

# *Reforming the Bureaucracy*

MOST PEOPLE THINK of bureaucracy as a downright dull subject. Yet for thirty years the American federal executive has been awash in political controversy. From George Wallace's attacks on "pointy headed bureaucrats," to Richard Nixon's "responsiveness program," to the efforts of Al Gore and Bill Clinton to "reinvent government," the people who administer the American state have stood uncomfortably in the spotlight.

Time and again, the American federal executive has been caught in the web of politics. This book covers the turmoil and controversy swirling around the bureaucracy since 1970, when the Nixon administration was trying to tighten its control of the executive branch. Drawing on interview data, documentary evidence, and analysis of the politics of the period, we aim to understand the reasons for the controversy about administration and what can (and can't) be done about it.

We focus on three major themes of the era. The first is often called the "quiet crisis" of American administration: a hypothesized decline in the quality and morale of federal executives. The second, which we call the "noisy crisis," refers to the large question of bureaucrats' responsiveness to political authority. Administrators are important people in the policy process. Presidents and members of Congress want to control what goes on in the bureaucracy because that has much to do with who gets what from government. Political leaders also find it convenient to blame bureaucrats when things go wrong. As a result, administrators of federal agencies often find themselves in the thick of the political debate, whether they like it or not. When this natural controversy is exacerbated by intense disagreements about what government

ought to do and who ought to decide what it should do, great conflicts involving administration are likely to follow.

The third theme is the movement to “reinvent” American government. At least overtly, the reinventors reject the notion that there is a problem with the people in the federal government. They do, however, believe government is broken and needs fixing, and they argue that one way to do this is to introduce a variety of private sector techniques into public administration, such as making federal agencies more responsive to the preferences of what they call customers—that is, individuals and groups directly affected by public agencies. They also argue that government should “cut back to basics.” In the end, the vital questions of what government should do and to whom it should respond are central to the debate about administration.

We examine these themes and their linkages in some detail as we progress through the book. We look in detail at why these issues arise and at their validity. And we consider changes that might make the federal government’s administration work better. But our underlying argument is that much of the debate about the administration of government is really a debate about what government ought to do. Bureaucrats are convenient targets in contemporary political battles, but in the end it is up to elected leaders to reach agreement on what they want done and how they want policy carried out. If they can do that, our evidence suggests that American federal executives will carry out the authorities’ political will (assuming they are given adequate support and realistic policies to implement). Without such agreement, the federal executive will be caught in a web of controversy that is essentially political rather than administrative.

### Reform in Perspective

Reports and commissions come and go detailing the purportedly grim state of some aspect or other of the U.S. federal executive and its organization.<sup>1</sup> Different diagnoses are issued. Reform efforts big and small are made. A few, such as the 1978 Civil Service Reform Act, have lasting effects. In the 1960s, the emphasis of reform proposals was on representativeness, responsiveness to new participants, and systems thinking.<sup>2</sup> In the 1990s, the emphasis was on efficiency, markets, and even on transforming citizens into “customers.”<sup>3</sup> At each point, the bureaucracy was thought to be resistant to new tidings.

Trying to make government work better is a long-standing feature of American public life. Some of this may well have to do with the democratic

culture that infuses American politics and the popularized Jeffersonian belief that any system needs to be shaken up from time to time. The presumption is that a system undisturbed for long may prove to be uncontrollable. This long-standing populist impulse is reflected today in citizens' general attitudes about the bureaucracy and in their views of career politicians.

In the first decades of the twentieth century, the Progressive movement attempted to bring two disparate forces together: direct popular democracy and proficient government. Proficiency in government, the Progressives believed, required honesty, legality, and selection to service by merit. It required, above all, eliminating the influence of political parties and party patronage in staffing public administration. Eliminating the corrupting influences of political parties was also seen as the way to restore the vitality of American democracy. Professionalism in public administration and direct popular participation in making policy choices were the two capstones of the Progressive movement. The underlying assumption was that policymaking and administration were distinctly different activities, an assumption known as the politics-administration dichotomy.<sup>4</sup>

Upon examination, however, this stark dichotomy fails to hold up. Politics and policy cannot be held in a watertight compartment separated from the administrative sector. It is true, of course, that politicians and civil servants tend to engage policymaking in different ways. Politicians tend to think in broader brush strokes and bureaucrats in terms of specifics, seeking technically appropriate solutions to more precisely defined problems.<sup>5</sup> However, neither the role of the bureaucracy nor the views of administrative officials can be kept free from the political debate or from political machinations, as the Progressives had hoped they could be.

In our view, reformers will not get very far if they define administrative problems only as apolitical matters. What underlies a management or personnel reform crafted in response to government's problems are more fundamental issues: Who exercises power? How much discretion and judgment should administrators have? Who is legally responsible for government actions? And to whom in a system of separated and often divided powers should bureaucratic agents respond? Bureaucracy is very much about power; it is thus eminently political. It is therefore not surprising that the U.S. federal executive is controversial, since the government it serves has been steeped in controversy. Norton Long argued many years ago that administrative activity was energized by power, and that power was the product of the clarity of signals sent from political principals to administrative agents.<sup>6</sup> Other observers have noted that administration is itself a

form of power.<sup>7</sup> The fact is that administration is a crucial mechanism for achieving policy intentions or for thwarting them. Political leaders, consequently, often fear the ability of administrators to circumvent their will.

Because bureaucracy is enmeshed in politics, so too are administrative reform efforts. While we do not dismiss the value of reform, we cast a skeptical eye at the panaceas many reforms promise. In the long term, reforms always have unforeseen consequences. Reformers are kept in business by tending to the consequences of previous reforms.<sup>8</sup> This is because reform solutions tend to be driven by the problem of the day, which is not the problem of every day. However they are rationalized over the short run, reform proposals typically reflect self-interested behavior on the part of supporting interests. Riding the hobbyhorse of administrative reform is often useful to some set of political actors for stoking their political ambitions, gaining advantages in political power, and furthering their policy goals. This also means that other political actors will find any particular set of reforms that disadvantage their interests worth resisting.

