

# The Bureaucracy

## CHAPTER 10

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### Contemporary Connection

The total size of the federal work force that makes up the entire federal bureaucracy has decreased over the past 20 years. (See chart on next page.) This chapter explores the organization, function and oversight, and policymaking characteristics of the federal bureaucracy.



When you think about bureaucracies, one of the first things that probably comes to mind is the red tape roadblocks you may have to deal with. However, modern bureaucracies play an important linkage role in government. They are primarily responsible for implementing policy of the branches of government. Some bureaucracies also make policy as a result of regulations they issue.

This chapter also focuses on four types of governmental bureaucratic agencies—the cabinet, regulatory agencies, government corporations, and independent executive agencies. We will also look at the different theories regarding how bureaucracies function. By tracing the history of civil service, you will be able to understand the role patronage has played in the development of government bureaucracies. You will also see how the permanent government agencies became policy implementers and how they must function in relation with the executive branch, legislative branch, and judicial branch.

There have been many attempts to reorganize government to make it more responsive, more efficient, and more effective. The last part of this chapter focuses on the latest efforts to “reinvent” government. Partly a budgetary reform to reduce the deficit and partly an attempt to streamline government, the Clinton administration’s efforts in this area have received mixed reviews.

Year	Executive branch civilians (thousands)	Uniformed military personnel (thousands)	Legislative and judicial branch personnel (thousands)	Total federal personnel (thousands)
1989	3,064	2,168	60	5,292
1990	3,067	2,106	61	5,234
1991	3,048	2,040	64	5,152
1992	3,017	1,848	66	4,931
1993	2,947	1,744	66	4,758
1994	2,908	1,648	63	4,620
1995	2,858	1,555	62	4,475
1996	2,786	1,507	61	4,354
1997	2,725	1,439	62	4,226
1998	2,727	1,407	62	4,196
1999	2,687	1,386	63	4,135
2000	2,639	1,426	63	4,129
2001	2,640	1,428	64	4,132
2002	2,630	1,456	66	4,152
2003	2,666	1,478	65	4,210
2004	2,650	1,473	64	4,187
2005	2,636	1,436	65	4,138
2006	2,637	1,432	63	4,133
2007	2,636	1,427	63	4,127
2008	2,692	1,450	64	4,206
2009	2,774	1,591	66	4,430

#### QUICK CONSTITUTIONAL REVIEW OF BUREAUCRACIES

- Constitutional basis found in Article II of the Constitution in the reference to the creation of executive departments.
- Bureaucracies developed as a result of custom, tradition, and precedent.

## FUNCTIONS OF BUREAUCRACIES

The United States has turned to bureaucratic agencies as the best way to organize and operate the federal government.

Bureaucracies are defined as large administrative agencies and have their derivation from the French word *bureau*, which refers to the desk of a government worker, and the suffix *-cracy* representing a form of government. Bureaucracies have similar characteristics. They reflect a hierarchical authority, there is job specialization, and there are rules and regulations that drive them.

Approximately four million government workers make up today's federal bureaucracy. The number is even greater if you consider the number of state and local government workers. A little more than 10 percent of the federal employees actually work in Washington, D.C. The majority work in regional offices throughout the country. For instance, each state has many offices dealing with Social Security. About

a third of the federal employees work for the armed forces or defense agencies. The number of workers employed by entitlement agencies is relatively small—only about 15–20 percent. The background of federal employees is a mix of ethnic, gender, and religious groups. They are hired as a result of civil service regulations and through political patronage. Even though many people feel bureaucracies are growing, they are in reality decreasing in size.

Workers in federal bureaucracies have different ways of being held accountable. They must respond to

- the Constitution of the United States,
- federal laws,
- the dictates of the three branches of government,
- their superiors,
- the “public interest,” and
- interest groups.

Even with the characteristics described, federal workers are complex individuals who are extremely professional in the jobs they are doing.

The federal government is organized by departments, which are given that title to distinguish them from the cabinet. Agencies and administration refer to governmental bodies that are headed by a single administrator and have a status similar to the cabinet. Commissions are names given to agencies that regulate certain aspects of the private sector. They may be investigative, advisory, or reporting bodies. Corporations are agencies headed by a board of directors and have chairmen as heads.

