Don’t Blame the Bureaucracy!

H. BRINTON MILWARD Department of Management, University of Kentucky
HAL G. RAINey Department of Public Administration, Florida State University

ABSTRACT

Public agencies and public employees are increasingly berated as inept and inefficient. We argue that the public bureaucracy in the United States is more valuable and effective than generally recognized. Where public agencies do perform badly, the problem is often due to external factors. We discuss the oversimplified calls for more businesslike efficiency in government, the value complexity which complicates evaluation of the public bureaucracy, and the higher standards imposed on the public sector. We also discuss the challenges imposed on public agencies by special interest politics, an overload of highly complex assignments, and adverse public stereotypes. The danger of overlooking these issues is that we will continue to have a huge, active public sector, and decisions about its role and management must not be determined by oversimplification and stereotype.

1. The denigration of bureaucracy

For over a decade, there has been increasing scepticism about the performance of the public bureaucracy in the United States. The problem has been a major theme in the last several presidential administrations, and has reached a high point in the Reagan administration. President Reagan’s contempt for the bureaucracy is no secret. Ed Meese, one of the President’s major counselors, came to a cabinet meeting with a rotund, faceless, large-bottomed doll. He announced that it was a bureaucrat doll; you put it on a stack of papers and it just sits there! (Raines, 1981).

If Presidents and their aides are acting this way, you can predict that they feel that most of the voters approve. Public opinion polls have in fact been detecting a widespread conviction that government is wasteful, meddlesome, and ineffective, and much of this concern focuses on public agencies and their employees as a major part of the problem. A Roper poll asked respondents to estimate how much of each $100 spent by the Social Security Administration goes for administrative costs. The median estimate was
about $52.10. The actual cost is $1.30 (Germond and Witcover, 1981). In May of 1981 a Lou Harris poll found that 88 per cent of the 1,207 respondents felt that too much tax money is wasted by an inefficient bureaucracy.  

Academics and journalists, including many who actually supported the growth of government agencies and programs in the past, show more and more concern over the intransigency and inefficacy of those agencies. Among many examples are Allen Barton and Carol Weiss, two prominent social scientists not necessarily inclined to hostility toward government, who recently published a book of readings entitled *Making Bureaucracies Work* (1980). The implications, of course, are that they are not working.

These doubts about public bureaucracy are part of a more general atmosphere of disenchantment with government in the United States, with what is seen as its poor performance, its excessive influence, and its huge cost. These concerns are echoed in other countries, including Britain under the Thatcher government. They have helped to fuel efforts by the Reagan administration and previous administrations to reduce and reform government. Well before President Reagan was elected, there was a downtrend in public employment (Serrin, 1981). At all levels of government, there were efforts to reduce taxes, cap or cut spending, curtail regulatory authority, return functions to the private sector, and otherwise cut down on government. The Reagan administration simply represents a high tide for such efforts. As the polls show, such actions are based in part on the perception that the bureaucrats and the bureaucracy are lazy and inept.

The central theme of this paper is that there are genuine dangers in this impulse to denigrate government in general and bureaucracy in particular. The danger is that oversimplifications, myths, stereotypes, and facile assumptions will distort decisions about the proper role of the public bureaucracy in the United States and other countries. There are major problems in managing the public bureaucracy, and we share concerns about excesses, waste, and other shortcomings which critics cite. Bad diagnoses lead to bad solutions, however, or to no solution. Using the public bureaucracy as a scapegoat for a variety of social and economic ills can effectively prevent the proper analysis of those problems. Verbal bludgeoning of bureaucrats can actually create a vicious cycle in which improvements can become even more difficult. Early on in the Reagan administration, for example, there were many newspaper reports of severely low morale in many agencies, and of the rapid departure from public service of many of the best people.

Too many people, including high-level policy makers and opinion leaders, are moving too quickly to propose cuts in public agencies and public programs without grappling with important points about the difficulty of evaluating those cuts and the true value of those programs. More people should be forced to confront those questions. Our public debate should show more sophistication in considering the role of the public bureaucracy
in a modern, complex, technologically and socially advanced society. Virtually every other industrialized nation has a larger public sector than the United States, and issues continually come up which will require the involvement of government at all levels. Shortly after receiving the Nobel Prize in Economics, James Tobin observed that the rapid growth of the public sector in the United States had actually accompanied the greatest economic advances of any country in history, and that he knows of no evidence that government spending and growth are responsible for current economic difficulties. We will continue to have a large, active, and expensive public sector, and it is time for this point to be incorporated into our public discussion. It is not a partisan matter. The conservative columnist George Will (1982), after noting that 40 per cent of our bridges are rated as deficient, and about 50 per cent of the Interstate Highway System will need major repairs by 1995, but that gas taxes had not increased since 1959, pointed out that private enterprise depends on a publicly provided infrastructure. It is neither optional, he said, nor inexpensive: 'A substantial portion – perhaps 80 per cent – of public spending is not really a subject of serious debate.'

