

What roles do professional government employees carry out? Who are they, and how and why do they acquire their jobs? How do they run the programs of government enacted by elected leaders? Who makes the rules of a bureaucracy? This chapter uncovers the answers to these questions and many more.

15.1 Bureaucracy and the Evolution of Public Administration

LEARNING OBJECTIVES

By the end of this section, you will be able to:

- Define bureaucracy and bureaucrat
- Describe the evolution and growth of public administration in the United States
- Identify the reasons people undertake civil service

Throughout history, both small and large nations have elevated certain types of nonelected workers to positions of relative power within the governmental structure. Collectively, these essential workers are called the bureaucracy. A **bureaucracy** is an administrative group of nonelected officials charged with carrying out functions connected to a series of policies and programs. In the United States, the bureaucracy began as a very small collection of individuals. Over time, however, it grew to be a major force in political affairs. Indeed, it grew so large that politicians in modern times have ridiculed it to great political advantage. However, the country's many **bureaucrats** or **civil servants**, the individuals who work in the bureaucracy, fill necessary and even instrumental roles in every area of government: from high-level positions in foreign affairs and intelligence collection agencies to clerks and staff in the smallest regulatory agencies. They are hired, or sometimes appointed, for their expertise in carrying out the functions and programs of the government.

WHAT DOES A BUREAUCRACY DO?

Modern society relies on the effective functioning of government to provide public goods, enhance quality of life, and stimulate economic growth. The activities by which government achieves these functions include—but are not limited to—taxation, homeland security, immigration, foreign affairs, and education. The more society grows and the need for government services expands, the more challenging bureaucratic management and **public administration** becomes. Public administration is both the implementation of public policy in government bureaucracies and the academic study that prepares civil servants for work in those organizations.

The classic version of a bureaucracy is hierarchical and can be described by an organizational chart that outlines the separation of tasks and worker specialization while also establishing a clear unity of command by assigning each employee to only one boss. Moreover, the classic bureaucracy employs a division of labor under which work is separated into smaller tasks assigned to different people or groups. Given this definition, bureaucracy is not unique to government but is also found in the private and nonprofit sectors. That is, almost all organizations are bureaucratic regardless of their scope and size; although public and private organizations differ in some important ways. For example, while private organizations are responsible to a superior authority such as an owner, board of directors, or shareholders, federal governmental organizations answer equally to the president, Congress, the courts, and ultimately the public. The underlying goals of private and public organizations also differ. While private organizations seek to survive by controlling costs, increasing market share, and realizing a profit, public organizations find it more difficult to measure the elusive goal of operating with efficiency and effectiveness.

LINK TO LEARNING

To learn more about the practice of public administration and opportunities to get involved in your local community, explore the [American Society for Public Administration \(https://openstax.org/l/29AmSoPbAd\)](https://openstax.org/l/29AmSoPbAd) website.

Bureaucracy may seem like a modern invention, but bureaucrats have served in governments for nearly as

long as governments have existed. Archaeologists and historians point to the sometimes elaborate bureaucratic systems of the ancient world, from the Egyptian scribes who recorded inventories to the biblical tax collectors who kept the wheels of government well greased.¹ In Europe, government bureaucracy and its study emerged before democracies did. In contrast, in the United States, a democracy and the Constitution came first, followed by the development of national governmental organizations as needed, and then finally the study of U.S. government bureaucracies and public administration emerged.²

In fact, the long pedigree of bureaucracy is an enduring testament to the necessity of administrative organization. More recently, modern bureaucratic management emerged in the eighteenth century from Scottish economist Adam Smith's support for the efficiency of the division of labor and from Welsh reformer Robert Owen's belief that employees are vital instruments in the functioning of an organization. However, it was not until the mid-1800s that the German scholar Lorenz von Stein argued for public administration as both a theory and a practice since its knowledge is generated and evaluated through the process of gathering evidence. For example, a public administration scholar might gather data to see whether the timing of tax collection during a particular season might lead to higher compliance or returns. Credited with being the father of the science of public administration, von Stein opened the path of administrative enlightenment for other scholars in industrialized nations.

THE ORIGINS OF THE U.S. BUREAUCRACY

In the early U.S. republic, the bureaucracy was quite small. This is understandable since the American Revolution was largely a revolt against executive power and the British imperial administrative order. Nevertheless, while neither the word "bureaucracy" nor its synonyms appear in the text of the Constitution, the document does establish a few broad channels through which the emerging government could develop the necessary bureaucratic administration.

For example, Article II, Section 2, provides the president the power to appoint officers and department heads. In the following section, the president is further empowered to see that the laws are "faithfully executed." More specifically, Article I, Section 8, empowers Congress to establish a post office, build roads, regulate commerce, coin money, and regulate the value of money. Granting the president and Congress such responsibilities appears to anticipate a bureaucracy of some size. Yet the design of the bureaucracy is not described, and it does not occupy its own section of the Constitution as bureaucracy often does in other countries' governing documents; the design and form were left to be established in practice.

Under President George Washington, the bureaucracy remained small enough to accomplish only the necessary tasks at hand.³ Washington's tenure saw the creation of the Department of State to oversee international issues, the Department of the Treasury to control coinage, and the Department of War to administer the armed forces. The employees within these three departments, in addition to the growing postal service, constituted the major portion of the federal bureaucracy for the first three decades of the republic (Figure 15.2). Two developments, however, contributed to the growth of the bureaucracy well beyond these humble beginnings.



FIGURE 15.2 The cabinet of President George Washington (far left) consisted of only four individuals: the secretary of war (Henry Knox, left), the secretary of the treasury (Alexander Hamilton, center), the secretary of state (Thomas

Jefferson, right), and the attorney general (Edmund Randolph, far right). The small size of this group reflected the small size of the U.S. government in the late eighteenth century. (credit: modification of work by the Library of Congress)

The first development was the rise of centralized party politics in the 1820s. Under President Andrew Jackson, many thousands of party loyalists filled the ranks of the bureaucratic offices around the country. This was the beginning of the **spoils system**, in which political appointments were transformed into political patronage doled out by the president on the basis of party loyalty.⁴ Political **patronage** is the use of state resources to reward individuals for their political support. The term “spoils” here refers to paid positions in the U.S. government. As the saying goes, “to the victor,” in this case the incoming president, “go the spoils.” It was assumed that government would work far more efficiently if the key federal posts were occupied by those already supportive of the president and his policies. This system served to enforce party loyalty by tying the livelihoods of the party faithful to the success or failure of the party. The number of federal posts the president sought to use as appropriate rewards for supporters swelled over the following decades.

The second development was industrialization, which in the late nineteenth century significantly increased both the population and economic size of the United States. These changes in turn brought about urban growth in a number of places across the East and Midwest. Railroads and telegraph lines drew the country together and increased the potential for federal centralization. The government and its bureaucracy were closely involved in creating concessions for and providing land to the western railways stretching across the plains and beyond the Rocky Mountains. These changes set the groundwork for the regulatory framework that emerged in the early twentieth century.

THE FALL OF POLITICAL PATRONAGE

Patronage had the advantage of putting political loyalty to work by making the government quite responsive to the electorate and keeping election turnout robust because so much was at stake. However, the spoils system also had a number of obvious disadvantages. It was a reciprocal system. Clients who wanted positions in the civil service pledged their political loyalty to a particular patron who then provided them with their desired positions. These arrangements directed the power and resources of government toward perpetuating the reward system. They replaced the system that early presidents like Thomas Jefferson had fostered, in which the country’s intellectual and economic elite rose to the highest levels of the federal bureaucracy based on their relative merit.⁵ Criticism of the spoils system grew, especially in the mid-1870s, after numerous scandals rocked the administration of President Ulysses S. Grant ([Figure 15.3](#)).



FIGURE 15.3 Caption: It was under President Ulysses S. Grant, shown in this engraving being sworn in by Chief Justice Samuel P. Chase at his inauguration in 1873 (a), that the inefficiencies and opportunities for corruption embedded in the spoils system reached their height. Grant was famously loyal to his supporters, a characteristic

that—combined with postwar opportunities for corruption—created scandal in his administration. This political cartoon from 1877 (b), nearly half a century after Andrew Jackson was elected president, ridicules the spoils system that was one of his legacies. In it he is shown riding a pig, which is walking over “fraud,” “bribery,” and “spoils” and feeding on “plunder.” (credit a, b: modification of work by the Library of Congress)

As the negative aspects of political patronage continued to infect bureaucracy in the late nineteenth century, calls for civil service reform grew louder. Those supporting the patronage system held that their positions were well earned; those who condemned it argued that federal legislation was needed to ensure jobs were awarded on the basis of merit. Eventually, after President James Garfield had been assassinated by a disappointed office seeker (Figure 15.4), Congress responded to cries for reform with the Pendleton Act, also called the Civil Service Reform Act of 1883. The act established the Civil Service Commission, a centralized agency charged with ensuring that the federal government’s selection, retention, and promotion practices were based on open, competitive examinations in a **merit system**.⁶ The passage of this law sparked a period of social activism and political reform that continued well into the twentieth century.



