CHAPTER 25

WHAT TO DO? WHAT TO DO?

It is surely suitable to close this book with a cry for reform. We are saddled with a large and basically inefficient bureaucracy. Improved efficiency in this sector could, looking at the matter economically, raise our national income and improve our rate of growth. Politically, it could both increase the degree of control the citizen, qua voter, has over many fields of our national life and enlarge his personal freedom. This apparent paradox is the result of the peculiar form taken by the inefficiency of bureaucratic free enterprise. This system, which characterizes our present government, leads to a reduction in both individual freedom and central control. A shift to more efficient methods could increase *both* our liberties and our ability to control our future. Reforms are clearly needed. Some possible improvements have been discussed in Part 3, but these have mainly been administrative in nature. The purpose of this chapter is to outline briefly two changes in basic policy which could greatly improve efficiency.

The first of these changes is simply a wider use of local government. This rather simple alteration of our present techniques substantially reduces the "supervisory load" of the average voter. If the voter must elect officials on the basis of their dealings with a thousand problems he will exert less influence on the average problem than he would if there were only a hundred. The great advantage of a federal system of government is that it permits the reduction of the number of problems with which the individual voter must be concerned without reducing the total number of problems dealt with by government. As an illustration let us imagine a government which performs ten services for each of a hundred voters who make up the total population subject to its jurisdiction. The government structure subject to this group sovereign must be large enough to perform a thousand services, and the voter must make judgments of politicians in regard to their efficiency in performing these services. If we resort to a federal system this total can be substantially reduced. Let us suppose that we leave to the central government two services per voter and create ten "local" governments which each perform the other eight services for ten voters. Then each voter must judge candidates for the central government on their ability to perform a total of two hundred services and candidates for local government on their ability to perform eighty.

Even though the second system will require two elections and two sets of candidates, it obviously puts less strain on the voter's ability to supervise his government. If carried to extremes by creating, say, ten levels of government, then the additional elections would probably be more bother than they are worth, but used in moderation this device can very materially improve the voter's control over his subordinates by reducing his total "span of control." Technically there are limits on the possibility of dividing "services" in this way. If diplomacy were devolved to the states, we would cease to have an American policy and acquire fifty state foreign policies. Still, the general objective should be to push governmental functions to the lowest possible organizational level. City and county governments should be given as wide a jurisdiction as possible. State governments should take over as many of the functions which cannot be performed locally as possible, and only the irreducible minimum should be left to the central government. In this way, for any given total scope of government action, we will reduce to the minimum the supervisory task of the voter and maximize the probability that the government will, in fact, do as he wishes.

Switzerland is widely regarded as the best administered of the world's nations. There are a number of reasons for this, but their extensive dependence upon local government units is not the least of them. Starting with a nation which is about the size of one of our states they have radically decentralized governmental functions. Their communes and cantons correspond roughly to our local governments and states, but in general the Swiss canton carries out more governmental tasks than our states, and their communes have a wider scope of activity than our cities and counties. Their federal government, on the other hand, engages in comparatively less action than does our national government. This makes the task of the Swiss voter considerably easier than that of his American counterpart, and he naturally performs it better. Another lesson we might learn from the Swiss concerns the organization of local governmental units. American local governments tend to be complex, not to say chaotic. The voter characteristically must elect a large number of officeholders. Sometimes the list of local candidates at a given election will exceed one hundred. There is no need to make an exact copy of Swiss local governmental institutions, but we could seek an equal degree of simplicity.

These reforms would improve the functioning of our bureaucracy, but it still would not work well. If we, as voters, are to control adequately the activities of our servants in the government a sizeable reduction in the total amount of activities attempted by the governmental apparatus is necessary.

Today most things done by the majority of government employees are not really subject to the control of the people, because it would be beyond the physical capacity of the people even to know about them. Some of these things which the people as a whole do not supervise are carefully watched by various pressure groups, but the bulk of governmental activities are substantially unsupervised. Only the most obvious catch the public eye. We, as the sovereign people, have established a gigantic system of bureaucratic free enterprise, and, as is the rule with such a system, we have little control over the bulk of its activities.

Consider our elected representatives; it is well known that the volume of bills passed by Congress is so great that the average member has no time to read, let alone seriously consider, more than a small fraction of them. The quality of the debates so depressingly reported in the *Congressional Record* emphasizes the impossibility of giving adequate consideration to such a large number of decisions. Not long ago an Indian tribe obtained title to a park in Kansas City by slipping a bill through Congress without the Kansas delegation hearing about it. This is merely a particularly striking example of the results of trying to deal with many more bills than the average congressman can hope to digest. The congressmen would, in fact, exercise more control over the nation if they attempted less.

The bureaucracy itself is a further illustration of the point. The lack of control by our elected representatives over the departments is duplicated at a lower level by the lack of control by the cabinet members over their inferiors. The vast and unwieldly departments are almost beyond the control of their nominal chiefs. Sometimes an extraordinarily intelligent and aggressive secretary will leave his mark on one of these vast organizations, but normally most of the activities of each department are the result of bureaucratic free enterprise rather than central decision. The efficiency experts tell us that the largest possible shovel is not the best tool to move the maximum amount of coal. A man equipped with a reasonably sized shovel can get more work done than a man who attempts to take the maximum amount of coal with each shovelful. Similarly, the largest possible bureaucracy is not the best way to get the most done. If we attempt tasks which are beyond our capacity we will accomplish less than if we tailor our plans to our abilities. Our present bureaucracy is well above the optimum size, and we would have more real control if we were willing to accept more realistic objectives.

The same problem exists, albeit on a smaller scale, at the local level. The City of New York, for example, is really a very large governmental unit and

would be hard to run under the best of circumstances. In recent years it had added a collection of new activities with the result that the governing bodies have much less time available to control such basic local government activities as police and sanitation. The City of New York operates a vast collection of apartment buildings, and it is dangerous to walk in Central Park after dark. These two facts are not unconnected. By attempting to do too much the city government is losing its power to carry out even its minimum responsibilities. In local governments as well as in the state and national we must cut our suit to fit our cloth. Only by frankly recognizing the limits on our ability to control giant organizations can we obtain the benefits which can be bestowed by a well-functioning government.

If there are strong rational arguments for dismantling the present overgrown bureaucratic apparatus, the political difficulties are obviously very great. Still, the "historic forces" seem to be working toward this end. From about 1875 to shortly after World War II a trend was visible in the Western world toward attempting to centralize control of all aspects of society in the government. Socialists were, in a sense, the leaders of the movement, but it penetrated into almost all spheres of political thought. During this period problems were normally "solved" by being handed to a government bureau. This movement developed an almost religious mystique, and a fully "planned"—or almost fully "planned"—society was widely thought of as both desirable and inevitable. The drive and sense of direction have now gone out of this movement. I do not believe in extrapolating historical trends, and this one has hardly had time to get established, but we can say that few people now favor expansion of central control in principle.

The general situation, then, is not unfavorable. The drastic reform of our administrative system which is necessary if we are to reach our full potential no longer seems politically impossible. The needed changes are radical, and it is always hard to rearrange institutions dramatically, but the "ideological climate" is more favorable than it has been for many years. The world is an uncertain place, and general predictions are hazardous in the extreme, but there are good prospects for radical reform.

Economic Hierarchies, Organization and the Structure of Production