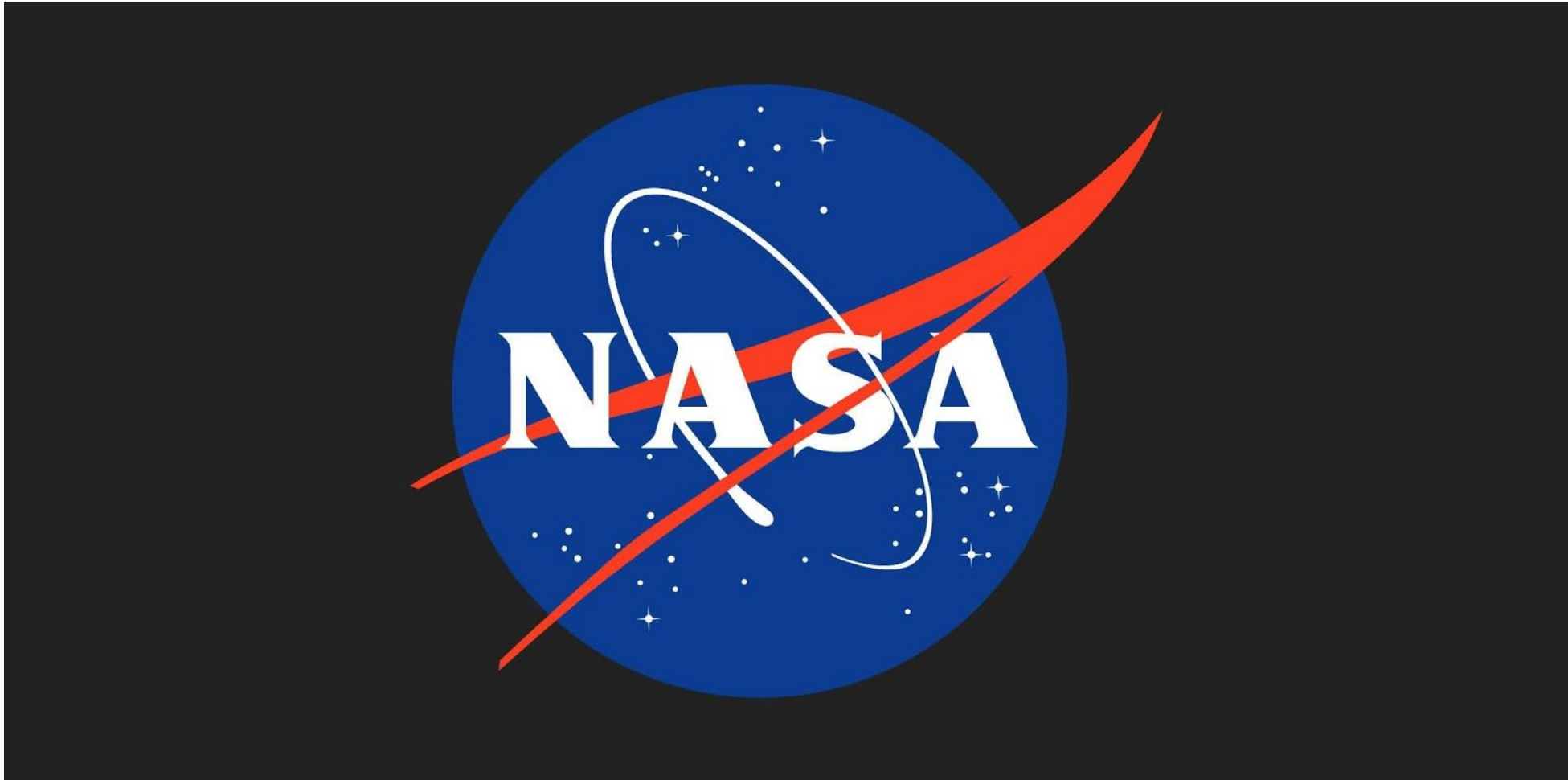
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## Independent Regulatory Agencies/Commissions

- Treated like any other bureaucratic agency but exist outside the current departmental system and headed by a commissioner or administrator.
- Regulatory agencies/commission were created by congress to handle a specific government activity that is highly complex and technical. Ex: EPA, FCC, SEC, FTC, etc.
- Regulatory agencies/commissions have the authority to issue and enforce rules and adjudicate disputes involving the agencies rules.
- Members of regulatory boards or commissions are appointed by the president with consent of Senate.