FIGURE 15.4 In 1881, after the election of James Garfield, a disgruntled former supporter of his, the failed lawyer Charles J. Guiteau, shot him in the back. Guiteau (pictured in this cartoon of the time) had convinced himself he was due an ambassadorship for his work in electing the president. The assassination awakened the nation to the need for civil service reform. (credit: modification of work by the Library of Congress)

As an active member and leader of the Progressive movement, President Woodrow Wilson is often considered the father of U.S. public administration. Born in Virginia and educated in history and political science at Johns Hopkins University, Wilson became a respected intellectual in his fields with an interest in public service and a profound sense of moralism. He was named president of Princeton University, became president of the American Political Science Association, was elected governor of New Jersey, and finally was elected the twenty-eighth president of the United States in 1912.

It was through his educational training and vocational experiences that Wilson began to identify the need for a public administration discipline. He felt it was getting harder to run a constitutional government than to actually frame one. His stance was that “It is the object of administrative study to discover, first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost efficiency. . .”⁷ Wilson declared that while politics does set tasks for administration, public administration should be built on a science of management, and political science should be concerned with the way governments are administered. Therefore, administrative activities should be devoid of political manipulations.⁸

Wilson advocated separating politics from administration by three key means: making comparative analyses of public and private organizations, improving efficiency with business-like practices, and increasing effectiveness through management and training. Wilson’s point was that while politics should be kept separate from administration, administration should not be insensitive to public opinion. Rather, the bureaucracy should act with a sense of vigor to understand and appreciate public opinion. Still, Wilson acknowledged that the separation of politics from administration was an ideal and not necessarily an achievable reality.

THE BUREAUCRACY COMES OF AGE

The late nineteenth and early twentieth centuries were a time of great bureaucratic growth in the United States: The Interstate Commerce Commission was established in 1887, the Federal Reserve Board in 1913, the Federal Trade Commission in 1914, and the Federal Power Commission in 1920.

With the onset of the Great Depression in 1929, the United States faced record levels of unemployment and the associated fall into poverty, food shortages, and general desperation. When the Republican president and Congress were not seen as moving aggressively enough to fix the situation, the Democrats won the 1932 election in overwhelming fashion. President Franklin D. Roosevelt and the U.S. Congress rapidly reorganized the government's problem-solving efforts into a series of programs designed to revive the economy, stimulate economic development, and generate employment opportunities. In the 1930s, the federal bureaucracy grew with the addition of the Federal Deposit Insurance Corporation to protect and regulate U.S. banking, the National Labor Relations Board to regulate the way companies could treat their workers, the Securities and Exchange Commission to regulate the stock market, and the Civil Aeronautics Board to regulate air travel. Additional programs and institutions emerged with the Social Security Administration in 1935 and then, during World War II, various wartime boards and agencies. By 1940, approximately 700,000 U.S. workers were employed in the federal bureaucracy.⁹

Under President Lyndon B. Johnson in the 1960s, that number reached 2.2 million, and the federal budget increased to \$332 billion.¹⁰ This growth came as a result of what Johnson called his Great Society program, intended to use the power of government to relieve suffering and accomplish social good. The Economic Opportunity Act of 1964 was designed to help end poverty by creating a Job Corps and a Neighborhood Youth Corps. Volunteers in Service to America was a type of domestic Peace Corps intended to relieve the effects of poverty. Johnson also directed more funding to public education, created Medicare as a national insurance program for the elderly, and raised standards for consumer products.

All of these new programs required bureaucrats to run them, and the national bureaucracy naturally ballooned. Its size became a rallying cry for conservatives, who eventually elected Ronald Reagan president for the express purpose of reducing the bureaucracy. While Reagan was able to work with Congress to reduce some aspects of the federal bureaucracy, he contributed to its expansion in other ways, particularly in his efforts to fight the Cold War.¹¹ For example, Reagan and Congress increased the defense budget dramatically over the course of the 1980s.¹² After the end of the Cold War and the dismantling of the Berlin Wall, which was an important symbol of East-West conflict during that time, the 1990s brought discussion of a "Peace Dividend"—that is, with the threat of global thermonuclear war significantly reduced, the U.S. could stand to reduce defense spending and direct resources to other areas.¹³ However, after a decade of retrenchment in military and defense spending, the 9/11 attacks induced a new era of massive investment in defense and homeland security. Indeed, President Joe Biden's plans to withdraw from Afghanistan come twenty years after the fact.¹⁴

MILESTONE

“The Nine Most Terrifying Words in the English Language”

The two periods of increased bureaucratic growth in the United States, the 1930s and the 1960s, accomplished far more than expanding the size of government. They transformed politics in ways that continue to shape political debate today. While the bureaucracies created in these two periods served important purposes, many at that time and even now argue that the expansion came with unacceptable costs, particularly economic costs. The common argument that bureaucratic regulation smothers capitalist innovation was especially powerful in the Cold War environment of the 1960s, 70s, and 80s. But as long as voters felt they were benefiting from the bureaucratic expansion, as they typically did, the political winds supported continued growth.

In the 1970s, however, Germany and Japan were thriving economies in positions to compete with U.S. industry. This competition, combined with technological advances and the beginnings of computerization, began to eat away at American prosperity. Factories began to close, wages began to stagnate, inflation climbed, and the future seemed a little less bright. In this environment, tax-paying workers were less likely to support generous welfare programs designed to end poverty. They felt these bureaucratic programs were adding to their misery in order to support unknown others.

In his first and unsuccessful presidential bid in 1976, Ronald Reagan, a skilled politician and governor of California, stoked working-class anxieties by directing voters' discontent at the bureaucratic dragon he proposed to slay. When he ran again four years later, his criticism of bureaucratic waste in Washington carried him to a landslide victory. While it is debatable whether Reagan actually reduced the size of government, he continued to wield rhetoric about bureaucratic waste to great political advantage. Even as late as 1986, he continued to rail against the Washington bureaucracy (Figure 15.5), once declaring famously that “the nine most terrifying words in the English language are: I’m from the government, and I’m here to help.”

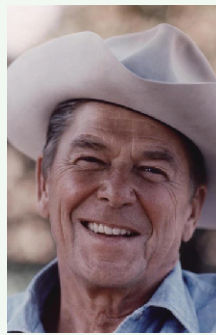


FIGURE 15.5 As seen in this 1976 photograph, President Ronald Reagan frequently and intentionally dressed in casual clothing to symbolize his distance from the government machinery he loved to criticize. (credit: Ronald Reagan Library)

Why might people be more sympathetic to bureaucratic growth during periods of prosperity? In what way do modern politicians continue to stir up popular animosity against bureaucracy to political advantage? Is it effective? Why or why not?

15.2 Toward a Merit-Based Civil Service

LEARNING OBJECTIVES

By the end of this section, you will be able to:

- Explain how the creation of the Civil Service Commission transformed the spoils system of the nineteenth century into a merit-based system of civil service
- Understand how carefully regulated hiring and pay practices helps to maintain a merit-based civil service

While the federal bureaucracy grew by leaps and bounds during the twentieth century, it also underwent a very different evolution. Beginning with the Pendleton Act in the 1880s, the bureaucracy shifted away from the spoils system toward a merit system. The distinction between these two forms of bureaucracy is crucial. The evolution toward a civil service in the United States had important functional consequences. Today the United States has a civil service that carefully regulates hiring practices and pay to create an environment in which, it is hoped, the best people to fulfill each civil service responsibility are the same people hired to fill those positions.

THE CIVIL SERVICE COMMISSION

The Pendleton Act of 1883 was not merely an important piece of reform legislation; it also established the foundations for the merit-based system that emerged in the decades that followed. It accomplished this

through a number of important changes, although three elements stand out as especially significant. First, the law attempted to reduce the impact of politics on the civil service sector by making it illegal to fire or otherwise punish government workers for strictly political reasons. Second, the law raised the qualifications for employment in civil service positions by requiring applicants to pass exams designed to test their competence in a number of important skill and knowledge areas. Third, it allowed for the creation of the United States Civil Service Commission (CSC), which was charged with enforcing the elements of the law.¹⁵

The CSC, as created by the Pendleton Act, was to be made up of three commissioners, only two of whom could be from the same political party. These commissioners were given the responsibility of developing and applying the competitive examinations for civil service positions, ensuring that the civil service appointments were apportioned among the several states based on population, and seeing to it that no person in the public service is obligated to contribute to any political cause. The CSC was also charged with ensuring that all civil servants wait for a probationary period before being appointed and that no appointee uses their official authority to affect political changes either through coercion or influence. Both Congress and the president oversaw the CSC by requiring the commission to supply an annual report on its activities first to the president and then to Congress.

