Tenth Edition

Introducing PUBLIC ADMINISTRATION

Jay M. Shafritz, E. W. Russell
Christopher P. Borick,
and Albert C. Hyde

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ROUTLEDGE

Introducing Public Administration

Now in an extensively revised tenth edition, *Introducing Public Administration* provides students with the conceptual foundation they need, while introducing them to important trends in the discipline. This classic textbook—blending historical accounts with contemporary events—examines the most important issues in the field of public administration through the use of examples from various disciplines and modern culture. Its approach of using extensive case studies at the end of each chapter encourages students to think critically about the nature, purpose, and public value of public administration today.

Refreshed and revised throughout, the tenth edition contains a number of critical updates for the field:

- All-new case studies at the end of each chapter to address various challenges, including social justice, climate change action, smart cities, transforming governmental institutions, and economic responses to the global pandemic. The case studies—many with legal dimensions as well—cover emerging issues and are well suited for further research by students.
- Two newly revised chapters by contributing authors to broaden perspectives:
  - One on social equity and justice to cover contemporary challenges in the US, from reform of policing to public administration's response to major social policy equity issues like voting rights and homelessness.
  - The other on public budgeting contrasting government fiscal efforts between two recessions and illuminating how government budgeting works and sometimes does not with a case discussion on the federal government shutdown in 2019 over funding for the border wall.
- Keynotes at the start of each chapter to help introduce students to historical figures, contemporary dilemmas, and examples of public service in action, including subjects such as diversity and inclusion, marijuana legalization, organizational effects of remote work, and examining scenarios for the future.
- A completely rewritten now concluding chapter on leadership, followership, and leading teams with a discussion of destructive leadership types and a flipped case study on defining what leadership effectiveness is.

Complete with a fully updated companion website containing instructor slides for each chapter, a chapter-by-chapter instructor's manual and sample syllabus, student learning objectives, and self-test questions, *Introducing Public Administration* is the ideal introduction to the discipline for first year masters students, as well as for the growing number of undergraduate public administration courses and programs.

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PREFACE

This is now the 10th edition of a text first published in 1997. This textbook has been able to witness and provide commentary on various developments in public administration beginning with the reinventing government movement in the 1990s. That now seems like two centuries ago. In many respects, the degree of political, economic, environmental, and social change in just the last three years represents a new hallmark. This recognition harkens back to one of the most quoted remarks by President John F. Kennedy:

> Change is the law of life. And those who look only to the past or the present are certain to miss the future.
>
> (Address in the Assembly Hall at the Paulskirche in Frankfurt, June 25, 1963)

Just five years ago, public administration was wrestling with dominant themes coming out of the reinvention movement and the recovery from the Great Recession in 2009: modernization and competition, technology and innovation, and globalization and how they affected government performance. These have been largely superseded by major challenges in social equity and racial justice, environmental sustainability and climate change response, and now the dramatic challenges of response, recovery, and resilience to a global pandemic. Making this all the more complex is the increase in political divisiveness in various forms of populism and anti-government social attitudes creating distrust of science, the public service, and government itself. The widespread inconsistencies and failures in communicating about and combatting the pandemic, unmet demands for real progress for social justice and racial equality, and mounting pressures for combatting global climate change have pushed public administration to rethink both its abilities to manage change and how it should change itself.

For our part, we are no longer certain that even the most astute observations about present strategies and solutions to "contemporary public problems" will help in deciphering the future. So, this 10th edition incorporates several major changes—in focus and in style. The organization of the book, we think, is straightforward, beginning with definitions, external public policy environment, and matters of governance through organizational theories, management, human resources, budget, and evaluation and concluding with a new chapter on public sector leadership and followership. The following are some main points to keep in mind regarding the structure and logic of the textbook:

- Keynotes—some are historical, but several are new accounts—open each chapter to provide perspectives and some context on various public policy and public management subjects that are developed further in the chapter.
- Chapters generally begin with definitions and historical notes, but move quickly to illustrate the problems, dilemmas, and challenges and responses within public administration that are dominant themes in each of the subfields that the chapters address. An effort is made to provide both an intergovernmental (seeing the problem across levels of governments) and a governance or intragovernmental perspective. Boxes within the chapters—have quotes from relevant works ranging from the *Federalist Papers* to other historical references. In the quest to address the most contemporary issues, there are a few cases from the previous edition that we just had to update a bit and include for perspective.
- Case Discussion studies are found at the end of each chapter. These are all new. There's even a lengthy but important discussion about the development and use of case studies in public administration in the first chapter. These cases—beginning with homelessness policy solutions and ending with leadership effectiveness in a time of plague—rely on a mix of qualitative and quantitative material. The topics chosen

are still in progress, and issues and strategies over defunding the police or rekindling the smart city movement may be different next year, or maybe even this year. Cases can be discussed as they are presented or researched further. Most have been used in the classroom recently (except for Leadership in a Time of Plague), and it is hoped they lend themselves to either the in-class or the online course environment. Sources for each case are included at the end of the case study along with a few questions to stimulate discussions or provoke new analysis.

- At the end of each chapter is a short select listing of key terms, subjects, and important persons in public administration. These are usually boldfaced where they appear in the chapter, but they can be crosschecked in the index.
- The book has no traditional footnotes, although most of the quotations are fully referenced. Generally, if a work or author is referred to in a chapter, the corresponding full citation will be found in that chapter's bibliography.
- Readers also will find an annotated list of recommended books. These have been included as guides to further information on chapter topics for any interested reader—student or instructor. (Full disclosure—these are books in our bookshelf, so they represent what we've been reading lately.)

ACKNOWLEDGMENTS

No book—especially one coming into a 10th edition—is without debts. With each edition of this book, the list of reviewers, helpful colleagues, and students with comments and questions has grown. Thus, in the last edition we took a different tack, recognizing that listing over 100 names in a long paragraph doesn't do justice to the advice and support received over the past years. Best to simply acknowledge the obvious—our continued indebtedness to old and new colleagues all over the globe. Past and present students in our courses have also contributed. However, the graduate students at American University, Northern Illinois University, and San Francisco State University deserve a special note of thanks as many tested, discussed, and presented solutions for many of the case studies in this 10th edition as thought experiments or briefing papers in their classes.

As will be apparent, there are two contributors that we do wish to thank in a special note. Jennifer Shea of San Francisco State University and Carletta Sims at American University wrote basically new chapters for the text. Each was asked to write their own "preface" to their chapters and pose questions in terms of learning objectives. The case studies were part of the larger mix of discussion cases and were added, but everything else is their work and we are greatly appreciative of the new perspectives they have brought to the text and their inclusion in our group of authors.

Finally, it is our hope that in reading this book, thinking over issues and yes "wicked problems," and working with the ideas presented within, that you might be motivated to communicate with us to offer your ideas and contributions. The case studies and even some of the keynotes are all works in progress—in a field of study in a dynamic, challenging environment. While the questions being raised are often the same, we hope the answers will be different. Thus, your suggestions for innovations and pursuing different perspectives and new strategies for change will always be welcome. More importantly, for public administration's future development, your ideas will be essential.

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KEY EVENTS IN PUBLIC ADMINISTRATION

1776
- Declaration of Independence is signed.
- Adam Smith in *The Wealth of Nations* advocates "the ability to pay" principle of taxation.

1781
- Articles of Confederation adopted.

1787
- Northwest Ordinance provides for future states to enter the union and for federal aid to local public schools.
- Constitutional Convention convenes in Philadelphia.

1789
- US Constitution adopted.
- Congress establishes the first federal administrative agencies (the Departments of State, War, and Treasury and the Office of the Attorney General).
- The Federal Judiciary Act creates the Supreme Court.
- New York City becomes the first capital of the United States.

1790
- First census sets US population at 4 million.
- US capital moved from New York to Philadelphia.

1791
- Bill of Rights (the first 10 amendments) added to the Constitution.
- Congress passes the first internal revenue law: a tax on alcohol.

1800
- US capital moved from Philadelphia to Washington, DC.

1803
- The Supreme Court first asserts the right of judicial review in *Marbury v. Madison*.

1819
- The Supreme Court in *McCulloch v. Maryland* establishes the doctrine of implied constitutional powers and the immunity of the federal government from state taxation.

1829
- Andrew Jackson becomes president.

1832
- Senator William L. Marcy gives title to the spoils system when he asserts in a Senate debate that politicians "see nothing wrong in the rule, that to the victor belongs the spoils of the enemy."

1836
- Alexis de Tocqueville publishes *Democracy in America*, his classic study of American political institutions and political culture.

1840
- President Martin Van Buren establishes the 10-hour day for most federal employees.

1844
- The New York City Police Department is established.

1849
- The US Department of the Interior is created.

1851
- Massachusetts enacts the first law permitting towns to use tax revenues to support free libraries.

1861
- Abraham Lincoln becomes president; the Civil War begins.

1862
- The Morrill Land Grant Act endows state colleges of agriculture and industry.

1863
- President Lincoln issues the Emancipation Proclamation.

1865
- New York City establishes the first fire department with full-time paid firefighters.
- Civil War ends; Reconstruction begins.
- The Thirteenth Amendment abolishes slavery.

1868
- President Andrew Johnson is impeached by the House but tried and acquitted by the Senate.
- Congress mandates an eight-hour workday for federally employed laborers and mechanics.

1881
- President James Garfield is assassinated by a deranged office seeker.

1883
- The Pendleton Act creates the US Civil Service Commission.

1886
- Henry R. Towne's paper "The Engineer as an Economist" encourages the scientific management movement.
- American Federation of Labor formed.

1887
- Congress creates the Interstate Commerce Commission, the first federal regulatory commission.
- Woodrow Wilson's "The Study of Administration" is published in *Political Science Quarterly*.

1901
- Galveston, Texas, is the first city to install the commission form of government.
- Oregon becomes the first state to adopt the initiative and referendum.

1903
- The American Political Science Association founded.
- US Department of Commerce and Labor is established.
- The Boston police are the first to use an automobile, a Stanley Steamer, for regular patrol.

1904
- Lincoln Steffen's muckraking book *Shame of the Cities* finds Philadelphia to be "corrupt and contented" and arouses sentiment for municipal reform.

1905
- New York City starts the first police motorcycle patrol.

1906
- Bureau of Municipal Research founded in New York City to further the management movement in government.
- Pure Food and Drug Act passed.

1908
- Staunton, Virginia, appoints the first city manager.

1910
- Ohio is the first state to empower its governor to prepare an executive budget for legislature review.

1911
- Frederick W. Taylor publishes *The Principles of Scientific Management*.

1912
- Taft Commission calls for a national executive budget.
- Position classification first adopted at the municipal level in the city of Chicago.
- Sumter, South Carolina, is first to install a council-manager form of city government.
- Congress approves an eight-hour day for all federal employees.

1913
- Hugo Münsterberg's *Psychology and Industrial Efficiency* calls for the application of psychology to industry.
- Woodrow Wilson becomes president.
- The Sixteenth Amendment to the Constitution creates the first permanent federal income tax.
- The Federal Reserve Act creates a central bank responsible for monetary policy.
- The US Department of Commerce and Labor is divided into two separate departments.