If the issue is not just the bureaucracy, but the politics in which it is embedded, then it is relevant to ask not only how the U.S. federal executive system is changing, but also how American politics is changing. It is necessary, among other things, to note the ways in which the federal executive adapts to such changes in the political system as well as what forces in the political environment are working to change the nature of government—its operations, scope, and activities.

The changing political context in which the federal executive functions and the alteration in the fundamental problems it and government in general face are central to our book. Thus we examine the environment of the federal executive over time as well as the composition and nature of the federal executives themselves. The raw ingredients of this investigation are the characteristics, perceptions, views, and beliefs of America's top federal civil servants and subcabinet-level political appointees in the agencies. We are primarily concerned with domestic policy across three Republican presidential administrations from 1970 through the early 1990s. The data were gleaned from extensive face-to-face interviews with these officials during the second year of the first Nixon administration (1970), at the midpoint of the second Reagan administration (1986–87), and toward the end of the Bush administration (1991–92). We supplement these data with other sources of evidence, particularly in chapter 7 on reinventing government where we make extensive use of documents and of various surveys of government officials.

Numerous issues affect the bureaucracy as a whole, including recent emphases on customer satisfaction, downsizing, and employee morale and training. It is, however, at the top levels of the bureaucracy where leadership is demanded and where attention to issues of representativeness, quality, morale, responsiveness, and adaptability is especially crucial. What happens throughout the administrative system is strongly affected by top leadership. Signals and cues are important in organizations. Clarity in them does not ensure that they will be followed, but a lack of clarity or the presence of contradiction ensures that there will be many interpretations about what policy is.

Politics, policy, and expertise meet uneasily at the top of the bureaucracy. A presidential administration's ambitions (and its political appointees) join there with a senior career civil service that is not invested in these ambitions. Presidential administrations demand responsiveness from career officials, but career officials must balance neutrality with helpfulness. The tensions between political direction and skepticism bred from experience are notable at the top levels of any administrative system. Because of the institutional features of the American system of government, these tensions are particularly strong at the top of the federal bureaucracy. Not everything important to the functioning of the federal bureaucracy, of course, occurs at the top levels, but most everything ultimately reverberates from the top. Therefore, we have chosen to focus our attention on the top layers of the bureaucracy—the politically appointed officials of presidential administrations and the senior career executives.

History tends to have little standing in Washington, and some may dismiss this work as merely history—perhaps, as history goes in Washington, even ancient history. While in one sense, this is indeed history, the issues the data help us address are very much alive and relevant now. The discussion about altering the traditional contours of the administrative state in the United States and elsewhere continues today.<sup>9</sup> Some of this discussion has even been translated into action, though to date more outside of the United States than in.<sup>10</sup>

### Why the Quest for Administrative Reform?

Why have so many and varied attempts been made to reform the federal bureaucracy? Why has so much attention been focused on it and on those who fill high positions within it? Why has so much energy been expended in the last thirty years on getting the management of the federal executive “right”?

The rush toward reform of the bureaucracy over the past three decades reflects a combination of factors. We believe these factors can be boiled down to five broad considerations. One is the growth in the complexity of government. A second factor is the increasing level of populist democratization in public life. A third has to do with the growth of “management science,” which is always on the prowl for something “new and better.” The displacement of older political coalitions by newer ones is a fourth consideration. Who controls the administrative apparatus of government was always important, especially in the heyday of party patronage and political machines. Although political machines are no longer what they once were, the bureaucracy remains a vital resource for politicians. In fact, the bureaucracy is probably far more important now, even though it can no longer supply legions of party campaigners. Its importance as a resource for political leadership is bound up in the growing complexity of government but also in a fifth reason behind the rush to reform—namely, a perceived bureaucratic resistance to change.

### *Governmental Complexity*

The New Deal regime of Franklin Roosevelt created an alphabet soup of regulatory agencies designed to soften the negative externalities associated with the unrestrained play of free markets. This accelerated a process that had been going on for some time.<sup>11</sup> Rapid expansions of industrialization and commerce brought regulatory responses from government. While the growth of the regulatory state began earlier, it found a justificatory theory in the positive state doctrines of the New Deal.

New problems emerged, especially as scientific advances showed that nearly every aspect of living was in some way dangerous to the health or well-being of the citizenry. From pesticides to automobiles that either would not work (lemon laws), or were dangerous if they did (the ill-fated Corvair), or spewed noxious by-products, a range of problems was placed on the public agenda for solution. The solution was typically to write a law, establish an agency, and set the agency to do its regulatory work. But the work of the agencies would often prove contentious, whether the agencies were coming to terms with the negative by-products of an increasingly complex economy or with problems that stemmed from patterns of social behavior and discrimination. If all of these activities were controversial, there is no doubt that the regulation of social behavior was especially so. The civil rights revolution of the mid-1960s, for example,

spawned laws leading to many regulations that were unpopular with large segments of the population. Activist courts also promoted regulations, with little visible public demand driving them other than the zealous support of advocacy groups.<sup>12</sup>

Government was becoming more complex and, inevitably, more intrusive. Not all of this was a product of Democratic hands. At its outset, Richard Nixon's presidency invigorated older regulatory agencies and espoused new regulatory causes such as environmentalism. Most regulatory crusades are popular when they begin, except with those who know they will be adversely affected. Only later do broader segments of the population become aware of the costs they will incur. That typically is when regulations become unpopular or at least controversial.

The important thing to point out is that it is the bureaucracy that carries the burden of enforcing regulations, popular or not.<sup>13</sup> It may be, of course, that bureaucrats are inclined to carry out unpopular regulations as strictly as popular ones. That, naturally enough, would lead to their being targets of hostility or ridicule. Politicians can then have it both ways: produce regulations to satisfy some constituencies, and then rail against their enforcement to other constituencies.

