

Bureaucracy Module

1. Introduction to the Bureaucracy

Please read Chapter 15 of our online textbook (<http://openstax.org/details/books/american-government-2e/>).

Make sure you are familiar with the following key terms:

- Origins of the federal bureaucracy
- Spoils system/patronage
- Civil service reform/merit system
- Models of bureaucracy
- Cabinet departments/what they do
- Organizations of cabinet departments
- Independent boards and regulatory agencies
- Controlling the bureaucracy

2. Controlling the Bureaucracy/Leaving the Bureaucracy Alone

I spent several years working at a Home Depot (Store #2201, Olathe, Kansas) before I became a professor. I spent about a year as the department head of the Décor Department (if you ever have any questions about blinds or wallpaper let me know – I am surprisingly knowledgeable). I had an employee I will call Beth, who worked evening shifts. I would leave lists of things for Beth to do whenever she wasn't helping customers.

Unfortunately for me and my list, Beth almost always reported that she had been overwhelmed by customers and was not able to do any of the things on my list. As long as we were selling lots of blinds, the items on the list could wait. But a check of the hourly sales report seemed to indicate that almost no blinds or wallpaper was being sold during Beth's shift. Beth reported that lots of customers asked lots of questions and kept her super busy, even though they didn't really buy anything. That sounded reasonable.

But when I would work an evening shift it always seemed quiet and I usually had lots of time to accomplish the tasks on my list. Because Beth's shifts were consistently so busy and my shifts were so slow, I began to suspect that Beth was full of crap. Could it be that she was just sitting around and ignoring my list during the quiet evenings she had been enjoying?

This story highlights a problem that plagues bureaucracies and life more generally.

The principal-agent model is a model used to discuss the problems principals (bosses) have controlling agents (employees). Bosses tell employees to do things, but cannot follow every employee around all the time to make sure they are doing what they are supposed to be doing. This creates an *information asymmetry* – Beth knows whether or not she is busy in the evenings, but, since I am not there, I do not. Employees can take advantage of having more information than their boss to *shirk*. Shirking means not doing what the boss wants them to do, or, in Beth's case, taking it easy and never doing any of the things on my list. It turns out that it is very hard to prevent shirking. Bonuses aren't the answer – lazy people can get lucky and be successful, and hard-working people can fail. Monitoring is expensive and has the tendency to alienate employees.

These problems are further complicated by politics. If a Republican president wants the EPA to lighten up on enforcing environmental regulations, a different can of shirking can arise. *Ideological shirking* is when employees enact policies in an ideological different way than their boss wants. The EPA employees may decide to keep enforcing environmental policy the same way that they always have, leading to more liberal policy outcomes than their Republican boss wants.

Sometimes, we want bureaucracies to be insulated from political influence. The Federal Reserve is set up so politicians do not have much influence over it – there is a fear that politicians might use the Federal Reserve to help them get reelected rather than to help keep the economy strong and stable.

It is also hard for bureaucracies to even identify their boss. The president is the head of the executive branch and appoints many of the leaders of the bureaucracy, so he is boss. But Congress creates bureaucracies through legislation and funds them through appropriations. That makes it a boss as well. Should the EPA listen to Trump or Pelosi?

With all this in mind, please read the attached chapter from *Fifth Risk* by Michael Lewis. This chapter is about the Department of Energy and Trump's attempt as a principal to control his agent. Lewis is not exactly fair and balanced in this book. He is critical of Trump throughout the book.

After reading the chapter, please be able to explain the following:

How do presidents try to control bureaucracies? What tools can he use?

How responsive should bureaucracies be to politics? Are there some bureaucracies that need to be responsive to the presidents? Are there others that would be better off being left alone.

Please read this article as well. It is an interesting look at the role of bureaucracies during the corona virus crisis and it highlights the same issues of politics and bureaucracy that the Lewis chapter highlights.

www.nytimes.com/2020/03/26/us/politics/coronavirus-expertise-trump.html?action=click&module=Spotlight&pgtype=Homepage

If you really like the Lewis chapter, I recommend the whole book. It is very good. I also recommend the following This Week Tonight episode on NOAA

(www.youtube.com/watch?v=qMGn9T37eR8). It covers a lot of the same material that appears in another chapter of the Lewis book. It is also arguably more entertaining than my story about Beth.

Final thought

Bureaucracies do a lot of important things that people rely on. My friend Glenn works for a USDA Food Safety and Inspection Services lab in Athens. His lab works hard to make sure the poultry you eat is safe. He is not a liberal microbiologist or a conservative microbiologist. He is just a microbiologist that tries to make sure chicken does not kill you.

Bureaucrats should be appreciated and left alone when possible.

Short Assignment

The federal government is very large. It is full of agencies that I am sure most people have never heard of before. For example, had you ever heard of the National Institute of Allergy and Infectious Diseases before its director, Dr. Anthony Fauci, became corona-virus famous? Many of these agencies conduct work that is vital to the health and safety of Americans (National Weather Service, Center for Disease Control and Prevention), while others seem less vital (Migratory Bird Conservation Commission, Marine Mammal Commission).

For this assignment pick a government department or agency with which you are unfamiliar. Here is a list for you to peruse (www.usa.gov/federal-agencies). Be sure to pick an executive branch agency (the list includes all government departments and agencies, including the limited number controlled by Congress and the courts).

What is the mission of your department or agency? What do they actually do to accomplish their mission?

Is this an agency that where political control is a good idea or should politicians let this agency do their work without interference?

Please write this up in a half to a full page and email it to me. The due date for this assignment is April 27. You may turn it in earlier if you would like.

Let me know if you have any questions about the assignment. I enjoy obscure bureaucracies and will be happy to help.