1914
- The City Manager's Association is formed.
- The University of Michigan creates the first master's program in municipal administration.
- Dayton, Ohio, is the first major city to have a city manager.
- World War I begins.

1918
- World War I ends.

1919
- The failure of the Boston police strike sets back municipal unionization and makes Calvin Coolidge, the governor of Massachusetts, a national hero.

1920
- The Retirement Act creates the first federal civil service pension system.
- The Nineteenth Amendment gives women the right to vote.

1921
- The Budget and Accounting Act establishes the Bureau of the Budget in the Department of the Treasury and the General Accounting Office as an agency of the Congress.

1922
- Max Weber's structural definition of bureaucracy is published posthumously.

1923
- The Classification Act brings position classification to Washington-based federal employees and establishes the principle of equal pay for equal work.

1924
- Hawthorne studies begin at the Hawthorne Works of the Western Electric Company in Chicago; they will last until 1932 and lead to new thinking about the relationship of work environment to productivity.

1926
- Leonard D. White's *Introduction to the Study of Public Administration* is the first text in public administration.
- Mary Parker Follett, in calling for "power with" as opposed to "power over," anticipates the movement toward more participatory management styles.

1929
- The University of Southern California establishes the first independent professional school of public administration.
- Stock market crashes; Great Depression begins.

1930
- Durham County, South Carolina, is first to install a county manager form of county government.

1933
- President Franklin D. Roosevelt's New Deal begins.
- Francis Perkins, the first woman in a president's cabinet, is appointed secretary of labor.
- The Tennessee Valley Authority (TVA) is established by Congress as an independent public corporation.

1935
- The National Labor Relations (Wagner) Act establishes the right of private sector employees to organize and bargain collectively.
- Social Security program created.

1936
- J. Donald Kingsley and William E. Mosher's *Public Personnel Administration* becomes the first text in this field.
- John Maynard Keynes publishes his General Theory of Employment, Interest, and Money, which calls for using a government's fiscal and monetary policies to positively influence a capitalistic economy.
- E. Pendleton Herring in Public Administration and the Public Interest asserts that bureaucrats, by default, must often be the arbiters of the public interest.

1937
- The Brownlow Committee's report says that the "President needs help" and calls for the reorganization of the executive branch.
- Luther Gulick calls attention to the various functional elements of the work of an executive with his mnemonic device POSDCORB.

1938
- The Fair Labor Standards Act provides for minimum wages, overtime pay, and limits on child labor.
- Chester I. Barnard's *The Functions of the Executive* foreshadows the postwar revolution in thinking about organizational behavior.

1939
- American Society for Public Administration is founded.
- The Reorganization Act enables the creation of the Executive Office of the President and the transfer of the Bureau of the Budget from the Treasury to the White House.
- The Hatch Act is passed to inhibit political activities by federal employees.
- The federal government first requires the states to have merit systems for employees in programs aided by federal funds.

1940
- *Public Administration Review* is first published.

1941
- James Burnham's *The Managerial Revolution* asserts that as the control of large organizations passes from the hands of the owners into the hands of professional administrators, the society's new governing class will be the possessors not of wealth, but of technical expertise.
- Japanese attack on Pearl Harbor brings the United States into World War II.

1943
- Abraham Maslow's "needs hierarchy" first appears in *Psychological Review*.
- Withholding for federal income tax begins as a temporary wartime measure.

1944
- J. Donald Kingsley's *Representative Bureaucracy* develops the concept that all social groups have a right to participate in their governing institutions in proportion to their numbers in the population.

1945
- With the dropping of the atomic bomb and the end of World War II, the suddenly public Manhattan Project marks the federal government's first major involvement with science in a policymaking role.
- Paul Appleby leads the postwar attack on the politics/administration dichotomy by insisting in *Big Democracy* that apolitical governmental processes went against the grain of the American experience.

1946
- The Employment Act creates the Council of Economic Advisors and asserts that it is the policy of the federal government to maintain full employment.
- The Administrative Procedure Act standardized many federal government administrative practices across agencies.
- Herbert A. Simon's "The Proverbs of Administration" attacks the principles approach to management for being inconsistent and often inapplicable.

1947
- President Harry S. Truman announces his namesake doctrine.

1949
- The First Hoover Commission recommends increased managerial capacity in the Executive Office of the President.
- The National Security Act creates the Department of Defense.

1951
- David Truman's *The Governmental Process* calls for viewing interest groups as the real determinant of, and focal point of study on, public policy.
- Kurt Lewin proposes a general model of organizational change consisting of three phases, "unfreezing, change, refreezing" in his *Field Theory in Social Science*.

1954
- Peter Drucker's book, *The Practice of Management*, popularizes the concept of management by objectives.
- The Supreme Court, in *Brown v. Board of Education*, holds that racially separate educational facilities are inherently unequal and therefore violate the equal protection clause of the Fourteenth Amendment.
- Senator Joseph McCarthy (and in effect McCarthyism) is censured by the US Senate.
- Lakewood, California, pioneers the service contract, whereby a small jurisdiction buys government services from a neighboring large jurisdiction.

1955
- The Second Hoover Commission recommends the curtailment and abolition of federal government activities that are competitive with private enterprise.
- The Department of Health, Education, and Welfare (HEW) is created.
- AFL-CIO is formed by the merger of the American Federation of Labor and the Congress of Industrial Organization.

1957
- C. Northcote Parkinson discovers his law that "work expands so as to fill the time available for its completion."
- Chris Argyris asserts in *Personality and Organization* that there is an inherent conflict between the personality of a mature adult and the needs of modern organizations.
- Douglas M. McGregor's article, "The Human Side of Enterprise," distills the contending traditional (authoritarian) and humanistic managerial philosophies into Theory X and Theory Y.

1958
- NASA is created.

1959
- New York City is the first major city to allow collective bargaining with its employees.
- Wisconsin is the first state to enact a comprehensive law governing public sector labor relations.
- The Advisory Commission on Intergovernmental Relations is established.
- Charles A. Lindblom's "The Science of 'Muddling Through'" rejects the rational model of decision-making in favor of incrementalism.
- Herzberg, Mausner, and Snyderman's *The Motivation to Work* puts forth the motivation-hygiene theory.

1960
- Richard Neustadt's *Presidential Power* asserts that the president's (or any executive's) essential power is that of persuasion.

1961
- President Dwight D. Eisenhower in his farewell address warns of "the military-industrial complex."
- President John F. Kennedy's Executive Order 10925 requires that "affirmative action" be used in employment.
- The Peace Corps is established.
- Alan B. Shepard becomes the first American astronaut to fly in space.
- The Rand Corporation helps the Department of Defense install PPBS.

1962
- President John F. Kennedy issues Executive Order 10988, which encourages the unionization of federal workers.

1963
- During the "March on Washington," Martin Luther King Jr. delivers his "I Have a Dream" speech.
- President John F. Kennedy is assassinated; Vice President Lyndon B. Johnson becomes president.

1964
- The Civil Rights Act prohibits discrimination in private sector employment and public accommodation.
- Aaron Wildavsky publishes *The Politics of the Budgetary Process*, which becomes the classic analysis of the tactics public managers use to get budgets passed.
- The Economic Opportunity Act becomes the anchor of President Lyndon B. Johnson's "War on Poverty" and other Great Society programs.

1965
- PPBS made mandatory for all federal agencies.
- The Department of Housing and Urban Development is established.
- Medicare is created through amendments to the Social Security Act.

1966
- The Freedom of Information Act allows greater access to federal agency files.
- Morton Grodzins in *The American System* asserts that the federal system is more like a marble cake than a layer cake.

1967
- The Age Discrimination in Employment Act is passed.
- The National Academy of Public Administration is organized; its first members will be all of the living past presidents of the American Society for Public Administration.
- Edward A. Suchman's *Evaluation Research* asserts that evaluation is a generic field of study.
- Terry Sanford in *Storm Over the States* develops the concept of "picket-fence federalism," which holds that bureaucratic specialists at the various governmental levels exercise considerable power over the nature of intergovernmental programs.

1968
- "Younger" public administration scholars meeting at Syracuse University's Minnowbrook Conference site call for a "new public administration" that would emphasize social equity.
- Martin Luther King Jr. is assassinated.
- Robert F. Kennedy is assassinated.
- Richard M. Nixon is elected president.

1969
- Laurence J. Peter promulgates his principle that "in a hierarchy every employee tends to rise to his level of incompetence."
- Theodore Lowi's *The End of Liberalism* attacks interest group pluralism for paralyzing the policymaking process.
- Neil Armstrong, an American astronaut, becomes the first man to walk on the moon.

1970
- The Bureau of the Budget is given more responsibility for managerial oversight and renamed the Office of Management and Budget.
- The Postal Reorganization Act creates the US Postal Service as a public corporation within the executive branch.
- Hawaii becomes the first state to give state and local government employees the right to strike.
- Environmental Protection Agency is established.

1971
- The Supreme Court attacks restrictive credentialism in *Griggs v. Duke Power Company*.
- PPBS is formally abandoned in the federal government by the Nixon administration.

1972
- The Equal Employment Opportunity Act amends Title VII of the Civil Rights Act to include prohibitions on discrimination by public sector employers.
- The Watergate scandal erupts when men associated with the Committee to Reelect the President are caught breaking into the campaign headquarters of the Democratic opposition, located in the Watergate hotel-office-apartment complex.
- The Equal Rights Amendment is passed by Congress; it never becomes law because too few states will ratify it.
- Revenue sharing is introduced with the passage of the State and Local Fiscal Assistance Act (it will expire in 1986).

1973
- Vice President Spiro Agnew resigns after pleading "no contest" to a charge of tax evasion; Gerald R. Ford becomes vice president.
- Pressman and Wildavsky publish *Implementation* and create a new subfield of public administration and policy analysis.

1974
- The Congressional Budget and Impoundment Control Act revises the

congressional budget process and creates the Congressional Budget Office.
- The Supreme Court in *United States v. Nixon* denies President Nixon's claim of absolute executive privilege; Nixon is forced to resign in the face of certain impeachment because of Watergate.
- Gerald R. Ford becomes president and grants former president Nixon a full pardon for all possible crimes.
- An amendment to the Social Security Act provides for automatic cost-of-living adjustments in Social Security payments.

1976
- Colorado is the first state to enact "sunset laws" as a method of program review and evaluation.

1977
- Zero-based budgeting is required of all federal agencies by the new Carter administration.
- The Presidential Management Intern Program is established as a special means of bringing public administration master's graduates into the federal bureaucracy.
- The Government in the Sunshine Act requires all multiheaded federal agencies to have their business sessions open to the public.
- The Department of Energy is created.

1978
- The Civil Service Reform Act abolishes the US Civil Service Commission and replaces it with the Office of Personnel Management, the Merit Systems Protection Board, and the Federal Labor Relations Authority.
- The Ethics in Government Act seeks to deal with possible conflicts of interest by former federal employees by imposing postemployment restrictions on their activities.
- Proposition 13, requiring reductions in local property taxes, is voted into law in California.
- The Pregnancy Discrimination Act is passed.

1979
- The Department of Health, Education, and Welfare is divided into the Department of Education and the Department of Health and Human Services.