The real challenge that the country faces is not simply the search for ways to slash the public sector and return functions to the private sector, as suggested in a number of recent treatises by ideological conservatives such as George Gilder (1981) and William Simon (1980). The challenge for modern societies is effectively posed in the book Politics and Markets by the political scientist Charles Lindblom (1976). He points out that modern societies have two major alternatives for administering the production of goods and services. They can allow independent decisions by individuals and firms responding to the signals of economic markets, or they can have a politically based, hierarchical system – a political body and a bureaucracy – direct what is to be done and produced, by issuing laws and rules. We know that this political-bureaucratic alternative is, in Lindblom's words, 'all thumbs'. It is clumsy and inefficient in a number of ways, as President Reagan and many others have been telling us recently. The dilemma is that we also know that economic markets can fail, and fail badly, to provide all of the goods, services, and outcomes which we want and need. Of course, there are no countries which are run purely by one or the other of these methods, and as Lindblom describes in his book, the two are always mixed, modified, or balanced in a variety of ways. There lies the challenge. What is the best mix and balance for our complex society as we finish out this century and enter a new one?

A great many people assume we have gone too far in the political and bureaucratic direction, and need to move back towards heavier reliance on private markets. We do not claim to be certain that they are wrong, but we feel strongly that such decisions should not be made without considering some points about the performance and value of the public bureaucracy.
which we want to raise in this paper. Some of these points stress that the
public bureaucracy may be more effective and valuable than often supposed.
Other points emphasize that, if the bureaucracy performs badly in certain
ways, the source of the problem may not be in the organizations and em-
ployees themselves. Blaming the bureaucracy, then, may be a very bad way
of trying to improve things.

2. The cry for efficiency: ‘Run government like a business’

The most popular current charge against the government bureaucracy is that
government at all levels is inefficient and ineffective because of bad manage-
ment. The solution proposed in Washington and in many state capitals and
city halls is to ‘run government more like a business’. Government’s ship
must be made tighter and more efficient, through centralization of power in
the executive’s hands, and elimination of waste, duplication, and overlap.
This theme is nothing new in American public administration, but has been
heavily emphasized recently. For example, President Reagan once said that
many of his budget cuts could be accomplished simply through the elimina-
tion of waste and mismanagement. Certain governors have made the call for
more businesslike procedures into a theme for their administrations.

No one opposes efficiency in government, and many business practices
should be used more frequently in government, but the call for ‘running
government more like a business’ is often badly misconceived. It overlooks
several serious points. One of these points is that heavy emphasis on operating
efficiency may distort the role, purpose, and value of government in our
society. The United States government, with its sharing of executive power
between Congress and the President, was originally designed with less
emphasis on simple efficiency than on avoiding concentrated power and
centralized administration of the type European monarchies possessed.
Indeed the same emphasis exists today. Samuel P. Huntington in American
Politics: The Promise of Disharmony (1981) writes that the American people
will not permit government to be what it must be for efficient operation, i.e.,
to possess some measure of hierarchy, inequality, arbitrary power, secrecy,
decception and established patterns of superordination and subordination.
These are the attributes which are necessary for efficiency but antithetic to
the American ideal. Ironically, the Reagan administration represents that
fear and distrust of government at the same time they advocate managerial
solutions which will make it more fearsome. This unwieldly character of our
government complicates the internal operation of agencies and programs and
makes them appear inefficient or actually be that way.

A second misconception in the calls for more businesslike efficiency in
government is their underestimation of the actual value that can be attached
to government, if it really were viewed in businesslike fashion. Former
Gov. Dan Evans of Washington provided an excellent example of this; he grew tired of the constant calls for 'running government more like a business'. He had a document prepared titled Report to the Shareholders of the State of Washington (1976). In it he applied the corporate model to the state to show the inappropriate nature of the comparison. Imagine, he said, trying to run a company whose 'stockholders', the electorate, only gave you a razor thin vote of confidence; where the 'board of directors', the legislature, was often controlled by a rival group; and where your 'management team', the cabinet, was in part separately elected and partly picked by you. How would you like to manage this 'company' knowing you were limited by law to either one or two four-year terms? Evans went on to apply the accounting system used by Boeing, the largest company in Washington, to the assets and liabilities of the state. In spite of these constraints on management of the state, the analysis showed it to be far from a precarious financial position. Accepted accounting standards showed that the net worth of the state worked out to eighteen hundred dollars per citizen. The reason was that capital investments like buildings and highways previously had been treated as expenditures and were assumed to have no worth after construction.