The American citizenry seems, at the very least, ambivalent about the regulatory state. It is not uncommon for the public to desire public goods that may be most easily produced through regulation, such as cleaner air and water, better public health, or equal treatment. It also is not uncommon for the public to complain when generally desirable outcomes require specific do's and don'ts. Some regulations are relatively popular because they seem to involve costs for only a few concentrated interests, while purportedly achieving a larger public good. If successfully articulated in public propaganda campaigns, however, the intense opposition of the concentrated interests may sour the regulatory climate over time. Regulations will be especially controversial, though, when broader publics find themselves adversely affected—for example, on issues such as school busing or centralized inspections for automobile emissions. In such cases, authority itself becomes controversial, and the bureaucracy is seen as insensitive to public concern. This, we believe, is one reason there has been such attention to administrative reform in the contemporary era. Yet while distrust of government grew along with the growth of the regulatory state,<sup>14</sup> administration per se is only a small part of the problem. Rather, the fundamental causes lie in deceptive or illegal practices by leaders such as Presidents

Johnson and Nixon and in disagreements about what government should be doing.

### *More Democracy*

Along with other institutions during the 1970s, bureaucracies democratized their procedures. Some of this was achieved by statutory law and some by court edicts. For the most part, as William Gormley has shown, the 1970s saw the expansion of procedural rights and participatory claims throughout the bureaucracy.<sup>15</sup> Gormley, in fact, regards the 1970s as a decade of inspired governmental reforms. These reforms, he argues, increased the accountability of bureaucratic agencies through such mechanisms as impact statements. They also purportedly increased the representativeness of agencies' staffs and their responsiveness to citizen (which may also be read as interest group) claims. The possibility, of course, is that all of these efforts at reform created other, maybe even larger, problems. One thing the reforms began to do was to tie agencies up in an avalanche of paperwork and internal regulations to meet new criteria of accountability and procedural responsiveness.

The democratization of government, the increasingly active role of Congress and the courts in governing agency behavior, a tremendous growth in the number of advocacy groups,<sup>16</sup> and the declining level of citizen confidence in government are possible contributors to an erosion of bureaucratic legitimacy. Increasingly assertive publics have little reason to defer to authorities whom they distrust. The idea that the problems of governing could be blamed on bumbling bureaucrats and an oppressive bureaucracy is now widespread. In a culture of democratic populism, the federal (and any other) bureaucracy becomes an easy target for the perceived ailments of government, which are often characterized by the catch phrase "fraud, waste, and abuse." Accordingly, the citizenry believes that the answer to broad-scale policy problems, such as balancing the budget, lies not in trade-offs between cutting popular expenditures or raising taxes, but in eliminating fraud, waste, and abuse.<sup>17</sup>

While none of these factors alone provide the definitive reason for a growing quest for reform of the bureaucracy, all of them together have contributed substantially to perceptions of a ponderously inefficient and unresponsive bureaucracy—inefficient and unresponsive in part, ironically, because of the accumulation of demands that were themselves the product of reform.

### *Organizational Engineering*

The development of management science and industrial engineering as a response to large-scale organizational management promotes the belief that there is always a better way to do things. Organizational and procedural rearrangements can be designed and implemented amidst a sea of otherwise uncontrollable factors, though their consequences are not always foreseeable. Nevertheless, an understandable tendency (particularly in a world where humankind has mastered many of its problems through industrial organization) is to look for engineering solutions to problems, even to problems that have few definitive answers. If no one believed in the efficacy of management science, business schools and schools of public administration would lose their *raison d'être*.

Techniques for organizational engineering come and go with remarkable rapidity. New techniques come into fashion and old ones go out, much like the outfits modeled in Paris, Milan, and New York. Today it is New Public Management (NPM); yesterday it was Program, Planning, Budgeting, Systems (PPBS). John Kingdon's description of how policies are made is applicable to the streams of management reform and why some are chosen at any given point.<sup>18</sup> A set of promoters of a technique come together with a set of "buyers" at key moments, joining problems and solutions in ways that satisfy their immediate needs. Key buyers are presidential administrations, most of which feel the need to look proficient at managing the government.

While our language here is skeptical about the reasons presidential administrations buy into management techniques and other organizational prescriptions, we are willing to grant that some presidents (Carter certainly) may themselves have great faith in "management science." But if presidents have higher motives, they also clearly have political ones. Aside from the benefits that accrue to them for touting how they will make government work more efficiently and effectively, presidential administrations clearly have an interest in strengthening their political leverage and advancing their policy goals. The bureaucracy can be central to facilitating or impeding these objectives. Understandably, presidents want the bureaucracy to work well—for them.<sup>19</sup> This point is elaborated shortly, but, in the meantime, it is worth observing that Ronald Reagan, the recent president who for good or ill probably had the largest impact on the bureaucracy, used mostly blunt instruments—targeting people, budgets, and programs. He had little reason to hide his schemes behind the facade of management science. His administration, nonetheless, was helped by

the Civil Service Reform Act bequeathed by Carter, which allowed the Reaganites to manipulate the personnel system to accord with the strong policy preferences they and their leader held.

To some extent, there is a contagion effect in bureaucratic reform. Something that seems to work somewhere (the private sector, a different level of government, another government) is likely to lead to its adoption somewhere else.<sup>20</sup> These days, the contagion is international, and reforms of a similar nature have spread extensively around the globe, suggesting that the industrialized democracies are coping with similar problems.<sup>21</sup> These reforms are reflected in the National Performance Review in the United States, but they have been in some ways more extensively implemented elsewhere, under the general rubric of New Public Management. A Norwegian observer describes the main emphases of NPM as “market orientation, efficiency, flexibility, merit pay, [and] consumer orientation.”<sup>22</sup> This should sound familiar.