1980
- The EEOC issues legally binding guidelines holding that sexual harassment is sex discrimination prohibited by Title VII of the Civil Rights Act and that employers have a responsibility to provide a place of work that is free of sexual harassment or intimidation.

1981
- President Carter's zero-based budgeting requirements are rescinded by President Ronald Reagan.
- David Stockman, director of the Office of Management and Budget, tells the *Atlantic Monthly*, "none of us really understands what's going on with all these numbers."
- Professional Air Traffic Controllers (PATCO) strike; President Reagan responds by firing 11,500 of them for striking in violation of federal law.

1982
- The Grace Commission, the President's Private Sector Survey on Cost Control, finds widespread inefficiencies in the federal government.

1983
- The birthday of Martin Luther King Jr. is made a national holiday.

1985
- The Gramm-Rudman-Hollings Act is signed into law; it seeks to balance the federal budget by mandating across-the-board cuts over a period of years.

1986
- The Supreme Court in *Meritor Savings Bank v. Vinson* finds that sexual harassment is prohibited by the Civil Rights Act of 1964.
- The space shuttle *Challenger* explodes on takeoff.
- The national debt passes $2 trillion.
- The Iran-Contra scandal begins to unfold.

1988
- George Bush is elected president.
- The United States and Canada reach a free trade agreement.

1989
- The Financial Institutions, Reform, Recovery, and Enforcement Act is passed to help clean up the $500 billion savings and loan scandal.
- The National Commission on the Public Service, the Volcker Commission, calls for a revitalization of the public service.

1990
- The Budget Enforcement Act amended the Gramm-Rudman-Hollings Act to require that new spending be balanced by new taxes or spending reductions.
- The national debt passes $3 trillion.
- The Chief Financial Officers Act requires federal agencies to create a chief financial officer position to oversee agency finances.

1992
- Bill Clinton is elected president.

1993
- National debt passes $4 trillion.
- Osborne and Gaebler publish *Reinventing Government*.
- The Government Performance Results Act requires agencies to justify their budget requests on the basis of the results or outcomes to be achieved.
- The North American Free Trade Agreement is ratified.

1995
- Republicans take control of both houses of Congress.

1996
- Congress gives the president the line-item veto.

1998
- The Supreme Court vetoes the presidential line-item veto.

- President Clinton is impeached by US House of Representatives.

1999
- President Clinton is tried and acquitted by US Senate.

2000
- George W. Bush is elected president.

2001
- The War on Terror begins.

2003
- The war in Iraq begins.
- Department of Homeland Security created.

2004
- George W. Bush is reelected.

2005
- The national debt passes $8 trillion.

2006
- Democrats win control of both houses of Congress.

2008
- Barack Obama elected president.

2009
- The national debt passes $12 trillion.

2010
- Republicans win control of the House of Representatives.

2011
- Standard and Poor's downgrades the credit rating of the United States.

2012
- The national debt passes $15 trillion.
- The US Supreme Court rules that President Obama's health care coverage law, the Affordable Care Act, is constitutional.

2013
- The City of Detroit files for bankruptcy, making it the largest municipality financial restructuring in municipal history.

2014
- Riots break out in Missouri protesting racial bias by police after the shooting of Michael Brown in Ferguson, and a new national protest movement called "Black Lives Matter" is organized.

2015
- Climate change takes center stage in public policy with a new international accord at the Paris Climate Talks and new executive orders and proposed regulations by the Obama administration.

2016
- The Supreme Court rejects the Commonwealth of Puerto Rico's bid to file for bankruptcy, but Congress passes a financial rescue bill and establishes a financial control board to run fiscal affairs of the Commonwealth.

2017
- The Tax Cuts and Jobs Act passed in December 2017, which changed the individual income tax by increasing the standard deduction, reducing income rates, and placing new limitations on itemized deductions. (These provisions are set to expire in December of 2025.)
- President Trump announced the US was withdrawing from agreements reached under the Paris Accords for addressing global climate change.

2018
- The Trump administration announced a "zero-tolerance" policy against illegal border crossers to combat the numbers of migrants coming across the US-Mexico border. Over 6,000 active-duty troops were sent to the border to deter large groups of immigrants, mostly from Central America, from entering the US.

2019
- A standoff between the Congress with the House of Representatives, with a new Democratic Party majority, and President Trump over his demands for $5 billion in new funding to construct a border wall between the US and Mexico, created the longest shutdown of the federal government (35 days). The shutdown ended when some air traffic controllers on the East Coast called in sick, causing major delays. President Trump then proclaimed a national emergency and directed the Department of Defense to divert funds for his wall construction projects.

2020
- The COVID-19 pandemic hit the US and rest of the world with devastating consequences—setting up a worldwide response of travel bans, lockdowns, shutdowns of schools and mass events, and requirements for mask wearing and social distancing. The Center for Disease Control estimated that over 385,000 Americans died of COVID in 2020.
- Congress passed in March the Coronavirus Aid, Relief, and Economy Security (CARES) Act providing over $2 trillion in fiscal stimulus and economic aid followed by a $900 billion fiscal stimulus package in December.
- The death of George Floyd, a 46-year-old African-American man, in Minneapolis after being handcuffed and pinned to the ground by a White police officer leads to massive protests in over 125 cities across the United States and activation of the National Guard in at least 21 states.

2021
- The newly elected Biden administration issues more than 37 executive orders in its first week in office, reversing many of the Trump administration's policies, which include making climate change a national priority.
- The Democrats are now in control of both houses of Congress (albeit by razor-thin margins), and the president passed a fiscal stimulus and economic assistance package—The American Rescue Plan—for $1.9 trillion. A bipartisan infrastructure plan—the Infrastructure Investment and Jobs Act—passed, providing for $1.2 trillion in federal spending over the next five years.
- The administration rolled out a COVID vaccination plan that hoped to have over 75% of the population to have had at least one shot by July. As of December, despite having administered 488 million shots, just 62% of the US population were fully vaccinated.
- The total two-year death toll due to COVID exceeded 800,000.

CHAPTER 1

Defining Public Administration

CHAPTER OUTLINE

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KEYNOTE: Go Tell the Spartans

At 8:48 on the morning of September 11, 2001, Adam Mayblum, 35, an investment firm employee, was in his office on the 87th floor of the north tower of the World Trade Center in New York. Suddenly, it seemed like a huge bomb exploded on the floors above—the building shook as if in an earthquake, lighting fixtures fell down, the ceiling collapsed in several areas, and paper flew everywhere. The halls quickly filled with smoke, but the phones were still working. Mayblum immediately called home and left a message for his wife that a bomb had gone off and he was on his way out. Next, he took off his undershirt, tore it into three pieces, and gave two of the pieces to co-workers. They soaked the fabric in water and tied the torn T-shirt pieces around their faces as improvised air filters. Then the trio started down a smoke-filled staircase.

As Mayblum walked down the crowded and smoky stairs, he called his parents on his cell phone. Soon after, his sister-in-law called him. Everybody with a cell phone was making calls to or taking calls from friends and relatives. On the 53rd floor they found a "heavyset man" just sitting on the stairwell. Mayblum and his friends offered to carry him, but he preferred to wait for professional help. As they approached the 44th floor, they first started seeing firefighters and police officers

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Ruins of the World Trade Center in the aftermath of the Sept. 11, 2001 terrorist attacks.

Source: National Archives/PH2 Jim Watson, USN

on their way up. Mayblum stopped several of them and told them about the man on the 53rd floor and also about a friend who was missing on the 87th.

The next day, in a 2,000-word email that was written for friends but ultimately distributed to thousands, Mayblum told of his narrow escape. He wrote that he "felt terrible" about telling the rescuers to go further up the stairs. "They headed up to find those people and met death instead. . . . I realize that they were going up anyway. But it hurts to know that I may have made them move quicker to find my friend" (Kugler, 2001).

Mayblum is only one of thousands who fled down the stairs to safety from the inferno of the World Trade Center towers as firefighters and other rescue workers raced up the stairs into deadly danger. The essence of the firefighters' bravery can be summed up by an old observation: firefighters don't run from burning buildings; they run into them. Peggy Noonan, a speechwriter for Presidents Reagan and Bush (the elder), wrote, "You think to yourself: Do we pay them enough? You realize: We couldn't possibly pay them enough. And in any case, a career like that is not about money." But if it is "not about money," what *is* it about? The answer is that it is about duty.

For almost 2,500 years "Go tell the Spartans" has been the most famous classical reference to a duty done unto death. When it became shockingly evident that more than 300 firefighters died that day, those who knew ancient history might well have thought of another group of 300 heroes who died in the line of duty. In 480 bc, soldiers from the Greek city of Sparta fought a delaying action against invaders from Persia (now Iran). Taking up a defensive position in the mountain pass of Thermopylae, they fought off massive waves of assaulting Persians for three days. The Spartans knowingly sacrificed themselves—fought until they were all killed—so that their fellow Greeks would have the time to organize and eventually defeat the enemy.

The similarities between the New York City firefighters and the Spartans of ancient Greece go far beyond the number 300. And that number is not accurate in either case. The 343 firefighters who died were in the company of 136 other rescue workers (New York City police, Port Authority police, private security guards, etc.) who also died. The Spartans had auxiliaries (somebody had to cook) and small combat units from other cities, including about 1,000 Thespians (not actors, but soldiers from Thespiae). Nevertheless, the number 300 resonates because it was the Spartans who fought to the death while others retreated. And it was the firefighters who personified the rescue effort.

Societies have always expected their soldiers to die in large numbers if necessary—but not their firefighters, who are pacifistic warriors seeking only to fight fires and save lives. In the past, firefighters only occasionally died in the line of duty. Until 2001, about 100 died in the United States each year. Previously, in the worst fire disaster in New York City, 12 firefighters died. To have 343 die in a single day was, until September 11, unthinkable.

After the Greeks won their war, Simonides (556–468 bc), a famous poet of the time, was commissioned to write an appropriate inscription for a memorial plaque to be placed at Thermopylae to honor the Spartan heroes. Some Greeks were shocked when he turned in only two lines. But these two lines have become the most meaningful and one of the best-known epitaphs in the history of Western civilization:

Go tell the Spartans, thou who passest by,
That here obedient to their laws we lie.

There would eventually be a fitting memorial to all those who died on that infamous 11th of September. But the firefighters, police officers, and other doomed rescuers already had one memorial. They all share the epitaph of the Spartans because they died bravely in the line of duty, "obedient to their laws."

Although the approximately 3,000 dead from the attacks were in New York, in western Pennsylvania, and at the Pentagon in northern Virginia, it was the whole nation that cried with their families. This was not just another office building complex. Towering over Wall Street, these office buildings represented the capitalistic might of the United States. The barbarous attack wounded the entire country because it was an act of war against all of us. In the days following the blast, the news media put forth much talk about America's "loss of innocence" along with the increasing statistics, the body count, on the loss of the innocents.

That no one would be found alive in the rubble after the first day was impossible to know at the time. Soon out-of-state rescue teams arrived to help. These teams, deployed by the Federal Emergency Management Agency, included search dogs. They are trained to bark if they detect a live person and whine when they locate a body. The dogs spent most of their time whining. While less dramatic, it is often just as dangerous to recover a body at a disaster site as it is to rescue a survivor.

