American Government

Bureaucracy
Questions for Today

• Why so much bureaucracy?

• Why are bureaucracies so bureaucratic?
Differences between McDonalds and DOL

• At DOL…
  – Strict system of hiring/firing (civil service)
  – No “profit motive”
  – Control from “above”:
    • Administrators can’t re-allocate budget resources (for things like new equipment…)
    • Goals, budgets, etc. controlled by Congress, Executive, Courts, interest groups
So why do we have government bureaucracies?

- To provide public goods
  - Non-excludable
  - Indivisible

- Examples?
And why are bureaucracies so bureaucratic?

- Red Tape
  - Rules, regulations, and procedures
  - Opposite of discretion
  - Often works against efficiency
Why Red Tape?

• Agencies vulnerable to corruption and fraud

• Belief in rights, due process, and equal treatment
Corruption and Fraud

- Corruption: by someone on the inside
- Fraud: by outside companies and individuals
- These problems viewed more seriously in public sector
  - Waste of our tax $$
  - Assault on democracy
- Solution: specify rules, create a paper trail
Belief in Rights, Due Process, Equal Treatment

- If given discretion, government personnel might not treat everyone equally
- Solution: Red Tape
  - Example: Administrative Procedures Act
Drawbacks of Red Tape

• Inefficiency
  – In corporations, efficiency (indicated by profits) takes precedence

• Rigidity
  – Sometimes best response often requires adaptability to changing circumstances
  – Ex: Police officers
Homeland Security

- Cabinet level department created 11/2002
- Largest reorganization of federal government since National Security Act of 1947 created DOD, CIA, NSC
- Merges 183,000 employees from 24 agencies
- $36.5 billion budget

http://www.dhs.gov/