# National Aeronautics and Space Administration (NASA)

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NASA is the biggest and well-known Independent Agency



# Organization of the Executive Branch: Corporations and Commissions

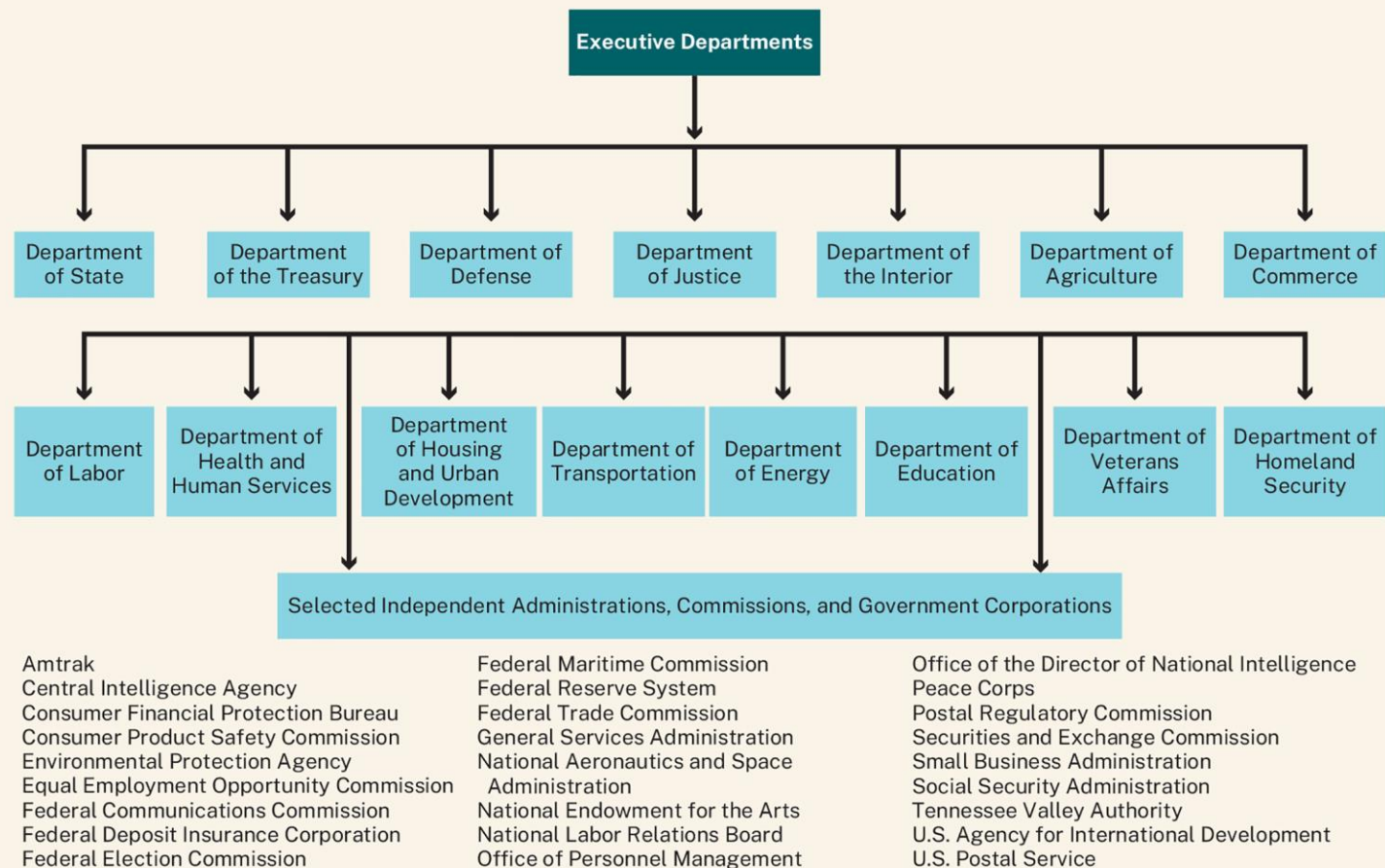
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## Government Corporations

