

## CHAPTER 9

# THE EXECUTIVE BRANCH AND THE FEDERAL BUREAUCRACY

<b>Narrative Lecture Outline</b>
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### **The Roots and Development of the Federal Bureaucracy**

Bureaucracy and bureaucrat are often tossed around like dirty words. These words seem to conjure up visions of slow, inept, gray, and faceless automatons that are avoiding work and responsibility. In fact, bureaucracies were developed in ancient China to rationalize the work of government, to make it more objective and less nepotistic, and bureaucracies were designed to ensure that someone was responsible for a specific issue area through specialization. So what happened? Did bureaucracy change or do Americans just have an extremely negative caricature in mind when they think of bureaucracies?

In order to come to a fuller understanding of the stereotypes about government workers and their validity, we must first understand what a bureaucracy is, how they operate, who staffs them, and why they exist. We also need a basic understanding of the historical roots of our bureaucracy. That is what we will do here today.

The text gives many definitions of bureaucracy including Max Weber's definition. The key factors are:

- an hierarchical chain of command
- division of labor and specialization
- clear lines of authority
- impersonal rules and merit based decision making

This definition makes bureaucracy sound good. It is rational and based on merit. It divides up tasks and has clear lines of authority, and therefore accountability. The hierarchy and chain of command insure that someone is ultimately responsible. So how has this definition played out historically?

In 1789, George Washington headed a federal bureaucracy of three departments: State, War, and Treasury. The head of each department came to be called a secretary. The government slowly grew as needs arose and demands were articulated. In general, the government grew most during crises and times of war.

### **The Civil War and the Growth of Government**

The Civil War (1861-65) permanently changed the nature of the federal bureaucracy. Thousands of employees were added in order to mount the war effort. Poor harvests were a serious issue during the war—the troops must be fed—so Abraham Lincoln created the Department of Agriculture in 1862.

After the Civil War, demands continued to grow. The government needed to pay pensions to veterans and the injured from the war. Legal issues became pressing so the Justice Department was created.

The types and nature of government service were increasing, and resulted in a rise in federal employment. You also need to remember that the U.S. was becoming more “democratic.” From 1820 on, the electorate was expanding from white, male property owners to all white males and after the Civil War to black males (though this was short-lived and this group did not get full rights until the mid-1960s) and these newly enfranchised citizens were also making demands on government.

In addition to the war and increasing citizen demand for services, there was a good political reason for the expansion of the bureaucracy: politics. Government jobs were used by presidents and party leaders to reward electoral and financial support, so there were incentives for political leaders to expand public jobs.

### **From the Spoils System to the Merit System**

From the 1830s until the 1880s, with a high water mark under Abraham Lincoln, public jobs came to be known as the “spoils of politics” hence the name “the spoils system.” The idea was that public jobs were the spoils for whomever won the election. So when one party won, the whole bureaucracy was fired and in came supporters of the winning party. By 1880, many were calling for a change. Government administration had become too political, had no job security, and people were not doing their jobs because they had no aptitude to do so, they were just someone's political friends.

Finally in 1883, Congress passed the Civil Service Reform Act, more commonly known as the Pendleton Act, in order to reduce patronage and build up a merit-based system of public jobs. The Act created the principle of federal employment based on open competitive exams and created a bipartisan Civil Service Commission to oversee the reforms. Initially, only 10 percent of federal jobs were covered by civil service; today, over 90 percent are. This system is known as the merit system.

This new system gives job security to federal employees because they cannot be fired due to election results or political whims. They can no longer be forced to donate money to a president's political campaign (in fact, under the Hatch Act they were prohibited from doing so). People are now hired because they are appropriate for a job and have the right skills. The downside is that perhaps civil servants today have too much job security. It is very difficult to fire someone from the government. Some bureaucrats do behave badly and thwart the will of Congress, the president, and/or the people. Some are rude and incompetent. However, most of today's 2.8 million federal employees are competent, caring individuals who do a good job. Can you think of some examples? Perhaps some of you have parents or friends who work for the government. How do they approach their jobs?

### **Regulating the Economy and the Growth of Government in the Twentieth Century**

The country continued to expand. New territories became new states and the federal government continued to get bigger in response. The industrial revolution of the late 1800s brought big business into the picture—particularly big railroads—and price fixing, monopolies, and unfair business practices became a growing problem. In response, Congress created the first independent regulatory commission called the Interstate Commerce Commission (ICC). This signified a shift in the powers of government from service to regulation.