Some observers even argue that the immense value of government assets and services are part of the problem in managing our economy. Lindblom (1976), points out that a great deal of government activity in the USA, now and in the past, has actually been devoted to the support and promotion of private business. James O'Connor, in The Fiscal Crisis of the State (1973), similarly argues that a major problem for our public finances is that private corporations, especially in certain noncompetitive industries, force major costs of their operations onto government. The taxpayers pick up the tab for roads, schools, cultural and entertainment facilities, police, public transportation, and numerous other assets and services which benefit business enterprises far more than they cost those enterprises. Yet public agencies usually receive the blame for the high costs. As one example, much has been made of the regulatory costs imposed on the automobile industry. Those costs may well be excessive, but the critics seldom note that the automobile industry's development has been directly linked to the hundreds of billions spent by taxpayers and government for roadbuilding. The huge costs of maintaining those roads and highways is emerging as a major issue, and government will have to take the heat and solve the problem. Is government a burden on the auto industry, or is it really the other way around?

Another shortsighted aspect of the cries for businesslike efficiency in government is that they often overestimate business efficiency and actually underestimate the efficiency with which government operates. It is commonly assumed that business is more efficient, but this is more easily assumed than proven. There is plenty of evidence of immense waste and inefficiency in
business organizations, which makes it hard to say whether they are any
better or worse than government organizations on that score.

Among many examples of this evidence of poor performance by some
American business organizations is the current attack on them in two recent
books (Ouchi, 1981; Pascale and Althos, 1981) and numerous articles which
compare American management practices very unfavorably with those of
the Germans and Japanese. These criticisms make one wonder whether
American business organizations are really an ideal model for government
to copy, and they point up an irony in some of the calls for more businesslike
efficiency in government. The observers of Japanese industrial success say
it results in large part from willingness to forego the short-term profit which
comes at the expense of maintenance, capital investment in the plant, and
humane management practices. Ironically, the changes urged on the public
sector often involve financial techniques and control systems which focus on
short-term efficiency and tightened control with little attention to long-term
investment in the organization and commitment to it. One clear instance of
this is the effort to remove civil service protections at many levels of govern-
ment. While many successful business organizations here and abroad make
long-term commitments to employees and emphasize their personal develop-
ment, critics of government assume that government will become more pro-
ductive if we make employees more afraid they will be fired.

That last point brings us to the ultimate jibe at the ‘run the government
like a business’ argument. It is usually unclear, if not simply meaningless. It
is a simple minded proposal that merits a simple response; should we run it
like W. T. Grant, Penn Central and the fifty thousand businesses that go
bankrupt every year; or should we run it like successful companies like IBM
or Delta Airlines both of whom practice ‘inefficient’ practices like not laying
off employees during cyclical downturns in business conditions? The simple
proposal contains no clear advice as to what we should do.

The cries for more efficiency and for running government like a business
are the easiest of the arguments to overturn. There are actually a number of
related points which are more difficult to resolve, but which must be
addressed.

3. Value complexity: Multiple, conflicting, hard-to-measure goals

We have made the point that government serves values more complex than
operating efficiency. It is important to recognize the true variety and com-
plexity of those additional values, the ways in which they complicate evalua-
tion of the public bureaucracy, and most of all, to recognize that
attention to them is simply inescapable. If the functions of government could
be easily packaged for exchange on markets, then the private sector would
normally get the jobs. Governments gets the messy jobs, and government
agencies have many goals imposed upon them. This naturally makes it harder to achieve all of them.

One reason for this is that the goals are often contradictory. Pursuit of one detracts from achievement of others. Wilson and Rachel (1977) provide a vivid illustration of this problem. Imagine, they say, a state highway department. It is largely composed of engineers who have been told by the legislature and governor to build a highway between two cities at the lowest cost given accepted engineering standards. Here we have a public agency with a goal which is actually clear and unambiguous compared to the goals of many public programs. Construction begins, however, and immediately efficient achievement of the goal is frustrated. The engineers are forced to pay the prevailing union wage, whether the workforce is union or not, because of the Davis-Bacon Act. Next, minority groups complain that the contractors have not given enough of the subcontract work to minority owned firms. The contractors claim that the minority subcontractors had higher bids and/or were less experienced than competing subcontractors. Nevertheless the law is clear and they must be given a piece of the action. Construction finally begins, and costs have already risen substantially, but the end appears to be in sight. Then the Sierra Club threatens to sue the contractors and the state if an alternate route is not chosen which avoids a swamp which is also a wildlife refuge. Again the law is clear and the state reroutes the highway at a cost of millions of dollars. The road is finally completed several years late and millions over budget. Those groups who along the way pressed additional goals are happy but the public at large views the late completion and excessive cost as just another example of bureaucratic bungling.

The clear lesson from this example is that efficiency is a very important value but there are other values such as equity and protection of the environment which by law must be observed, and which compete with simple operating efficiency. If the road had been built efficiently the state would have been pilloried for spoiling the environment, supporting the vestiges of discrimination and being anti-union. Public agencies are often put in a no-win situation where the achievement of one goal insures poor performance on another.