## EXECUTIVE-LEVEL DEPARTMENTS

The federal government is organized around the following executive-level departments:

- **The cabinet**—There are 15 cabinet departments headed by a secretary (except for the Justice Department, which is headed by the attorney general). The secretaries are appointed by the president with the consent of the Senate. Each department also has undersecretaries, deputies, and assistants. They manage specific policy areas, and each has its own budget and staff.
- **The regulatory agencies**—Known as independent regulatory agencies because they are quasi legislative (they act in a manner that is legislative when issuing regulations) and quasi judicial (they act in a manner that is judicial when enforcing penalties for violations of their regulations) in nature, they are also known as the alphabet agencies. Some examples are:
  - Interstate Commerce Commission (ICC), 1887—The first created independent agency, the ICC regulates specific areas of interstate relations. Historically, it determined which businesses were in violation of the Sherman Antitrust Act.
  - Federal Trade Commission (FTC), 1914—The FTC regulates fair trade, encourages competition, and is responsible for evaluating unfair or deceptive advertising or products that may be unsafe.
  - Food and Drug Administration (FDA), 1931—The FDA regulates the contents, marketing, and labeling of food and drugs.

The formal organization of the federal bureaucracy has a goal of creating an efficient manner of running the government.

- Federal Communications Commission (FCC), 1934—The FCC regulates the television and radio industry and grants licenses to television and radio stations.
- Securities and Exchange Commission (SEC), 1934—Established during the New Deal, it regulates the sale of securities and the stock markets, preventing such abuses as insider trading.
- Environmental Protection Agency (EPA), 1970—Responding to the energy crisis, the EPA implements laws such as the Clean Air Act.
- Occupational Safety and Health Administration (OSHA), 1972—OSHA sets safety and health standards for the work place.
- Consumer Product Safety Commission (CPSC), 1972—CPSC tests and reports about products that may injure the public and issues warnings for those products deemed unsafe.
- Federal Election Commission (FEC), 1975—Created by the Federal Election Campaign Act of 1971, and made even more important as a result of the election abuses uncovered by Watergate, this agency is responsible for monitoring campaign contributions and provides some funding to presidential candidates through matching grants.
- **Government corporations** such as the Tennessee Valley Authority, created during the New Deal, and the Resolution Trust Corporation, created to deal with bankruptcies and the many bank failures of the 1980s—Other corporations are created to take over a failed industry or bail out an essential private industry such as Chrysler.
- **Independent executive agencies** such as the General Services Administration (GSA), which handles government purchasing; the National Science Foundation, which supports scientific research and development; and the National Aeronautics and Space Administration (NASA), which coordinates the country's efforts in outer space.

These agencies each have specific responsibilities that facilitate the day to day operation of the government.

In reality, policy administration of federal bureaucracies has been limited by a number of checks such as

- the legislative power of Congress through legislative intent, congressional oversight, and restrictions on appropriations to agencies;
- the Administrative Procedure Act of 1946, which defines administrative policy and directs agencies to publicize their procedures;
- a built-in review process, either internal or through the court system, for appeal of agency decisions;
- the oversight function of agencies such as the Office of Management and Budget and the General Accounting Office;
- political checks such as pressure brought on by interest groups, political parties, and the private sector that modify bureaucratic behavior.

## RELATIONS WITH OTHER GOVERNMENT BRANCHES

Although having an independent nature, bureaucracies are linked to the president by appointment and direction and to Congress through oversight. Agency operations are highly publicized through the media when they have an impact on the public. Interest groups and public opinion try to influence the actions of the agencies.

Bureaucracies are inherently part of the executive branch. Even though the regulatory agencies are quasi independent, they, too, must be sensitive to the president. The president influences bureaucracies through the appointment process. Knowing that their agency heads are appointed by the president makes them respond to his direction at times. Such agencies as the Environmental Protection Agency (EPA) and the Food and Drug Administration (FDA) have come under executive scrutiny in the 1990s and 2000s. Presidents also issue executive orders that agencies must abide by. When President Clinton issued an executive order to start importing the abortion pill RU486, the Food and Drug Administration set up guidelines for testing. The Office of Management and Budget can recommend increases and decreases in proposing new fiscal year budgets. The budgetary process provides the impetus for agency growth. Finally, the president has the power to reorganize federal departments. President Reagan attempted to abolish the Departments of Energy and Education but failed to get the approval of Congress.