In 1883, civil servants under the control of the commission amounted to about 10 percent of the entire government workforce. However, over the next few decades, this percentage increased dramatically. The effects on the government itself of both the law and the increase in the size of the civil service were huge. Presidents and representatives were no longer spending their days doling out or terminating appointments. Consequently, the many members of the civil service could no longer count on their political patrons for job security. Of course, job security was never guaranteed before the Pendleton Act because all positions were subject to the rise and fall of political parties. However, with civil service appointments no longer tied to partisan success, bureaucrats began to look to each other in order to create the job security the previous system had lacked. One of the most important ways they did this was by creating civil service organizations such as the National Association of All Civil Service Employees, formed in 1896. This organization worked to further civil service reform, especially in the area most important to civil service professionals: ensuring greater job security and maintaining the distance between themselves and the political parties that once controlled them.¹⁶

Over the next few decades, civil servants gravitated to labor unions in much the same way that employees in the private sector did. Through the power of their collective voices amplified by their union representatives, they were able to achieve political influence. The growth of federal labor unions accelerated after the Lloyd–La Follette Act of 1912, which removed many of the penalties civil servants faced when joining a union. As the size of the federal government and its bureaucracy grew following the Great Depression and the Roosevelt reforms, many became increasingly concerned that the Pendleton Act prohibitions on political activities by civil servants were no longer strong enough. As a result of these mounting concerns, Congress passed the Hatch Act of 1939—or the Political Activities Act. The main provision of this legislation prohibits bureaucrats from actively engaging in political campaigns and from using their federal authority via bureaucratic rank to influence the outcomes of nominations and elections.

Despite the efforts throughout the 1930s to build stronger walls of separation between the civil service bureaucrats and the political system that surrounds them, many citizens continued to grow skeptical of the growing bureaucracy. These concerns reached a high point in the late 1970s as the Vietnam War and the Watergate scandal prompted the public to a fever pitch of skepticism about government itself. Congress and the president responded with the Civil Service Reform Act of 1978, which abolished the Civil Service Commission. In its place, the law created two new federal agencies: the Office of Personnel Management (OPM) and the Merit Systems Protection Board (MSPB). The OPM has responsibility for recruiting, interviewing, and testing potential government employees in order to choose those who should be hired. The MSPB is responsible for investigating charges of agency wrongdoing and hearing appeals when corrective actions are ordered. Together these new federal agencies were intended to correct perceived and real problems with the

merit system, protect employees from managerial abuse, and generally make the bureaucracy more efficient.¹⁷

MERIT-BASED SELECTION

The general trend from the 1880s to today has been toward a civil service system that is increasingly based on merit (Figure 15.6). In this system, the large majority of jobs in individual bureaucracies are tied to the needs of the organization rather than to the political needs of the party bosses or political leaders. This purpose is reflected in the way civil service positions are advertised. A general civil service position announcement will describe the government agency or office seeking an employee, an explanation of what the agency or office does, an explanation of what the position requires, and a list of the knowledge, skills, and abilities, commonly referred to as KSAs, deemed especially important for fulfilling the role. A budget analyst position, for example, would include KSAs such as experience with automated financial systems, knowledge of budgetary regulations and policies, the ability to communicate orally, and demonstrated skills in budget administration, planning, and formulation. The merit system requires that a person be evaluated based on ability to demonstrate KSAs that match those described or better. The individual who is hired should have better KSAs than the other applicants.



FIGURE 15.6 Historically, African Americans have gravitated to the civil service in large numbers, although it was only in 2009 that an African American, Eric Holder (pictured here), rose to the position of U.S. attorney general. As of 2017, African Americans represented 18.2 percent of the federal workforce, a number disproportionately larger than their share of the population (13.4 percent).¹⁸ While there are many reasons for this, a prominent one is that the merit-based nature of the civil service offered African Americans far more opportunities for advancement than the private sector, where racial discrimination played a large role.

Many years ago, the merit system would have required all applicants to also test well on a civil service exam, as was stipulated by the Pendleton Act. This mandatory testing has since been abandoned, and now approximately eighty-five percent of all federal government jobs are filled through an examination of the applicant's education, background, knowledge, skills, and abilities.¹⁹ That would suggest that some 20 percent are filled through appointment and patronage. Among the first group, those hired based on merit, a small percentage still require that applicants take one of the several civil service exams. These are sometimes positions that require applicants to demonstrate broad critical thinking skills, such as foreign service jobs. More often these exams are required for positions demanding specific or technical knowledge, such as customs officials, air traffic controllers, and federal law enforcement officers. Additionally, new online tests are increasingly being used to screen the ever-growing pool of applicants.²⁰

Civil service exams currently test for skills applicable to clerical workers, postal service workers, military personnel, health and social workers, and accounting and engineering employees among others. Applicants with the highest scores on these tests are most likely to be hired for the desired position. Like all organizations,

bureaucracies must make thoughtful investments in human capital. And even after hiring people, they must continue to train and develop them to reap the investment they make during the hiring process.



GET CONNECTED!

A Career in Government: Competitive Service, Excepted Service, Senior Executive Service

One of the significant advantages of the enormous modern U.S. bureaucracy is that many citizens find employment there to be an important source of income and meaning in their lives. Job opportunities exist in a number of different fields, from foreign service with the State Department to information and record clerking at all levels. Each position requires specific background, education, experience, and skills.

There are three general categories of work in the federal government: competitive service, excepted service, and senior executive service. *Competitive service* positions are closely regulated by Congress through the Office of Personnel Management to ensure they are filled in a fair way and the best applicant gets the job (Figure 15.7). Qualifications for these jobs include work history, education, and grades on civil service exams. Federal jobs in the *excepted service* category are exempt from these hiring restrictions. Either these jobs require a far more rigorous hiring process, such as is the case at the Central Intelligence Agency, or they call for very specific skills, such as in the Nuclear Regulatory Commission. Excepted service jobs allow employers to set their own pay rates and requirements. Finally, *senior executive service* positions are filled by men and women who are able to demonstrate their experience in executive positions. These are leadership positions, and applicants must demonstrate certain executive core qualifications (ECQs). These qualifications are leading change, being results-driven, demonstrating business acumen, and building better coalitions.



FIGURE 15.7 The U.S. Office of Personnel Management regulates hiring practices in the U.S. Civil Service.

What might be the practical consequences of having these different job categories? Can you think of some specific positions you are familiar with and the categories they might be in?



LINK TO LEARNING

Where once federal jobs would have been posted in post offices and newspapers, they are now posted online. The most common place aspiring civil servants look for jobs is on USAjobs.gov, a web-based platform offered by the Office of Personnel Management for agencies to find the right employees. Visit their website to see the [types of jobs](https://openstax.org/l/29USAjbgov) (<https://openstax.org/l/29USAjbgov>) currently available in the U.S. bureaucracy.

Civil servants receive pay based on the U.S. Federal General Schedule. A **pay schedule** is a chart that shows salary ranges for different levels (grades) of positions vertically and for different ranks (steps) of seniority horizontally. The Pendleton Act of 1883 allowed for this type of pay schedule, but the modern version of the schedule emerged in the 1940s and was refined in the 1990s. The modern General Schedule includes fifteen grades, each with ten steps (Figure 15.8). The grades reflect the different required competencies, education

standards, skills, and experiences for the various civil service positions. Grades GS-1 and GS-2 require very little education, experience, and skills and pay little. Grades GS-3 through GS-7 and GS-8 through GS-12 require ascending levels of education and pay increasingly more. Grades GS-13 through GS-15 require specific, specialized experience and education, and these job levels pay the most. When hired into a position at a specific grade, employees are typically paid at the first step of that grade, the lowest allowable pay. Over time, assuming they receive satisfactory assessment ratings, they will progress through the various levels. Many careers allow for the civil servants to ascend through the grades of the specific career as well.²¹

Grade	Pay Range (Steps 1–10)
GS-1	\$19,738–\$24,690
GS-2	\$22,194–\$27,929
GS-3	\$24,216–\$31,479
GS-4	\$27,184–\$35,338
GS-5	\$30,414–\$39,540
GS-6	\$33,903–\$44,073
GS-7	\$37,674–\$48,978
GS-8	\$41,723–\$54,242
GS-9	\$46,083–\$59,907
GS-10	\$50,748–\$65,976
GS-11	\$55,756–\$72,487
GS-12	\$66,829–\$86,881
GS-13	\$79,468–\$103,309
GS-14	\$93,907–\$122,077
GS-15	\$110,460–\$143,598

FIGURE 15.8 The modern General Schedule is the predominant pay scale within the United States civil service and includes fifteen grades, each with ten steps. Each higher grade typically requires a higher level of education: GS-1 has no qualifying amount, GS-2 requires a high school diploma or equivalent, GS-5 requires four years of education beyond high school or a bachelor’s degree, GS-9 requires a master’s or equivalent graduate degree, and so on. At GS-13 and above, appropriate specialized experience is required for all positions.