In 1900, Teddy Roosevelt asked Congress to create a Department of Commerce and Labor to oversee employer-employee relations due to intolerable labor practices like child labor, low wages, long hours, unsafe working conditions, and the refusal of employers to allow unions to protect employees. Woodrow Wilson later separated this department into two since it was difficult for one organization to represent both sets of interests.

The ratification of the Sixteenth Amendment in 1913 also caused the government to get larger (and in other ways allowed and encouraged the growth of government). The Sixteenth Amendment allowed the government to tax personal income. This infusion of funds made it easier to support new services, agencies, and programs.

Government was regulating business, but there were people who did not think that was the proper role of government even back in the 1800s. Some people followed a *laissez-faire* attitude toward business. (Remember this discussion back in chapter 1?)

FDR faced high unemployment and weak financial markets during the Great Depression. In order to face that crisis, he created large numbers of federal agencies and many federal programs. The alphabet soup he created (AAA, NIRA, CCC, and so on) was quickly passed by Congress, but stalled by the Supreme Court. In 1937, the Court argued that far-ranging authority to regulate the economy was beyond the purview of the president and Congress. The *laissez-faire* Supreme Court invalidated much of the New Deal. (This was also covered in chapters 3, 8, and 10.)

FDR was frustrated and proposed adding appointees to the Court to change the majority vote. This is often referred to as FDR's plan to pack the Court. The Court quickly changed its mind and began voting in favor of the New Deal programs.

WWII (like the Civil War and WWI) also caused the government to grow. Returning veterans demanded new services resulting in the GI Bill for education and the Veteran's Administration housing programs. The Civil Rights Movement and their demands also caused government to grow through agencies like the Equal Opportunity Employment Commission (EEOC) and the Department of Housing and Urban Development. These changes and more lead us to a discussion of the nature of the modern bureaucracy or what today's government is like.

### **The Modern Bureaucracy**

Critics often complain that government is not run like a business. That is true and probably a good thing. Governments exist for the public good, not for profit. Government leaders are driven by reelection (and thus accountability) goals while businesspeople are out to increase their share prices on Wall Street. Businesses get money from customers, government gets it from taxpayers. Another big difference is that it is difficult to determine to whom bureaucrats are responsible: to the president? to Congress? to the people?

### **Who are the Bureaucrats?**

There are 15 Cabinet-level departments in the federal government today. There are more than 60 government agencies and 2,000 other subunits of the U.S. government. There are about 2.7 million employees in the executive branch. Nearly 30 percent of those work in the Postal Service and 33 percent work for the Department of Defense.

The remaining workers are spread out among the rest of the governmental departments and agencies.

Most government employees are part of the civil service. That means they take a test and are hired, at least in part, based on their test scores. Mid and upper-level employees generally do not take a written test, but are subject to strict qualification guidelines.

Ten percent of the federal bureaucracy is not covered by civil service laws. These positions include: appointed positions—about 3000 people are appointed by the president some with the advice and consent of the Senate and senior presidential appointees then appoint the next tier of appointees; independent regulatory commissioners appointed by the president; low-level, non-patronage positions. The number of political appointees has grown dramatically under President Bush, from 1229 to 2000. There has also been a 50 percent drop in the number of minorities appointed and a 20 percent drop in the number of women.

Not all federal employees push paper. Some of the most highly skilled and efficient workers in the world work for the government from biochemists working in the National Institutes for Health to computer programmers in the Census Bureau, zoologists at the National Zoo, forest rangers, statisticians, and more. Federal employees are also a diverse lot basically representing the racial and ethnic composition of the population at large though women are less represented than men and often have lower-level positions under the proverbial “glass ceiling.”

Only 11 percent of federal workers work in Washington, D.C. (332,500). The rest are scattered in regional, state, and local offices throughout the country. Many government jobs are hard to fill, especially the ones requiring high skill levels since government doesn't pay as well as business.

The federal government also relies on hiring outside contractors for increasing numbers of jobs. This is a controversial practice that makes government look smaller than it is and may not always save the taxpayers' dollars.

### **Formal Organization**

Agencies fall into four general types: Cabinet departments, government corporations, independent agencies, and regulatory commissions.

### **The Cabinet Departments**

The 15 Cabinet departments are major administrative units that have responsibility for conducting broad areas of government operation. These positions account for 60 percent of the federal workforce.

Departments vary in prestige, power, size, and access to the president, but share a number of common attributes: each is headed by a secretary (except Justice which is headed by the Attorney General); secretaries are assisted by deputies and undersecretaries; departments are subdivided into functional units (legal services, budgets, public relations, and so on).