### *Displacement of Political Coalitions*

One powerful motive for bureaucratic reform is to ensure the responsiveness of the system and its executives to the reigning political coalition. The fact that the American system divides authority across political institutions invites a struggle for responsiveness. “Responsive competence” is language that came into fashion during the Reagan administration to replace the ideal of “neutral competence.”<sup>23</sup> The idea of responsiveness, however, was not intended by the Reagan administration to mean responsiveness to those in Congress or even to the courts. The intent was for the bureaucracy to be exclusively responsive to the White House and its key appointees.

All presidential administrations, to a greater or lesser degree, believe that the civil service they inherit reflects the biases of the previous administration, particularly when that previous administration, as is usually the case, was of the opposite party. The longer the previous party was in power, the greater the level of suspicion. Even the moderate Eisenhower administration was initially convinced that its predecessor left office after ensconcing many of its patronage appointments into the career service.<sup>24</sup> The Nixon administration grew increasingly attentive to what it perceived to be a disloyalty problem, largely because the career service was, in Nixon’s view, more committed to the programs of the previous Kennedy-Johnson administrations than it was to the Nixon priorities. Whatever the truth of that perception, Nixon’s priorities were to have his political interests served, even when these violated lawful procedure.<sup>25</sup>

The stronger an administration's policy objectives and the more these contrast with those of the status quo, the more attention that administration is likely to give to the bureaucracy. A Bush appointee, for example, contrasted the situation of the Bush administration, coming to office after eight years of its own party (the Republicans) holding executive power, with that of the Reagan administration, which not only succeeded a Democratic administration but also was largely at war with the policy legacy of earlier Democratic administrations:

If you are really there to make a change in a fairly dramatic way, I think the civil servants will rate you bad. There is an important value in government stability and sameness. But, on the other hand, when the political will is to make the change, you need certain kinds of people who will not be rated as high by civil servants. . . . In 1989 we wanted stability, and marginal adjustment, and competence. In 1981, we said, hey, let's make changes.<sup>26</sup>

More generally, presidential administrations sometimes find administrative reform a tool they can use to uproot past structures, behaviors, and personnel. The extent to which administration is perceived to be an important policy resource means that presidents will also seek to make it more responsive to them, sometimes by blunt instruments, sometimes by circumvention, and sometimes by offering reform as an instrument of political control. And sometimes all three will be employed at the same time.

### *The Dead Hand Theory*

Related to the aforementioned motivation for seeking administrative reform is the belief that bureaucrats resist change and are responsible to no one. Political leaders come to office with the desire that the bureaucracy do their will or undo the will of their predecessors. Yet the bureaucracy is grounded in notions of stability, continuity, and regularity, without which a nation of laws becomes one merely of capricious power holders. In a properly functioning system of law, bureaucrats will not chase after every stick they are told to fetch by some putative superior. By definition, bureaucracy will not be immediately transformed to suit the tastes of the day, mainly because that is not and never was its role. Nevertheless, bureaucracies do change, a matter on which we will produce ample evidence. And in changing, they tend to reflect changing political tastes and preferences.

But this change will never be speedy enough to satisfy those in political authority. Where bureaucrats perceive stability, politicians often see a lack of

responsiveness. Politicians deal in a world of kaleidoscopic claims and wants, bureaucrats in a world where policy has been institutionalized. The bigger the changes the politicians want, the deader the hand that bureaucrats will be perceived to have.

This is not so much because bureaucrats necessarily oppose new political agendas; rather, in the benign version of the dead hand theory, bureaucrats tend to coast along on the prevailing inertia, feel comfortable with it, know what can be done under it, and therefore cast a skeptical eye toward novelty. Richard Rose described this phenomenon among British civil servants as “directionless consensus.”<sup>27</sup> From this standpoint, bureaucrats protect the status quo mainly because, in essence, it is already being done.<sup>28</sup>

Looked at from this perspective, the bureaucracy is not the enemy of any given administration or of any particular set of public demands. Instead it indiscriminately resists all of them, save those that do not threaten the status quo. Robert Putnam’s description of the Italian bureaucracy of the 1970s emphasizes a sclerotic civil service suspicious of political interference and of civil society alike.<sup>29</sup> Presumably, the problem here is deeper than merely changing faces in high positions. Rather, in this analysis, the solution is to change the culture, which is what Margaret Thatcher attempted to do in Great Britain through deep structural reforms of the civil service and the public sector. Efforts to change the culture of public management have become more pervasive, especially but not exclusively, throughout the Anglo democracies, and have been initiated, at least as often as not, by left of center governments.

Similarly, the 1978 Civil Service Reform Act advocated by President Carter was designed to enhance the responsiveness of the higher civil service by allowing individuals to be transferred to other jobs, ostensibly to broaden their perspectives or to make better use of their talents. More likely, the idea was to provide incentives for recalcitrant or difficult individuals to leave the civil service. Carter no doubt figured that this would help his own administration, but in the end it proved to be a valuable tool for his successor.

The Clinton administration’s National Performance Review is the American version of New Public Management, and it too seeks to change the culture of public management. Its emphasis is less tied to people than the Carter administration’s reform had been. In fact, its claim is that good people have been harnessed to bad systems.<sup>30</sup> As do NPM reforms in other countries, it seeks to alter the administrative culture by rearranging structural incentives through use of performance reviews that focus on goal attainment and similar modes of achievement tracking.

## Multiple Motives

This is the story so far: First, bureaucracy has become a contentious institution for many reasons. Government's complexity and the unpopularity of some of its policies create resentment against government and its operating arm, the bureaucracy. Citizens have been primed by politicians and commentators to target their resentments toward the bureaucracy. Not that citizens required much priming. Bureaucracy and bureaucrats are not popular anywhere, despite the fact that citizens are often quite fond of the programs being administered. Second, presidents, for a variety of reasons, have tinkered with the bureaucracy. At a minimum, presidents want to appear to be proficient governors. Almost all want to exercise greater control over policy as well. In the mold of a mystery, we now have both motives and actors. All that is missing is the supplier of the weapon—namely, the idea mongers.

