BUREAUCRACY UNDER THE MICROSCOPE

S cientists use microscopes so they can look at objects more closely than is possible with the naked eye. The data they obtain help them understand their subject better. Although this is a work of social inquiry and not social science, this chapter has the same ends.

CLIENTS' IMPRESSIONS

I start with one of my earliest ventures in researching bureaucracy. When I presented its results to a faculty audience interviewing for a job, I was told I simply could not have it right. I got so angry that I determined to write what became the first edition of the forerunner to this book.

Parking Lot Interviews. Merton and Lipsky tell us to expect that bureaucrats treat their clients with arrogance, dominate and control them, and are preoccupied with obeying the rules. To find out if this is true, I once stood in the parking lots of welfare offices around the country and asked clients departing from the social services building several questions about their just-completed experience. This was done in two medium-sized cities and two big cities. In each place three types of bureaucracy were evaluated: Social Security offices, departments of public welfare, and unemployment compensation offices. Table 2.1 provides the findings from this "exit polling," as it would be called today.

I was impressed that rather than hearing a barrage of reports of disappointment, hurt, or anger, the encounters were usually successful from the client's point of view and in most instances far from unpleasant. Most

TABLE 2.1	Client Evaluation of Three Welfare Programs (in percent)		
Clients Who:	Social Security	Public Welfare	Unemployment Compensation
Achieved what they came for	85.0	70.0	68.8
Argued with office personnel	2.5	6.3	11.3
Felt the worker really listened	79.5	65.8	60.8
Felt the worker really tried to help	74.3	67.1	60.3
Felt personnel were very courteous	74.7	61.3	61.3
Felt personnel were very efficient	67.1	51.3	39.7
Felt personnel were very sympathetic	47.8	33.3	31.6
Were "very satisfied" with how the office handled their problem overall	68.4	46.8	35.0
Expect to remember something "really nice" about the encounter	70.7	49.1	40.0
Expect to remember something "really unpleasant" about the encounter	29.3	50.9	60.0

Source: Charles T. Goodsell, "Client Evaluation of Three Welfare Programs," *Administration & Society* 12, no. 2 (August 1980): 123–136.

Note: In the two "achieved" and "argued" questions, the percentage shown is the number saying yes in a yes-no option. In the five "felt" questions, it includes those volunteering a strong affirmative answer such as very, really, or lots (with no choices offered). In the one "problem overall" question, four options were given: very satisfied, fairly satisfied, somewhat dissatisfied, and very dissatisfied; the percentage shown is the first option only. For the two "expect to remember" items, the percentage means yes if the respondent expected to remember anything, which occurred 51.3 percent of the time for Social Security, 66.3 percent for Public Welfare, and 50.0 percent for Unemployment Compensation. All interprogram differences were statistically significant ($p < .05$) except for the argued, tried to help, very courteous, and very sympathetic items.

of the respondents said they got what they wanted inside the office and dealt with a worker whom they perceived as courteous, a good listener, and trying to help. Only a few reported arguing with the individual. Client gender and city size did not affect outcomes, but elderly applicants

tended to be more pleased than young people and whites more satisfied than minorities.[1]

Yet the three programs produced quite different results with respect to perceptions of worker efficiency and sympathy, overall satisfaction, and anticipated recollections. In all of these areas Social Security offices produced the most favorable responses with positive scores in the high 60s or low 70s, except for perceived sympathy. Public welfare was regularly in second place on these variables and unemployment compensation at the bottom, with scores in the 40s or 30s.

The fact that significant contrasts showed up even within the single general category of social assistance demonstrates vividly that any notion that all bureaucracies are more or less the same is faulty. It is perfectly understandable that client impressions of these three programs would differ. Most (but not all) of Social Security benefits are earned by payroll deduction. Public assistance is a straight gift and means-tested, and one cannot receive unemployment compensation without falling into the humiliating status of being jobless.

The ACSI. The American Consumer Satisfaction Index (ACSI) queries some 70,000 consumers annually in order to measure the degree of satisfaction they experience from what they buy. Its methodology is to reach randomly selected US residents by phone or e-mail and ask what products or services they have recently purchased or received. If the item originates from one of 225 private companies or 200 government programs currently being evaluated, respondents are asked standardized questions on (1) prior expectations of quality, (2) degree of satisfaction with the quality encountered, and (3) any complaints that they have lodged. For commercial transactions only, respondents are also queried on feelings about price paid and future plans to buy.

When in this process a target of 250 or more respondents has been reached on a given item, numerical values assigned to responses are fed into a computer program to yield an index score of consumer satisfaction between 0 and 100. ACSI then makes available selected results at various levels of aggregation, periodically over time. For the private sector—the original target for ACSI evaluations—these levels are industry, firm, and product. In recent years the public sector has been tested by government

(federal or local), agency and program. A summation score for the overall national economy includes both private and public sectors.[2]

Table 2.2 shows, for the years from 1999 to 2011, scores for the federal and local governments in comparison to the national economy. Note they are all quite closely grouped within the 62–76 point range. This suggests a relatively satisfied consuming public overall. Differences from the national economy are all negative, indicating a persistent gap in degree of favorable impression between the private and public sectors. Nonetheless the size of that gap is more marginal than harsh skeptics of government would likely expect. Some of it might be due to the fact that the ACSI was designed for commercial, not bureaucratic clients; the purpose of public goods and services is not to please customers but create a desirable society for all.

While most ACSI questions are about specific organization-product experiences, in recent years the Ann Arbor–based company has gone

TABLE 2.2	American Consumer Satisfaction Index Scores, 1999–2011			
Year	National Economy	Federal Government	Difference from Economy	Local Government	Difference from Economy
1999	72.3	68.6	−3.7	68.7	−3.6
2000	72.7	68.6	−4.1	65.7	−7.0
2001	72.2	71.3	−0.9	67.9	−4.3
2002	73.0	70.2	−2.8	66.3	−6.7
2003	73.9	70.9	−3.0	66.5	−7.4
2004	74.2	72.1	−2.1	62.7	−11.5
2005	73.2	71.3	−1.9	65.9	−7.3
2006	74.5	72.3	−2.2	67.7	−6.8
2007	75.2	67.8	−7.4	68.0	−7.2
2008	75.3	68.9	−6.4	72.9	−2.4
2009	76.0	68.7	−7.3	68.3	−7.7
2010	75.7	65.4	−10.3	68.3	−7.4
2011	75.7	66.9	−8.8	67.1	−8.6
Mean	74.2	69.5	−4.7	67.4	−6.8
Std. Dev.	1.37	2.09		2.30	

Source: American Consumer Satisfaction Index, "National Quarterly Scores" and "Public Administration/Government Sector Scores," ACSI website. Accessed April 19, 2012.

Note: These scores are on a low-high scale of 0–100. National Economy scores, which include both private and public sectors, are calculated as means of the four quarters for that year.

beyond its original focus and also asked questions on generalized trust in government. In 2010 it reported that 41 percent of respondents expressed overall trust in the federal government, a proportion that declined to 36 in 2011. When the question is directed only to persons who recently had actual transactions with national agencies, scores of 68 for 2010 and 69 for 2011 were yielded. This abstract-concrete differential echoes a theme we have already encountered. ACSI commented,

> *Once someone has experienced services from a particular agency, that person tends to look at the agency more favorably and have far greater trust in it. Contrary to popular belief, it seems that the more people come into contact with and receive services from federal agencies and departments, the more they like them.*[3]

We can pursue this point further by examining ACSI scores for particular public institutions. Table 2.3 gives them for twelve federal departments or agencies and two local government functions, with seven private industries and sectors thrown in for comparison purposes. Looking down the list ordered high to low, we note that private sector organizations essentially occupy its upper half; their mean score is 75.4 and that of the fourteen public organizations is 69.3. Hence the somewhat lower evaluation of government just mentioned is still evident. Yet we also notice that two government scores are among the top five, both slightly above the global score of 75.7 for the national economy. Remarkably, these are metropolitan trash collectors and the Defense Department, not producers one would normally put in the same league with hotels, hospitals, and insurance companies for customer satisfaction.