- Government corporations are businesses run by government to provide services the public wants but that no private company will provide because they are not profitable.
- Charge for the service, but primary goal is not to make a profit but to provide the service.
- Provide public services and, while chartered by the U.S. government, are highly independent
- Have outside revenue sources but may or may not get funding at any time from the government.
- *Examples: Amtrak, United States Postal Service, Corporation for Public Broadcasting*

# The Executive Branch of the Federal Government

**FIGURE 12.1** | The Executive Branch of the Federal Government





# The Cabinet



AP Photo/Susan Walsh

## The Bureaucracy: Location within the Executive Branch

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In creating an agency, Congress has to decide where to locate the agency within the government and who will head the agency.

The president has more control over organizations within the executive branch and less over independent agencies.

Agencies can be headed by one person or by a multi-person board.

## Bureaucracy: Who Are Bureaucrats?

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Bureaucrats are members of the “civil service.”

### History of the Federal Civil Service

- To the Victor Belong the Spoils
  - Spoils system: prior to the 1880s, most federal jobs were given to political supporters of various officials until the next election.
    - Virtually no central bureaucracy at this time
    - Most jobs were with the post office or the courts.
    - Simple jobs, often used to reward political supporters.

## Bureaucracy: Who Are Bureaucrats?

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### History of the Federal Civil Service

On July 2, 1881, President Garfield was assassinated by a man upset that he was not given a patronage position.

*The assassin was Charles J. Guiteau, who was a supporter of the Garfield campaign, and who wanted to be appointed U.S. Consul to Paris, a position for which he had absolutely no qualifications.*



# Bureaucracy: Who Are Bureaucrats?

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On September 19, 1881, President James A. Garfield died after being assassinated by a disappointed office seeker, Charles J. Guiteau. The long-term effect of this event was to replace the spoils system with a permanent career civil service. This process began with the passage of the Pendleton Act in 1883, which established the Civil Service Commission.

## Bureaucracy: Who Are Bureaucrats?

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### Pendleton Civil Service Reform Act, 1883

- Established the Civil Service Commission to fill designated positions within the bureaucracy with people who had proved their competence. Covered positions must be obtained by passing an exam.
- New law protected people holding merit positions from pressure to support or oppose particular candidates and from dismissal for political reasons. Civil servants cannot be fired without cause.
- Established Neutral Competence - Professional standard for civil service employees. Chosen by expertise and carry out their work in a nonpartisan neutral manner.



## Bureaucracy: Who Are Bureaucrats?

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- The Civil Service Reform Act of 1978
  - Abolish the Civil Service Commission.
  - Created the Office of Personnel Management (OPM) empowered to recruit, interview and test potential government workers.
  - Created the Merit System Protection Board to oversee promotions, employee rights and evaluate charges of wrongdoing and order corrective action.

# Bureaucracy and Bureaucrats: Employees

**FIGURE 12.2** | Employees in the Federal Service as a Percentage of the National Workforce, 1950–2022



**SOURCES:** Office of Personnel Management, “Executive Branch Civilian Employment since 1940,” [www.opm.gov](http://www.opm.gov) (accessed 4/24/20); United States Postal Service, “Number of Postal Employees since 1926,” <https://about.usps.com/who-we-are/postal-history/employees-since-1926.pdf> (accessed 4/24/20).

# Controlling the Bureaucracy: The President

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As head of the executive branch the president has the constitutional responsibility to both management and control of the bureaucracy.

How do they achieve these goals?