The heroic efforts of the rescuers received massive publicity. The stories many of the survivors told of the bravery and daring of the rescue teams were heart-rending. But one point was largely missed in all the news reports. All these highly trained search and rescue professionals were public employees. They, and the administrative apparatus that sustains their organizations, are part of the government. They are representative of the bureaucrats whom so many people—even

TABLE 1.1

Annual US Police and Firefighter Deaths in the Line of Duty (1996–2019)

Year	Police	Firefighters
1996	133	95
2000	162	102
2001*	241	446
2005	163	106
2010	161	73
2015	129	87
2019	89	62

Sources: Federal Emergency Management Agency/US Fire Administration (2020) and FBI *Law Enforcement Officers Killed and Assaulted, 2019* (released May 2020)

*On 9/11 in New York City, this includes 343 firefighters (including a chaplain and two paramedics) of the New York City Fire Department (FDNY), 37 police officers of the Port Authority of New York and New Jersey Police Department (PAPD), and 23 police officers of the New York City Police Department (NYPD).

some who were then lauding them as heroes—often describe as overpaid and inefficient.

These everyday heroes got so much attention after September 11 because they were doing wholesale what they did retail on a daily basis. It is a common, if not every day, occurrence in America for firefighters to rescue people from burning buildings. But this was the first time that they rescued thousands and died themselves in the hundreds.

Citizens the world over complain about their governments. But once disaster strikes—whether caused by nature or terrorists—they expect immediate government response and longer term assistance with recovery. When there is an earthquake in California, when the Mississippi River floods, or when an Atlantic hurricane wreaks havoc in Florida, volunteers come running. But the lasting help that disaster victims need—from social services to low-interest loans for rebuilding—is generally available only from government. Suddenly these "bureaucrats" are angels of mercy. When danger lurks, they become our modern versions of medieval knights in shining armor. Call 911 in most US cities and within minutes you'll have a career public servant at your door ready to risk his or her life for you and yours.

There are public sector heroes in your city, too, but most of them are invisible to you. The modern public service allows vast scope for heroism. Today's police officer and firefighter heroes are joined by great numbers of quiet unsung heroes: such as public works department engineers who provide safe drinking water, transit workers who drive our city and regional modes of trains, buses, and boats, highway department drivers who work all night clearing snow. Then there are the teachers who inspire students to learn and acquire skills to succeed in life, the social workers who help find shelters and housing for the homeless, the parks and recreation workers who preserve our public spaces. While they may be not called on to be physically brave, their efforts are often heroic. The public service has a wide variety of heroes.

The United States' experience—still ongoing—with COVID-19 reinforces this point even more dramatically. New York City was an epicenter of the coronavirus

disease 2019 (COVID-19) outbreak in the United States during spring 2020. In a three-month period from March to May 2020, over 203,000 laboratory-confirmed COVID cases were reported to the NYC Department of Health and Mental Hygiene with an overall fatality rate of 9% (that's 18,679 deaths) and a 32% fatality rate in hospitals. New York City went into lockdown to "flatten the curve"—to lessen the spread of the virus and to keep hospitals from being overwhelmed and shutting everything down. But the public service—ambulatory transit workers, hospital and health care workers, and all the other essential workers who kept those operations going—continued to work. They transported and cared for the sick, protected the public by responding to all those 911 calls, and performed other essential functions.

One recent study has assembled data to determine how many "essential workers" themselves died of COVID during this period. While it's difficult to determine whether they contracted COVID at work or from elsewhere, among health care workers alone, there were over 800 deaths from March to May in New York and New Jersey attributed to COVID. Only 25% of those deaths were among hospital employees—the others worked in residential facilities, outpatient clinics, hospices, and prisons, among other places (Shaukat et al., 2020). Other articles are still assembling the physical mental health toll among public service workers—government and nonprofit—who worked long shifts and dealt every day with what were unfathomable death tolls in overloaded facilities facing a substantially higher risk of infection and death due to excessive COVID-19 exposure.

All these public service heroes essentially make modern life—civilization as we know it—possible.

DEFINING PUBLIC ADMINISTRATION

It is easy to define public administration if you are content with being simplistic: it is government in action—the management of public affairs or the implementation of public policies. Such a facile definition, while accurate, is not adequate for such an important task. Consider the scene in Edmond Rostand's play *Cyrano de Bergerac* in which somebody insults the hero's big nose to provoke him into fighting a duel. But the challenger's insult of "rather large" is so commonplace that Cyrano then lectures him on "the great many things" he might have said if he'd had "some tinge of letters, or of wit." Defining public administration poses a similar challenge—even without the ensuing swordplay.

The authors of this book believe that nothing is more important to an introduction to public administration than the most expansive definition possible. How else can we explore its richness and subtlety and savor its historical significance, universal application, and present development? How else can we gain an appreciation for the later technical chapters? Nevertheless, the discussion that follows is inherently incomplete. Public administration is so vast that there is no way to encompass it all with only one definition. So we have written 16 of them and clustered them into four categories: political, legal, managerial, and occupational.

This quartet of definitions essentially expands on the basic trio of public administration dimensions managerial, political, and professional/occupational, established by **David H. Rosenbloom,** by adding legal. But even with such an array of definitions, the authors are in the uncomfortable position of Cyrano's challenger. We would have said more if we'd only had the wit!

Political Definitions of Public Administration

Public administration cannot exist outside of its political context. It is this context that makes it public—that makes it different from private or business administration. Consequently, our first definitions of public administration focus on its political nature.

Public Administration Is What Government Does It is a White House chef preparing the menu of a state dinner for a visiting chief of state, a Department of Agriculture inspector examining beef at a slaughterhouse, and a Food and Drug Administration scientist determining the number of rodent hairs that food processors can safely and legally leave in chocolate, popcorn, and peanut butter. It is a firefighter rescuing a child from a disintegrating building, a meter reader attaching a ticket to your automobile for overlong parking, and a state prison official injecting deadly fluids into the veins of a condemned criminal. It is an astronomer exploring the furthest reaches of outer space, a CIA agent decoding captured messages from suspected terrorists, and a sewer crawler seeking to discover what has clogged up a municipal drainpipe. It is providing food stamps to the poor, mortgage interest deductions to homeowners, and hot meals to evacuees of a Gulf Coast hurricane.

Throughout the world, government employees do things that affect the daily lives of their fellow citizens. These things range from the heroic (as we saw in New York City) to the mundane. Usually these efforts are beneficial, but sometimes they are not. Most of the time, in most countries, public administrators tend to the public's business; for example, they build bridges and highways, collect garbage, put out fires, plough snow, spray for mosquitoes, and provide essential social services for the less fortunate. But in other lands, public employees may torture the innocent and murder children. When **Amnesty International** publishes its annual report on the states that brutalize and violate the civil rights of its citizens, who do you think does all this brutalizing and violating? It is none other than the local public administrators! Of course, such nefarious activities are usually organized within some innocuous-sounding program having to do with "population control" or "internal security." Thus, modern public relations try to put a friendly face on ancient atrocities.

As a profession, public administration has developed values and ethical standards. But as an activity, it has no values. It merely reflects the cultural norms, beliefs, and power realities of its society. It is simply government doing whatever government does—in whatever political and cultural context it happens to exist. In 1955, **Dwight Waldo** was the first to insist that analysts "see administration in terms of its environment" because "it enables us to understand differences in administration between different societies which would be inexplicable if we were limited to viewing administration analytically in terms of the universals of administration itself" (Waldo, 1955, p. 11). So, essentially similar administrative acts can be performed differently in different cultures. Thus, a routine customs inspection in one state parallels the solicitation of a bribe by a corrupt customs official in another. The same act that is performed honestly in one state (because of a culture that supports honesty) may be performed corruptly in another (where the culture supports corruption by government officials).

Public administration is the totality of the working-day activities of all the world's bureaucrats—whether those activities are performed legally or illegally, competently or incompetently, decently or despicably! British scientist J.B.S. Haldane wrote that the universe "is not only queerer than we suppose, but queerer

than we *can* suppose" (Haldane, 1928). Things are much the same with public administration. It is not only far vaster in scope than most people suppose, but it is so extensive and pervasive in modern life that not even the most imaginative of us can imagine it all.

Public Administration Is Both Direct and Indirect It is direct when government employees provide services to the public as varied as mortgage insurance, mail delivery, and electricity. It is indirect when government pays private contractors to provide goods or services to citizens. For example, the National Aeronautics and Space Agency (NASA) operated the space shuttle, but the shuttle itself was built by private corporations. Similarly, security officers protecting American construction workers in Iraq's oil fields are not part of the US armed forces but employees of private firms contracted by the Defense Department. Does the fact that these workers are employed by private companies put them outside the realm of public administration? Not at all. Remember that a government agency must hire, evaluate, and hold all employees and contractors accountable for the quality of their performance—whether they are building rockets or guarding oil rigs.

Governments have used private contractors since ancient times. For example, the executioner who once operated and maintained the guillotine in France was an independent contractor who earned a fee per head chopped off (literally severance pay). The trend toward greater **privatization** of government functions began most notably in the 1980s during the Reagan administration in the United States and the Thatcher administration in the United Kingdom reinforced by the growth of the nonprofit sector, which receives much of its funding from government contracts—especially for social services.

However, much of the budgets of private nonprofit organizations providing human services comes from the government. Former New York Governor Mario Cuomo drew attention to this when he noted that government funds often accounted for a majority of the revenues raised by nonprofit charitable organizations. The 2013 *Non-Profit Times* survey of the Top 100 largest nonprofits in the US revealed that while government support has been slowing down in recent years, it still amounts to over $10 billion, or 15% of the total revenues of the largest nonprofits. A more recent survey in 2019 *Non-Profit Times* notes that government sources of income still accounted for over a third of all nonprofit revenues in 2018.

Thus, one might conclude that privatization has not necessarily reduced the total amount of public administration in the world; it has simply migrated to different forms. The increasingly expansive nature of public administration, branching out into the private and nonprofit sectors, has given new meaning to the word *governance*. What was once a synonym for the process of government has evolved to refer to interorganizational efforts to cope with cross-boundary problems by using networks of people and organizations.

Public Administration Is a Phase in the Public Policymaking Cycle Public policymaking never ends. Government perpetually suffers from a problem similar to that faced by Shakespeare's Hamlet, the indecisive prince of Denmark, who struggled with whether "to be or not to be." Governments are in a constant flurry over whether to do or not to do. And whatever they do or do not do is public policy. All such decisions (including decisions not to make a decision) are made by those who control political power and implemented by the administrative officers of the bureaucracy. Thus, public policy and public administration are two sides of the

same coin. One decides, the other does. They cannot be separate because one side cannot exist without the other.

However, because policymaking is a continuous process, it cannot end with implementation. Whenever government does something, critics will suggest ways to do it better. This feedback can be informal—from citizen complaints to journalistic investigations—or it can take the form of an agency or legislative program evaluation. In any case, new decisions must be made even if the decision is to avoid making a decision.