What particular ideas come into play? As we noted earlier, much results from fashion, and increasingly a great deal results from contagion, as ideas spread around the globe. Yet the ideas do have to fit, or at least appear to fit, a definable problem. And the nature of these problems differs dramatically over time. When Lyndon Johnson instituted PPBS in the mid-1960s, the problem was how to use the budget process for policy rationality; the solution was to rearrange budget lines to fit policy concepts. The problem thirty years later was how to cut costs and make the bureaucracy more responsive to consumer demands in an era of scarce resources—or, perhaps less charitably, how to allow the political leadership to steer the ship of state and allow the nation to remain competitive in a tough global economy while giving much responsibility but few resources to those below decks.<sup>31</sup> The two main threads to contemporary reform proposals emphasize increasing bureaucratic responsiveness to the consumers of government services and increasing managerialism in a public sector that has become more austere.

Reforms stem from a multiplicity of motives, often indiscriminately overshoot their targets, and sometimes reflect contradictions that result from political deal cutting. This does not mean they are all to be abhorred or that they fail to do some good—or more properly, do someone some good. But none of them are bloodless. All of them change the balance of interests and values. Indeed, one of the problems inherent to reform is that any reform changes the goods and bads likely to emanate from the administrative apparatus. None can eliminate all the bads, nor produce only

goods. From this standpoint, we turn to a discussion of the major value conflicts built into reform.

### Conflicting Values in Reform

It may be an iron law of social tinkering that producing a favorable outcome of one kind produces a corresponding ill of another. The literature on administration is filled with complexities of this sort. Writing in the 1970s, for example, Herbert Kaufman noted that bureaucratic red tape was the product of other social goods, such as holding bureaucracies accountable or producing policy goods requiring regulation.<sup>32</sup> Accountability, in fact, is a legal concept, requiring that delegated authority ultimately be grounded in the authority citizens give to the officials they elect. Many people hate bureaucracy because they dislike filling out the reports that accountability requires. In its function as a legalistic and impersonal source of authority—to spin that more positively, a grounded and regularized source of authority—the bureaucracy produces lots of paperwork to ensure regularity and compliance with the rules.

The problem of getting bureaucracy right is that not everything can be gotten right, at least simultaneously. The logic of accountability, as we have described it, is to ensure that agencies perform in regularized ways and in accordance with the law. But if we push accountability, we increase red tape and inflexibility and decrease responsiveness and, most likely, efficiency as well. A government of laws, as Americans often like to think theirs is, is a government thick with safeguards against the arbitrary or capricious use of power. Many of those safeguards also prevent administrators from responding in commonsense ways that might be regarded as responsive or adaptive.

A great deal depends upon how laws are written. The tighter they are, the more constrained the administrator and therefore the less discretionary judgment the administrator can employ.<sup>33</sup> Alternatively, the looser the legal framework, the more discretion administrators have. The more blanks there are under general framing or enabling laws, the more administrators will have to fill them in. Some people think this gives great power to administrative agencies and essentially removes them from lawful guidance.<sup>34</sup> One fear is that agencies may fall in bed with powerful interests or clienteles and decide matters in their interests rather than the broader public interest. Another fear is that, without sufficient legal guidance, bureaucrats will make decisions based on their preferences rather than public preferences (assuming the latter to be discernible). Yet a different fear is that when bureaucrats are given too much discretion by virtue of being given too little guidance,

they may actually shirk responsibility, concerned that they will be second-guessed *ex post* by politicians or even the courts.<sup>35</sup>

At the heart of much of the debate about bureaucracy is the impossibility of simultaneously optimizing all of the values that Americans think may be appropriate for a properly functioning administrative system in a democracy. Indeed, some analysts go even further to suggest that the basic problem is that it is not possible to define what a properly functioning bureaucracy might be.<sup>36</sup> James Q. Wilson notes in this regard that it may be possible to judge public organizations whose product is a tangible service more clearly than those whose product is intangible.<sup>37</sup> Judgments concerning the latter will more likely be based on policy preferences and values. Some activities—diplomacy, for example—defy standardized criteria.

More emphasis on accountability is likely to mean less on responsiveness, adaptability, or flexibility, and vice versa. Red tape is the by-product of a system of law and documented behavior. Many bureaucrats themselves dislike bureaucracy, so defined, as much as citizens do because it ties them up in knots and reduces their ability to make discretionary judgments. As we note in chapter 2, a tendency, indeed a strategy, of presidential administrations since the Nixon era has been for central monitoring agencies, especially the Office of Management and Budget (OMB), an arm of the presidency, to tie up program agencies with reports and justifications of their behavior. Congress and the courts also have added to the paperwork burden of agencies. One of the ideas behind the National Performance Review, chaired by Vice President Al Gore, is to diminish that paperwork burden and place more discretionary responsibility in the agencies. All of this, of course, is wedded to politics. Republicans wanted to tie the bureaucracy into knots so that it would be less able to regulate society, whereas Democrats wanted to reduce the paperwork burden on the bureaucracy so that it would be more able to regulate society.

Increasing responsiveness may well clash with the laws and rules bureaucrats have inherited. Responding to a present principal may be at odds with existing law. Carried to its extreme, political meddling with the legalized routines of bureaucracy constitutes abuse of executive authority. The Nixon administration took the logic of executive authority to an extreme. The notion that the law ought to be ignored while the bureaucracy should be made responsible exclusively to the president was a major part of the Watergate crisis.

The American system makes responsiveness, as well as accountability, problematic at the outset. The system is complex, marked by a division of

powers and often exacerbated by different political coalitions in control of different, yet coequal, governing institutions. Whose writ is to be followed? In parliamentary systems, the bureaucracy, at least in theory, is the agent of the prevailing government. In the language of principal-agent relations, the principal is the government (cabinet or relevant cabinet minister) and the agent is the bureaucracy. Complications may arise, especially in multiparty coalition governments, but on the whole, the idea is simple: one principal, one agent. The American system of government, however, introduces multiple principals for the same agent. Where does accountability lie in such a system? And where does responsiveness lie?