The intention behind these hiring practices and structured pay systems is to create an environment in which those most likely to succeed are in fact those who are ultimately appointed. The systems almost naturally result in organizations composed of experts who dedicate their lives to their work and their agency. Equally important, however, are the drawbacks. The primary one is that permanent employees can become too independent of the elected leaders. While a degree of separation is intentional and desired, too much can result in bureaucracies that are insufficiently responsive to political change. Another downside is that the accepted expertise of individual bureaucrats can sometimes hide their own chauvinistic impulses. The merit system encouraged bureaucrats to turn to each other and their bureaucracies for support and stability. Severing the political ties common in the spoils system creates the potential for bureaucrats to steer actions toward their own preferences even if these contradict the designs of elected leaders.

15.3 Understanding Bureaucracies and their Types

LEARNING OBJECTIVES

By the end of this section, you will be able to:

- Explain the three different models sociologists and others use to understand bureaucracies
- Identify the different types of federal bureaucracies and their functional differences

Turning a spoils system bureaucracy into a merit-based civil service, while desirable, comes with a number of different consequences. The patronage system tied the livelihoods of civil service workers to their party loyalty and discipline. Severing these ties, as has occurred in the United States over the last century and a half, has transformed the way bureaucracies operate. Without the patronage network, bureaucracies form their own motivations. These motivations, sociologists have discovered, are designed to benefit and perpetuate the

bureaucracies themselves.

MODELS OF BUREAUCRACY

Bureaucracies are complex institutions designed to accomplish specific tasks. This complexity, and the fact that they are organizations composed of human beings, can make it challenging for us to understand how bureaucracies work. Sociologists, however, have developed a number of models for understanding the process. Each model highlights specific traits that help explain the organizational behavior of governing bodies and associated functions.

The Weberian Model

The classic model of bureaucracy is typically called the ideal Weberian model, and it was developed by Max Weber, an early German sociologist. Weber argued that the increasing complexity of life would simultaneously increase the demands of citizens for government services. Therefore, the ideal type of bureaucracy, the Weberian model, was one in which agencies are apolitical, hierarchically organized, and governed by formal procedures. Furthermore, specialized bureaucrats would be better able to solve problems through logical reasoning. Such efforts would eliminate entrenched patronage, stop problematic decision-making by those in charge, provide a system for managing and performing repetitive tasks that required little or no discretion, impose order and efficiency, create a clear understanding of the service provided, reduce arbitrariness, ensure accountability, and limit discretion.²²

The Acquisitive Model

For Weber, as his ideal type suggests, the bureaucracy was not only necessary but also a positive human development. Later sociologists have not always looked so favorably upon bureaucracies, and they have developed alternate models to explain how and why bureaucracies function. One such model is called the acquisitive model of bureaucracy. The acquisitive model proposes that bureaucracies are naturally competitive and power-hungry. This means bureaucrats, especially at the highest levels, recognize that limited resources are available to feed bureaucracies, so they will work to enhance the status of their own bureaucracy to the detriment of others.

This effort can sometimes take the form of merely emphasizing to Congress the value of their bureaucratic task, but it also means the bureaucracy will attempt to maximize its budget by depleting all its allotted resources each year. This ploy makes it more difficult for legislators to cut the bureaucracy's future budget, a strategy that succeeds at the expense of thrift. In this way, the bureaucracy will eventually grow far beyond what is necessary and create bureaucratic waste that would otherwise be spent more efficiently among the other bureaucracies.

The Monopolistic Model

Other theorists have come to the conclusion that the extent to which bureaucracies compete for scarce resources is not what provides the greatest insight into how a bureaucracy functions. Rather, it is the absence of competition. The model that emerged from this observation is the *monopolistic model*.

Proponents of the monopolistic model recognize the similarities between a bureaucracy like the Internal Revenue Service (IRS) and a private monopoly like a regional power company or internet service provider that has no competitors. Such organizations are frequently criticized for waste, poor service, and a low level of client responsiveness. Consider, for example, the Bureau of Consular Affairs (BCA), the federal bureaucracy charged with issuing passports to citizens. There is no other organization from which a U.S. citizen can legitimately request and receive a passport, a process that normally takes ten to twelve weeks, unless one pays the higher expedited fee, which will make it four to six weeks.²³ Thus there is no reason for the BCA to become more efficient or more responsive or to issue passports any faster.

There are rare bureaucratic exceptions that typically compete for presidential favor, most notably organizations such as the Central Intelligence Agency, the National Security Agency, and the intelligence

agencies in the Department of Defense. Apart from these, bureaucracies have little reason to become more efficient or responsive, nor are they often penalized for chronic inefficiency or ineffectiveness. Therefore, there is little reason for them to adopt cost-saving or performance measurement systems. While some economists argue that the problems of government could be easily solved if certain functions are privatized to reduce this prevailing incompetence, bureaucrats are not as easily swayed.

TYPES OF BUREAUCRATIC ORGANIZATIONS

A bureaucracy is a particular government unit established to accomplish a specific set of goals and objectives as authorized by a legislative body. In the United States, the federal bureaucracy enjoys a great degree of autonomy compared to those of other countries. This is in part due to the sheer size of the federal budget, approximately \$4.48 trillion as of 2019.²⁴ And because many of its agencies do not have clearly defined lines of authority—roles and responsibilities established by means of a chain of command—they also are able to operate with a high degree of autonomy. However, many agency actions are subject to judicial review. In *Schechter Poultry Corp. v. United States* (1935), the Supreme Court found that agency authority seemed limitless.²⁵ Yet, not all bureaucracies are alike. In the U.S. government, there are four general types: cabinet departments, independent executive agencies, regulatory agencies, and government corporations.

Cabinet Departments

There are currently fifteen cabinet departments in the federal government. Cabinet departments are major executive offices that are directly accountable to the president. They include the Departments of State, Defense, Education, Treasury, and several others. Occasionally, a department will be eliminated when government officials decide its tasks no longer need direct presidential and congressional oversight, such as happened to the Post Office Department in 1970.

Each cabinet department has a head called a secretary, appointed by the president and confirmed by the Senate. These secretaries report directly to the president, and they oversee a huge network of offices and agencies that make up the department. They also work in different capacities to achieve each department's mission-oriented functions. Within these large bureaucratic networks are a number of undersecretaries, assistant secretaries, deputy secretaries, and many others. The Department of Justice is the one department that is structured somewhat differently. Rather than a secretary and undersecretaries, it has an attorney general, an associate attorney general, and a host of different bureau and division heads ([Table 15.1](#)).

Members of the Cabinet

Department	Year Created	Secretary as of June 2021	Purpose
State	1789	Antony Blinken	Oversees matters related to foreign policy and international issues relevant to the country
Treasury	1789	Janet Yellen	Oversees the printing of U.S. currency, collects taxes, and manages government debt

TABLE 15.1 This table outlines all the current cabinet departments, along with the year they were created, their current top administrator, and other special details related to their purpose and functions.

Department	Year Created	Secretary as of June 2021	Purpose
Justice	1870	Merrick Garland (attorney general)	Oversees the enforcement of U.S. laws, matters related to public safety, and crime prevention
Interior	1849	Deb Haaland	Oversees the conservation and management of U.S. lands, water, wildlife, and energy resources
Agriculture	1862	Tom Vilsack	Oversees the U.S. farming industry, provides agricultural subsidies, and conducts food inspections
Commerce	1903	Gina Raimondo	Oversees the promotion of economic growth, job creation, and the issuing of patents
Labor	1913	Marty Walsh	Oversees issues related to wages, unemployment insurance, and occupational safety
Defense	1947	Lloyd Austin	Oversees the many elements of the U.S. armed forces, including the Army, Navy, Marine Corps, and Air Force
Health and Human Services	1953	Xavier Becerra	Oversees the promotion of public health by providing essential human services and enforcing food and drug laws
Housing and Urban Development	1965	Marcia Fudge	Oversees matters related to U.S. housing needs, works to increase homeownership, and increases access to affordable housing
Transportation	1966	Pete Buttigieg	Oversees the country's many networks of national transportation
Energy	1977	Jennifer Granholm	Oversees matters related to the country's energy needs, including energy security and technological innovation

TABLE 15.1 This table outlines all the current cabinet departments, along with the year they were created, their current top administrator, and other special details related to their purpose and functions.

Department	Year Created	Secretary as of June 2021	Purpose
Education	1980	Miguel Cardona	Oversees public education, education policy, and relevant education research
Veterans Affairs	1989	Denis McDonough	Oversees the services provided to U.S. veterans, including health care services and benefits programs
Homeland Security	2002	Alejandro Mayorkas	Oversees agencies charged with protecting the territory of the United States from natural and human threats

TABLE 15.1 This table outlines all the current cabinet departments, along with the year they were created, their current top administrator, and other special details related to their purpose and functions.