Public Administration Is Implementing the Public Interest **Public interest** is the universal label in which political actors wrap the policies and programs that they advocate. Would any lobby, public manager, legislator, or chief executive ever propose a program that was not "in the public interest"? Hardly! Because the public interest is generally taken to mean a commonly accepted good, the phrase is used both to further policies that are indeed for the common good and to obscure policies that may not be so commonly accepted as good. A considerable body of literature has developed about this phrase, because it represents an important philosophical point that, if successfully defined, could provide considerable guidance for politicians and public administrators alike. **Walter Lippmann** wrote, "the public interest may be presumed to be what men would choose if they saw clearly, thought rationally, and acted disinterestedly and benevolently" (Lippmann, 1955, p. 42). Clear eyes and rational minds are common enough. Finding leaders who are disinterested and benevolent is the hard part.

In the early 20th century, **E. Pendleton Herring** examined the problems posed by the dramatic increase in the scope of the administrative discretion of government. He accepted that laws passed by legislatures are necessarily the products of legislative compromise; thus they are often so vague that they need further definition. The bureaucrat, by default, then has the task of giving defining detail to the general principles embodied in a statute by issuing supplemental rules and regulations. "Upon the shoulders of the bureaucrat has been placed in large part the burden of reconciling group differences and making effective and workable the economic and social compromises arrived at through the legislative process" (Herring, 1936, p. 7). In effect, it becomes the job of the anonymous administrator to define the public interest.

Herring's discussion of the public interest and the critical roles played by bureaucrats and interest groups in public policy formulation correctly anticipated many of the critical issues still being grappled with in schools of public policy and administration today. Herring is a significant voice in what political science calls group theory, a school of thought that views government as representing various group interests and negotiating policy outcomes among them. According to Herring, the most basic task of a bureaucrat has been to establish working relationships with the various special interests so that their concerns can be more efficiently brokered.

The role that Herring would have public administrators play is that of **Edmund Burke**'s trustee, a representative who exercises personal judgment and doesn't just follow the exact orders of a legislature or the perceived opinion of a constituency. In his classic 1774 "Speech to the Electors of Bristol," Burke told the voters, "Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion." Few would argue with the desirability of using good judgment in the furtherance of the public interest. However, some would argue that the interest-group broker role that Herring espouses for high-level public administrators is inherently undemocratic.

Public Administration Is Doing Collectively That Which Cannot Be So Well Done Individually This is Abraham Lincoln's understanding of the "legitimate object of government . . . to do for a community of people, whatever they need to have done, but cannot do, at all, or cannot, so well do, for themselves—in their separate, and individual capacities" (Library of Congress, 1840). Thus, public administration is the mature manifestation of the community spirit. What started as voluntary service (such as fire protection or care for the poor) became institutionalized as people indicated a preference (via elections) to pay taxes so that once-voluntary activities could become government functions. Similarly, collective action is the remedy for the "**tragedy of the commons**," where individuals acting in their self-interest destroy public resources such as land and water.

In this context, public administration is central to the process of regulating individual behavior in the interest of the common good. Twenty-first-century communications have brought about a "revolution of rising expectations" whereby the people of traditionally poor countries realize just how poor they are relative to industrialized states. But we all want—and indeed expect—government employees to literally pull our backs out of the rubble when disaster strikes, as they did in New York City. Volunteers could do the easy tasks, such as driving the walking wounded to local hospitals, but only the highly trained public service professionals could do the real rescue work. Their organizations—the police and fire departments—were created, in Lincoln's words, to be available to do what the citizens "cannot do, at all, or cannot, so well do, for themselves."

Legal Definitions of Public Administration

Because public administration is what a state does, it is both created and bound by an instrument of the law. Indeed, in many communities, such as those of continental Europe, it is an academic subject that has never escaped from the faculties of law. While public administration in the United States is not a "legal" subject, its foundations are always legal.

Public Administration Is Law in Action Public administration is inherently the execution of a public law. Every application of a general law is necessarily an act of administration. Administration cannot exist without this legal foundation. In the United States, the Constitution of 1787 as amended is the law of the land. All legislation must conform to it or at the very least not violate it in a manner obvious to the US Supreme Court. The law that creates an agency or program is known as its enabling legislation—the law that legally "enables" a program to exist. In theory, no government administrator can do anything if it is not provided for in the legislation or in the rules and regulations that the legislation allows the agency to promulgate. And how much government money can the president of the United States spend on his or her own without the approval of the Congress? Not a dollar, legally! Everything the president does, if it involves spending public money, must have a basis in legislative actions. This is often difficult for people in less democratic regimes to understand. Tip O'Neill, the former Speaker of the US House of Representatives, wrote in a memoir, "I must have met Deng Xiaoping of China a half-dozen times, and every time he would ask, 'The president has to go to you for his money?' " O'Neill always answered this question the same way: "Yes, and the president had better not forget it." And the same is true of governors and mayors who must go to their respective legislative bodies for appropriations—whether for their annual budget or for an emergency or other unplanned need.

While many books have been written about the implementation of this or that government program, there is ultimately only one thing that government is in essence capable of implementing: the law. Of course, the law is often in turmoil. The legislative basis of programs, or specific agency rules and regulations, is constantly being challenged in court by those who oppose as well as those who support the program involved. The opposition wants the enabling legislation declared unconstitutional and the program destroyed, while supporters often want the program administered even more generously. From the **New Deal** to the first years of the newest inaugurated administration, a pattern has emerged with controversial legislation. After its passage, opponents challenge its legality in court, hoping that the judicial branch will overturn it. In effect, there is a new final phase to the legislative process: a **judicial review** that confirms that the new law is constitutional.

Indeed, this is precisely what has occurred with the passage of the health care reform in 2010; arguably the most significant piece of social legislation passed since Social Security. Opponents challenged the Patient Protection and Affordable Care Act all the way to the US Supreme Court, and the Court ruled in 2011 (5 to 4) that the law was constitutional (*National Federation of Independent Business et al. v. Sebelius*, 2012). Of course, even this positive court ruling hasn't dimmed opposition where a Republican majority in the House of Representatives has voted numerous times to repeal the legislation to no effect. The pattern has repeated itself in the courts. In June 2021, the US Supreme Court—for the third time—ruled that the Affordable Care Act be left intact—rejecting a lawsuit filed by a group of Republican-led states and the former Trump administration. In a more decisive vote (7–2), the court's majority denied that the states had legal standing to even bring the suit (*California v. Texas*, 2021).

While public administration is the law in action, the law of how, when, and where these actions can be taken is called administrative law. In the American context, administrative law does not deal with the substantive content of agency policies and practices. Instead, it focuses on the procedures that agencies use in exercising their authority. For example, Congress requires federal agencies such as the Environmental Protection Agency (EPA) to notify the public when the agency is creating a new rule that affects citizens. If the agency doesn't follow the specific guidelines on how and when to notify the public, its new rules can be declared illegitimate by the courts. In effect, administrative law is the totality of constitutional provisions, legislative statutes, court decisions, and executive directives that regulate the activities of government agencies.

Public Administration Is Regulation It is government telling citizens and businesses what they may and may not do. **Regulation** is one of the oldest functions of government. The Code of Hammurabi in ancient Babylonia provided, "the mason who builds a house which falls down and kills the inmate shall be put to death." While not exactly a modern building code, this nevertheless proved an effective means of regulating the soundness of housing.

Our lives are constantly governed, or interfered with, by regulation. We are not officially born until we have a birth certificate—regulation. We must attend school up to a certain age—regulation. We cannot engage in many occupations without a license from the state—regulation. Finally, we cannot be declared legally dead without a death certificate—regulation. And it doesn't even end there. We can be buried only in government-approved cemeteries, and our estate taxes must be paid—regulation. Regulation can also be used as a tool to reach the strategic goals of government. From preservation of natural resources to controlling obesity

levels within the population, public administrators turn to regulation to help them achieve an array of desired outcomes.

Public Administration Is the King's Largesse "The king's largesse" is whatever goods, services, or honors the ruling authority decides to bestow. This was the earliest meaning of public administration. Since everything was owned by the crown, whatever was granted to the nobles and peasants was a gift. In the modern world, this version of public administration can be seen in traditional monarchies and dictatorships, where hospitals, schools, parks, and such are touted as something given by the autocrat to a grateful people. The last vestige of this kingly largesse in **representative government** can be seen on the plaques often attached to public buildings and bridges indicating that the edifice was built during the tenure of Mayor Smith or Governor Jones. Of course, whenever representative governments grow corrupt, largesse as an operating mode of public administration reasserts itself. Then citizens may only get public services such as police protection and welfare benefits if they are deserving in the eyes of the rulers.

The traditional big-city political machine lasted only as long as there was largesse to distribute. For example, in Cambridge, Massachusetts, during the Great Depression, Democratic Party leaders were authorized to distribute up to 50 "snow buttons" each time there was a major snowstorm. Each button entitled the holder to a day's work shoveling snow for the city. This was a highly prized benefit sought by unemployed men in each ward. While certainly at the low end of the patronage food chain, this largesse bought the ward heeler loyalty that translated into votes for the party. Snow buttons are a relic of the past. So are political machines, because welfare benefits as a matter of right, as an entitlement, have made them superfluous. Thus, the comprehensive public services of the welfare state have driven out the informal welfare system of the machines. Without largesse, the political machines could not hold the loyalty of their audience.

Public Administration Is Theft There are those who believe that a government should do little more than provide police and military protection; other than that, it should not interfere—either for good or ill—in the lives of its citizens. A major intellectual force advocating such **libertarianism** was Ayn Rand, a philosopher who attacked welfare state notions of selflessness and sacrifice for a common good in novels such as *The Fountainhead* (1943) and *Atlas Shrugged* (1957). In *Capitalism: The Unknown Ideal* (1967), she wrote, "The only proper function of the government of a free country is to act as an agency which protects the individual's rights, i.e., which protects the individual from physical violence" (pp. 46–47). Such reactionary attitudes are an extreme form of conservatism. Rand, because of her philosophy of positive selfishness and government minimalism, has become an icon of the Tea Party movement; they have conveniently forgotten that she was a proselytizing atheist and unapologetic abortion rights advocate.

Conservatives are continuously fearful of public policies involving redistribution, such as social welfare policies and programs whose goal is to shift wealth or benefits from one segment of the population to another. The welfare state is founded on this notion of redistribution. The basic mechanism for redistribution is taxation. However, the laws themselves can sometimes redistribute benefits. For example, tax loopholes benefit one group of taxpayers at the expense of others; and civil rights legislation, through equal employment opportunity mandates, gives economic benefits to one segment of the population at the theoretical expense of another. Redistribution is one leg of political scientist Theodore J. Lowi's three-part

classification of all domestic public policies into distribution, regulation, or redistribution. Obviously, redistribution is more popular with some classes of society than with others. Playwright George Bernard Shaw put this succinctly: "A government which robs Peter to pay Paul can always depend on the support of Paul."

And just who is the government's chief robber in this Robin Hood game? None other than your local public administrator! This is why so many citizens with their assets at risk consider thieving the underlying occupation of the public administrator. It is a long-standing legal maxim that government regulation that goes too far amounts to a taking. This conservative attitude is strikingly similar to the famous invective issued in 1851 by anarchist **Pierre-Joseph Proudhon** against all governments: "To be governed is to be watched over, inspected, spied on, directed, legislated at, regulated, docketed, indoctrinated, preached at, controlled, assessed, weighed, censored, ordered about, by men who have neither the right nor the knowledge nor the virtue" (Proudhon, 1923, pp. 293–294).