### **Government Corporations**

Government corporations began in the 1930s. They are businesses created by Congress to perform functions that could be performed by private business but aren't

usually because they are not profitable. These corporations include Amtrak and the Tennessee Valley Authority.

### **Independent Executive Agencies**

Independent executive agencies have narrower mandates than a Cabinet department. They generally perform a service function, not a regulatory one. Some examples include: CIA, NASA, and the EPA.

### **Independent Regulatory Commissions**

IRCs exist to regulate a specific economic activity or interest such as the National Labor Relations Board or Securities and Exchange Commission. They are independent because once their membership is appointed by the president, they cannot be removed without cause. They also have staggered terms of office to ensure that no one party gets to appoint all members.

### **How the Bureaucracy Works**

When Congress creates any kind of federal agency, department, or commission, it is actually delegating some part of its powers listed in Article I, section 8, of the U.S. Constitution. Congress sets parameters, guidelines, and then leaves it to the agency to work out the details. How agencies execute congressional wishes is called implementation.

Agencies, interest groups, and congressional committees often have stable relationships and patterns of interaction that are referred to as iron triangles. The various components of the iron triangle tend to be fairly autonomous and agree strongly on their goals. An example would be the AARP, the Social Security Administration, and the House Subcommittee on Aging. All would have similar types of interests and expertise. Employees or members of one might easily take a job or work in one of the other sides of the triangle and all would agree on the goals they should attain.

An issue network is a fuzzier arrangement. Basically, the groups working on specialized sets of issues tend to get to know one another through their mutual interests and this has an impact on policy making.

### **Making Policy**

#### **Administrative Discretion**

In addition to making policy, bureaucracies also implement policy made by others. They take the laws made by Congress, the president, and courts and develop rules and procedures to make sure they are carried out. Since laws and regulations are often written in a vague way as the result of compromises during the policy-making process, there is often a lot of “wobble room” to decide what various passages mean. These choices are often called administrative discretion and allow the bureaucracy a lot of power over shaping policy. This power is also exercised through rule making and administrative adjudication.

### **Rule Making**

Bureaucracies write regulations that have the force of law. All such rules are printed in the *Federal Register*. They take effect 30 days after printing. Many rules are written only after formal hearings and discussion.

### **Administrative Adjudication**

Administrative adjudication is a quasi-judicial function in which the agency forces compliance with rules through a type of trial.

### **Making Agencies Accountable**

The big question remains: Is the bureaucracy accountable and if so to whom? They are created by Congress, appointed by the president, funded by Congress, governed by the president, paid for by the taxpayer....

### **Executive Control**

The president has the authority to:

- appoint and remove agency heads
- reorganize the bureaucracy
- make changes in budget proposals
- ignore initiatives from the bureaucracy
- issue executive orders
- reduce an agency's budget

### **Congressional Control**

Congress has the authority to:

- pass legislation that alters an agency's functions
- abolish existing programs
- investigate bureaucratic activities
- influence presidential appointments
- write legislation to limit bureaucratic discretion
- limit the use of funds or reduce appropriations to the agency

### **Judicial Control**

The judiciary has the power to:

- rule on whether the bureaucracy has acted within the law
- rule on constitutionality
- force respect for the rights of individuals through hearings

Hence, the bureaucracy is subject to significant oversight. It is shrinking in size. A large and diverse number of people work for the government, mainly outside of the capital city of Washington, D.C. Is it a nightmare? Is it necessary? Is it something else? What do you think?

## **Web Sites for Instructors**

**FedWorld** is a comprehensive index of federal government agencies, searchable by keyword. Access to thousands of U.S. government Web sites, more than a 1/2 million U.S. government documents, databases, and other information products with links to the FedWorld File Libraries and other sources.

[www.fedworld.gov](http://www.fedworld.gov)

The **White House** has a section on President George W. Bush's Cabinet complete with pictures and biographies.