The government agency may be seen as inefficient, but is actually incorporating into its own operations the value conflicts which must somehow be worked out in a complex society. Equity (defined as equal treatment of citizens) and governmental responsiveness and accountability are also very important values in our political life.

These values mean that there are multiple criteria for judging success or failure. A program can be run very efficiently and still be accused of being unresponsive, because to be efficient means that you cannot continually respond to this or that request or you will no longer be judged efficient. It is the ability of business to deflect many intrusions into how they operate that
often makes them better able to perform on the efficiency criterion than government. Thus GM does not have to hold ‘citizen participation’ hearings before every major decision they make. Having to manage in a fishbowl and to have your files constantly open for public inspection – as the Freedom of Information Act allows – may be wonderful if judged from the criterion of accountability but it makes it very difficult to be efficient.

Equity is another value that is difficult to reconcile with efficiency. From an efficiency standpoint it was economic madness to spend millions upon millions of dollars making public transportation accessible to the handicapped. Not only did it direct large amounts of money to a small proportion of the population but there were less costly ways to achieve the same goal of making public transportation available to the handicapped. Rather than retrofitting old buses, buying new ones with wider aisles and wheelchair lifts or putting elevators in subway stations (which then breakdown because of lack of use) cities could have more cheaply provided a system of wheelchair accessible minibuses that could be available on demand to take the handicapped person where he wanted to go. This alternative was rejected by organized groups representing the handicapped because handicapped people would not have the same access to the same facilities as nonhandicapped people. Thus a great amount of money was spent complying with this interpretation of the law which said that federal funds must not be spent on facilities that are not accessible to the handicapped. The courts decreed that the money was to be spent to insure equity with no thought given to economic efficiency.

There is no better example of these difficulties of considering multiple values and avoiding stereotypes than that most frequent choice as the quintessential government giveaway program, ‘welfare’. Public opinion polls and other sources consistently show that high percentages of Americans see ‘welfare’ as one of the major forms of government waste and a major reason for higher taxes. Yet in the 1982 budget proposed by the Reagan administration, these programs normally considered welfare programs (AFDC, Medicaid, and several others) accounted for about $50 billion of the total of approximately $650 billion (Pechman, 1981, 55). Fifty billion dollars is a huge amount, and the programs may have huge problems, but it is clear that even if we eliminated them completely and passed all the money directly back to taxpayers, tax bills would not go down as much as 10 per cent. There is really not nearly that much which can be cut, of course, because we cannot let the poor starve in the streets, and most welfare recipients are not chislers, but persons who work when they can or who simply are unable to work. It is clear that ‘welfare’ as a source of high taxes and bureaucratic waste is exaggerated in the minds of a great many Americans.

Still, some critics argue that we would do better to return the money to the private sector, and let business expand to absorb the welfare recipients.
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The private sector is assumed to be more efficient, so the money would be better used. But is this argument not a good example of the oversimplification about complex systems which plagues our public debate? One of the ways in which industry has made its impressive gains in productivity is by displacing workers with machines. Industry has required higher and higher levels of skill from workers, and has less and less demand for the unskilled labor which most welfare recipients can provide. Government is given the task of providing for the persons least useful to industry, and is also saddled with the blame for the problem.

Complaints about the wasteful welfare system usually overlook the more general societal issues which are so complicated to resolve. Do we really know the social costs we are saving through the welfare system, even if it is riddled with waste, mismanagement, and disincentives? One could observe that the society is getting a perverse bargain, by buying off the impoverished lower end of the income scale with small payments, while the rest of us, including the much-pitied middle class, live in a state of comfort never dreamed of even by the aristocrats of a century or two ago. Another perspective is to view the system of welfare programs with a certain degree of pride, as a system which is flawed, but which has largely eradicated acute malnutrition and other aspects of abject poverty in a country not particularly inclined to address those problems. These arguments are oversimplifications themselves, but show how complicated the evaluation of even a widely-pilloried program can be.

This welfare example brings us to a final point about complex and intangible goals of public agencies. They make it harder for citizens, including experts, to see what government agencies are doing and how well. Functions are usually assigned to government because of their broad, diffuse impacts on society and the public interest. Public-sector goods and services usually cannot be exchanged on economic markets, and must be evaluated through the political process. Yet how can citizens make clear judgments of the value and contribution of national defense, public education, social welfare programs, and an elaborate interstate highway system? Since benefits are hard to see, it is easy to jump to the conclusion that there are not many benefits. It seems that people make such judgements largely through stereotypes, ideology, or concentration on a few issues of particular self-interest. The problem is that advancing technology and social complexity create more and more demands for such government services, and we really have no alternative to finding more effective ways of evaluating their delivery.

4. Public sector standards are higher

The value complexity involved in evaluating public bureaucracy is also due to the higher performance standards which are applied to government. We
feel a sense of ownership of government, and a caution about its powers. We demand that, in addition to being efficient, government must be fair, open, honest, accountable, consistent, and responsive.