Individual cabinet departments are composed of numerous levels of bureaucracy. These levels descend from the department head in a mostly hierarchical pattern and consist of essential staff, smaller offices, and bureaus. Their tiered, hierarchical structure allows large bureaucracies to address many different issues by deploying dedicated and specialized officers. For example, below the secretary of state are a number of undersecretaries. These include undersecretaries for political affairs, for management, for economic growth, energy, and the environment, and many others. Each controls a number of bureaus and offices. Each bureau and office in turn oversees a more focused aspect of the undersecretary's field of specialization ([Figure 15.9](#)). For example, below the undersecretary for public diplomacy and public affairs are three bureaus: educational and cultural affairs, public affairs, and international information programs. Frequently, these bureaus have even more specialized departments under them. Under the bureau of educational and cultural affairs are the spokesperson for the Department of State and that spokesperson's staff, the Office of the Historian, and the United States Diplomacy Center.²⁶

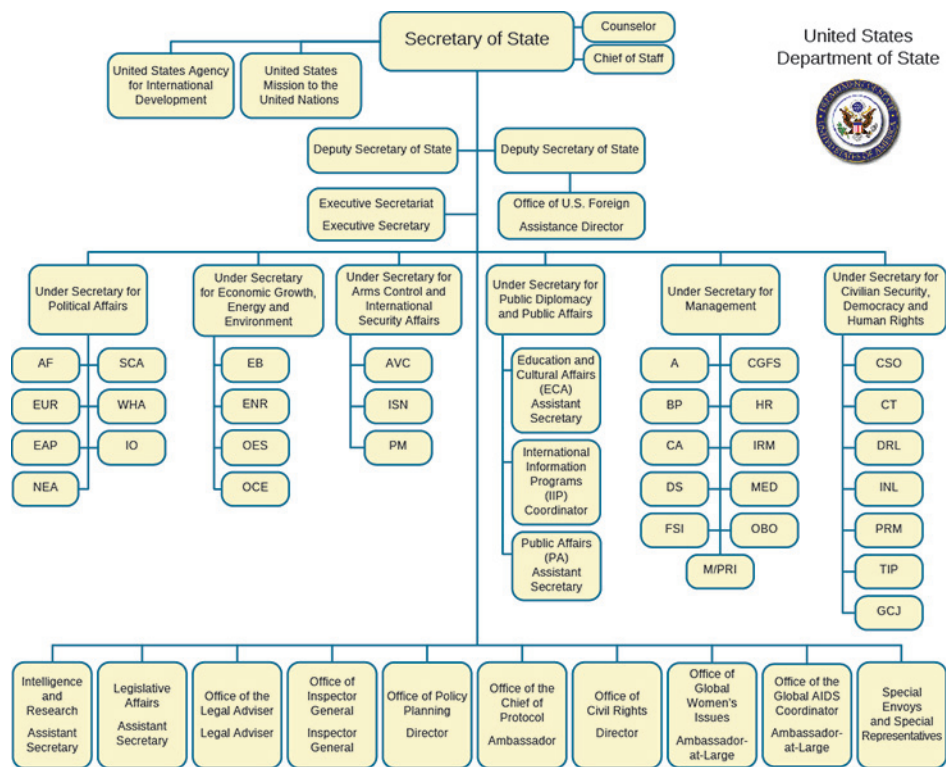


FIGURE 15.9 The multiple levels of the Department of State each work in a focused capacity to help the entire department fulfill its larger goals. (credit: modification of work by the U. S. Department of State)

LINK TO LEARNING

Created in 1939 by President Franklin D. Roosevelt to help manage the growing responsibilities of the White House, the [Executive Office of the President \(https://openstax.org/l/29ExOfPres\)](https://openstax.org/l/29ExOfPres) still works today to “provide the President with the support that he or she needs to govern effectively.”

Independent Executive Agencies and Regulatory Agencies

Like cabinet departments, independent executive agencies report directly to the president, with heads appointed by the president. Unlike the larger cabinet departments, however, independent agencies are assigned far more focused tasks. These agencies are considered independent because they are not subject to the regulatory authority of any specific department. They perform vital functions and are a major part of the bureaucratic landscape of the United States. Some prominent independent agencies are the Central Intelligence Agency (CIA), which collects and manages intelligence vital to national interests, the National Aeronautics and Space Administration (NASA), charged with developing technological innovation for the purposes of space exploration ([Figure 15.10](#)), and the Environmental Protection Agency (EPA), which enforces laws aimed at protecting environmental sustainability.



FIGURE 15.10 While the category “independent executive agency” may seem very ordinary, the actions of some of these agencies, like NASA, are anything but. (credit: NASA)

An important subset of the independent agency category is the regulatory agency. Regulatory agencies emerged in the late nineteenth century as a product of the progressive push to control the benefits and costs of industrialization. The first regulatory agency was the Interstate Commerce Commission (ICC), charged with regulating that most identifiable and prominent symbol of nineteenth-century industrialism, the railroad. Other regulatory agencies, such as the Commodity Futures Trading Commission, which regulates U.S. financial markets and the Federal Communications Commission, which regulates radio and television, have largely been created in the image of the ICC. These independent regulatory agencies cannot be influenced as readily by partisan politics as typical agencies and can therefore develop a good deal of power and authority. The Securities and Exchange Commission (SEC) illustrates well the potential power of such agencies. The SEC’s mission has expanded significantly in the digital era beyond mere regulation of stock floor trading.

Government Corporations

Agencies formed by the federal government to administer a quasi-business enterprise are called **government corporations**. They exist because the services they provide are partly subject to market forces and tend to generate enough profit to be self-sustaining, but they also fulfill a vital service the government has an interest in maintaining. Unlike a private corporation, a government corporation does not have stockholders. Instead, it has a board of directors and managers. This distinction is important because whereas a private corporation’s profits are distributed as dividends, a government corporation’s profits are dedicated to perpetuating the enterprise. Unlike private businesses, which pay taxes to the federal government on their profits, government corporations are exempt from taxes.

The most widely used government corporation is the U.S. Postal Service. Once a cabinet department, it was transformed into a government corporation in the early 1970s. While government corporations are supposed to operate more independently from politics and more like a business, the USPS recently found itself in the middle of a political firestorm. At the center was President Trump’s postmaster general, Louis DeJoy, who became a lightning rod during the election. Depending on whom you talked to, **DeJoy** was either a well-qualified corporate executive from the logistics sector or a Republican operative aiming to slow down mail service.²⁷ DeJoy reduced workloads, in particular overtime, removed sorting machines, and removed members of the postal leadership—leading to a slowing down of mail service. DeJoy insists that the changes will help the USPS in the long run.²⁸

Another widely used government corporation is the National Railroad Passenger Corporation, which uses the trade name Amtrak (Figure 15.11). Amtrak was the government’s response to the decline in passenger rail travel in the 1950s and 1960s as the automobile came to dominate. Recognizing the need to maintain a

passenger rail service despite dwindling profits, the government consolidated the remaining lines and created Amtrak.²⁹



FIGURE 15.11 Had the U.S. government not created Amtrak in the 1970s, passenger rail service might have ceased to exist in the United States. (credit: the Library of Congress)

THE FACE OF DEMOCRACY

Those who work for the public bureaucracy are nearly always citizens, much like those they serve. As such they typically seek similar long-term goals from their employment, namely to be able to pay their bills and save for retirement. However, unlike those who seek employment in the private sector, public bureaucrats tend to have an additional motivator, the desire to accomplish something worthwhile on behalf of their country. In general, individuals attracted to public service display higher levels of public service motivation (PSM). This is a desire most people possess in varying degrees that drives us to seek fulfillment through doing good and contributing in an altruistic manner.³⁰

INSIDER PERSPECTIVE

Dogs and Fireplugs

In *Caught between the Dog and the Fireplug, or How to Survive Public Service (2001)*, author Kenneth Ashworth provides practical advice for individuals pursuing a career in civil service.³¹ Through a series of letters, Ashworth shares his personal experience and professional expertise on a variety of issues with a relative named Kim who is about to embark upon an occupation in the public sector. By discussing what life is like in the civil service, Ashworth provides an “in the trenches” vantage point on public affairs. He goes on to discuss hot topics centering on bureaucratic behaviors, such as (1) having sound etiquette, ethics, and risk aversion when working with press, politicians, and unpleasant people; (2) being a subordinate while also delegating; (3) managing relationships, pressures, and influence; (4) becoming a functional leader; and (5) taking a multidimensional approach to addressing or solving complex problems.

Ashworth says that politicians and civil servants differ in their missions, needs, and motivations, which will eventually reveal differences in their respective characters and, consequently, present a variety of challenges. He maintains that good civil servants must realize they will need to be in the thick of things to provide preeminent service without actually being seen as merely a bureaucrat. Put differently, a bureaucrat walks a fine line between standing up for elected officials and their respective policies—the dog—and at the same time acting in the best interest of the public—the fireplug.

In what ways is the problem identified by author Kenneth Ashworth a consequence of the merit-based civil service?

Bureaucrats must implement and administer a wide range of policies and programs as established by

congressional acts or presidential orders. Depending upon the agency's mission, a bureaucrat's roles and responsibilities vary greatly, from regulating corporate business and protecting the environment to printing money and purchasing office supplies. Bureaucrats are government officials subject to legislative regulations and procedural guidelines. Because they play a vital role in modern society, they hold managerial and functional positions in government; they form the core of most administrative agencies. Although many top administrators are far removed from the masses, many interact with citizens on a regular basis.