In the middle of the list, above the federal government global score, is a cluster of cabinet departments: Agriculture, State, Commerce, Veterans Affairs, Health and Human Services, and Transportation. Going one step deeper in level of analysis, ACSI calculated scores on individual programs in each of these departments. In Agriculture's Rural Development division, beneficiaries of a community facilities loan-grant program rated it at 77. State's Bureau of Consular Affairs issues over 13 million passports to US citizens every year, and in so doing earned an 83 from

TABLE 2.3	ACSI Scores for Industries and Agencies, 2011
Score	
79	Hospitality and food industry
78	Health care industry
77	Metropolitan solid waste management
76	Finance and insurance industry
76	US Department of Defense
[75.7]	[National Economy as a whole]
75	Retail trade
75	Utilities (not publicly owned)
74	US Department of the Interior
74	US Postal Service
73	Transportation industry
72	Information industry
72	US Department of Agriculture
72	US Department of State
71	US Department of Commerce
70	US Department of Veterans Affairs
69	Social Security Administration
[67.1]	[Local Government as a whole]
67	US Department of Health and Human Services
67	US Department of Transportation
[66.9]	[Federal Government as a whole]
65	Metropolitan police departments
59	US Department of Homeland Security
57	US Department of the Treasury

Source: "ACSI Commentary January 2012," "Citizen Satisfaction by Federal Department," "Public Administration/ Government Sector Scores," and "Scores by Industry," ACSI website. Accessed April 19, 2012.

applicants. Householders rated Commerce's National Weather Service at 84 for its weather forecasts. Users of the VA's Information and Technology office were satisfied at the level of 73 with its skills and responsiveness. The Bureau of Clinician Recruitment and Service in HHS provides medical school scholarships to future doctors who promise to practice in

underserved communities, and participants scored the program at 78. Airline managers and heads of aircraft repair centers rated the Federal Aviation Administration's flight safety oversight at 68. Once again, the closer one gets to bureaucratic institutional life, the better it looks.[4]

Local Government Surveys. The nation's municipal and county governments conduct hundreds of their own citizen satisfaction surveys every year. Utilizing a statistical concept known as Percent to Maximum (PTM), Thomas Miller and Michelle Miller have done a meta-analysis of 261 separate municipal surveys administered over ten years that involved 215,000 respondents. Theoretically these represent the opinions of 40 million people living in 40 states. PTM solves the integration problem caused by differing rating scales among these surveys by calculating how far, percentagewise, each act of assessment went in the direction of achieving the highest possible score.

The mean adjusted PTM for all services conducted in all jurisdictions was 67.2. In other words, the "glass" of how Americans feel about their local government services is two-thirds full. The water level for individual services varied from just over half to more than three-fourths. Cultural and arts programs scored 76.7, public safety 75.1, parks and recreation 71.5, public utilities 69.5, administrative support services 67.8, public works and transportation 62.8, health and human services 62.6, and planning and growth management 55.4.[5]

A recent survey by Michael Herian and Alan Tomkins of citizen opinion in Lincoln, Nebraska, penetrates the survey-research imagery of municipal bureaucracy unusually well. Their methodology consisted of both placing random telephone calls and encouraging citizens to participate online. The survey was publicized in advance by the mayor and local newspaper and resulted in 607 telephone and 1,024 online responses. The authors divided their probes into two categories, satisfaction with city services and "derived-importance outcomes." I recategorized them for our purposes by separating the first category into perceptions of (1) city government as a whole and (2) the quality of city services, with their second category then becoming (3) the effects of city services. Although descriptors in their 5-point scale differed, in all instances the two most favorable ratings were reported, as shown in Table 2.4.[6]

TABLE 2.4	Citizen Perceptions Of Government In Lincoln, Nebraska	
City Government as a Whole	Telephone Responses	Online Responses
I receive good value for my tax dollars	3.16	2.94
I have great confidence in the city government	3.17	2.63
It can usually be trusted to make decisions right for all	3.14	2.66
Its officials treat residents with respect	3.59	3.12
Its officials base decisions on facts, not personal interests	2.92	2.48
All neighborhoods and areas are treated fairly and equally	2.79	2.27
Overall, how would rate its performance?	2.64	2.51
Mean rating	3.06	2.66
Approval of City Services	**Telephone Responses**	**Online Responses**
Building safety permits and inspections	3.42	3.06
Recycling and sustainability efforts	3.72	3.31
Fire and ambulance	4.09	3.81
Health department	3.72	3.39
Management of sewage and storm water	3.87	3.68
Snowplowing of streets	3.42	3.00
Street maintenance	3.17	2.51
Zoning and growth management	3.25	2.76
Mean rating	3.58	3.19
Effects of City Services	**Telephone Responses**	**Online Responses**
Availability of affordable quality housing	3.68	3.37
Ease of bicycle travel	3.95	3.53
Ease of bus travel	3.18	2.72

Effects of City Services	Telephone Responses	Online Responses
Ease of car travel	3.49	2.94
Employment opportunities	3.25	2.81
Job creation and economic development	3.02	2.68
Overall quality of libraries	4.35	4.09
Overall quality of life	4.25	3.81
Overall quality of parks	4.10	3.72
Recreational opportunities	3.89	3.52
Cleanliness of city	4.15	3.69
Number of unsightly or blighted properties	3.15	2.72
Overall appearance of city	4.10	3.57
Safety and security of city	4.07	3.82
Mean rating	3.76	3.36

Source: Michael N. Herian and Alan J. Tomkins, "Citizen Satisfaction Survey Data: A Mode Comparison of the Derived Importance-Performance Approach, *American Review of Public Administration* 42, no. 1 (January 2012): 67–86, 74–75.

Note: Specific performance aspects are rated on a 1–5 scale of Strongly Disagree, Disagree, Neutral, Agree, and Strongly Agree. Overall performance is rated on a 1–5 scale of Poor, Fair, Neutral, Good, and Excellent. Services and results are rated on a 1–5 scale of Very Dissatisfied, Dissatisfied, Neutral, Satisfied, and Very Satisfied. Omitted items are Community spirit of citizens, Overall natural environment, and a general Trust and confidence scale.

In examining the table, one notes that these three ways of looking at municipal government in Lincoln yield quite different degrees of perceived quality. Whereas none of the scores for city government as a whole are above 3.66 (the level at which two-thirds approval is registered), four items on city services surpass that standard in phone responses and two in online responses. As to the *effects* of these services, nine surpass 3.66 in phone interviews and five in online entries. As can be seen, the mean ratings for the three perspectives are 3.06, 3.58, and 3.76 for phone respondents and 2.66, 3.19, and 3.36 for online contacts.

This three-step depth in citizen evaluation of Lincoln's government is not unlike what we saw in the ACSI data. There, perceptions of governmental level, individual agencies, and selected programs exhibited progressively more favorable impressions as one got closer to actual operations. In the Lincoln study, this ascendancy covers (1) global assessments of city government as a whole, such as what is going on inside city hall; (2) chance

evaluation of specific city services based on observations of their being carried out; and (3) direct personal appraisal of extant living conditions, the deepest connection to citizen experience of all.

The difference between telephone and online ratings, I speculate, is probably due to the nature of the sampling process coupled with the social situation involved. In phone interviews, a random sample of respondents is participating in a survey that has been implicitly endorsed by the mayor and the media as legitimate and authoritative. This method provides a more accurate cross-section of opinion but creates social pressure to offer reasoned replies that will be seen as those of responsible citizens. Online participation, by contrast, is self-initiated and involves respondents who are either eager to volunteer positive feelings or desirous of telling about unpleasant experiences in the safe environment of anonymity. It would appear that the enthusiasts are outnumbered by the complainers.

Drawing together common strands in these client impressions, we repeatedly encountered a phenomenon whereby bureaucracy looks better the more intimately it is encountered. In my parking lot interviews, I was talking to men and women who had just had their personal lives affected by the actions of bureaucrats—and the responses were surprisingly positive. In the ACSI satisfaction scores, the polling organization itself found it worth commenting that respondents look more favorably on federal departments than the federal government as a whole—and furthermore this tendency extends to some evaluated individual programs. Then, in the municipal PTM scores, citizens evaluated more highly some individual city programs than they did the city administration itself. In the Lincoln study it was found that questions on the city services were higher than those for city government as a whole, with impressions of the actual consequences of programs drawing an even higher level of appreciation.