The lines of accountability are wired in very complicated ways, and sometimes rest for a time on decisions made by courts. Responsiveness is even more problematic. Who should be responded to? When government is divided by party (and sometimes even when not), the bureaucracy is cross-pressured between conflicting demands of the politicians in the executive and those in the legislature, not to mention the interest groups that are part of an agency's constituency. A senior career official in the Department of Housing and Urban Development noted the consequences of this inter-branch rivalry for his agency:

I don't know whether this reflects too many years of divided government or whether it is just a general trend, but there seems to have been a pattern of executive defiance of congressional will. When that continues, Congress responds by starting to write into law things that were previously left to administration to do by regulations. As a result, our agency is not trusted, and we have a constant series of more and more layers of congressional rule making in the administration.<sup>38</sup>

As this comment illustrates, both the political executive and the Congress pressure the bureaucracy to be responsive to them and accountable only to their writs. In a system of shared powers, divided institutionally, the American bureaucracy is uniquely cross-pressured and perhaps, consequently, is uniquely distrusted. Should it then be so surprising that it operates under the constraints it does, with the demands of both Congress and the presidential administration often formalized in complex procedural requirements?

In many respects, managerial adaptability and flexibility and the pursuit of efficiency may be at odds with both accountability and responsiveness. Managerial autonomy and maximizing discretion—letting the man-

agers manage, in the parlance of the present—may enhance organizational effectiveness and efficiency (though these two concepts may also come into conflict). Managerial flexibility as a means to efficiency is a key aspect both to New Public Management and the Clinton administration's National Performance Review. Discretion inherently means less emphasis on red tape and less need to respond immediately to demands, though obviously any bureaucrat looking to accumulate political support for future needs will be cautious about offending anyone.

The idea of providing managers with latitude may allow organizations more flexibility to fulfill their missions. It may also permit managers to proceed more efficiently. Yet it is important not to conflate these two ideas. Effectiveness refers to goal achievement, which often enhances the legitimacy of the agency. Achieving performance goals or satisfying customers are two ways in which effectiveness is often expressed. Efficiency, however, refers to the most expeditious use of resources. In the private realm an efficient organization produces large returns on investment. This is often achieved by *not* serving the customer. It is very unlikely that this is a winning strategy for public organizations operating within a highly political (that is, demand-sensitive) context.

Creating an adaptive, flexible, and possibly more effective or efficient public organization requires that the reins of control should be loosened. Does this mean that public agencies will not be accountable? It certainly seems to mean that such organizations will operate within more casual political constraints than previously, certainly since the early 1970s. The degree to which bureaucrats are given latitude is likely to be a result of consensus about the policies they implement, the degree of trust across political institutions, and hence the degree of trust between politicians and bureaucrats.

Finally, the question of who should staff the higher level civil service (a matter we discuss in chapter 3) has important implications for reform. The best and brightest is one common answer. Those willing to fulfill the goals of the president is another.<sup>39</sup> Yet why staff a public service with highly qualified individuals if they will not be given some latitude in figuring out how to do things and in advising their superiors as to their options? A high-quality civil service implies that people are selected on the basis of their capacity for judgment. In a fully rule-driven system, in contrast, judgment is not very important. But the idea of getting the best and the brightest implies that they will have to make a range of difficult judgments that rest on appropriate combinations of technical knowledge, political sensitivity,

and management and leadership skill. Such a reliance on the best and the brightest, however, may come at the price of a high degree of accountability and democratic responsiveness. To what extent do we want our administrative machinery in the hands of a mandarin? How elite, in other words, do we want our civil service to be? Do we want them to be in touch or above being touched?

In reality, all administrative and civil service systems operate in ways that allow these disparate values to coexist to some degree. But there is no doubt that these compromises have different equilibrium points, and the points arrived at reflect the extent to which there is relative consensus about policy and relative clarity about sources of authority. The constraints on U.S. bureaucracy, which have been growing since 1970, reflect the absence of both policy consensus and clear authority. If the bureaucracy has become a point of growing contention, it is precisely because American politics have become more contentious.<sup>40</sup> This is a formulation we elaborate more extensively in chapter 2 as we trace the nature of U.S. politics and the role of the bureaucracy in it from the time we began our study in 1970 to the present.

### Three Themes of Administrative Reform

As we mentioned at the outset, this book is organized around three themes about contemporary administration. The first involves people. Is there a serious problem in the quality of the U.S. public service? A blue-ribbon National Commission on the Public Service, headed by the former chair of the Federal Reserve Board, Paul Volcker, thought so. It described the problem as “‘a quiet crisis’ in government.”<sup>41</sup>

The second theme involves responsiveness. To what extent is there a problem of bureaucratic unresponsiveness to political authorities? To whom should the bureaucracy be responsive? And how responsive should it be? Since politicians have publicly hammered bureaucrats for purportedly being unresponsive to their (politicians’) definitions of the public good, we label this “the noisy crisis.”

The third theme is a more difficult one to characterize. It is about reinventing government. In the United States, reinvention is embodied in the National Performance Review and in the broader concept of New Public Management. Unlike our first two themes, reinvention emphasizes multiple factors. These include, among others, changing organizational cultures, developing “customer”-oriented agencies, running government in a more

businesslike and efficient manner, creating more flexible responses and adaptive structures, and evaluating organizational and individual performance. To what extent can government adopt the features of new managerialism without eroding the distinction between public sector activity and private sector activity and, therefore, between public sector goods and private sector goods? What difference would it make if the distinction were eroded?<sup>42</sup> To what extent is the role of citizen different from that of customer, and the role of government different from that of a firm? Reinvention raises these questions and many more.