A good example of these particularly high standards for government, ironically, is the matter of efficiency, where business is often assumed to be superior. What organization, public or private, doesn't waste five to ten per cent of its revenue? This 'waste' takes many forms - theft, breakage, spoilage, unnecessary perks for managers, poor decisions about projected demand, and slack resources to meet peak demand. All of these factors exist in both sectors, but they cause much more concern in the public sector. The federal government at the request of Congress is now requiring that Prime Sponsors under the CETA program account for and be responsible for every dollar spent by the autonomous training programs that they fund. No waste at all is allowed in a program which is supposed to be flexible and responsive to the needs of those who need job training. Most of the training programs which are storefront community organizations cannot afford accountants or trained financial managers, but the Prime Sponsor is held completely responsible for every dollar they spend (Barnes, 1980).

The same pattern holds in the matter of ethics. If Labor Secretary Raymond Donovan had still been a New Jersey contractor instead of Secretary of Labor, no one would bat an eye over his being accused of giving a union official with ties to the Mafia several thousand dollars to ensure labor peace at a construction site. In many northeastern states, this is part of the cost of doing business. Against a Secretary of Labor, however, this becomes a serious charge and, if proven, grounds for dismissal. Thus in ethics as in performance we seem to have created a double standard.

To this point, we have suggested that public bureaucracy has more value than is commonly recognized. As we have said, however, there are plenty of indications that government agencies often do perform poorly. Here again, it can be harmful simply to berate the bureaucracy, because the real source of the problem often lies outside it.

5. The special interest state

This view of the bureaucracy problem has a number of different facets. Theodore Lowi originated this line of analysis in The End of Liberalism (1969) where he argued that the paralysis of liberal democracy resulted from its inability to judge the claims of special interest groups so the unjustified claims on society could be rejected and the just ones supported. Examples from the equal rights area abound. While Blacks and Indians have strong claims for affirmative action and special help, an argument can be made that each successive group clamoring for protection has a less strong claim on society's conscience. The logical result is no equal rights but pre-
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ference extended to all groups with the result that we equate the claims of Blacks with the claims of Gays. Lowi argues that to fail to judge claims on society trivializes public policy. He calls this ‘universalized ticket fixing’ which breeds disrespect for government.

The result of ‘universalized ticket fixing’ is that the policy process (and government) are often immobilized. John Gardner, the founder of Common Cause, describes the special interest state this way:

Imagine a checkers player confronted by a bystander who puts a thumb on one checker and says, ‘Go ahead and play just don’t touch this one,’ and then another bystander puts a thumb on another checker with the same warning, and then another and another. Pretty soon all thumbs and no moves. The irony is that the owners of the thumbs – the special interests – don’t want to make the game unwinnable; they just don’t want you to touch their checker. The result is they paralyze the policy-making process (Gardner, 1979, 32).

In addition to the immobility that comes from the checker game another aspect of the special interest state is that the pervasiveness of bureaucratic rules and regulations (the proverbial ‘red tape’) is caused by special interests and Congress, not rule-bound bureaucrats. What Samuel Halperin says of education can be applied to any policy arena:

Much of the prescriptive language that occurs in federal statutes does not come from congressmen who are trying to oppress educators. Much of it comes from one group in society that doesn’t trust or agree with another group in society (Halperin, 1978, 14–15).

The last special interest state argument concerns the fragmentation of policy and the lack of policy consistency one finds in federal programs. Joe Califano conducted an anti-smoking crusade at HEW while the Department of Agriculture was supporting price supports and acreage allotments for tobacco farmers and the Department of Commerce was not requiring manufacturers of tobacco to put the Surgeon General’s health warning on cigarettes to be exported. The reason this occurs is not bureaucratic stupidity. Fragmentation arises precisely from a key function of democratic government – to respond to diverse demands from interests which are mutually incompatible. This leads directly to policies which tend to be directly contradictory.

All of the previous examples undergird the basic argument that the idiocies of bureaucracy (rule bound paralysis, inefficiency, fragmentation, waste, duplication and overlap) result not so much from the internal culture of bureaucracy as from the demands of powerful interest groups and congressional committees to which the agencies must respond.

John Gardner... says it is a mistake to think of the Federal Government as a separate entity. ‘It is a collection of fragments under the virtual control of highly organized special interests,’ he said. ‘In the special interest state that we have forged, every well organized interest owns a piece of the rock.’ (Herbers, 1978).
6. Congress asks bureaucracies to do things which no one knows how to do

This approach to the 'bureaucracy problem' locates the problem squarely in the Congress. Congress, due to the pressure of interest groups (some of them organizations of professionals who work for government), will pass laws calling for government agencies to do things that they or anyone else simply do not know how to do. Or if the technology is known, the Congress may be very reluctant to provide the necessary funds to perform the task adequately. Problems of this nature usually occur in organizations that are charged with changing the behavior of individual clients. Whether it is the prisons which are supposed to rehabilitate criminals or social workers who are supposed to change pathological behavior of some welfare clients involving spouse abuse, civil servants are being asked to do things that our society does not know how to do. If we do know how to do these things it is usually possible only in an individualistic setting where massive amounts of human and monetary resources are brought to bear on the client. This can hardly be the case in a resource-tight public sector that runs programs that must of necessity be geared to large numbers of clients and diffused over fifty states and ten thousand cities.