Given the power bureaucrats have to adopt and enforce public policy, they must follow several legislative regulations and procedural guidelines. A *regulation* is a rule that permits government to restrict or prohibit certain behaviors among individuals and corporations. Bureaucratic rulemaking is a complex process that will be covered in more detail in the following section, but the rulemaking process typically creates *procedural guidelines*, or more formally, *standard operating procedures*. These are the rules that lower-level bureaucrats must abide by regardless of the situations they face.

Elected officials are regularly frustrated when bureaucrats seem not follow the path they intended. As a result, the bureaucratic process becomes inundated with **red tape**. This is the name for the procedures and rules that must be followed to get something done. Citizens frequently criticize the seemingly endless networks of red tape they must navigate in order to effectively utilize bureaucratic services, although these devices are really meant to ensure the bureaucracies function as intended.

15.4 Controlling the Bureaucracy

LEARNING OBJECTIVES

By the end of this section, you will be able to:

- Explain the way Congress, the president, bureaucrats, and citizens provide meaningful oversight over the bureaucracies
- Identify the ways in which privatization has made bureaucracies both more and less efficient

As our earlier description of the State Department demonstrates, bureaucracies are incredibly complicated. Understandably, then, the processes of rulemaking and bureaucratic oversight are equally complex. Historically, at least since the end of the spoils system, elected leaders have struggled to maintain control over their bureaucracies. This challenge arises partly due to the fact that elected leaders tend to have partisan motivations, while bureaucracies are designed to avoid partisanship. While that is not the only explanation, elected leaders and citizens have developed laws and institutions to help rein in bureaucracies that become either too independent, corrupt, or both.

BUREAUCRATIC RULEMAKING

Once the particulars of implementation have been spelled out in the legislation authorizing a new program, bureaucracies move to enact it. When they encounter grey areas, many follow the federal **negotiated rulemaking** process to propose a solution, that is, detailing how particular new federal policies, regulations, and/or programs will be implemented in the agencies. Congress cannot possibly legislate on that level of detail, so the experts in the bureaucracy do so.

Negotiated rulemaking is a relatively recently developed bureaucratic device that emerged from the criticisms of bureaucratic inefficiencies in the 1970s, 1980s, and 1990s.³² Before it was adopted, bureaucracies used a procedure called *notice-and-comment rulemaking*. This practice required that agencies attempting to adopt rules publish their proposal in the *Federal Register*, the official publication for all federal rules and proposed rules. By publishing the proposal, the bureaucracy was fulfilling its obligation to allow the public time to comment. But rather than encouraging the productive interchange of ideas, the comment period had the effect of creating an adversarial environment in which different groups tended to make extreme arguments for rules that would support their interests. As a result, administrative rulemaking became too lengthy, too contentious, and too likely to provoke litigation in the courts.

LINK TO LEARNING

The *Federal Register* was once available only in print. Now, however, it is available online and is far easier to navigate and use. Have a [look \(https://openstax.org/l/29FedRegis\)](https://openstax.org/l/29FedRegis) at all the important information the government’s journal posts online.

Reformers argued that these inefficiencies needed to be corrected. They proposed the *negotiated rulemaking process*, often referred to as regulatory negotiation, or “reg-neg” for short. This process was codified in the Negotiated Rulemaking Acts of 1990 and 1996, which encouraged agencies to employ negotiated rulemaking procedures. While negotiated rulemaking is required in only a handful of agencies and plenty still use the traditional process, others have recognized the potential of the new process and have adopted it.

In negotiated rulemaking, neutral advisors known as convenors put together a committee of those who have vested interests in the proposed rules. The convenors then set about devising procedures for reaching a consensus on the proposed rules. The committee uses these procedures to govern the process through which the committee members discuss the various merits and demerits of the proposals. With the help of neutral mediators, the committee eventually reaches a general consensus on the rules.

GOVERNMENT BUREAUCRATIC OVERSIGHT

The ability for bureaucracies to develop their own rules and in many ways control their own budgets has often been a matter of great concern for elected leaders. As a result, elected leaders have employed a number of strategies and devices to control public administrators in the bureaucracy.

Congress is particularly empowered to apply oversight of the federal bureaucracy because of its power to control funding and approve presidential appointments. The various bureaucratic agencies submit annual summaries of their activities and budgets for the following year, and committees and subcommittees in both chambers regularly hold hearings to question the leaders of the various bureaucracies. These hearings are often tame, practical, fact-finding missions. Occasionally, however, when a particular bureaucracy has committed or contributed to a blunder of some magnitude, the hearings can become quite animated and testy.

This occurred in 2013 following the realization by Congress that the IRS had selected for extra scrutiny certain groups that had applied for tax-exempt status. While the error could have been a mere mistake or have resulted from any number of reasons, many in Congress became enraged at the thought that the IRS might purposely use its power to inconvenience citizens and their groups.³³ The House directed its Committee on Oversight and Government Reform to launch an investigation into the IRS, during which time it interviewed and publicly scrutinized a number of high-ranking civil servants ([Figure 15.12](#)).



FIGURE 15.12 In this photograph, Lois Lerner, the former director of the Internal Revenue Service’s Exempt Organizations Unit, sits before an oversight committee in Congress following a 2013 investigation. On the advice of

her attorney, Lerner invoked her Fifth Amendment right not to incriminate herself and refused to answer questions.

LINK TO LEARNING

The mission of the U.S. House Oversight Committee is to “ensure the efficiency, effectiveness, and accountability of the federal government and all its agencies.” The committee is an important congressional check on the power of the bureaucracy. Visit the [website \(https://openstax.org/l/29USOvCom\)](https://openstax.org/l/29USOvCom) for more information about the U.S. House Oversight Committee.

Perhaps Congress’s most powerful oversight tool is the Government Accountability Office (GAO).³⁴ The GAO is an agency that provides Congress, its committees, and the heads of the executive agencies with auditing, evaluation, and investigative services. It is designed to operate in a fact-based and nonpartisan manner to deliver important oversight information where and when it is needed. The GAO’s role is to produce reports, mostly at the insistence of Congress. In the approximately nine hundred reports it completes per year, the GAO sends Congress information about budgetary issues for everything from education, health care, and housing to defense, homeland security, and natural resource management.³⁵ Since it is an office within the federal bureaucracy, the GAO also supplies Congress with its own annual performance and accountability report. This report details the achievements and remaining weaknesses in the actions of the GAO for any given year.

Apart from Congress, the president also executes oversight over the extensive federal bureaucracy through a number of different avenues. Most directly, the president controls the bureaucracies by appointing the heads of the fifteen cabinet departments and of many independent executive agencies, such as the CIA, the EPA, and the Federal Bureau of Investigation. These cabinet and agency appointments go through the Senate for confirmation.

The other important channel through which the office of the president conducts oversight over the federal bureaucracy is the Office of Management and Budget (OMB).³⁶ The primary responsibility of the OMB is to produce the president’s annual budget for the country. With this huge responsibility, however, comes a number of other responsibilities. These include reporting to the president on the actions of the various executive departments and agencies in the federal government, overseeing the performance levels of the bureaucracies, coordinating and reviewing federal regulations for the president, and delivering executive orders and presidential directives to the various agency heads.

FINDING A MIDDLE GROUND

Controversy and the CFPB: Overseeing a Bureau Whose Job Is Oversight

During the 1990s, the two political parties in the United States had largely come together over the issue of the federal bureaucracy. While differences remained, a great number of bipartisan attempts to roll back the size of government took place during the Clinton administration. This shared effort began to fall apart during the presidency of Republican George W. Bush, who made repeated attempts to use contracting and privatization to reduce the size of the federal bureaucracy more than Democrats were willing to accept.

This growing division was further compounded by Great Recession that began in 2007. For many on the left side of the political spectrum, the onset of the recession reflected a failure of weakened federal bureaucracies to properly regulate the financial markets. To those on the right, it merely reinforced the belief that government bureaucracies are inherently inefficient. Over the next few years, as the government attempted to grapple with the consequences of the recession, these divisions only grew.

The debate over one particular bureaucratic response to the recession provides important insight into these divisions. The bureau in question is the Consumer Financial Protection Bureau (CFPB), an agency created in 2011 specifically to oversee certain financial industries that had proven themselves to be especially prone to abusive

practices, such as sub-prime mortgage lenders and payday lenders. To many in the Republican Party, this new bureau was merely another instance of growing the federal bureaucracy to take care of problems caused by an inefficient government. To many in the Democratic Party, the new agency was an important cop on a notably chaotic street.