OUTPUT AND OUTCOME DATA

Evaluating bureaucracy by means of the opinions of clients is valuable, but we need also to assess its outputs directly. Whenever this is possible on a quantitative basis all the better, even though that requirement leaves out much of what government can accomplish.

The Federal Productivity Index. From 1967 to 1994, the US Bureau of Labor Statistics (BLS) compiled what was known as the Federal Productivity Index. This was undertaken in response to a request from Congress to see if government's labor productivity is anything like that of the private economy. The BLS already tracked the productivity of the private economy and was assigned the task. For technical reasons the agency determined that outputs should be measured on a gross rather than net basis. Beginning with a base number of 100, the index was continued for 27 years until 1994, the year when Republicans seized control of the House for the first time in thirty years. Over time, the index incorporated more and more program outputs until it covered 60 agencies, 225 organizations, and the work of two-thirds of the civilian executive branch workforce.[7] (See Figure 2.1.)

The overall upward thrust of the graph indicates that yes, it is possible for the productivity of the federal government to grow, and over time substantially. By 1994 the index reached 134.3. The average rate of growth over the twenty-seven-year period is 1.1 percent; between 1967 and 1982 it was 1.5—approximating a typical private economy rate—but fell to .6 in 1982–1994. Reasons ascribed to the improvement are the introduction of computers, increased automation, better facilities, and added efficiencies in management and operating systems. Handling above-normal workloads imposed by wars, recessions, emergencies, bad weather, and natural disasters is another factor. It is unfortunate that the index is not still being calculated so we could assess the efficiencies being produced by present-day technologies.

Social Security Productivity. We have already encountered the Social Security Administration (SSA) in my parking lot interviews and the ACSI satisfaction ratings. One of the most famous bureaucracies in America, SSA is headquartered in Woodlawn, Maryland, near Baltimore. By means of its 1,300 field offices and 70,000 employees located around the country, it administers two prime programs. The oldest is Old-Age, Survivors, and Disability Insurance (OASDI), which provides pensions and disability assistance earned by a lifetime of payroll deductions by working Americans. The second major program is Supplemental Security Income (SSI), created in 1974. It is a means-tested welfare program

FIGURE 2.1   Federal Productivity Index, 1967–1994
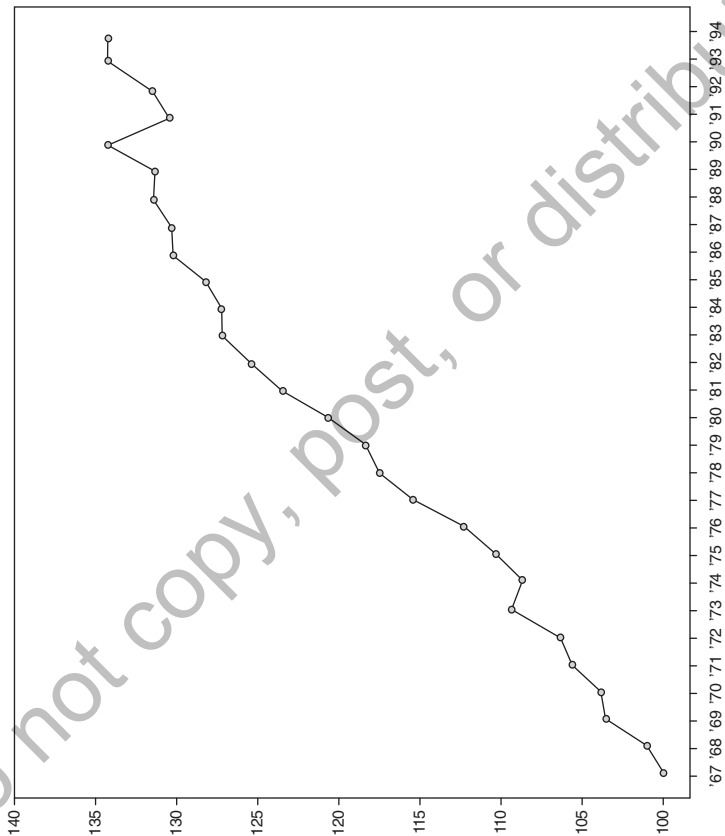
Source: Donald Fisk and Darlene Forte, "The Federal Productivity Measurement Program: Final Results," *Monthly Labor Review* 120, no. 5 (Spring 1997): 22.

that provides survival income for over five million elderly, children, and the blind and disabled, financed from general revenues.

Performance outputs and outcomes available for our consideration include the productivity and timeliness of Social Security hearings, of which more than a half-million are conducted each year. These relate mainly to settling disputed claims of OASDI eligibility, of which three-quarters have to do with disability payments. The mammoth litigation task this amounts to is undertaken by one of the largest administrative law systems in the world, a unit within the agency known as the Office of Disability Adjudication and Review (ODAR). It has 169 local offices around the country, operates by its own code of procedure, and employs some 1,300 administrative law judges. These civil servants function in a manner comparable to a criminal or civil judge although with somewhat less formality. Supported by a staff of 7,000, the judges receive hearing requests, study and hear evidence, and conduct recorded sessions in hearing rooms before claimants and their representatives. Decisions are handed down in writing and have the force of law. If the claimant wishes to appeal, an SSA Appeals Council is the first court and the closest US District Court the second.[8]

Figure 2.2 contains three bar graphs that pertain to these hearings, taken from the 2011 Performance and Accountability Report issued by SSA.[9] Each of the graphs presents actual performance data along with targeted performance figures over a period of six fiscal years. The figure's upper graph shows the number of hearings completed per employee work year. That number has risen each year, with the exception of 2010 when it remained steady at 105. Targets were not reached in four of these years, although in 2008 and 2011 they were exceeded. The high of 109 in 2011 is in part the consequence of improvements made in what is called FIT, or Findings Integrated Templates. FIT is Microsoft Word software that allows claimants or their representatives to prepare disability requests in exactly the same format that ODAR staff processes them. This way, the submitted document may become the draft of a potentially favorable decision, saving much time for everyone.

The middle graph in Figure 2.2 indicates the average processing time between receipt of the hearing request by ODAR and its final disposition. The fact that this period exceeded 365 days for many years caused SSA administrators much concern. A couple of steps were taken to address the
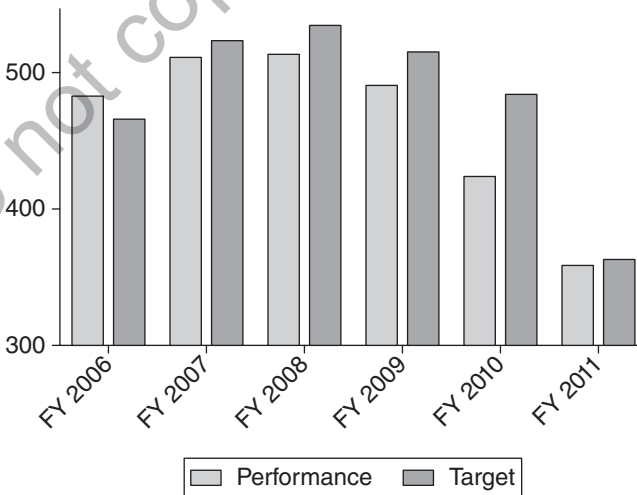
problem. A predictive model was perfected that assesses what factors indicate a positive eligibility decision is likely, allowing many cases to be

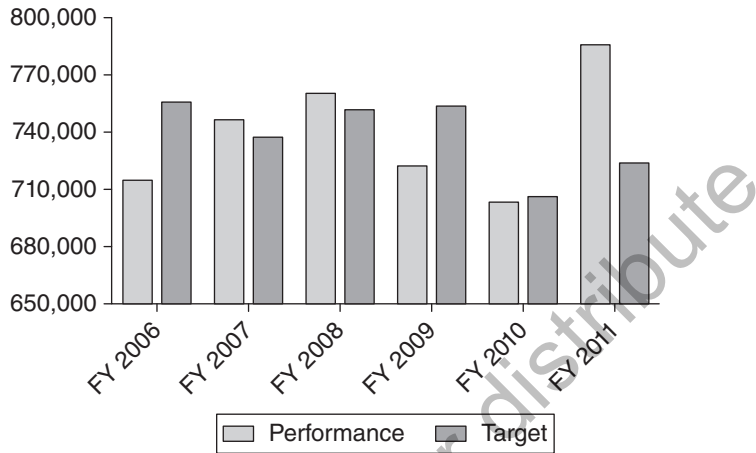| FIGURE 2.2 | SSA Hearing Productivity, Processing Time, and Backlog, 2006–2011 |