Proudhon was wrong about at least one thing. Public administrators *do* have the right under law to do what they do. A controversial example of the power of public administrators to "take" from the public was provided in a 2005 US Supreme Court ruling. The decision in *Kelo v. New London* allows government authorities to take private property from individuals for private sector economic projects in the same way that government can take one's land to build a new road. Thus, a local redevelopment agency seeking to bring in a new Walmart can make you sell your property even if you wish to maintain ownership.

While many government actions could be construed as theft by portions of the populace, there is a line separating metaphorical and actual thievery. Some government employees in some countries consider their jobs a license to steal—usually by soliciting bribes. This is common in developing countries where public officials are not paid reasonable wages or even paid regularly and have almost no choice but to engage in petty corruption. Often an informal system of fees evolves that tells the citizen, for example, how much is expected to "fix" a parking ticket or to speed up a building permit. But the same informal system can be in place for obtaining a copy of birth certificate or an academic transcript.

Managerial Definitions of Public Administration

Public administration is so much a branch of management that many graduate schools of management (or business or administration) are divided into public and private—and now increasingly nonprofit—programs. Its legal basis allows public administration to exist, but without its management aspect, not much of the public's business would get done.

Public Administration Is the Executive Function in Government In democratic states, whether they are republics or constitutional monarchies, it is government agencies putting into practice legislative acts that represent the will of the people. According to **Alexander Hamilton**, writing in *The Federalist* (Hamilton, 1788), "The administration of government . . . in its most usual, and perhaps most precise signification . . . is limited to executive details, and falls peculiarly within the province of the executive department." In dictatorial regimes, similar agencies do the bidding of the people who hold power. But the process is far more interactive and dynamic than any separation of powers diagram would suggest.

While the executive, legislative, and judicial branches are separate and distinct in the United States, all sides struggle to influence the others. A president,

governor, or mayor is constantly recommending new programs to the Congress, state legislature, or city council. Modern government executives at all levels do not meekly sit back and merely "execute" the will of the legislature. They actively compete to influence that will and to fight for the enactment of programs they are anxious to implement. Because this can lead to dramatic and highly publicized confrontations, the impression is often given that this is what executives do: fight for new legislation, fight for the annual budget, and fight for or against various interest groups. The reality is far less dramatic and more mundane. Most of what an executive does is to manage existing programs to run the bureaucracy. This work is virtually invisible to the public except when something goes wrong and the media circus begins.

Public Administration Is a Management Specialty Management refers both to the people responsible for running an organization and to the running process itself—the use of numerous resources (such as employees and machines) to accomplish an organizational goal. Top managers make the big decisions and are responsible for the overall success of the organization. In government, the top managers are always the political leaders of society, whether they gain power by election, appointment, or assassination. When a new president comes into office in the United States, he or she may appoint persons into approximately 3,000 jobs as the top managers who will be responsible for implementing policy. These appointees, while functioning as top managers with significant management responsibilities, are seldom professional managers and seldom think of themselves as management experts. They tend to be simply old friends, political-party loyalists, campaign contributors, and representatives of interest groups.

Consequently, the public administrators of a jurisdiction (the actual management specialists) are to be found in the vast area of middle management—the group responsible for the execution and interpretation of top-management policies and for the day-to-day operation of the various organizational units. These individuals often have advanced degrees in general fields such as public administration or business administration or technical fields such as public health or social work. These are the people who have made the management of government programs their life's work. They typically have supervisory or first-level managers—those responsible for the final implementation of policies by rank-and-file employees—reporting to them. These middle managers, despite their disparity in functions and technical backgrounds, largely constitute the management specialty of public administration. They spend their working lives fighting as officers in the administrative wars started by their political leaders.

Public Administration Is Mickey Mouse This otherwise innocent cartoon rodent has lent his name as a pejorative term for many aspects of governmental administration. When Walt Disney's famous mouse made it big in the 1930s, he appeared in a variety of cartoon shorts that showed him building something (such as a house or a boat) that would later fall apart, or generally going to a great deal of trouble for little result. So Mickey gradually gave his name to anything requiring considerable effort for slight results, including many of the Mickey Mouse requirements of bureaucracy. The term is also applied to policies or regulations felt to be needless, inane, silly, or mildly offensive. For example, President Ronald Reagan used the term to good effect when he complained in 1982, "the United States government's program for arriving at a budget is about the most irresponsible Mickey Mouse arrangement that any government body has ever practiced" (Herbens, 1982, p. 1).

Mickey Mouse is often used to mean **red tape**, the symbol of excessive formality and attention to routine. This has its origins in the red ribbon with which clerks bound official documents in the 19th century. The ribbon has disappeared, but the practices it represents linger on. Herbert Kaufman of the Brookings Institution found that the term "is applied to a bewildering variety of organizational practices and features." Organizations create and retain such seemingly rigid "practices and features" because they promote efficiency and equity on the whole—even though this may not be true in many individual cases. After all, according to Kaufman, "one person's 'red tape' may be another's treasured procedural safeguard."

Public Administration Is Art, Not Science—or Vice Versa Some people have a gift for administration. We have all met such natural administrators. They are not only perpetually organized but have a knack for getting people to work together harmoniously. The administrative art comprises judgment, panache, and common sense. But the artist is useless without tools—without the technical skills (the science) that allow for the digestion and transference of information. Nothing is more pointless than to argue whether the practice of public administration is more art or science. It is inherently both. Of course, the more science you have, the better artist you'll be. But "book learning'" won't make you an artist if you don't possess an element of the gift in the first place.

At the beginning of the American Civil War, Henry Wager Halleck was perhaps the most knowledgeable northerner on the art and science of war. His textbook *Elements of Military Art and Science* (1846) and translations of foreign military texts were used at West Point, where he taught. He was nicknamed "Old Brains," and much was expected when he was given a field command. But while he knew all the science, he just didn't have the art to be a leader in actual battle. Although he ended up as the chief of staff of the US Army, he is on nobody's list of great generals. By contrast, Ulysses S. Grant, the winning general of the Civil War, dismissed books on tactics as "nothing more than common sense." He wrote in his *Memoirs* (1885) that he didn't believe his officers "ever discovered that I had never studied the tactics that I used."

So, are you more likely to be an "Old Brains" Halleck—all science and no art, good at staff work but incapable of command—or a Grant—all art and no science, the archetypal line officer? Just because you have a master's degree or even a doctorate in public administration or a related field doesn't mean that you can function as a high-level administrator. Being highly educated does not always equate with being professionally able. If your goal is to make it as a city manager or agency administrator, you may wish to avoid staff jobs. Get out there and run something! Gradually prove with progressively more responsible jobs that you are an artist—that you can cope with and thrive among the usual administrative chaos.

It is the same in all professions. You prepare yourself by doing smaller versions of the big thing you really want to do. Organizational theorist Antony Jay wrote of the advice traditionally given to aspiring actors: if you want to be a leading actor, you must only play leading parts—"much better to play Hamlet in Denver than Laertes on Broadway." You thus learn "to lead a big organization by leading smaller ones." But leading is essential! When selection committees are seeking a manager for a major agency, those with only staff experience are not as likely to make the short list of finalists. Appointing authorities may not have heard of the historical Halleck, but many have seen a Halleck—and would like to avoid having one in charge of the administrative structure of their organization.

Occupational Definitions of Public Administration

One of the joys of public service occupations is the frequent opportunity to participate in analyses and evaluations of public programs. However, not all public sector workers seek to engage in the public debate over policies, laws, and management practices. But all of them are interested in their jobs. So let's look at public administration—as an occupation.

Public Administration Is an Occupational Category It is whatever the public employees of the world do. It ranges from brain surgery to street sweeping. Most of the people in this broad occupational category do not even think of themselves as public administrators. They identify with their specific professions (physician, engineer, or teacher) and trades (carpenter, electrician, or plumber). While it is true that they may not be administrators in the sense of being managers, they are nevertheless, whether they realize it or not, ministering (in the sense of providing services) to the public. Currently (see Table 1.2) the United States has over 21 million civilians working for its local, state, and federal governments—and only the smallest portion of them would define their work as public administration. They simply see themselves as police officers, social workers, educators, or forest rangers, but they are also, unavoidably, public administrators.

In 1995 Richard Klausner became the director of the federal government's National Cancer Institute. He then defiantly told the *New York Times*, "I am not an administrator." He asserted that he was "a scientist and a physician." But the *Times* was not fooled by Dr. Klausner. Its lengthy profile of him was headlined "New Administrator Is 'Not an Administrator.' " Administrators, even if they, like Dr. Klausner, are in denial, are still administrators.

Public Administration Is an Essay Contest People in bureaucratic careers tend to rise or fall on how well they can write. In a game of shuffling paper, the person

TABLE 1.2

Sources in Public Administration Review Issues

	1966*	1990	2014
Core Public Administration	19%	37%	41%
Political Science	34%	26%	13%
Law	1%	2%	1%
Management	8%	12%	14%
Nonprofit Management	0%	0%	2%
Economics	7%	9%	11%
Medicine & Health	1%	0%	2%
Engineering	4%	1%	0%
Psychology	1%	1%	5%
Sociology & Social Work	9%	6%	3%
Social Science	11%	5%	6%
Other	3%	1%	2%
	100%	100%	100%

* 1966 column percentages don't total 100% due to rounding.

whose memorandum ends up on top wins. It is a legendary truism in the US State Department that nobody who's good writes his or her own memos. If you are considered talented enough, you will be asked to write your boss's memos. Then, because you're too busy writing the boss's memos, you find a younger talent to write yours. When your boss gets that big promotion, you go along for the ride with your own promotion. And, of course, you bring along the person who's been writing for you. Remember that Thomas Jefferson was offered the job of writing the Declaration of Independence because of his reputation as a fine stylist. And his eventual elevation to president came because he made the most of this writing opportunity. When General Douglas MacArthur was head of the US Army in the 1930s, a young captain (later a major) wrote the general's reports and speeches. Co-workers knew that Dwight D. Eisenhower was an officer who was going places, because he could write.

Oral presentation skills are also essential, but because more people can speak than write effectively, writing is more decisive in determining whose ideas get advanced. All organizations place great value on the person who can write succinctly in times of stress. That is the person who will be turned to when an important opportunity comes up. This is why public administration is an essay contest: because your writing reputation creates your administrative persona of winner or loser. This has long been recognized—as a 1970s US Department of State report noted, the Foreign Service "has prized drafting ability above almost all other skills. We emphasize this skill in recruitment and reward it generously in our promotion system. The prize jobs in the service are the reporting jobs." Donald P. Warwick, in his analysis of the State Department's bureaucracy, found that "following the classic model of the gentleman generalist, the Foreign Service exalts graceful prose and the well-turned phrase." Other agencies with fewer "gentlemen or women" are equally anxious to reward "graceful prose."