- Appointment powers: the president can appoint those loyal to them to head bureaucratic departments and agencies. He can also fire ineffective department heads.
- The Executive Office of the President (EOP), particularly the Office of Management and Budget, controls the federal budget and regulations. Can guide priorities and policy goals and can sequester funds.
- The appointment of specific “policy czars.” These are usually targeted at specific policy areas and these individuals are empowered to cut across agency lines.

## Controlling the Bureaucracy: Congress

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The Constitution gives Congress the ability to control the bureaucracy through approval of funding, changing the location or structure of agencies, and organizational choices.

**Oversight** is the effort by Congress to exercise control over the activities of executive agencies through hearings, investigations, and other techniques.

- **“Police patrol”** oversight involves regular or preemptive hearings.
- **“Fire alarm”** oversight is prompted by media attention or group complaints.

## Controlling the Bureaucracy: Congress

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- The Government Accountability Office (GAO), Congressional Research Service (CRS), and Congressional Budget Office (CBO) provide important information that can assist Congress in its oversight duties.
- Congress can also use the power of the purse to exert control over a bureaucracy through the annual appropriations process.
- Congress created the **Inspectors General** (IG) in 1978, which are independent audit organizations located in most federal agencies.

## Controlling the Bureaucracy: Other Forms of Oversight

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- Judicial oversight: Federal courts have the authority to judge the constitutionality of bureaucratic actions, settle disputes between Congress and executive agencies, and monitor the implementation of laws.
- Internal oversight: **Whistleblowers** may report wrongdoing within federal agencies.
- Citizen oversight: Ordinary citizens and journalists can file Freedom of Information Act (FOIA) requests.



# The Difficulties of Bureaucratic Control

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Bureaucratic control is difficult as the tools of control are imperfect.

- The principle-agent problem remains at the heart of bureaucratic control.
- There is also the issue of **regulatory capture**: a form of government failure in which an agency becomes more concerned with serving interest groups and businesses than with regulating them.

# Size of the Bureaucracy: Private Contracting

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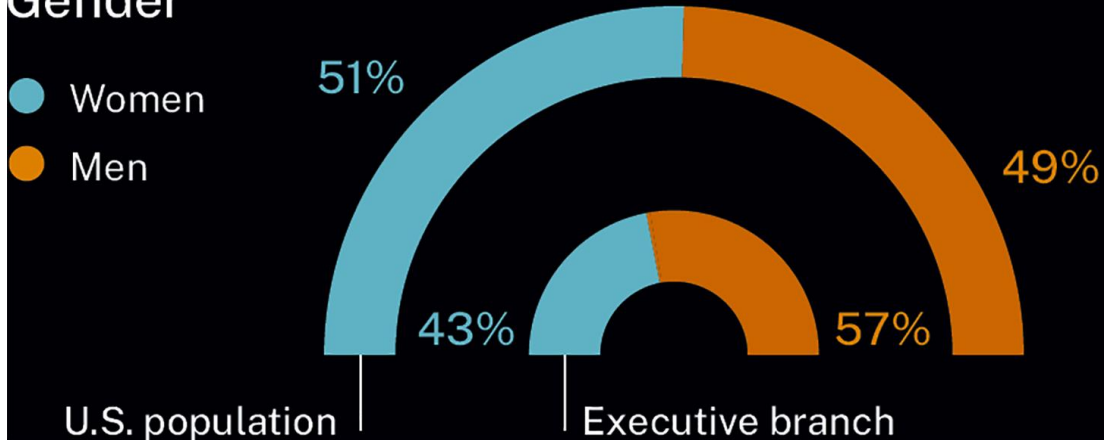
## Privatization

- Paying private contractors to perform tasks previously performed by government employees
- Private contractors are not usually subjected to the same standards or reviews as federal employees.
- The number of federal contractors exceeds the number of federal employees.
- Some of the decline in the size of the bureaucracy is because of privatization.
- Contracting may or may not reduce costs and while contracting reduces the size of the federal workforce, it also grows the government in order to manage and oversee the private companies.