**Bureaucracies are linked, but are not subordinate to the other branches of government. They must also be sensitive to interest groups, the media, and public opinion.**

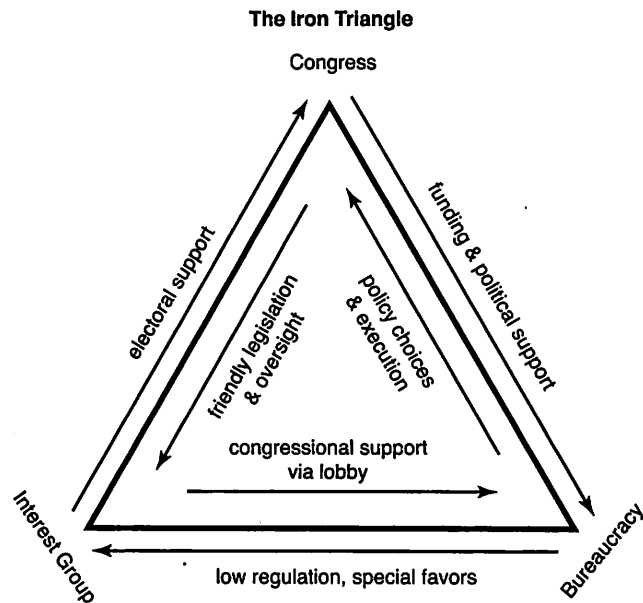
### Congressional Oversight

Congress uses similar tactics to control federal bureaucracies. Because the Senate must approve both presidential appointments and agency budgets, they become sensitive to the issues on Congress's agenda. Through the process of congressional oversight, agency heads are called before congressional committees to testify about issues related to the workings of the agency. According to the Congressional Research Service, Congressional oversight refers to "the review, monitoring, and supervision of federal agencies, programs, activities, and policy implementation. Congress exercises this power largely through its standing committee system."

The same report issued by the service in 2001 stated, "Oversight, as an outgrowth of this principle, ideally serves a number of overlapping objectives and purposes:

- improve the efficiency, economy, and effectiveness of governmental operations;
- evaluate programs and performance;
- detect and prevent poor administration, waste, abuse, arbitrary and capricious behavior, or illegal and unconstitutional conduct;
- protect civil liberties and constitutional rights;
- inform the general public and ensure that executive policies reflect the public interest;
- gather information to develop new legislative proposals or to amend existing statutes;
- ensure administrative compliance with legislative intent; and
- prevent executive encroachment on legislative authority and prerogatives.

In sum, "oversight is a way for Congress to check on, and check, the executive branch of government."



The best example of the interrelationship among bureaucracies, the government, interest groups, and the public is the iron triangle concept. The iron triangle network is a pattern of relationships between an agency in the executive branch, Congress, and special interest groups lobbying that agency. An example of this kind of relationship was the often-criticized military-industrial complex. During the height of the Vietnam War, this relationship between defense-related government agencies and private industry that profited from the war became the antiwar rallying cry of governmental misuse of funds. The close dependence of agencies on interest groups and Congress often results in criticism of that particular agency. If the Environmental Protection Agency has too close a relationship with the industry heads of factories that they are regulating, the potential for abuse certainly exists. If you review the Department of Health and Human Services, you can visualize the iron triangle concept. Their budget is reviewed; legislation that is passed and related to health must be explained to the public; various congressional committees and interest groups such as insurance groups, senior citizen groups, and the medical community review the status of the implementation of law.

## PUBLIC POLICY

**Bureaucracies implement policy and act as policy regulators.**

The major impact of the federal bureaucracy has been in the area of public policy—its implementation and regulation. The independent regulatory agencies, in particular, have had a significant impact in this area.