SSA hearings case production per workyear
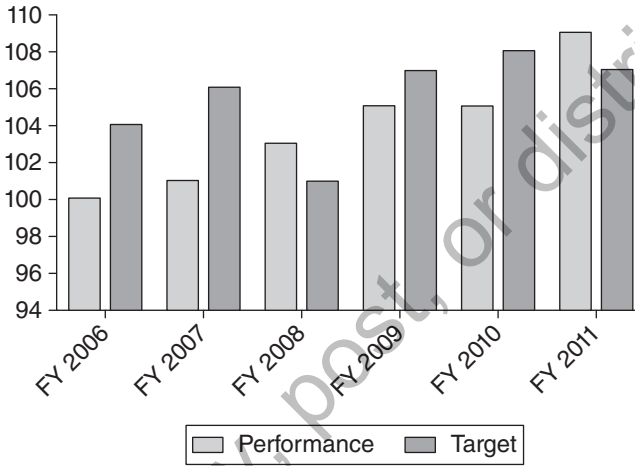
Average processing time for hearing requests (in days)

Number of hearing requests pending

fast-tracked. Along with this, a compassionate allowance list of medical conditions that would almost certainly trigger that eligibility was lengthened from 88 to 100. As a result, mean processing time dropped from an average of 514 days in 2008 to 360 in 2011, an improvement of 30 percent.

The number of hearing requests pending at the end of the fiscal year is shown in the bottom graph of Table 2.2. Despite the overall productivity growth shown in the top graph and gains in processing time shown in the middle one, by 2011 the backlog had spiked to 787,190, or 8 percent above target. The principal reason was that for three years in a row, the number of incoming new requests had reached record levels. Additionally, greater attrition than normal was being experienced in the number of administrative law judges. In light of the situation, every effort was made to eliminate at least the oldest cases, defined as 775 days and above. By the end of 2011, only 103 were left—.09 percent of the 111,792 then pending. Eventually efforts to reduce the backlog apparently worked, for by 2013 Republican Darrell Issa, chair of the House Committee on Oversight and Reform, was complaining that administrative law judges were being too lax in their decisions and driving up program costs.[10]

Another performance area of concern is payment accuracy rates in the SSI program. Income payments are based on the client's individual funding needs and thus are affected by the discretionary judgment of social workers. Many facts must be checked and periodically rechecked, such as level of income, amount of assets, and marital status. As a result, SSI error rates are higher and more variable that those for OASDI, which are calculated by formula.

Added SSA data are provided in Figure 2.3. The upper two graphs indicate percentages of SSI payments free of error for each year. Two kinds of payment error occur. One is overpayment: that is, providing an amount in excess of that justified. As the top graph shows, the percentage of payment free of such overage ranged between the high 80s and low 90s, well below targeted levels except for 2010. The second kind of error is underpayment: that is, instances when a transfer is insufficient. Information on this is given in the middle graph, where we see a comparatively high and steady error-free percentage, around 98.

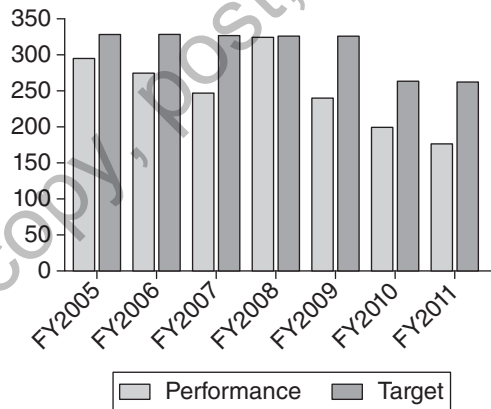| FIGURE 2.3 | SSI Payment Accuracy Rates and Access to SSA 800 Number, 2002–2011 |

Percent of Supplemental Security Income payments free of overpayment error
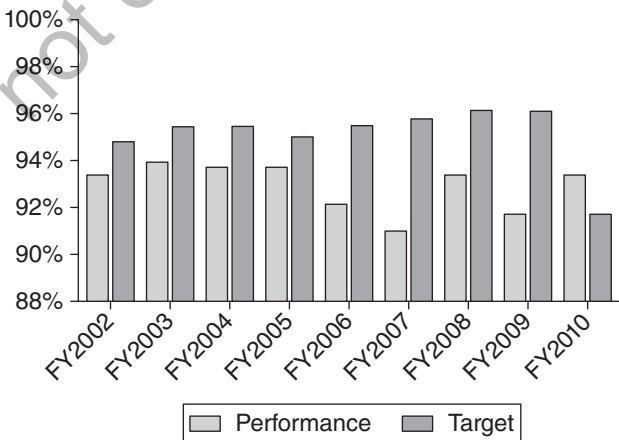
Percent of Supplemental Security Income payments free of underpayment error
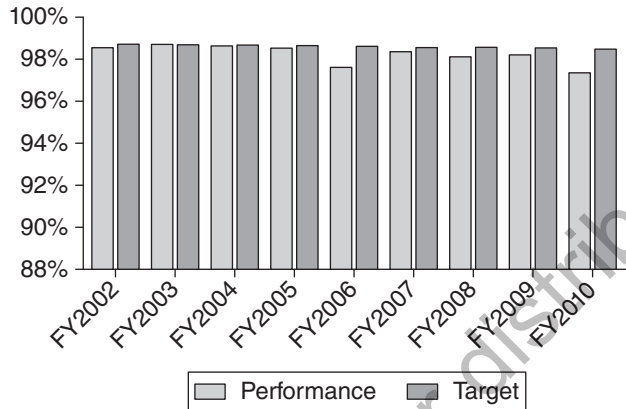
Speed in answering National 800 Number calls (in seconds)

Two features of these data are striking. One is that all but one of the average annual error-free calculations in the two graphs are above 90 percent. This overall finding seems remarkable in light of the SSI's complex, individualized, decentralized, and vast programs. The second notable point is the sizable difference between overpayment accuracy

and underpayment accuracy. This phenomenon appears not just in Social Security but in food stamps and unemployment benefits as well. A main reason for it is that clients are not anxious to report new income when it comes their way, but the change is later discovered from bank records or wage inquiries. Despite the complex and time-consuming nature of this process, the percentage of payments free of overage increased from 89.7 in 2008 to 93.3 in 2010.

The third performance dimension for which we have SSA data is how long incoming callers to SSA must wait for an operator to answer. The agency takes pride in keeping this wait time short; in 1995 Dalbar, a Boston financial services company, reported that SSA's telephone performance was superior to that of Southwest Airlines, Nordstrom, L.L. Bean, Xerox, and the Disney Companies.[11] According to the bottom graph in Table 2.3, the time a caller waits in a queue before making voice contact shrank from 296 seconds in 2005 to 250 in 2007, then spiked to 325 seconds in 2008; but by 2011, it had dropped to 180 seconds, that is, three minutes.

Societal Outcomes. My last comments on measured government performance relate to its external societal consequences. As part of a book published in 1997 titled *Why People Don't Trust Government*, Derek Bok, former president of Harvard, took an unusually comprehensive look at US government outcomes as they affect the entire country. He developed a list of over sixty objectives the nation is presumably seeking to attain. These include measures of economic prosperity and income; the state of research, technology and education; quality-of-life issues regarding housing, neighborhoods, the environment, and the arts; matters of equal opportunity, health care, job security, and public safety; and lastly, values of personal freedom, personal responsibility, and minimizing poverty.

Bok then set about evaluating where the country is and where it is going on these dimensions. He first compared conditions in the 1990s with those in the early 1960s. His conclusion is that "the United States has made definite progress over the past few decades in the vast majority of cases." Second, in an attempt to evaluate the rate of progress, he contrasted the amount made in 1960–1975 versus 1975–1990. Here the record is mixed, he says; on one hand, the pace had slowed for economic

growth, improvement in racial integration, and access to health care; but on the other hand, it had quickened for environmental protection, crime fighting, and student test scores. On balance, he concludes, the positives outweigh the negatives.