If you examine the personal histories of the best-known and most influential members of the George W. Bush administration—Vice President Richard (Dick) Cheney, Secretary of State Condoleezza Rice, and Secretary of Defense Robert Gates—you will find that they each jump-started their careers because of their ability to write. And while President Bush was not known by most as one to whom "graceful prose" comes naturally, the man that replaced him has been widely hailed for his ability to put words together. In fact, while Barack Obama's oratory skills often draw high levels of public recognition, it is important to note that he is often the writer of the script that he is following. His skill with words made him the editor of the *Harvard Law Review*. Many of his big professional and political breaks derive from that accomplishment—including his bestselling books and subsequent public offices.

Public Administration Is Idealism in Action Many people enter public service careers because they are idealists; they believe in and seek to advance noble principles. "Noble" is the key word here because traditionally the nobility had public service obligations. They were the warrior class, so it was their obligation to heroically protect the weak and less fortunate, to accept the notion of noblesse oblige. Gradually, their duties expanded from military affairs to the whole realm of public affairs. High-level government service, which was once the prerogative of the well-born, the financially well off, and the well connected, is now also open to those who were born with talent but without money or connections.

Idealism draws people into public administration because it provides them with worthwhile—and exciting—things to do with their lives. Where else can someone without private wealth achieve such vast power so quickly? Even the children of the very wealthy—such as the Kennedys and Rockefellers—tend to enter public service for the same reasons other people do: because it's fun, it offers ego gratification,

and, most importantly, because it satisfies their dual desires to do good works and exercise power. When someone asked the multimillionaire presidential candidate John F. Kennedy why he wanted to be president, he candidly replied, "Because that is where the power is."

The idealism associated with public administration goes far beyond the individual. The goal is the mystical one of building "a city upon a hill," an ideal political community thoroughly fit for others to observe as an example. This phrase comes from John Winthrop, governor of the Massachusetts Bay Colony. In 1630 he wrote, "For we must consider that we shall be as a city upon a hill. The eyes of all people are upon us." This is a famous statement in Massachusetts history, and both Presidents Kennedy and Reagan favored using it in speeches. It also illustrates how the nondenominational religious elements of public administration allow participants to gain satisfaction by becoming involved with a cause greater than themselves. During the 2008 presidential campaign, Barack Obama updated the "city upon a hill" idealism when he stated,

> hope is what led me here today—with a father from Kenya, a mother from Kansas; and a story that could only happen in the United States of America. Hope is the bedrock of this nation; the belief that our destiny will not be written for us, but by us; by all those men and women who are not content to settle for the world as it is: who have the courage to remake the world as it should be.
>
> (*New York Times*, January 3, 2008)

Public Administration Is an Academic Field It is the study of the art and science of management applied to the public sector. But it traditionally goes far beyond the concerns of management and incorporates as its subject matter all of the political, social, cultural, and legal environments that affect the running of public institutions. As a field of study, it is inherently cross-disciplinary because it encompasses so much of political science, sociology, business administration, psychology, law, anthropology, medicine, forestry, and so on. Indeed, it can be argued that because public administration borrows so much from other fields, what is left at its core is hardly worthy of being considered a legitimate academic field at all. Yet, there is a center around which the parts of public administration have coalesced (see Figure 1.1).

While **Woodrow Wilson** and many others of the **progressive movement** called for a "science of administration," new intellectual fields evolve amorphously. It is difficult to trace the exact moment of their conception. What is certain is that the first real American public administration text is *Introduction to the Study of Public Administration* by **Leonard White**, published in 1926.

While Woodrow Wilson provided the rationale for public administration to be an academic discipline and professional management specialty, it remained for White to most clearly articulate its preliminary objectives. In his pioneering text, he noted four critical assumptions that formed the basis for the study of public administration:

1. Administration is a unitary process that can be studied uniformly, at the federal, state, and local levels.
2. The basis for study is management, not law.
3. Administration is still art, but the ideal of transformation to science is both feasible and worthwhile.
4. Administration "has become, and will continue to be the heart of the problem of modern government."

FIGURE 1.1
The interdisciplinary nature of public administration

Source: Compiled by the authors

White's text was remarkable both for its influence over four decades (the fourth and last edition was published in 1955) and for its restraint in not taking a prescriptive cookbook approach to public administration. He recognized that public administration was above all a field of study that had to stay close to reality—the reality of its largely untrained practitioner base that still professed great belief in the art of administration.

Over the past 50 years, the influence of political science on public administration has greatly decreased and been replaced by core public administration. Also, public administration is much more interdisciplinary, relying more on management, economics, other social sciences, and even a new field—nonprofit management.

As an independent academic field, public administration has always been controversial. First, it was the stepchild of political science. And in many colleges, the field is still represented by a few courses within the political science curriculum. Later, schools of business or management began to offer it as one of a variety of administrative specialties. In recent decades, independent departments and graduate schools of public administration have been created. But as the field of public administration matured, its constituent elements began to intellectually fly away. The public policy analyst increasingly identified with the mathematical rigor of political science methodologists. Public finance has been claimed by the economists. The core management elements have drifted toward the field of public management. Increasingly, the field seems to be less a discipline than a holding company for disparate intellectual components. This is hardly new. In 1975 Dwight Waldo was decrying, "public administration is suffering from an identity crisis, having enormously expanded its periphery without retaining or creating a unifying center" (Waldo, 1975, p. 185). Now, in the second decade of the 21st century, this crisis shows no signs of abating.

In answer to the question, "Is public administration a legitimate academic field?" honest people of differing views will argue both pro and con. We obviously side with Waldo and assert that, whatever its problems with unity, public administration is most decidedly a legitimate field. We also contend that the growth and creative independence of its elements are both healthy and intellectually invigorating. An academic field without controversy must necessarily be in decline. Thus, public administration is very healthy indeed.

Public Administration Is a Profession It is the application of its unique arts and sciences to the problems of society. But is it a profession, such as law, medicine, engineering, and architecture? The case for public administration's status as a profession can be made by applying to it the test of professionalism. Does it possess the three core features common to traditional professions?

1. A body of academic and practical knowledge that is applied to the service of society.
2. A standard of success theoretically measured by serving the needs of society rather than seeking purely personal gain.
3. A system of control over the professional practice that regulates the education of new members and maintains both a code of ethics and appropriate sanctions.

Public administration amply meets all three of these criteria even though, unlike law or medicine, it cannot control entry to practice through licenses and examinations. However, public administration acts such as these long-established professions by drawing on different fields of specialization to solve problems and prepare new practitioners. While public administration is not a pure social science, as some would have it, it is fully equal to these more traditional fields of study. Perhaps it supersedes many in one respect. Society's original professionals were clergy because they professed the word of God. Such people were said to have a "calling." Why? Because God was said to have called them. Public administration, with its idealistic notions of building "a city upon a hill," is closer to this original religious conception of professionalism than many other professions today.

THE EVOLUTION OF PUBLIC ADMINISTRATION

Nothing was preordained about the preceding discussion of definitions. It is a product of the life experiences of the authors. It could have been written in a radically different framework and accomplished essentially the same task. Similarly, public administration itself did not have to evolve the way it did. As with any evolutionary process, a seemingly infinite number of possible outcomes were possible. Biologist Stephen Jay Gould in his book about the Burgess Shale, a fossil-rich limestone quarry in the Canadian Rockies, shows how animal evolution had any number of starts and stops. According to Gould, no "handicapper, given Burgess Evidence as known today, would have granted very favorable odds" that the invertebrate creatures from which humans evolved would have survived. The most disturbing thing about this kind of natural selection, according to Gould, is the random nature of it—that so much of evolutionary history takes on the character of a lottery.

So it has been with public administration. The administrative institutions that we presently have could so easily have been radically different. How humans learned to approach the practice and definition of public administration could so

easily have taken a surprising turn. For example, if the Greeks had insisted that administration was household management on a grand scale, they might have developed it as a female occupation. And it might have been copied that way by the Romans, who adopted so much else of Greek science and culture. If the classical world developed the notion that men were fit only for war and physical toil, women might have evolved a beneficent administrative matriarchy. And there is a third possibility: rule by eunuchs. (No joke!)

For more than 2,000 years and into the 20th century, eunuchs—males with their external sex organs amputated—were the public administrators of choice in some societies. Why? Because their missing parts meant that they could be trusted—first with the rulers' wives and concubines, and then with other administrative chores. Eunuchs proved to be particularly effective and loyal administrators. As slaves usually long removed from any family, they knew that the only way to thrive was to do well by the only people who could enrich and protect them. The eunuchs formed a kind of civil service system. Entrance was typically limited to captured slave boys from the edge of the empire, who were castrated by the thousands. While a large percentage died from the crude surgery, the survivors were put into service as court eunuchs. There they could work their way up to the highest level of administrative responsibility. Eunuchs grew to be the servant class most trusted by the rulers of ancient Syria, Persia, China, and Rome. In an era rife with nepotism (hiring of relatives), they were immune from such influences. While Christian Byzantium made extensive use of eunuchs in government posts, Western Christendom did not. The last of the traditional bureaucrat-eunuchs were still to be seen in imperial China and the Ottoman Empire only a century ago.

A Short History of Public Administration

But even if public administration had evolved along radically different lines, it would have had to come out about where it is concerning its core content. While there is no agreement on all the details, there is broad general agreement about the subject matter. Thus, all public administration introductory texts have chapters similar to those that follow, except for the method of presentation. But there is almost universal agreement that organization theory, bureaucratic behavior, personnel management, public finance and budgeting, policy analysis, program evaluation, and administrative ethics, among other topics, are essential to a basic understanding of the field. This essential information is all here.

It is an underlying premise of this book that public administration cannot be properly understood without an appreciation of its political dynamics. All of the actors in the public administration world must accept their political fate—they cannot pretend either to themselves or to the public that they operate as a public sector counterpart to industrial management. And the political nature of public administration must be faced maturely. Just as the first step in arresting alcoholism is to have the alcoholic admit that he or she is an alcoholic and will always be an alcoholic even after he or she stops drinking, the first step toward putting public administration operations on a more realistic footing is for public managers to admit that public sector administration is an inherently political process.

Public administration is increasingly a cross-governmental field. Yet too many of the comprehensive texts available for introductory courses in the United States are decidedly parochial in that they focus on the national government. This is an incongruous situation when you consider that a relatively small percentage of American public administrators work for the federal government. While the United

TABLE 1.3

US Government Employment and Payroll 1982–2020 (Updated) Monthly payroll data not adjusted for inflation.

Year	Federal Government Employment (1,000s)	State Government Employment (1,000s)	Local Government Employment (1,000s)
	Monthly Payrolls ($ million)	Monthly Payrolls ($ million)	Monthly Payrolls ($ million)
1982	2,848	3,744	9,248
	$5,959	$5,022	$12,192
1992	3,047	4,595	11,103
	$7,924	$9,828	$23,355
2000	2,899	4,877	13,099
	$11,485	$13,279	$33,402
2005	2,720	5,078	13,926
	$13,475	$16,062	$42,062
2009	2,824	5,329	14,480
	$15,106	$19,388	$50,720
2014	2,700	5,343	13,911
	$16,996	$21,154	$52,079
2019*	2,816	5,517	14,185
(2020 for Federal)	N/A	$24,744	$61,386

*Includes USPS 569,288 Postal Workers, 33,673 Congress, and 33,242 for Judiciary. Does not include 1,437,013 Uniformed Military.