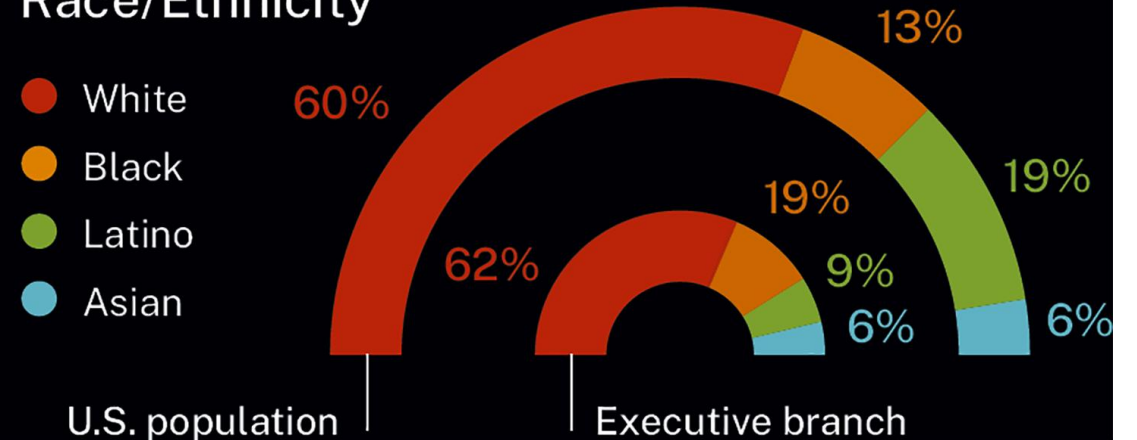
# Who Are Americans: Who Are Bureaucrats?, Part 1