Divisions over this agency were so bitter that Republicans refused for a time to allow the Senate to consider confirming anyone to head the new bureau (Figure 15.13). Many wanted the bureau either scrapped or headed by a committee that would have to generate consensus in order to act. They attempted to cut the bureau's budget and erected mountains of red tape designed to slow the CFPB's achievement of its goals. During the height of the recession, many Democrats saw these tactics as a particularly destructive form of obstruction while the country reeled from the financial collapse.



FIGURE 15.13 In this photograph, Elizabeth Warren, then a law school professor who proposed the CFPB, stands with President Obama and Richard Cordray, the president's pick to serve as director of the new agency. Warren is currently a U.S. senator from Massachusetts.

As the recession receded into the past, however, the political heat the CFPB once generated steadily declined. Republicans still pushed to reduce the power of the bureau and Democrats in general still supported it, but lack of urgency pushed these differences into the background. Indeed, there may be a growing consensus between the two parties that the bureau should be more tightly controlled. In the spring of 2016, as the agency was announcing new rules to help further restrict the predatory practices of payday lenders, a handful of Democratic members of Congress, including the party chair, joined Republicans to draft legislation to prevent the CFPB from further regulating lenders. This trajectory continued in the Trump Administration where there were significant efforts made to slow the agency down dramatically.³⁷ The Biden Administration has swung the pendulum back in the other direction toward a more activist agency that looks out for the public.³⁸

What do these divisions suggest about the way Congress exercises oversight over the federal bureaucracy? Do you think this oversight is an effective way to control a bureaucracy as large and complex as the U.S. federal bureaucracy? Why or why not?

CITIZEN BUREAUCRATIC OVERSIGHT

A number of laws passed in the decades between the end of the Second World War and the late 1970s have created a framework through which citizens can exercise their own bureaucratic oversight. The two most important laws are the Freedom of Information Act of 1966 and the Government in Sunshine Act of 1976.³⁹ Like many of the modern bureaucratic reforms in the United States, both emerged during a period of heightened skepticism about government activities.

The first, the Freedom of Information Act of 1966 (FOIA), emerged in the early years of the Johnson presidency as the United States was conducting secret Cold War missions around the world, the U.S. military was becoming increasingly mired in the conflict in Vietnam, and questions were still swirling around the Kennedy assassination. FOIA provides journalists and the general public the right to request records from various federal agencies. These agencies are required by law to release that information unless it qualifies for one of

nine exemptions. These exceptions cite sensitive issues related to national security or foreign policy, internal personnel rules, trade secrets, violations of personnel privacy rights, law enforcement information, and oil well data (Figure 15.14). FOIA also compels agencies to post some types of information for the public regularly without being requested.

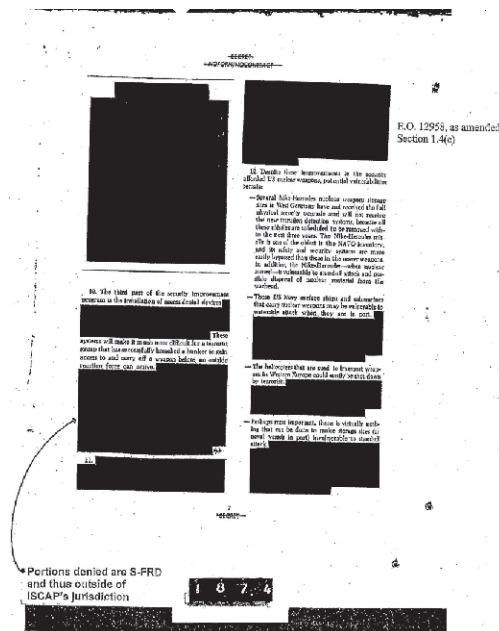


FIGURE 15.14 As this CIA document shows, even information released under FOIA can be greatly restricted by the agencies releasing it. The black marks cover information the CIA deemed particularly sensitive.

In fiscal year 2020, the government received 772,869 FOIA requests, with just three departments—Defense, Homeland Security, and Justice—accounting for more than half those queries.⁴⁰ The Center for Effective Government analyzed the fifteen federal agencies that receive the most FOIA requests and concluded that they generally struggle to implement public disclosure rules. In its latest report, published in 2015 and using 2012 and 2013 data (the most recent available), ten of the fifteen did not earn satisfactory overall grades, scoring less than seventy of a possible one hundred points.⁴¹

The Government in Sunshine Act of 1976 is different from FOIA in that it requires all multi-headed federal agencies to hold their meetings in a public forum on a regular basis. The name “Sunshine Act” is derived from the old adage that “sunlight is the best disinfectant”—the implication being that governmental and bureaucratic corruption thrive in secrecy but shrink when exposed to the light of public scrutiny. The act defines a meeting as any gathering of agency members in person or by phone, whether in a formal or informal manner.

Like FOIA, the Sunshine Act allows for exceptions. These include meetings where classified information is discussed, proprietary data has been submitted for review, employee privacy matters are discussed, criminal matters are brought up, and information would prove financially harmful to companies were it released. Citizens and citizen groups can also follow rulemaking and testify at hearings held around the country on proposed rules. The rulemaking process and the efforts by federal agencies to keep open records and solicit public input on important changes are examples of responsive bureaucracy.

GOVERNMENT PRIVATIZATION

A more extreme, and in many instances, more controversial solution to the perceived and real inefficiencies in the bureaucracy is **privatization**. In the United States, largely because it was born during the Enlightenment and has a long history of championing free-market principles, the urge to privatize government services has never been as strong as it is in many other countries. There are simply far fewer government-run services.

Nevertheless, the federal government has used forms of privatization and contracting throughout its history. But following the growth of bureaucracy and government services during President Johnson's Great Society in the mid-1960s, a particularly vocal movement began calling for a rollback of government services.

This movement grew stronger in the 1970s and 1980s as politicians, particularly on the right, declared that air needed to be let out of the bloated federal government. In the 1990s, as President Bill Clinton and especially his vice president, Al Gore, worked to aggressively shrink the federal bureaucracy, privatization came to be embraced across the political spectrum.⁴² The rhetoric of privatization—that market competition would stimulate innovation and efficiency—sounded like the proper remedy to many people and still does. But to many others, talk of privatization is worrying. They contend that certain government functions are simply not possible to replicate in a private context.

When those in government speak of privatization, they are often referring to one of a host of different models that incorporate the market forces of the private sector into the function of government to varying degrees.⁴³ These include using contractors to supply goods and/or services, distributing government vouchers with which citizens can purchase formerly government-controlled services on the private market, supplying government grants to private organizations to administer government programs, collaborating with a private entity to finance a government program, and even fully divesting the government of a function and directly giving it to the private sector (Figure 15.15). We will look at three of these types of privatization shortly.



FIGURE 15.15 Following his reelection in 2004, President George W. Bush attempted to push a proposal to partially privatize Social Security. The proposal did not make it to either the House or Senate floor for a vote.

Divestiture, or full privatization, occurs when government services are transferred, usually through sale, from government bureaucratic control into an entirely market-based, private environment. At the federal level this form of privatization is very rare, although it does occur. Consider the Student Loan Marketing Association, often referred to by its nickname, Sallie Mae. When it was created in 1973, it was designed to be a government entity for processing federal student education loans. Over time, however, it gradually moved further from its original purpose and became increasingly private. Sallie Mae reached full privatization in 2004 and now only services private student loans.^{44 45} Another example is the U.S. Investigations Services, Inc., which was once the investigative branch of the Office of Personnel Management (OPM) until it was privatized in the 1990s. At the state level, however, the privatization of roads, public utilities, bridges, schools, and even prisons has become increasingly common as state and municipal authorities look for ways to reduce the cost of government.

Possibly the best-known form of privatization is the process of issuing government contracts to private companies in order for them to provide necessary services. This process grew to prominence during President Bill Clinton's National Partnership for Reinventing Government initiative, intended to streamline the government bureaucracy. Under President George W. Bush, the use of contracting out federal services reached new heights. During the Iraq War, for example, large corporations like Kellogg Brown & Root, owned by Haliburton at the time, signed government contracts to perform a number of services once done by the military, such as military base construction, food preparation, and even laundry services. By 2006, reliance on contracting to run the war was so great that contractors outnumbered soldiers. Such contracting has faced

quite a bit of criticism for both its high cost and its potential for corruption and inefficiencies.⁴⁶ However, it has become so routine that it is unlikely to slow any time soon.

Third-party financing is a far more complex form of privatization than divestiture or contracting. Here the federal government signs an agreement with a private entity so the two can form a *special-purpose vehicle* to take ownership of the object being financed. The special-purpose vehicle is empowered to reach out to private financial markets to borrow money. This type of privatization is typically used to finance government office space, military base housing, and other large infrastructure projects. Departments like the Congressional Budget Office have frequently criticized this form of privatization as particularly inefficient and costly for the government.

One of the most important forms of bureaucratic oversight comes from inside the bureaucracy itself. Those within are in the best position to recognize and report on misconduct. But bureaucracies tend to jealously guard their reputations and are generally resistant to criticism from without and from within. This can create quite a problem for insiders who recognize and want to report mismanagement and even criminal behavior. The personal cost of doing the right thing can be prohibitive.⁴⁷ For a typical bureaucrat faced with the option of reporting corruption and risking possible termination or turning the other way and continuing to earn a living, the choice is sometimes easy.