Yet in a third way of assessing the government's outcomes, Bok's rosy appraisal darkens. He contends that in all too many areas, the United States lags behind the attainments of other industrialized democracies, particularly Britain, France, Germany, Japan, and Sweden. In roughly two-thirds of the sixty measures we are falling behind them, he says. He gives America a "below average" grade in 11 measures and "at or near the bottom" in 34. Especially troublesome are per capital growth, the rate of capital investment, student achievement, workforce training, job safety, preschool education, racial segregation, fear of crime, air pollution, recy-cling of waste, teen pregnancy, infant mortality, child vaccination, life expectancy, trade union influence, violent crime, teenage pregnancy, and severity of poverty.

In light of the themes of this book, it is particularly interesting that although Bok's work is published in a volume on why people don't trust government, he is himself circumspect in attacking it. In many areas of decline, he concludes, the ability of the government to affect the situation is limited since progress depends on citizens taking responsibility. More-over there is little evidence the barrier is government inefficiency; that which exists is mostly not because of inept administration, he says, but poorly designed programs. While efforts to improve bureaucratic effi-ciency are certainly worth making, "if one is after truly major savings, the place to begin is almost certainly Congress much more than the execu-tive branch."[12]

Personally I agree with this aspect of Bok's conclusions. However I would like to make one added observation. After reading his analysis about the "below average" and "at or close to the bottom" measures of comparative achievement, I was moved to look in my statistical abstract for time-series data on those indicators. After eliminating statistics that had little or nothing to do with the programmatic outputs of concrete government agencies, I was left with the eleven measures contained in Table 2.5. Notice as you go through them that all save one show improve-ment over time, albeit at different rates. This suggests that the steady

TABLE 2.5	Statistics Related to Bureaucracy's Impact on Society, 1980–2009				
	1980	1990	2000	2008	2009
Life expectancy (years)	73.8	75.4	76.8	78.0	78.3[1]
Infant mortality rate (per 1,000 births)	12.2	8.95	6.97	6.64[2]	n/a
Incidence of tetanus (in thousands)	95	64	35	19	18
Nursery school enrollment (in millions)[3]	0.06	1.2	2.2	2.6	2.7
Percent of births to teenage mothers	n/a	12.8	11.8	10.4	n/a
Number of criminal offenses (in millions)	13.4	14.5	11.6	11.2	10.6
Worker deaths (per 1,000 employees)[4]	8	5	3	2	2
CO_2 emissions (in millions of tons)	185.4	154.2	114.5	77.7	n/a
Percent municipal solid waste recycled	9.6	16.2	29.7	33.4	33.8
Education and training payments ($ billions)[5]	4.1	12.3	21.9	45.6	56.7
Percent persons below poverty level	13.0	13.5	11.3	13.2	14.3

Source: Statistical Abstract of the United States for 2012 unless other year is indicated. Life expectancy, p. 77. Infant mortality, 2002, p. 78; 2012, p. 85. Tetanus incidence, p. 125. Nursery enrollment, p. 149. Teenage births, p. 69. Criminal offenses, p. 196. Worker deaths, p. 426. CO_2 emissions, p. 229. Waste recycled, p. 231. Education payments, 2002, p. 340; 2012, p. 351. Below poverty level, p. 464.

Notes: 1. Projection for 2010. 2. Figure for 2005. 3. Public only. 4. Manufacturing only. 5. Federal only.

work of bureaucracy, operating day by day for the most part out of the headlines, is quietly helping our nation move ahead. The one exception is poverty, a pernicious problem that we simply cannot seem to lick.

BUREAUCRACY COMPARED TO BUSINESS

We continue our microscopic look at bureaucracy by examining data that shed light on the contention that business is inevitably more

efficient than government, a position that Ludwig Von Mises would surely have endorsed.

Is Business More Efficient? "The 'Government Should Be Run Like a Business' Mantra" is the title of an article by Julia Beckett. In a resentful tone she points out that the assumption that government is plagued with bad features while business is filled with good ones can be traced back to the beginning of the field, when municipal research bureaus were created to depoliticize City Hall and install Main Street efficiencies. This thinking has silently underlain many of the field's reform movements, from Reinventing Government to the New Public Management and now the New Governance. Without distinguishing mom-and-pop stores from giant corporations, Beckett says, the proposition that business is inherently superior is based not on evidence but on a mythology rooted in capitalism.[13]

One place to look for actual evidence on the question is the literature on privatization. Graeme Hodge has done the field a service by conducting a detailed worldwide study of the literature's verdict on the performance outcome of privatization, in particular with respect to the contracting out of services. In a survey of 38 scholarly studies on the subject that analyzed the consequences of contracting out by over 6,000 organizational units, he comes to this conclusion: "There is little doubt the weight of evidence appears to support the notion that on average the unit costs of services are reduced through competitive tendering of public services." Although some contrary evidence is available, Hodge finds on a net basis mean savings of around 6 to 12 percent, assuming a few percent to pay the cost of the contracting process.[14]

Nonetheless Hodge encountered wide divergences within the contracting out record. The amount of savings depends heavily on what is outsourced. In cleaning services, building maintenance, and refuse collection, governments save money but not in more complex areas like engineering services and the training of personnel. The where, when, how, and who of the empirical studies of the subject seem to affect results. United States comparisons show less monetary gain than those carried out in Britain and Australia. Work done on the subject before the year 1990 is more glowing in its findings than that done in later years.

Studies that utilize sophisticated statistical methods yield lower savings than those that do not. Even the discipline of the researcher makes a difference: investigators from finance, accounting, and business report more positive effects than those from economics, politics, and law.

Hodge examined also the noneconomic consequences of service outsourcing. He found no tendency for the quality of the outsourced activities to be either better or worse than that provided in-house. Although management accountability can be improved via contracting, external transparency is not. An adverse social consequence he noticed is that when in-house employees are displaced, it is disproportionately female part-timers and members of minorities that lose out. As to political impacts, one phenomenon he noticed was that when government contracts out, it exposes itself to added risks with respect to undesirable political influence and the occurrence of corruption.[15]

Another student of the subject, Barbara Stevens, compared the productive efficiency of contractual versus internal provision of local government services in the Los Angeles area. Eight services were examined: street sweeping, refuse collection, janitorial cleaning, traffic light maintenance, asphalt street resurfacing, tree care along streets, grass mowing, and payroll preparation. For each comparison, at least ten cities using each mode of operation were included in the study.

Using direct observation, ratings by professionals, and documentary evidence, Stevens found that the overall quality of the work done was found to be essentially at the same level. Also no meaningful differences were uncovered with respect to numbers of assigned crews, means of communication, or the kind of equipment used. Although wage and benefit levels were a few dollars higher for contract personnel, the difference was not statistically significant even though pay was incentive-based.

With respect to overall costs, for nearly all of the eight services studied by Stevens, in-house provision was more expensive than contracted work. The single exception was payroll preparation, where only personnel inside the organization knew enough to do the job well. Private sector savings occurred in both funded monetary costs and number of work hours expended. Percentagewise, total average cost differentials were 37 for tree maintenance, 40 for grass mowing, 42 for refuse collection, 43 for street sweeping, 56 for traffic light maintenance, 73 for janitorial

work, and 96 for asphalt laying. Thus, from a purely economics stand-point, privatization in these areas was the smart move.

Yet Stevens goes on to point out that dollar savings from contracting out can incur nonfinancial costs. Contract workers tend to be part-time, a few years younger, and more short-term with respect to tenure. They are hired to perform one task alone and possess few additional skills and almost no experience that make them of value to the city beyond this narrow capability. In addition, socially they are outsiders; contract per-sonnel do not attend staff meetings, are left out of agency social events, and generally do not know "what was going on" in the organization. In short, these people are of city hall but not in it.

In contrast, city employees occupy a bigger work world. They are rou-tinely trained not only to operate the equipment they use but to maintain it as well. As long-term staff they are expected, over time, to rotate among several tasks conducted by the department and grow in their responsi-bilities. Unlike contract workers, their first-line supervisor alone does not have the authority to hire, discipline, or even fire them. Instead, per-sonnel matters are handled by established and documented processes of due process and fair play. Hence workers are not mercenaries hired to do one thing on the cheap, but members of a social institution in which bonded relationships and mutual obligations develop.[16]

The Case of Public Transit. Insights into differences between public and private provision can also be gained from comparing areas of business enterprise that employ both. Urban mass transit is a case in point, where five kinds of organizational arrangement exist in the United States: (1) private, for-profit ownership and management; (2) public ownership and operation by cities or counties; (3) ownership by such governments but operational management contracted out to a private company; (4) ownership and operation in the hands of a special-purpose, public transit authority; and (5) ownership by such an authority but manage-ment and operations outsourced. Substantial empirical study has been conducted over the years in this field, especially for bus transportation. Examining this research allows us to reflect more deeply on our subject.