[www.whitehouse.gov/government/cabinet.html](http://www.whitehouse.gov/government/cabinet.html)

### **The Departments of the Federal Government**

**Department of Agriculture**

[www.usda.gov](http://www.usda.gov)

**Department of Commerce**

[www.commerce.gov](http://www.commerce.gov)

**Department of Defense**

[www.defenselink.mil](http://www.defenselink.mil)

**Department of Education**

[www.ed.gov](http://www.ed.gov)

**Department of Energy**

[www.energy.gov](http://www.energy.gov)

**Department of Health and Human Services**

[www.os.dhhs.gov](http://www.os.dhhs.gov)

**Department of Homeland Security**

[www.whitehouse.gov/deptofhomeland/](http://www.whitehouse.gov/deptofhomeland/)

**Department of Housing and Urban Development**

[www.hud.gov](http://www.hud.gov)

**Department of Interior**

[www.doi.gov](http://www.doi.gov)

**Department of Justice**

[www.usdoj.gov](http://www.usdoj.gov)

**Department of Labor**

[www.dol.gov](http://www.dol.gov)

**Department of State**  
www.state.gov

**Department of Transportation**  
www.dot.gov

**Department of Treasury**  
www.ustreas.gov

**Department of Veteran's Affairs**  
www.va.gov

### **Web Activities for Classes**

- 1) Have students research the roots and development of bureaucracy both in the U.S. and historically. They should write a brief paper on the topic.
- 2) Have students choose two departments, agencies, or other federal bureaucratic entities. They should use the Web to garner substantial amounts of information on the two components of the bureaucracy. Have them discuss it or write a paper. Alternatively, assign a number of students from class to each of the Cabinet departments and main agencies. They could prepare an oral presentation on their assigned department.
- 3) Have students search the Web for public opinion on the bureaucracy and discuss the fairness of what they find in class.
- 4) Have students research and then debate the costs and benefits of the new Department of Homeland Security.

### **General Class Activities and Discussion Assignments**

- 1) Host a discussion on the checks and balances the president, Congress, and the judiciary have on the bureaucracy. Which techniques are used most often, and which are most effective and why?
- 2) Arguments about how to reform the bureaucracy are rampant throughout history. Have students determine what problems plague bureaucratic politics, and what reforms have been aimed at addressing them. How effective have these reform efforts been?



- 3) Service Learning (or learn by doing): Visit at least three federal offices in your area. Watch what goes on. Ask questions. Investigate the functions and efficiencies of the procedures used. If possible, schedule interviews with managers at these offices. Ask about misconceptions and problems with the bureaucracy. How does what you find compare with what you learned in the text?
- 4) One of the oldest bureaucratic departments is the Department of State. Have students do some research to determine how they have reorganized over the years to cope with new challenges and directives. How large is the DOS? What functions does it perform? What is its budget? How effective is it in carrying out its goals?
- 5) The Postal Service has changed its relationship with the government over time. Students should research the history of the Postal Service, its past and present ties to the government, its effectiveness, and reputation. Many of us complain incessantly about the mail. Are we justified? How are rate increases determined? If we are truly unhappy, what avenues of complaint are open?
- 6) Service Learning (or learn by doing): Write or go to your local congressional office. Ask to speak with one of the caseworkers who deals with bureaucratic snafus and red tape. Find out how they intervene, how effective they are, how many constituents avail themselves of this service, and their impressions of the bureaucracy. Have students write a paper or discuss in class what they have learned.
- 7) Have students consider the following questions: How does the bureaucracy affect you? Consider the innumerable ways that government helps or hinders your life. Have students keep a journal for the semester and note in it ways that they interact with bureaucracy and government. At the end of class, have them compare notes with friends and colleagues. Discuss whether, in total, their experiences with government are positive, negative, or neutral.

### **Possible Simulations**

- 1) Discuss the Grace Report and other attempts to reform the bureaucracy such as Gore's Reinventing Government initiative. Stage a debate on two or more recent attempts to reform the bureaucracy. Have students research the Republican and Democratic views (note the plural...not just Republican and Democrat but multiple views in each camp) on the issue. Why has so much money been spent on reports and commissions? Has anything actually been done? Why or why not?
- 2) Have several groups of students analyze the following scenario:

The DoD is a mess. Each branch of the service has duplication with the others (special forces, aircraft, artillery, brass,...etc.) The Pentagon is huge and the DoD has over 3 million employees both civilian and military. Base closings in the 1980s didn't work. Congressmen bringing home pork managed to thwart any real savings. It is now up to the bureaucracy to come up with a plan to streamline DoD while maintaining our military readiness.

Using whatever resources you like, each group should attempt a reorganization of DoD and be able to explain how it meets the twin goals of efficiency and readiness.

- 3) Stage a Cabinet meeting. Assign students to play the roles of each secretary and the president. Give them an agenda of three to four important issues (choose items that have received recent press coverage) to discuss. Let them have the agenda a few days before the meeting so they can prepare their positions and hold an in-class Cabinet session. In large classes, other students can be aides, the press, or multiple Cabinet sessions can be held.

### Additional Sources

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