## Executive Branch Employees, 2019

### Gender

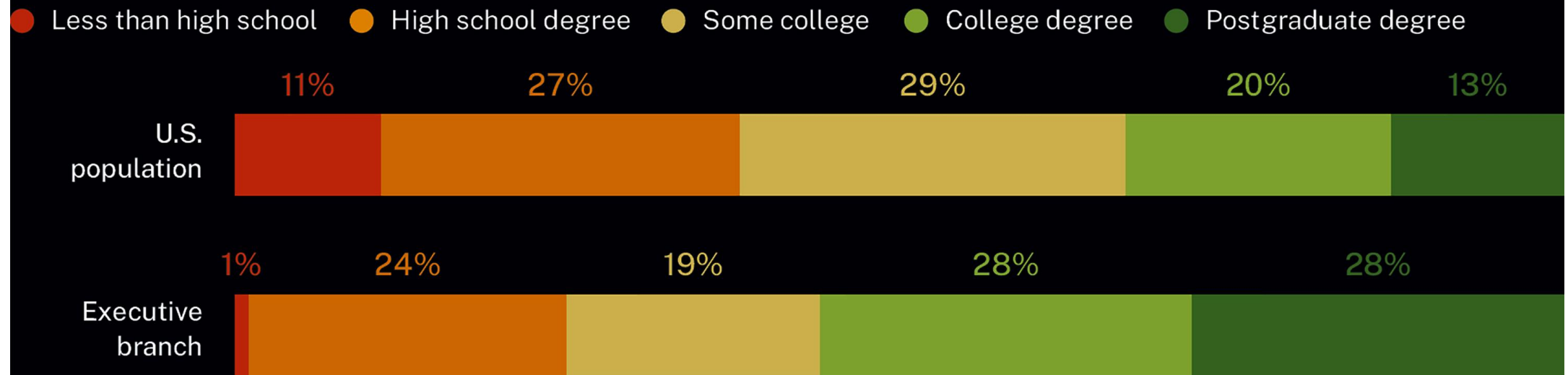


### Race/Ethnicity



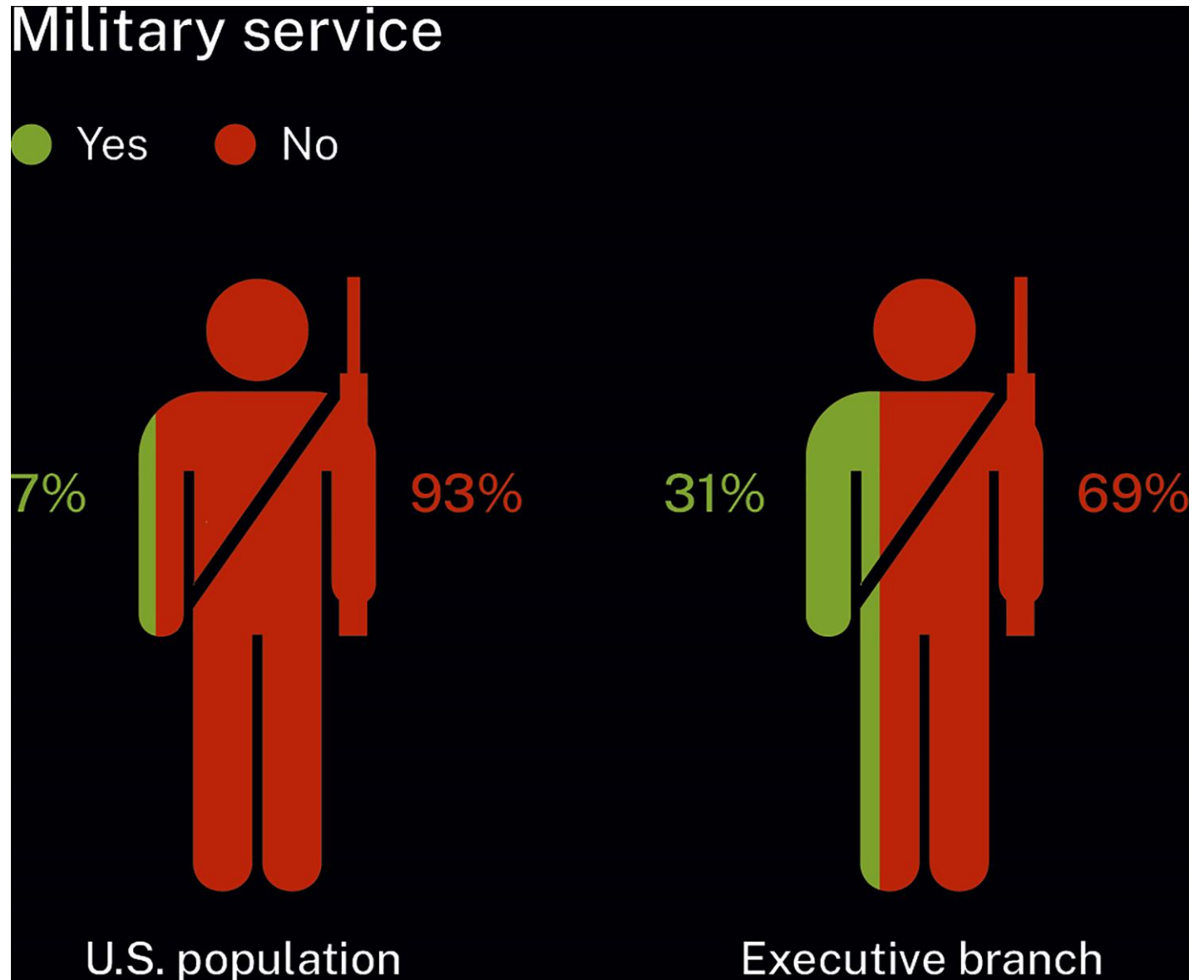
## Who Are Americans: Who Are Bureaucrats?, Part 2