The work of James Perry is central in this area. In 1984 he prepared a report for the Urban Mass Transportation Administration (UTMA; now

Federal Transit Administration) that summarized the results of twenty studies on the comparative efficiency of private and public transit systems. Of these, seven concluded that privately owned systems are more efficient, six found in favor of public ownership, and seven came up with mixed results or a finding of no significant difference.[17]

In 1986 Perry and Timlynn Babitsky published the results of a study they had personally conducted, drawing from quantitative data that had been submitted by common carrier bus companies to UMTA for the years 1980–1981. They report that factor analysis of 25 variables related to the operation of nearly 250 transit systems identifies eight performance indicators by which to compare in detail the various organizational arrangements. Their most important finding is that transit systems that are private in both ownership and management are positively and significantly related to the output per dollar indicator and hence superior in productive efficiency. An expectation that systems owned and operated by municipal governments would be more efficient than those run by transit authorities was not supported.[18]

This research was replicated in 2009 by Susanne Leland and Olga Smirnova, using comparable data from 2004–2005. During the intervening twenty-plus years, a shift had occurred in the industry from private to public ownership. Many for-profit providers had gone bankrupt, and government bodies were taking them over and operating them on a subsidized basis to preserve a continuity of service. More often than not, they did not run the systems but contracted out their management. In this changed environment, the authors conclude, privately owned and managed transit systems are no longer first with respect to efficiency and effectiveness. In a society where private automobiles almost totally dominate the transportation picture and monopolistic bus systems do not face competition, the vaunted superiority of private enterprise had evaporated. Now, Leland and Smirnova conclude, the data tell us that municipal and county governments operate more efficient systems than transit authorities. The reason is that public administrators are more capable than business managers in dealing with conflicting pressures from multiple stakeholders such as riders, bond holders, unions, and suburban interests.[19]

Hence, in assessing the competence of public bureaucracy vis-à-vis private business, we need to go beyond easy slogans. Contracting out

certain kinds of government functions to the private sector frequently saves money but can have unexpected consequences, such as less quality, reduced transparency, attachment of "stranger" mercenaries to the agency culture, and handing a politically charged governmental function over to apolitical private sector managers.

THE MAGNITUDE OF BUREAUCRACY

We turn next to claims that government, even in a society innately suspicious of it, has an innate tendency to grow in size, which by definition means that the numbers of bureaucrats must increase. This assumption is implicitly or explicitly advanced by economists who suspect administrative leaders of building empires for self-advancement, by political scientists who expect bureaucracies to mobilize power in order to enlarge turf, and by antigovernment ideologues who are convinced that bureaucracy is no more than a tool of the political left to subvert the free market and undermine personal liberty.

Is Growth Inevitable? Do these theories of self-promotion, manipulation, and conspiracy mean bureaucratic growth is inevitable? Let us see. If we look at changes in the overall size of the federal civilian workforce year by year over a period of time, we encounter not just steady expansion but other movement as well. When I examined yearly annual changes in the total federal workforce size during the forty years between 1970 and 2010, increases in government employment occurred in twenty instances and declines took place in twenty. During the first twenty years of this forty-year period, upward change occurred thirteen times and downward seven. Strangely enough, during the second twenty years, the reverse occurred, down seven and up thirteen.[20]

At the individual organizational level, the same kind of mixed pattern also obtained. When employment size is examined in the civilian federal cabinet departments for the five decades between 1960 and 2010, none consistently showed a net gain at the conclusion of each decade. State and Commerce experienced growth in four decades and decline in one; Treasury, Defense, Interior, Labor, and Veterans Affairs saw expansion in three decades and loss in two; Agriculture, Health and Human Services and Housing and Urban Development show increases in two

decades but decreases in three. In a replicating analysis of independent agencies, NASA, the Small Business Administration, and the Tennessee Valley Authority experienced growth in two of the five ten-year intervals while the General Services Administration gained more employees in only one. Calculating an overall score for the joint record of all fourteen organizations, net decade expansion occurred in thirty instances and contraction in forty. In short, "inevitable" growth occurred only 43 percent of the time.[21]

The picture is quite different in state and local government, however. The history here is less mixed and more stable. Statistically we would expect this, for the categories are aggregated data, meaning individual variances are swallowed up in a single measure. Nevertheless, long-term trends can be detected. In fact, for both levels of government the summed number of employees in place over six mostly five-year intervals in 1982–2009 showed increases at the end of every interval. Over the twenty-seven years as a whole, the state figure increased by 40 percent and the local number by 57.[22]

As for differences among states, during the single interval of 2000–2009, public workforces grew in size in forty-two states, decreased in four (Louisiana, Maryland, Missouri, and South Carolina) and showed no significant change in four others (Connecticut, Idaho, Maine, and Rhode Island). With respect to cities, of the ten largest metro areas in terms of population, employment size enlarged between 2000 and 2009 in seven (New York, Los Angeles, Houston, Phoenix, Philadelphia, Dallas, and San Jose) and declined in three (Chicago, San Antonio, and San Diego).[23]

The Employment-Population Ratio. If the task of public servants is to serve the public, as the "public" grows one would think the bureaucracy in employment terms should grow too, discounting for any productivity gains as noted earlier in this chapter. Otherwise the capacity to attend to the needs of each citizen declines. To pursue this matter I worked out the ratio of numbers of government employees per 1,000 population over time. Table 2.6 displays the outcome over a seventy-year period spaced by intervals of five years. I was quite surprised with what emerged.

TABLE 2.6	Number of Government Employees Per 1,000 Population				
	Federal Executive Civilian Employees		State and Local Employees		All Employees
Year	Number	% of All	Number	% of All	Number
1940	8	24	25	76	33
1945	25	52	23	48	48
1950	14	33	28	67	42
1955	14	31	31	69	45
1960	13	27	35	73	48
1965	13	24	41	76	54
1970	14	22	50	78	64
1975	13	19	56	81	69
1980	13	18	58	82	71
1985	13	19	57	81	70
1990	13	18	61	82	74
1995	11	15	63	85	74
2000	9	12	64	88	73
2005	9	12	64	88	73
2010	9	12	64	87	73

Sources: Federal data: For 1940–1965, "Civilian Employment by Federal Government" table in *Statistical Abstracts of the United States* for 1970 and 1975; and thereafter in "Federal Civilian Employment and Annual Payroll by Branch," *Statistical Abstracts* for 2001 and 2012. State, Local, and All Governments data: For 1940–1945, "Public Employment by Type of Government" table in *Historical Statistics of the United States, Colonial Times to 1957*; thereafter from the "Government Employment and Payrolls" table in *Statistical Abstracts* for 1970, 1980, 2002, and 2012. Population data: "Population and Area," "Population," and "Resident Population Projections" tables, *Statistical Abstract* for 2012.

Note: Legislative and judicial branch employees of the federal government not included. The final state and local figure is for 2009.

The "all employees" column gives the results for total civilian public employment over these seventy years. The ratio doubled from 33 to 69 between 1940 and 1975 and then leveled off to a relatively stable plateau in the low 70s. While one is tempted to say the period of expansion was set off by the New Deal of Roosevelt and continued by the Fair Deal of Johnson, it also included the presidencies of Eisenhower, Nixon, and Ford. Hence ideology seems not to be a factor in proportionate government hiring, probably because the ratio is rarely calculated and hence ignored.

Comparing ratios between the federal sector with state and local government yields provocative results. After the war year of 1945, the federal

number has gone into slow decline, dropping to the teens and then sliding to the single-digit realm of 9, at nearly the 1940 level. Probably the main factor here is an explosion of private outsourcing plus devolution of programs elsewhere within the federal system. For its part, the state-local column registers a substantial and steady expansion of bureaucratic adequacy, hinted at by the steady rise of employment numbers in that sector described above. It, too, is currently stuck at one data point, 64. Remarkably, this is seven times the federal ratio.