Congress and the American people have been unwilling to accept some harsh realities. As Peter H. Schuck (1980) points out, law as a tool of social change has limits. Politicization of some issues only makes them worse. There are few if any comprehensive solutions to problems like moral decay, declining cities, or welfare. Such matters are either unknowable or, for a variety of reasons, not achievable. While Congress can pass laws on any topic and spend money for any public purpose, implementing policies depends on bureaucracies being able to translate legislative intent into an implementable program. If there is no known cause and effect relationship between the theory underlying the program and what an agency is asked to do then the bureaucracy will once again become a scapegoat.

The most ridiculous current example comes not from the Democrats or social work do-gooders but from ultra-conservative Senator Jeremiah Denton (R-Ala). He introduced a bill in Congress to create a program to 'study the causes of teenage pregnancy' and develop ways of promoting chastity among teenagers. While the causes of teenage pregnancy are obvious the solutions are not and even if they were, the imposition of chastity belts in a democratic society would not be looked upon with great favor.

The politicization of social issues does not guarantee their solution. Public agencies have been expected to do things beyond their capacity — to halt moral decay, end wars and racial discrimination, prevent population growth, ensure equality, and eradicate crime.
7. Governmental overload

This view of the problem is similar to the above argument concerning doing things we do not know how to do. It holds that because all issues become political and the special interest state has no criteria for refusing any request, the state will try to do everything (see King, 1975). Some things will be within its capacity, some will not, but all will be attempted. The result is that the carrying capacity of the government will become overloaded and because resources will be spread too thin the system will overload and falter.

A corollary to this is something called ‘Moynihan’s Law’, named for the senator from New York. It states that any program which depends for its success on there being large numbers of highly trained, intelligent, committed individuals will of necessity fail. This somewhat tongue-in-cheek maxim points out one problem that seems unique to government. Since there are no a priori grounds for refusing to intervene in areas that have been politicized, human or other resource constraints are not accepted as excuses for non-intervention. In contrast, no business would enter an area if capital or human resources were lacking. In the public sector one finds laws like the Safe Streets Act of 1968 which by a stroke of the pen created a profession that had previously not existed – Criminal Justice Planning – and because it was in the law programs had to be established to certify these people, even though no one knew what they did.

8. Macroeconomic management hinders program performance

The President and Congress live and die not on whether CETA is perceived as being an efficiently run program but rather on the rates of inflation and unemployment. These two summary statistics are far more important to political survival than any government program; because of this the management of the economy has become the single most important single task of government.

In Maryland an aide to Governor Harry R. Hughes points out that:

The energy assistance program is designed to keep people warm in winter. But they (OMB) want to give you the money in equal amounts every quarter. We don’t need the money in July, we need it now, and these guys in Washington are sitting on the money. You know why? They want to keep it in the bank and draw interest on it, and we’ve got people freezing (Herbers, 1982).

Steps designed to better manage or ‘fine tune’ the economy (across the board budget cuts, personnel reductions in force which lay off good workers and bad and personnel ceilings unrelated to the magnitude of the job to be done) can cripple the effectiveness of government programs. The US Office of Surface Mining issued 800 fewer mine violations in 1980 than in 1979. They attributed the decrease, rightly or wrongly, not to a change in policy
from Carter to Reagan, rather they attributed it to not being able to replace mine inspectors who resigned during the federal hiring freeze.

9. Stereotypes of bureaucracy: two cognitive levels

The preceding points show how hard it is to say whether we are simply underestimating public bureaucracy or whether bureaucracy actually is doing badly because of burdens imposed on it. A problem in resolving the issue is that there are widely-held unfavorable stereotypes of public bureaucracy. It is hard to separate accurate evaluation from invidious myth. The views of public bureaucracy are also paradoxical, making it hard to say what people really want to do about bureaucracy.

In one of the most careful and interesting studies of such views ever done Daniel Katz and associates (1975) reported that the public's general evaluation of government agencies is not particularly favorable. They asked respondents to rate how well government agencies meet a number of performance criteria, such as solving clients' problems, prompt service, fair treatment, and others. About 25 to 35 per cent of the respondents gave generally unfavorable ratings of public agencies, and only small percentages gave highly favorable ratings. When asked to say whether business or government meets the standards better, about half of the respondents saw no difference, but of those who did, more than twice as many felt that business does better.