### Education



## Who Are Americans: Who Are Bureaucrats?, Part 3

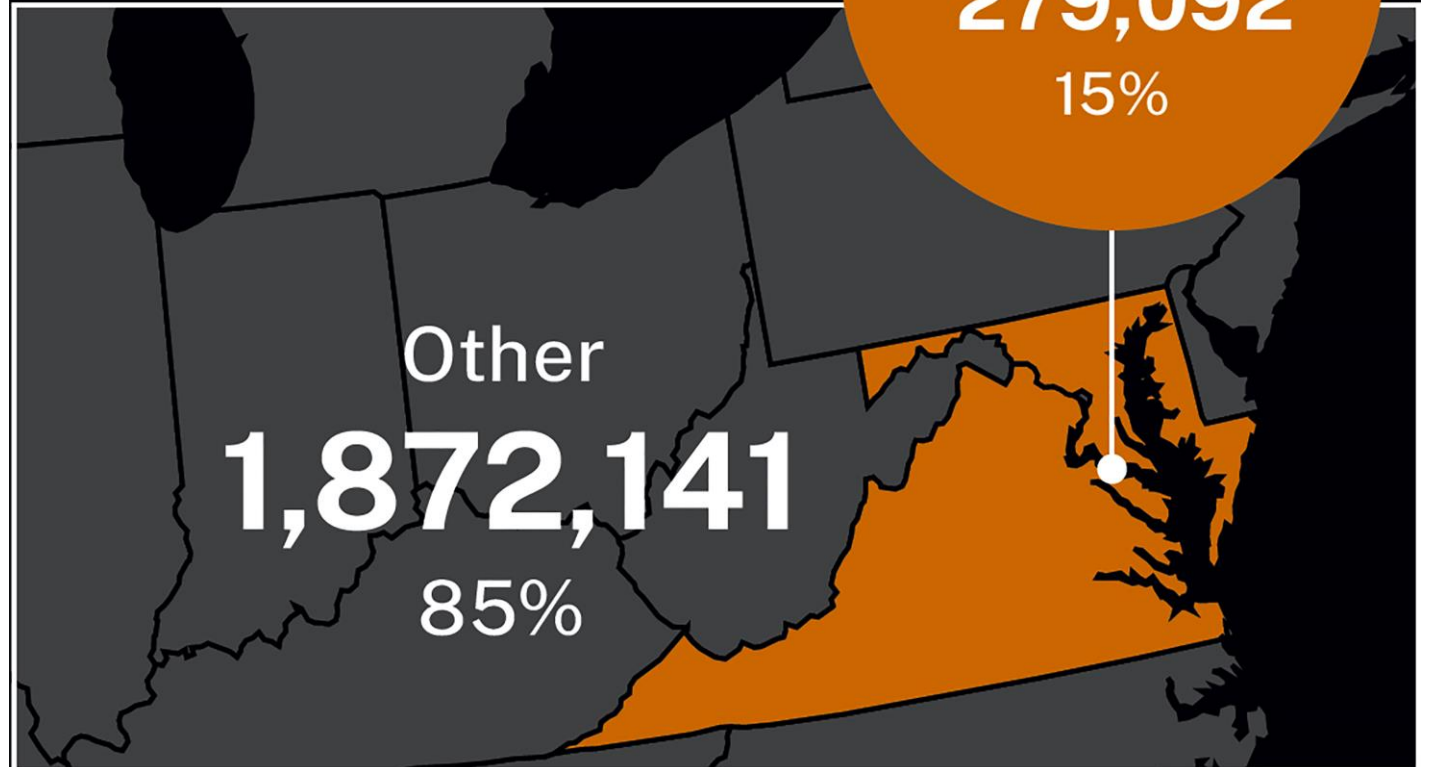
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## Who Are Americans: Who Are Bureaucrats?, Part 4

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Location of executive  
branch employees,  
2019





# Controlling the Bureaucracy: A Case Study

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The formation of the Consumer Financial Protection Bureau (CFPB) illustrates the struggle between the president and Congress over the bureaucracy.

The CFPB was created in 2010 after the financial crisis that started in 2007.

- President Obama and congressional Republicans disagreed about the structure, funding, and location of the CFPB.
- Congressional Republicans wanted funding to be annually appropriated by Congress, not as automatic funding from a fixed percentage of the Federal Reserve System's operating expenses.

# Oversight in Action: The CFPB

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## Readings From Faculty Website

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- *The Constitution of the United States*
- *Federalist No. 10 – Factions aka Special Interests*
- *Federalist No. 45 – The Powers of the Government*

# The Bureaucracy

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