Under heightened skepticism due to government inefficiency and outright corruption in the 1970s, government officials began looking for solutions. When Congress drafted the Civil Service Reform Act of 1978, it specifically included rights for federal **whistleblowers**, those who publicize misdeeds committed within a bureaucracy or other organization, and set up protection from reprisals. The act's Merit Systems Protection Board is a quasi-judicial institutional board headed by three members appointed by the president and confirmed by the Senate that hears complaints, conducts investigations into possible abuses, and institutes protections for bureaucrats who speak out.⁴⁸ Over time, Congress and the president have strengthened these protections with additional acts. These include the Whistleblower Protection Act of 1989 and the Whistleblower Protection Enhancement Act of 2012, which further compelled federal agencies to protect whistleblowers who reasonably perceive that an institution or the people in the institution are acting inappropriately ([Figure 15.16](#)).

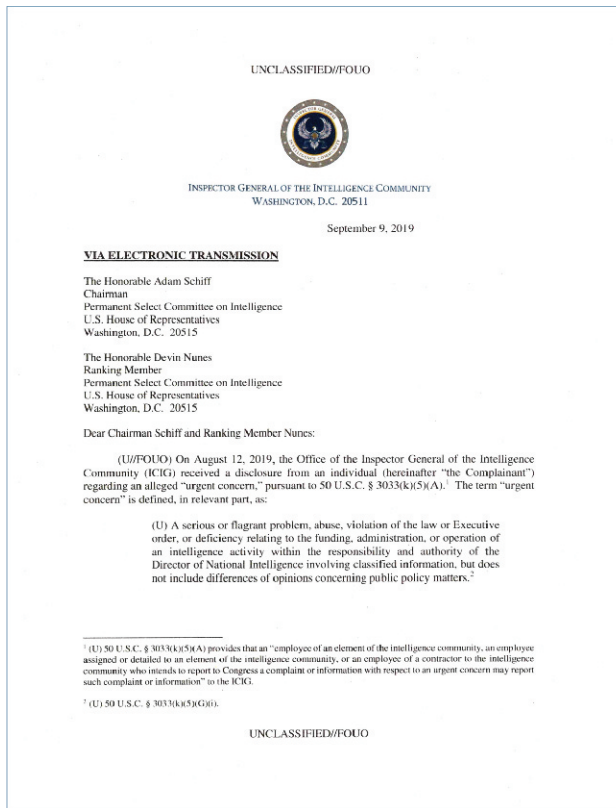


FIGURE 15.16 Not since speculation about "Deep Throat" during the Watergate scandal has there been more interest in the identity of a whistleblower than when people wondered about the identity of the CIA analyst whose inquiry led to the first Trump impeachment. (credit "letter": excerpt of correspondence from Michael K. Atkinson (Inspector General of the Intelligence Community) to Adam Schiff (Chairman, U.S. House of Representatives Permanent Select Committee on Intelligence) and Devin Nunes (Ranking Member, U.S. House of Representatives Select Committee on Intelligence), 9 September 2019; unclassified)

Key Terms

- bureaucracy** an administrative group of nonelected officials charged with carrying out functions connected to a series of policies and programs
- bureaucrats** the civil servants or political appointees who fill nonelected positions in government and make up the bureaucracy
- civil servants** the individuals who fill nonelected positions in government and make up the bureaucracy; also known as bureaucrats
- government corporation** a corporation that fulfills an important public interest and is therefore overseen by government authorities to a much larger degree than private businesses
- merit system** a system of filling civil service positions by using competitive examinations to value experience and competence over political loyalties
- negotiated rulemaking** a rulemaking process in which neutral advisors convene a committee of those who have vested interests in the proposed rules and help the committee reach a consensus on them
- patronage** the use of government positions to reward individuals for their political support
- pay schedule** a chart that shows salary ranges for different levels of positions vertically and for different ranks of seniority horizontally
- privatization** measures that incorporate the market forces of the private sector into the function of government to varying degrees
- public administration** the implementation of public policy as well as the academic study that prepares civil servants to work in government
- red tape** the mechanisms, procedures, and rules that must be followed to get something done
- spoils system** a system that rewards political loyalties or party support during elections with bureaucratic appointments after victory
- whistleblower** a person who publicizes misdeeds committed within a bureaucracy or other organization

Summary

15.1 Bureaucracy and the Evolution of Public Administration

During the post-Jacksonian era of the nineteenth century, the common charge against the bureaucracy was that it was overly political and corrupt. This changed in the 1880s as the United States began to create a modern civil service. The civil service grew once again in Franklin D. Roosevelt's administration as he expanded government programs to combat the effects of the Great Depression. The most recent criticisms of the federal bureaucracy, notably under Ronald Reagan, emerged following the second great expansion of the federal government under Lyndon B Johnson in the 1960s.

15.2 Toward a Merit-Based Civil Service

The merit-based system of filling jobs in the government bureaucracy elevates ability and accountability over political loyalties. Unfortunately, this system also has its downsides. The most common complaint is that the bureaucrats are no longer as responsive to elected public officials as they once had been. This, however, may be a necessary tradeoff for the level of efficiency and specialization necessary in the modern world.

15.3 Understanding Bureaucracies and their Types

To understand why some bureaucracies act the way they do, sociologists have developed a handful of models. With the exception of the ideal bureaucracy described by Max Weber, these models see bureaucracies as self-serving. Harnessing self-serving instincts to make the bureaucracy work the way it was intended is a constant task for elected officials. One of the ways elected officials have tried to grapple with this problem is by designing different types of bureaucracies with different functions. These types include cabinet departments, independent regulatory agencies, independent executive agencies, and government corporations.

15.4 Controlling the Bureaucracy

To reduce the intra-institutional disagreements the traditional rulemaking process seemed to bring, the negotiated rulemaking process was designed to encourage consensus. Both Congress and the president exercise direct oversight over the bureaucracy by holding hearings, making appointments, and setting budget allowances. Citizens exercise their oversight powers through their use of the Freedom of Information Act (FOIA) and by voting. Finally, bureaucrats also exercise oversight over their own institutions by using the channels carved out for whistleblowers to call attention to bureaucratic abuses.

Review Questions

1. During George Washington's administration, there were _____ cabinet positions.
 - a. four
 - b. five
 - c. six
 - d. seven
2. The "spoils system" allocated political appointments on the basis of _____.
 - a. merit
 - b. background
 - c. party loyalty
 - d. specialized education
3. Two recent periods of large-scale bureaucratic expansion were _____.
 - a. the 1930s and the 1960s
 - b. the 1920s and the 1980s
 - c. the 1910s and the 1990s
 - d. the 1930s and the 1950s
4. Briefly explain the underlying reason for the emergence of the spoils system.
5. The Civil Service Commission was created by the _____.
 - a. Pendleton Act of 1883
 - b. Lloyd-La Follette Act of 1912
 - c. Hatch Act of 1939
 - d. Political Activities Act of 1939
6. The Civil Service Reform Act of 1978 created the Office of Personnel Management and the _____.
 - a. Civil Service Commission
 - b. Merit Systems Protection Board
 - c. "spoils system"
 - d. General Schedule
7. Briefly explain the benefits and drawbacks of a merit system.
8. Which describes the ideal bureaucracy according to Max Weber?
 - a. an apolitical, hierarchically organized agency
 - b. an organization that competes with other bureaucracies for funding
 - c. a wasteful, poorly organized agency
 - d. an agency that shows clear electoral responsiveness

9. Which of the following models of bureaucracy best accounts for the way bureaucracies tend to push Congress for more funding each year?
- the Weberian model
 - the acquisitive model
 - the monopolistic model
 - the ideal model
10. An example of a government corporation is _____.
- NASA
 - the State Department
 - Amtrak
 - the CIA
11. Briefly explain why government might create a government corporation.
12. The Freedom of Information Act of 1966 helps citizens exercise oversight over the bureaucracy by _____.
- empowering Congress
 - opening government records to citizen scrutiny
 - requiring annual evaluations by the president
 - forcing agencies to hold public meetings
13. When reformers speak of bureaucratic privatization, they mean all the following processes except _____.
- divestiture
 - government grants
 - whistleblowing
 - third-party financing
14. Briefly explain the advantages of negotiated rulemaking.

Critical Thinking Questions

15. What concerns might arise when Congress delegates decision-making authority to unelected leaders, sometimes called the fourth branch of government?
16. In what ways might the patronage system be made more efficient?
17. Does the use of bureaucratic oversight staff by Congress and by the OMB constitute unnecessary duplication? Why or why not?
18. Which model of bureaucracy best explains the way the government currently operates? Why?
19. Do you think Congress and the president have done enough to protect bureaucratic whistleblowers? Why or why not?

Suggestions for Further Study

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