Strikingly, however, respondents' ratings of their own specific encounters with public agencies were much more favorable than their impressions of public agencies in general. Katz et al. concluded that their respondents' attitudes tended to be organized along two levels. The attitudes on specific matters—the way particular agencies have actually treated you—tended to be favorable. When the referent is less specific—public agencies in general—negative stereotypes have a greater influence and ratings become less favorable. There are also similar survey findings of unfavorable ratings of Congress as an institution by respondents who at the same time are pleased with their own Congressman. Only 20 per cent of the respondents in a University of Michigan poll taken in 1978 said Congress was doing a good job. In contrast, 65 per cent of those responding gave their Congressman a high rating on job performance. Polls consistently report similarly paradoxical views. People will say that they want less government and lower taxes, but more public services.

The problem of destructive stereotyping brings us back to the Ed Meese joke with which we started. The public employee is probably the easiest target for cheap shots in our political and economic system, and the criticisms have a very tangible impact. As we said earlier, there are many reports of demoralization, and of departure of good people from the public
service in the first year of the Reagan presidency. An official working in Washington commented to one of us, only partly in jest, that the rhetoric there made him feel that as a public employee he had never earned an honest dollar.

The stereotype that ‘bureaucrats’ are lazy bunglers is so deeply embedded in our culture that it is hard to see how some people could live without it. It is very convenient for some people to be able to feel that many problems are due to the bungling bureaucrats, but the scapegoating makes a hard job even harder. The complex values, pressures, and performance problems can be even more frustrating to the people who have to face them daily. Stephen Michelson (1980) has written about ‘the working bureaucrat and the non-working bureaucracy’. He points out that many public employees work hard in programs that appear not to work, because of the complexities we have discussed. Surveys of public employees have found that they report that they work very hard. Several researchers have concluded that frustrations over bureaucratic complexity are a significant morale and motivation problem for many public employees (Buchanan, 1975; Cherniss, 1980). Business executives in government-business executive exchange programs have commented that they were struck by the complex trade-offs and value considerations in public management, and the experience made them better understand the challenges public managers confront (Weiss, 1974).

10. Conclusion

We have argued two main points which it is dangerous to overlook. First, the public bureaucracy in the United States is more valuable, and is performing more effectively, than many people assume. We noted that its performance and value cannot be evaluated only in terms of simple operating efficiency, because of the need for complex controls of the public bureaucracy and the need to assess its impact on complex societal objectives. We pointed out the immense and often underestimated value of the functions and services provided by public agencies, and argued that those agencies are not as wasteful and inept as is often casually assumed. Among the reasons that they may seem to be performing badly are that we assign them particularly complex, multiple, hard-to-measure goals, which often conflict with each other, and at the same time we hold their performance up to particularly high standards.

The second main point is that when public bureaucracies do perform badly, the problem is often due to external factors rather than internal laziness, incompetence, or mismanagement. Public agencies must respond to demands of multiple special interests within the society. They are asked to do things which are immensely difficult or sometimes impossible, and are
often overloaded with responsibilities relative to the resources they have for carrying out those responsibilities. Chief executives and legislatures emphasize macroeconomic management in a way that hinders internal program management and efficiency. We also pointed out that public agencies and officials must operate in an environment of crude, contradictory stereotypes, where berating bureaucrats and the bureaucracy are favorite pastimes. These stereotypes can be self-fulfilling, and in themselves create performance problems.

Failure to consider these points can be harmful because it is obvious that the United States is going to continue to have a large, influential public sector. There is no alternative but to try to learn ways to improve our management of it, but that process will be hindered by oversimplifications about its value and performance and about the reasons for poor performance when it occurs.

The huge scope and size of the public sector are obvious. After careful analysis, Eli Ginsburg and George Vojta (1981) concluded that about one out of every three jobs is attributable to the public sector, rather than one out of six, as often reported. The apparent excesses involved in some of this extensive size, together with the points we ourselves made about governmental overload and impossible tasks, can be taken as suggestions that the public sector should be cut back. Certainly there are numerous ways in which the public sector, like all major institutions, can be usefully reduced and streamlined.

Yet devising such cuts and improvements is more complicated than many critics of the bureaucracy would like to believe, because it is also true that the public sector grew not simply because of greedy special interests, self-serving bureaucrats, porkbarrel politicians, or bleeding-heart liberals. All advanced modern societies have large public sectors, and in fact the United States ranks about eighth among the major industrialized democracies in percentage of gross domestic product accounted for by the public sector, even though the other countries devote smaller proportions of their GNP to defense (Pechman, 1981). It is clear that governmental sectors grow because of technological, social, and economic imperatives in all advanced societies, which cause government to be called on to provide a range of essential functions and services. Ginsburg and Vojta themselves argue that it is wrong to regard public investment and employment as necessarily unproductive. They note that government provides essential infrastructure for industry, such as highways and airports, and contributes to private sector productivity through education, which adds value to human capital. There may be important marginal adjustments to the size of government which should be made, but large public bureaucracies and programs are here to stay. What absolutely must be done is to keep trying to improve the management of them.
Don't Blame the Bureaucracy!