This massive shift of in-house human resources from the national level to the subnational level is the most startling conclusion to be drawn from employment-population ratio analysis. While the feds collect the most taxes, wield the most power and receive the most antigovernment attack, they are a relatively small crowd compared to their less de-bureaucratized state and local brethren.

At what kind of level *should* an employment-population ratio be to provide adequate governing? At the program level, it depends on how labor intensive it is. Sending welfare checks requires fewer bureaucrats per capita than responding to family violence. In thinking about this question more broadly, about all we can do is note how our country compares to others. Insight on this score is offered in Table 2.7, which presents 2006–2008 ratio figures for thirty selected countries plus the United States.

America's ratio of 21.8 does not jibe with what was shown in Table 2.6, which can be explained by the likelihood that those who reported our figures to the International Labour Office included uniformed personnel and perhaps workforce elements across the federal system. Assuming all countries reported similarly (which could easily not be the case), the United States is definitely on the low side. Most industrialized democracies are substantially higher, including all English-speaking countries and most European nations. Does this mean American bureaucracy is really a quite slender creature and not bloated at all?

CHANGE IN BUREAUCRACY

I conclude this chapter with some discussion of change in bureaucracy, a subject that draws our attention if for no other reason than several writers assume it to be static and conservative.

TABLE 2.7	Number of "Public Administration, Defence and Compulsory Social Security" Employees Per 1,000 Population in Selected Nations of the World, 2006–2008		
Country	Number of Employees	Country	Number of Employees
Peru	5.6	Canada	27.4
China	9.7	Spain	27.5
Philippines	10.7	Sweden	28.8
Turkey	16.3	Australia	30.0
South Korea	16.4	New Zealand	31.2
Japan	17.6	Netherlands	31.5
Israel	17.7	Portugal	31.8
Mexico	18.1	Denmark	32.2
Argentina	18.6	United Kingdom	33.6
United States	**21.8**	Germany	34.5
Brazil	22.3	Norway	34.6
Poland	24.4	Greece	35.5
Egypt	24.5	Russia	38.8
Italy	24.7	France	40.4
Finland	26.5	Belgium	41.9
		Saudi Arabia	58.4

Source: Yearbook of Labour Statistics: Country Profiles (Geneva: International Labour Office, 2009). Calculated from "total employment" figures given under tabulation category L, "Public Administration and Defence: Compulsory Social Security."

Do Agencies Age? The answer to this question is yes, according to two classic life cycle theories spelled out in the literature. The earlier one, published in 1955, originated with Marver Bernstein, an authority on independent regulatory commissions. Bernstein's cycle consists of four periods. The first is *Gestation*, at which time sentiment emerges that a public problem exists and requires regulatory intervention. A political battle ensues in which reformers demand that a statute be passed in order to create an agency with strong powers to act. Meanwhile established interests favoring the status quo engage them in strenuous political struggle. If a compromise is reached, a "treaty" is negotiated on appropriate statutory language, whose mandate is often left vague for political reasons.

The second period is *Youth*. Following enactment of an organic statute, the organization is filled with a sense of optimism and crusading

spirit. Commissioners and staff take a broad view of their powers and envision an expansive role in the regulated domain. Soon, however, public and media interest begins to fade as supporters assume the problem is now solved. Meanwhile antagonistic special interests—usually associated with the regulated industry—mobilize to fight the agency on all vulnerable fronts and restrict its powers.

Maturity comes next. The agency becomes adjusted to an environment in which accommodation to the regulated industry is reached. Attention is turned from achieving change to preserving established precedents and policies. Vitality is lost while complacency and lethargy set in. Leaders and staff grow older and consider the possibility of retiring to a job in the affected industry, and replacements often come from that source. The agency's work becomes essentially judicial in nature and lawyers dominate policy discussions.

The fourth and final period is *Old Age*. Established procedures become set in stone, and traditional thinking guides the commission in all respects. Funding is curtailed as legislative subcommittees sense what is happening, resulting in the accumulation of case backlogs. Apathy, poor management, and doubt over true objectives grow. The agency lives on indefinitely in quiescent stasis, unless a scandal or calamity breaks out, which is when an investigation is launched. This may lead to the organization's termination, but that is not likely.[24]

In 1978 Kenneth Meier and John Plumlee tested Bernstein's model empirically. They measured quantitatively external support of agencies, cross-recruitment of personnel between the regulators and regulated, and manifestations of organizational rigidity. Time-series data on these variables were gathered from the year of origin for eight federal regulatory agencies. On political support, the authors found that appropriations, personnel, and budget growth tended to be high early in the history of the agencies, but primarily because they were starting from scratch. Later, the rates did not consistently decline, but instead fluctuated. On cross-recruitment, appointments from industry usually decreased over time rather than increased. In like manner, movement by agency people to the regulated industry became less frequent. "None of the data unambiguously support the contention that regulators and the industry form a more symbiotic relationship as time passes," Meier

and Plumlee conclude. "In most cases the data directly refute the hypothesis."

As for the contention that aging produces an emphasis on procedures and rigidity, the researchers did find that the proportion of agency leaders with legal training tended to increase with time. The median age of top executives rose, but slowly. No important correlations were discovered between organizational age and leader turnover, percentage of top appointees without prior substantive expertise, end-of-year case backlogs, or number of cases handled per employee. The authors conclude, "the future does not look right for an aging theory of regulatory agency decay."[25]

Another well-known theory of bureaucratic decline is that of Anthony Downs. He addresses the topic more broadly and theorizes about government bureaus in general rather than regulatory commissions. The model is organized not by stages but tendencies; yet, like Bernstein, he paints an overall picture of evolution from vital organizational interest in policy change to a conservative, proestablishment stance.

The bureau is initially led by advocates and zealots, but eventually they are replaced by (or converted into) climbers and conservators. Over time personnel get older, the rate of turnover lessens, and promotion opportunities dry up. The proportion of administrators confined to offices increases and the presence of hands-on expertise declines. Formal rules become more elaborate, adherence to procedures becomes more important than program achievement, and paperwork generated by internal controls expands. The rapid path of growth experienced at the beginning of the bureau's life eventually decelerates and attention is increasingly shifted from institutional success to institutional survival.

At the same time, however, Downs concedes that major changes during the life of the bureau can occur. Innovations are more likely to stem from external opportunities that come along rather than deliberate, preplanned renewal efforts. The likelihood of this happening depends on the degree of diversity that exists among program activities and between points of view within the organization. Also important are the extent to which vacancies are filled by outsiders rather than insiders and the degree to which the bureau engages in interaction with other organizations in its daily work.[26]

Howard McCurdy has reflected on the extent to which the life history of the National Aeronautic and Space Administration matches Downs' predictions. In an article published in 1991, he examined what happened to NASA from the time it was founded in 1958 up through the Apollo moon landing in 1969. This was followed by a troublesome twenty-year period in which the Challenger exploded, the Hubble Space Telescope malfunctioned, construction of the space station faltered, and appropriations to NASA lessened.