### *Theme 1: The Quiet Crisis*

Government service in the United States has rarely been a highly prestigious calling.<sup>43</sup> American society appears to value achievements in the private sector more. Appointment to public service, especially at local and state levels, traditionally was patronage driven. Not only did the professionalization of the American bureaucracy develop late, the bureaucracy itself was a late bloomer. Major developments in the role and expansion of the bureaucracy really began to take shape in the 1930s, as the positive state emerged more fully to combat the Great Depression and, not unimportantly, to solidify the New Deal coalition with new programs. Yet the American polity had, as the French observer Alexis de Tocqueville noted as far back as the 1830s, a vibrantly active civic life. Tocqueville inferred from the popular culture that Americans did not want their leaders or their institutions to stray very far from them.<sup>44</sup> The decentralized structure of government, American resistance to a remote elite, and its own late development each in part explain why the U.S. bureaucracy could not create a mystique of indispensability as the institution responsible for the country's development or its maintenance in times of political crisis.

That the U.S. bureaucracy has lacked the aura surrounding the long-standing bureaucracies of countries such as France and Japan or of others in Europe does not necessarily mean that its top-level civil servants are any less motivated to serve government. One should not confuse the external prestige of an institution with the commitments and qualities of those who serve it, nor with its influence on society. There is a frequent misidentification of the two—a misidentification so casual that it has seeped unwittingly into our assumptions about those who populate the civil service.

Whatever deficiencies of prestige may accompany federal service, civil servants often derive their satisfaction from the belief that they are doing

important public good. Claimed one top-level civil servant, "It is very satisfying to be in a working environment where the Secretary . . . and his top political leadership all want to accomplish something, as opposed to dismantling or to stand pat."<sup>45</sup> Asserted another, "The only thing that keeps us still here . . . is that we do have a hell of a dedication to the mission of whatever it is that we are doing, and we seem to be willing to try to cope with all of these frustrations. We do it because we believe so deeply in these bigger things."<sup>46</sup>

### *Theme 2: The Noisy Crisis*

In contrast to what the Volcker Commission on the public service in the United States called the "quiet crisis," we have dubbed the concerns often expressed by presidential administrations that the bureaucracy is too often unresponsive to their directions the "noisy crisis." Few presidents have been reticent about claiming that the bureaucracy, unless brought to heel, would not respond to their direction. Nixon was perhaps the least reticent.<sup>47</sup> Judging by events of his presidency, he was apparently also the least discreet in expressing and acting upon his feelings. But Nixon was hardly alone among presidents in many of his feelings, even if he expressed and acted upon them in a unique fashion.

As we indicated earlier, it is quite natural for political leaders to feel that the bureaucracy either reflects some other leadership's legacy or is just self-interestedly unresponsive. The Reaganites clearly felt that they were on a mission to gain control of the bureaucracy so that it would do the administration's bidding. They were interested in deinstitutionalizing the past and institutionalizing the future with their own imprint. One high political appointee in the Office of Personnel Management (OPM) during the Reagan administration claimed that the administration's influence in the selection of high-level career officials (members of the Senior Executive Service) was politically strategic:

The executive resources boards that choose senior [career] executives are appointed by the agency head. They are a majority political appointees, not career appointees. Those people would have had a particular agenda in selecting the senior executives coming into the SES. I guarantee you that. . . . That was one of our big agendas in the Reagan administration. Here was an opportunity to leave a lasting imprint on the career civil service, and I would be . . . very surprised if the majority of agencies didn't pick up that bias in an eight year period of the Reagan administration.<sup>48</sup>

It may be the case—and it certainly is perceived to be the case—that the themes of people and responsiveness are related in important ways. First, where greater power is placed in the hands of appointees who have been selected principally for their zealotry on behalf of the president in power, and where control over agency and civil service behavior is centralized as part of a strategy of political control, career officials find their discretion diminished, the challenges of their jobs lessened, and their ability to manage reduced. It seems reasonable enough (which does not necessarily make it true) that able people would find this diminution of latitude frustrating and would thus exit the federal service.

Second, the noisy crisis story may impinge on the quiet crisis story through the counteractions that reverberate throughout the political system when one institutional actor seeks to make the bureaucracy more responsive to it alone. There is plenty of recent history to attest to the fact that under such circumstances micromanagement will rise and career executives will find themselves squeezed in a pincer movement of political forces seeking to counteract each other. This too will add immeasurably to the frustrations facing creative career executives in the federal government. Presumably, such limitations would drive the most able from their jobs. But this needs to be taken as a hypothesis, not a certified fact.

Third, the two themes may be connected if public perception of a responsiveness problem leads to public recriminations against the bureaucracy that in turn might lower civil servants' morale. One way presidential administrations deal with the problem of responsiveness, as they perceive it, is to fulminate against the bureaucracy as a major source of the country's governing problems, or at least a manifestation of them. A senior career official noted, for example, that he felt that both Presidents Reagan and Carter taught "the general voting population . . . that government is a bad thing" and produced "the sense that the profession [I had] chosen to go into [the public service] was somehow a disreputable one."<sup>49</sup> A drumbeat of accusations against the bureaucracy would not be likely to lift the spirits of bureaucrats and might be perceived as hastening the flow from the civil service of the best and the brightest. All of these concerns in some fashion came into play in the Volcker Commission report.

To what extent is a presidential administration entitled to a responsive bureaucracy? That is not an easy question to answer. What we can do is to assess the extent to which the political complexion of bureaucracies change and the extent to which efforts to control the behavior of bureaucrats appear to have been successful.