The Supreme Court decision of *Munn v Illinois* in 1877 is one of the landmark regulatory cases. The case involved a dispute over whether Illinois had the power to regulate the railroad haulage rates of grain. Illinois passed Grange laws that forced the railroad to abide by state rates. The Court determined that because it was in the public interest, the state had the right to regulate this private industry. This ruling influenced the passage of the Interstate Commerce Act and establishment of the Interstate Commerce Commission in 1887. It is ironic that in 1994 this agency came under fire by Congress and was defended by the same interests who were critical of its creation. The railroad and trucking industry were critical of Congress's budget cutbacks of the first independent agency to be created.

You have to only go as far as tracing your daily routine to see how influential regulatory agencies have become. Some examples are the regulation of

- cable television by the Federal Communications Commission,
- food labeling by the Federal Trade Commission,
- meat inspection by the Food and Drug Administration,
- pollution control by the Environmental Protection Agency,
- airline safety by the National Transportation Safety Board,
- safety and reliability of home appliances by the Consumer Product Safety Commission,
- seat belt mandates by the National Highway Traffic Safety Administration,
- gas mileage standards developed by the Department of Transportation,
- the mediation of labor disputes by the National Labor Relations Board,
- factory inspections for worker safety by the Occupational Safety and Health Administration, and
- the coordination of relief efforts by the Federal Emergency Management Agency.

Each of these examples also has a linkage component described in the last section. They were motivated by presidential direction, acts of Congress, and court decisions. The public, interest groups, and the media have reacted to the regulatory and policymaking process. Even though many of these regulations and policies are in the public interest, critics of regulation point to the fact that the costs far exceed the benefits of the entire regulation process. The fear of an overregulated society is one of the issues that is still being debated.

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## Review

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### Section 1: Multiple-Choice Questions

1. An advantage that bureaucrats in federal government have over the president in the policymaking process is that bureaucrats
  - (A) control the budgetary process
  - (B) have an independence from the president that is guaranteed by the Constitution
  - (C) find it easier to gather public support than does the president
  - (D) usually have a continuity of service in the executive branch that the president lacks
  - (E) usually have better access to the media than does the president
2. All of the following influence the Department of Defense's yearly budget EXCEPT
  - (A) the desire of the chairman of the Senate Armed Services Committee
  - (B) the budget recommendations of the Joint Chiefs of Staff
  - (C) the rate of increase of the size of the armed forces
  - (D) the number of bases being closed
  - (E) the budget request made by the minority party in the House of Representatives

3. Cabinet-level agencies are responsible to
  - (A) Congress
  - (B) the president
  - (C) the courts
  - (D) the White House staff
  - (E) the executive office of the president
4. Many contemporary politicians have come to see bureaucracies as agencies
  - (A) that aim to make realistic recommendations that may result in lower budgets than the year before
  - (B) whose main objective is to seek profits
  - (C) whose major goal is to cut back on their powers
  - (D) who strive to maximize their budgets and powers
  - (E) who work more closely with the judiciary
5. According to some political scientists, which policymaking group is largely responsible for the growth of modern governments?
  - (A) Bureaucracies
  - (B) Congress
  - (C) The president
  - (D) Private business
  - (E) The courts
6. All the following are characteristics of the independent regulatory agency EXCEPT
  - (A) It has responsibility for some sector of the economy.
  - (B) It makes rules designed to protect the public interest.
  - (C) It enforces rules designed to protect the public interest.
  - (D) Its powers are so great that it is often called the "fourth branch of the government."
  - (E) It is exempt from court rulings.
7. All the following are examples of independent regulatory agencies EXCEPT
  - (A) the Interstate Commerce Commission (ICC)
  - (B) the Federal Communications Commission (FCC)
  - (C) the Federal Reserve Board (FRB)
  - (D) the Securities and Exchange Commission (SEC)
  - (E) the Central Intelligence Agency (CIA)
8. Bureaucratic policy implementation includes all the following elements EXCEPT
  - (A) the ability to abolish a nonfunctioning department in another agency
  - (B) the ability to create new operating procedures within its own agency
  - (C) the ability to assign new responsibilities within its own agency
  - (D) the ability to translate policy goals into operational rules for its own personnel
  - (E) the ability to coordinate its own resources and personnel to achieve intended goals