McCurdy's conclusion is that in the post-Apollo period, the Downs model was on target with respect to workforce aging, declining promotion opportunities, and an increase in paperwork and procedures. Also the proportion of Washington-based versus operating center employees grew, as did the ratio of desk-bound support personnel to scientists, engineers, and technicians. Yet not all of this change was due to internal bureaucratic deterioration. The space program was maturing from a small set of research laboratories to a large, multifaceted program that had to be managed. Congressional oversight increased after three astronauts were killed in a test capsule in 1967. White House policy review became more intense, and political leaders were insisting on more and more contracting out. Yet from a survey of NASA personnel, McCurdy found that faith in the underlying cultural norms of test and exploration remained alive and well; determination persisted to develop new technologies, push new programs, and accept the inevitable risks of failure.[27]

In a follow-up book in 2001, McCurdy confirmed Downs' observation that even an elderly agency can, with a prod from circumstances, renew itself. Beginning in 1992, NASA embarked on a spurt of small-size, technically advanced projects that opened a new chapter in the agency's life. Instead of mounting massive programs that took years to develop, a number of unmanned spacecraft with specified missions were quite quickly conceived, developed, and launched. Mostly but not always succeeding, they included fly-bys and landings on Mars and asteroids, a search for water on the moon, the collection of comet material, and study of interstellar clouds. The vehicles used were equipped with less elaborate instrumentation, designed with minimal redundancy, and kept light by microtechnology control systems. McCurdy likens this burst of innovation by a fifty-year-old government bureau to

the revolution against traditional Himalayan mountain climbing that occurred in 1975. The 26,470-foot Gasherbrum I was quickly ascended, not by using armies of porters and numerous base camps and supply caches, but by individual climbers carrying their own light-weight, high-tech equipment and ascending alone from a minimal camp below and a single supply depot on the way up.[28]

Innovation and Renewal. Is such innovation and renewal rare or more common? There is no shortage of conflicting literature on this point. Gerald Caiden joins Guy Benveniste in saying that dedication to the status quo, fear of change, inability to learn, and a lack of imagination (among other traits) mean bureaucracy invariably preserves routines, perpetuates shortcomings, and repeats mistakes.[29] On the other side of the argument, Louis Bragaw, in a book on the US Coast Guard, says that the history of this agency reveals that a "hidden stimulus" for innovation exists in bureaucracy, comparable to the competitive market for businesses. This is the need of the organization to combat threats that arise from time to time; for the Coast Guard they were absorption attempts by the Navy, fiscal starvation following wars, and moves to liquidate their programs.[30]

For many years the Kennedy School at Harvard has administered an Innovations in American Government award program, financed by the Ford Foundation. Sanford Borins wrote a book on innovation in state and local government based on documents submitted by award winners. Among his conclusions the point was made that the bureaucrats, not elected officials or department heads, initiated most of the changes.[31] In a later book on the same kind of program but aimed at the federal establishment, John Donahue likewise concluded: "Not one of the innovations celebrated in this volume would have been possible without the purposeful engagement of bureaucrats in the trenches."[32]

Let us pursue this point about the key role of bureaucrats in innovation by examining the emergence of probably the most revolutionary innovation of our time, creation of the Internet. Over the final forty years of the last century the World Wide Web and all of its manifestations came into being because of the activities of many categories of innovators, acting in various complex and intertwined ways. These were isolated geniuses, huge

corporations, government contractors, academic researchers, public and private laboratories, and agencies of the federal government.

In an extensive article on this subject, Juan Rogers and Gordon Kingsley state that the contribution made by government to this immense contribution to our modern world has been systematically denied by historians and others. The authors contend that four myths surrounding this history have distorted our understanding of how the Internet came into being.

The first myth is that single scientists working essentially alone deserve the credit. Journalists recounting the Internet's development emphasize, for example, that J.C.R. Licklider and David Englebart first spawned the idea of a computer information network. Paul Baran and Donald Davies originated packet switching, Len Kleinrock first applied the mathematics of queuing theory to the idea, and Robert Kahn and Vinton Cerf invented the transport control protocol that was eventually adopted. About the only bureaucrat mentioned in these stories is Robert Taylor, who as an office director in the Pentagon's Defense Advanced Research Projects Agency (DARPA) oversaw implementation of the pioneer ARPA Network that initially linked university computer systems.

A second myth that has been perpetrated is that in debates over worldwide standards for the Internet and what networks should be developed beyond ARPANET, the engineers and programmers working on the project had to fight off staid, hierarchical bureaucracies in government and corporations in order to bring to the fore such radical notions such as blurring public-private sector boundaries and decentralizing the information system's management. The impression is conveyed that only members of the professional Internet community had the technical sophistication and vision to think of these possibilities.

The third obscuring myth given life is that government was a follower in this whole process rather than a leader. This view is advanced despite the fact that the Department of Defense and DARPA, the National Security Agency, NASA, and the National Science Foundation (NSF) were the primary funders during the four decades of originating work through countless grants, contracts, and arrangements for collaboration. While this point is not itself denied by historians, they imply that these bureaucracies helped only to build constituencies within the technology

sector and make alliances with corporate America generally. A sidebar to the myth is that President Bill Clinton and Vice President Al Gore were brought into the loop to win their political support.

The final myth fostered plays to romantic adulation of the egalitarian or even anarchist aspects of the Internet. Its perpetrators suggest that the World Wide Web's creation set in motion a new narrative on how the new technology affects contemporary innovation. The concept of hierarchical bureaucratic government is now obsolete. Outdated notions of lawful order, governing authority, and state control are a thing of the past. Liberated cyberspace has replaced the conventional "public square" of biased and corrupt elected officials and sclerotic government agendas. The bureaucracy's obsession with secrecy has been foiled by the prying eyes of computer hackers. Oligopolistic giant corporations are left in the dust as small apps entrepreneurs and dot-com companies spring up. Most important, the Internet became society's central protector of free enterprise, free speech, and grassroots influence.

Rogers and Kingley state that these accounts grossly minimize and even ridicule the contributions of government and bureaucracy to the creation of the Internet. Deliberately selective stories are told about who was responsible. Individual heroes are highlighted, but key institutions such as DARPA and NSF are discounted. Technological development is decontextualized from early formative developments made possible by small contracts, seed grants, and first-time practical uses of the technology by bureaucracy, such as tabulating the census. Many of the involved scientists and engineers worked for the government on a career or temporary basis. Early attempts by contractors and grantees to privatize the Internet by placing it on a for-fee basis were emphatically rejected by NSF and other agencies.

Thus while government did not administer the Internet's invention as a state project as was the case with the Manhattan Project in World War II, it was its facilitator, cheerleader, and funder. Despite a strong presence of the private sector all along, today's Internet is

> the congealed product of a government dynamic that took place over a period of about a decade. It is not the result of a top-down government program implemented by its officers. However, it

grew out of a process squarely situated within the regular opera-
tion of government and a clear embodiment of public value as
understood by its officers.[33]

THE MICROSCOPIC VIEW SUMMED UP

What did we learn from this microscopic view of American bureaucracy? What new insights came into focus?

One is that citizen opinion of bureaucracy improves when public administration is seen up close rather than considered abstractly. Clients interviewed just after they exited welfare offices report they were usually treated courteously and given the help they need. Managers of the American Consumer Satisfaction Index are impressed with how survey responses are more favorable to individual agencies and programs than to government as a whole. Municipal satisfaction surveys indicate that residents of America's cities and towns express general approval of their governments, but responses are even more positive when they are asked about specific city programs and their effect on community life.

With respect to organizational effectiveness, plenty of evidence exists that bureaucracy can do well. An index compiled by the Bureau of Labor Statistics showed that between 1967 and 1994 the federal government experienced a 34 percent increase in labor productivity. Attempts to make Social Security's half-million client hearings a year more productive and timely achieved significant positive results, although the case backlog has recently grown because of increased applications. Derek Bok examined the performance of the federal government over several decades in meeting 60 national goals, and concluded that in 50 of them major improvement was attained.

Comparing the bureaucracies of government and corporations reveals a mixed bag, but the public sector's showing is not bad. Private contractors can be more efficient in routine, repetitive services. Yet the quality of the work is not necessarily better, and many problems can be introduced by outsourcing. These are less accountability, not as much transparency, a less broadly trained workforce, and added opportunities for corruption. Performance comparisons between private and public urban mass transit systems have shifted over time from favoring the first to leaning toward the second.

Contrary to common opinion, bureaucratic employment does not inevitably grow. At the federal level, civilian employment falls as much as it rises; at the state and local level, it has grown slowly over time but has currently dipped because of the recession. A measure of the bureaucracy's human-resource adequacy, the number of bureaucrats per 1,000 population, increased significantly between 1950 and 1980 but has remained stable since then at about seventy-three. Yet it seems quite remarkable that the federal ratio fell drastically from twenty-five to nine between 1945 and 2010. Compared to other industrial democracies, the US figure is definitely on the low side.

Academic predictions that bureaucracies inevitably age and wither have many counterexamples, one of which is NASA's shift to exciting far-space probes following the end of the manned space program. Theories of inherent bureaucratic conservatism are belied by the widespread incidence of agency innovations, many of which are initiated by career bureaucrats. The history of the Internet's development reveals that despite myths about the contributions of brilliant engineers and the importance of networked laboratories, a number of federal bureaucracies played an indispensable sponsorship and facilitation role in bringing into existence this revolutionary aspect of our existence.

ENDNOTES

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