### *Theme 3: Reinventing Government*

Underlying the third theme, reinvention of government, is the perception that government is a cumbersome, highly inefficient operation. We already noted that the reinvention theme is common to many countries, not just the United States. This leads us to believe that there are similar forces acting upon governments to reduce their classic bureaucratic features (characterized by myriad rules). Along with a reduction in bureaucracy's rule-driven character, New Public Management aims to change administrative culture by focusing on organizational results, individual performance, market incentives (even privatization), and on bringing outsiders into government. Practices from the private sector have been extolled as appropriate models for government. Results-oriented management is at the heart of it. This new culture of government could be described in similar terms from one government to another. One public official in the United Kingdom who is involved with these reforms drew this picture:

What will the Civil Service of the future look like? . . . Numbers will fall to new lows. . . There will be a minimum framework of prescribed rules concentrated on "ethical" standards and effective accountability. Operational management will be delegated to Departments and Agencies. Departments will be restructured with . . . smaller staffs concentrating on policy making, strategic management, and target setting and monitoring contracts or agreements for service provision supplied by a mix of public and private sector providers. . . There will be a greater emphasis on leadership and on management and professional skills in picking and developing managers. . .<sup>50</sup>

The National Performance Review in the United States sums up the change in culture it wishes to promote in the title of its report, *From Red Tape to Results* (1993). With only minor flourishes, it reads much like the quote from the British official above. The report speaks of a crisis of government and characterizes it as one of industrial-era structures in an information age.<sup>51</sup> A U.S. career executive, speaking like one of those "good people trapped in bad systems" that the report talks about,<sup>52</sup> concurs with this conception of the problem of government: "I think the private sector is much more self-conscious about their management challenge than the federal government. They are much more concerned about how they are going

to adapt to these changing times and keep on top and keep competitive, while we sit and continue to do that stuff that we were doing in the 1940s and wonder why we are not respected.”<sup>53</sup>

The reinvention phenomenon promises many improvements in government, particularly in the areas of greater efficiency, managerial responsibility, and “customer” responsiveness. It emphasizes the marketplace and the notion that there is no inherently inviolable function to be performed by the public sector *per se*.<sup>54</sup> These managerial enthusiasms raise a number of important issues. One is whether a responsive government can also be an efficient one, and vice versa. Another vital issue has to do with the definition of the public sector itself and why there is one. Our purpose is to locate each of these three themes in broader assumptions about how government should work, in many respects about how society should work, and about what the role of government should be.

### **The Plan of the Book**

In chapter 2 we discuss the political context of the years encompassed by our interviews (1970–92) and the subsequent years of the Clinton administration. Our focus is on the changing context as that affects the federal executive. We then discuss the nature of our study and elaborate it in sufficient detail for the reader to understand our data base, our samples, and the occasional shorthand necessary to discuss our findings.

Chapter 3 elaborates the people issue, particularly why Americans should care who staffs the upper reaches of the bureaucracy, where top federal executives come from, what their qualifications are, whether they are the best and brightest, and what that might mean. In chapter 4, issues of representativeness, quality, career patterns, and the morale of senior U.S. federal executives are explored empirically.

Chapter 5 focuses on the issue of responsiveness—what it is and why it is important. It looks at how institutions and political and policy divisions may affect perceptions of responsiveness. The issue of responsiveness connects to those of neutral competence and accountability. These are all admirable values in the abstract, but ones that necessarily require trade-offs. The responsiveness issue also raises the stability-sclerosis problem. Everyone wants a bureaucracy with some stability, yet no one wants sclerosis. Responsiveness provides the focus for discussing what we want the bureaucracy to be. A fundamental question from the standpoint of the relationship of administration to its political environment is whether career

administrators adapt to political change. An equally fundamental, though not empirically answerable question, is, how much should they adapt?

We follow up this discussion in chapter 6 with empirical analysis centered on the question of whether the U.S. senior career executive reflects political change in its environment. We examine the involvement of both senior career civil servants and political executives with other actors in the U.S. system and also their perceived influence over policymaking. To what extent, moreover, do presidential administrations appear to be successful in molding the federal executive? And to what extent do they, in turn, reconcile themselves to the career bureaucracy? In the end, how do civil servants think they should respond to policies they deeply question?

Chapter 7 examines the movement to reinvent government. What is behind this new wave? Is it only about *how* government does things or also about *what* things government should do? The reinvention push is a powerful one, and its emergence in so many places, despite differences in specifics, leads us to think that the factors pushing it are not intrinsic to any one country's system of government or its bureaucracy. To what extent do the managerialist ideas behind reinvention ignore the constitutional authority of Congress and also the courts? To what extent do they present problems for accountability? And of perhaps greatest importance, how does the marketplace motif of the reinvention strategy deal with values of fairness, equity, and community? Such values are an essential part of public functions and encompass the rights and obligations of citizenship.

We conclude in chapter 8 by summarizing our key findings and drawing from them an empirical assessment of change and stability in the federal executive during a highly eventful period. We try to assess the quality of the nation's federal executive, especially its much maligned senior civil servants. We also assess the extent to which the U.S. federal executive responds to the changing political forces in its environment. But more speculative questions remain, and these, perhaps, cannot be answered in strictly empirical terms. They have less to do with the bureaucracy that exists than the bureaucracy that is desired—indeed, even the kind of government that is desirable, what it should do and what it ought not do. Such larger matters underlie the issues of bureaucratic reform.

Our book examines the nature of the U.S. federal executive within the larger context of shifts in the nature of political power and public responsibility. For now, power has shifted away from the state sector nearly everywhere and increasingly has gravitated to private sector institutions and to important agents in financial investment markets. The business of the state

has come to be more businesslike because, as Donald Kettl observed, “organizations everywhere shared the . . . need to squeeze more services from a shrinking revenue stream.”<sup>55</sup> Such concerns, of course, are bound to affect not merely how government does things but what it does because big cost savings are achieved by altering the programs of government, not its processes. Administrative reform movements imply otherwise, but the reality is that administrative reform is often the refuge of those seeking to change policy agendas by other means. When we shift agendas for policy change from the political process directly to the administrative machinery, we place expectations on the administrative process that are beyond its scope.