It is ironic, then, that some of the most virulent attacks on government and bureaucracy, and the most determined efforts to cut them back, are coming just at a time of rapid development in thought and training about public management and public policy. At certain major universities there have been programs in higher education for the public service for a long time, but only within the last decade has there been a marked proliferation of such programs across the United States. Similarly, there has been a substantial increase in the literature and research on public management and public policy, covering a number of related topics and issues such as evaluation of public programs, public policy analysis, public finance and public sector economics, the social responsibility of business and the relationship between business and the public sector, and the application of a variety of management concepts and techniques to the public sector. Some of this activity is criticized as faddish busywork by self-serving bureaucrats and academics. One can also argue, however, that these are essential steps in developing our ability to handle the immensely complex, intangible, value-laden administrative issues faced by advanced modern societies, which simply cannot be handled through exchanges on decentralized economic markets.

As part of this trend, there has been progress in development of the concept of public management. To discharge the complex, essential functions of the public sector, there is a need for individuals trained in this growing body of knowledge we have mentioned, and for continued development of the body of research and thought itself. Management in any setting faces complicated problems, but the role of public management involves some particularly complex challenges and constraints.

Public management must operate within a complex institutional and political setting, which imposes extensive external direction and control, assigns abstract, value-laden goals, and constrains managerial authority in various ways. Civil Service constraints on personnel decisions are one much-discussed example of these constraints, but there are other examples which receive less attention. One arises from the elaborate structure of government in the United States, in which a public manager's problems and programs are rarely coterminous with the agency in which he or she is located. Joseph Bower (1977) provides an illustration of this when he notes that the Health Commissioner of New York City controls only a few of the hospitals and health care organizations in the city but has responsibility for the health policy of the city.

Similarly, government programs which pay for particular goods and services often play little or no direct role in providing them. Public managers are often agents who turn over money to private nonprofit agencies which provide social services or to corporations such as defense contractors, who provide goods for government. While presidential administrations have tried various ways of simplifying some of them, these complex relations between
agencies, sectors, and levels of government are simply not going to be easily eliminated. They will be more likely to increase with increasing defense expenditures and involvement of the private sector in public services.

These elaborate relations and structures call for highly effective management procedures and control systems. Public management, however, has also been faced with constraints which have hindered development of such systems. For all the talk about excessive public spending, constraints on the amount and form of spending for such things has caused many management systems – accounting systems, financial controls, and management information systems – to be either antiquated or poorly developed in the public sector. Their further development is an absolute necessity. We actually rejected simple-minded ‘run government like a business’ proposals to defend more responsible versions of such proposals. Some of this development may take the form of careful adaptation of successful business practices.

Another major constraint has been the limitations on rewards for public managers. Pay ceilings at the highest levels affect not only those levels but career choices of talented people at lower levels. As we noted, the complex bureaucratic systems and political controls can be discouraging and frustrating. Ironically, however, we need very special individuals to fill these roles. Not only must they be energetic, talented managers, they must also be altruistic enough to pursue the public interest with limited financial rewards relative to private-sector counterparts. They must have the flexibility and tolerance for ambiguity to deal with difficult value questions in a complex institutional and political setting. Yet in addition to the constraints on incentives, we make it even harder to attract and keep such people by subjecting them to insults and stereotypes.

Given the opprobrium attached to being a ‘bureaucrat’ why would anyone want to become involved in public management? The reason is that the very challenges we have discussed make the job interesting and essential. The work is imbued with social purpose. The public sector deals with some of the most difficult and important problems faced by the society.

We may be able, then, to continue to attract good people to the public service. There is also reason to hope that we will make progress in confronting the management problems of the public sector. The outcomes of the current emphasis on cutback and fiscal constraint are uncertain at this writing, but it is clear that no one is going to dismantle government. The United States – and other industrialized countries – will continue to need effective large-scale public management. The public services which discharges those functions must be subject to public criticism, so a certain degree of blaming the bureaucracy is inevitable. More of our citizens and leaders, however, need to begin to think like managers themselves. We must respond to problems with clear thinking and an intelligent search for solutions, and deny ourselves the luxury of easy excuses, oversimplifications, scapegoating, myths, and
damaging stereotypes. Only if we do so can we successfully address the challenges of governing a complex, advanced society.

NOTES

1 Why the middle class supports Reagan, *Business Week*, 18 May 1981. The Institute for Social Research at the University of Michigan has been finding that very high percentages of the respondents to their polls feel that the government wastes a lot of money. See Smith, Taylor and Mathiowetz (1980).


3 For examples, see Allison (1979); Bower (1977); Lynn (1981). There is also a voluminous relevant literature in public administration, which has developed over a longer period but which has been developing more rapidly in recent years.

REFERENCES