Sources: 1982–2009 data: US Census Bureau—Statistical Abstract of the United States 2012; 2014 & 2019 data: Annual Survey of Public Employment & Payroll, US Bureau of Labor Statistics Federal: Source: President's FY 2022 Budget, Analytical Perspectives, Table 5.2, p. 44.

States has one federal government, it has more than 80,000 units of state, county, metropolitan, and local governments led by administrators as esteemed as governors and as unnoticed as the executive director of a mosquito abatement district. In all, state and local governments employed just under 20 million Americans in 2019, compared to only 2.8 million individuals working for the federal government in civilian positions. It should be noted that those 2.8 million federal jobs include a declining number of US postal employees, now at under 570,000 employees. (See Table 1.3 for a historical look at government employment and payroll levels.)

Most public administration students in the United States will go into state and local government or are foreign nationals who expect to return home with readily applicable skills. Still others will work in nonprofit organizations. The end of the Cold War in 1989 only encouraged an ever-increasing worldwide market for Western-oriented public administration. Thus to a large extent, this text takes a unified approach—appropriate for US students at all levels (federal, state, and local) but generic enough to be truly useful to students of other countries and cultures.

Most of the content of introductory public administration texts can be universally applicable. There exists a unified whole (public administration in general) that is greater than the sum of its parts (public administration in each jurisdiction).

The core concept of the unified approach to introducing public administration is to write the material in such a manner that it can be readily applied to the differing political systems within the American federal system and throughout the rest of the world. Indeed, no public administration textbook can be comprehensive today if it is not cross-governmental in the most expansive sense. National administration figures from the president on down hardly ever make a major speech without some reference to government policies and practices in Asia, Europe, and elsewhere. This is just the latest evidence of how imperative it is that American students of public administration develop a greater international perspective.

This is not a "how-to" book written for people who want to be public administration experts in 10 easy lessons. It is a "what is it?" book written for people who seek or are engaged in managerial careers in the public sector and are in need of a basic introduction to, or a review of, public sector administrative practices. The "nuts and bolts" of administrative processes vary considerably from jurisdiction to jurisdiction. Because of differing laws and customs, it would be futile to present the "one right way" for any given procedure. Instead, the procedural chapters (on personnel, budgeting, strategic management, etc.) concentrate on the historical evolution, essential theory, and future trends of their subjects. With this information, diligent readers will have the kind of conceptual foundation that will allow them to rapidly digest and master the procedural nuts and bolts that differ with every jurisdiction.

The Pre-Modern Period and Five Eras of Civil Service Development

There are numerous approaches to discussing how public administration has progressed in the United States since the adoption of the Constitution in 1789. Complicating any analysis of how public administration has evolved are the different stages of growth and contraction that government at all levels has experienced. Rather than risk overload given that we have already presented 16 different definitions of PA, we will simply present two distinct phases:

- the pre-modern period (approximately the first century and a half from 1789 to the late 1950s)
- the modern period (the half century from 1960s through the first two decades in the 21st century)

Frederick C. Mosher's book *Democracy and the Public Service* (1968) is the classic historical guide to the formative years of public administration. His chapter "The Evolution of American Civil Service Concepts" divides the pre-modern era into five eras. Then he explains the evolution of administrative practice by examining who the public administrators of each era were, as highlighted in Figure 1.2.

The passage of the Pendleton Act in 1883 established the merit system within the federal government, although it largely applied only to entry-level employees. The merit system ideal—even if tentatively established—would take root and grow from covering only 10% of federal employees in the 1880s to nearly 70% by the mid-20th century.

In the beginning, following the inauguration of President George Washington, the relatively small number of federal public service jobs went to the upper class or gentlemen (using the term to describe the wealthier families in the new republic) based more on "fitness of character" than political allegiance. It also mattered that the prestige of government jobs was not matched by salary, so having some access to wealth was not a minor consideration. This resulted in a higher standard, based on wealth and class status, for qualified men (and they were like the Congress they

FIGURE 1.2
Frederick Mosher's evolution of the American civil service

Source: adapted from Mosher (1968, pp. 96–97)

served, all White men). It should also be noted that when administrations changed, there was some "rotation in office," but only about 20%.

The inauguration of Andrew Jackson in 1829 marks the second era, called "government by the common man." Jackson was elected on a platform that called for a government that was to be more open to the public or "by the people." While his eight years of office were marked by much turmoil, it didn't really include the wholesale turnover of federal offices to party allies. But the idea of dividing up government jobs after a newly elected leader wins and parceling them out to party loyalists as a reward—what is commonly referred to as "the spoils system"—would be fully evident in administrations to come. The triumph and ultimately the abuses of the spoils system would lead in turn to the calls for reform by the progressive or good government movement.

"Government by the good" begins with the passage of Civil Service Reform Act in 1883. This Pendleton Act required that government employment be tied to merit. Competitive exams would ascertain who had the highest qualifications possible. This meant that there would be a need for a discipline to prepare people to be government employees. Second, the civil service reform movement in rejecting the spoils system advocated for the "political neutrality" of government employees.

The fourth era might be seen as eclipsing the third as "government by the efficient" rises in importance in parallel with scientific management—associated with Frederick Taylor (see Chapter 7). Whatever one thinks of some of the "products" of scientific management—the use of time and motion studies, the search for one best way of production, and pursuing ways to make human work an extension of machines, efficiency was the dominant root. Government jobs were to be studied via new personnel and compensation systems such as position classification. Public administration, now in its first true development stage, would begin to see itself as a science. And as a science, public administration would begin to posit principles and develop theories about how to make government both efficient and if not better, at least more rational.

By the late 1930s public administration had emerged as a distinct field of study. Mosher's "government by administrators" or "government by professional managers" reflected a radically different scale of operations. By the mid-1950s, government employment was just under 10 million workers (2.4 million federal civilian, 1.5 million in state government, and 4.8 million in local government). Total government expenditure—best measured as a percentage of gross national product (GNP)—had increased from 10% in the mid-1920s to 25%. Mosher's

final pre-modern era reflected a new realization that government was operating at a scale unthought of in the early days of pursuing civil service reform.

The Modern Period and Shifting Perspectives on the Roles of Government

We set the next 50 years—from the 1960s to the first decade of the 21st century—as the modern period of public administration. While the size and scale of the federal government would not change, state and local governments would expand their reach and capabilities significantly. Federal budgets would basically double from $46.3 billion in 1960 to $92.5 billion in 1979—but when these numbers are calculated as a percentage of the gross national product, the ratio is far less impressive (18.5% to 20.8% of GNP). Even the 20% increase in federal civilian employment from 2.4 million to 2.9 million when seen as a relationship to the population, federal employment in 1979 was basically at the 1950s' level. Looking back at Table 1.3, federal employment is now even under that gross number at 2.7 million civilian employees in 2014.

State and local government employment was on a much higher trajectory in this period, increasing from 4.2 to 13.1 million employees by 1979 and reaching almost 20 million before leveling off after 2000. It needs to be pointed out that the largest share of US state and local government employment growth comes from education. As a 2010 census report notes, education is also government's biggest bargain: "While employment for all levels and occupations in education represent 56.8 percent of the total employment for state and local governments, the payroll for education is only 51.9 percent of the total payroll" (US Census Bureau, 2010).

In a 1980 article, Frederick C. Mosher explains that these trends were "A consequence of fundamental shifts in the purposes, phases, and methods of federal operations" (Mosher, 1980, p. 45). Mosher argued that the federal government's pattern of involvement was shifting from overt to covert. On the one hand, the federal government was decreasing the number and level of activities it performed directly, while with the other hand it was stimulating major efforts by state and local governments, nonprofit organizations, and even private business through income supports, contracts and grants, regulations, and loans and loan guarantees. The result, Mosher noted, was a federal administrative posture that increasingly relied on indirect administrative coordination and funds transfer. From a field of study perspective, the focus of public administration was still stuck on the federal government, while the real action was inexorably shifting to other levels.

Even though the size and scale of government was basically set, public administration as a practice within governments and a field of study underwent a series of major changes and shifts. The first shift was referred to earlier—properly labeled intergovernmental relations—with the federal government's strategic realignment of its roles and methods of operations vis-à-vis state and local government counterparts. Emerging within this mix was a preference for the federal government to provide entitlement payments directly to individuals, which would only accelerate with the graying of the American population. Social Security is the first example—by 1993, the program had eclipsed defense spending as the largest federal program category. Close behind is Medicare, which should exceed defense spending by 2020. Given that the projected number of Medicare enrollees will grow from current levels of about 50 million to 80 million by 2030, it will become the largest category of federal spending.

The modern period also saw public administration recognize new dimensions of public policy and broader management practice. Following the series of race

riots in 1964 and recognition of major inequalities in American society, public administration questioned its commitment to social equity and its leadership responsibilities in improving race relations, eradicating poverty, and promoting social justice. New emphases emerged in public policy analysis that assessed the fairness, distribution, and recurrent discrimination in the distribution of public benefits and safety net programs. Following the Watergate scandal in the 1970s, public administration rediscovered its concern with ethics and embarked on a still-evolving discussion of how to promote and ensure ethical conduct among public administrators.

A third shift within the modern period involved government's approach and application of regulation. In the pre-modern era, federal and state governments responded to the rise of monopolies and other types of businesses and groups that dominated or in many cases had control of an industry or commerce sector. Government agencies were given oversight over a range of business practices in banking, transportation, telecommunications, energy, and agriculture, among others. But starting in the 1960s and accelerating in the 1970s and 1980s, government entered a deregulation phase where it reduced or even eliminated regulation of industry practices in order to increase competiveness and spur economic performance in these industry sectors.

But deregulation or subtraction was only one side of the equation in the modern period. Governments also added new legislation and agencies to regulate labor and consumer practices and equal employment rights, to advance safety in the workplace, and to regulate collective bargaining practices. Another new emphasis spurred by the establishment of environmental protection agencies at the federal and state levels was regulating pollution and promoting environmental safeguards. These have now been transformed by efforts to address the issues of climate change and sustainability.

Finally, reform of government became a mantra for change during the modern period. Each new presidential administration had its own government reform effort. Nixon had his Ash Council, Carter his civil service reform effort, Reagan his Grace Commission, and Clinton his reinventing government effort. While it should be pointed out that each of these reform efforts had very different aims and rationales, they all cast government as the "problem" and urge a fundamental and different rethinking of how government, meaning public administration, should solve the recurring fiscal, performance, and trust deficits that undermined public confidence in the ability to solve the nation's problems.

Not surprisingly, as each wave of reform underwhelmed, reform itself became a metaphor for problem. While there has always been criticism of the accomplishments of actual reform efforts in US public administration, other voices questioned the direction and vision of reform itself. Jocelyne Bourgon, in a 2011 book *A New Synthesis of Public Administration*, noted, "the generally uncompleted nature of administrative reforms is most likely due to the difficulty of designing and implementing an exhaustive, coherent program of bureaucratic overhaul." She argued that such efforts are misguided and that reform should instead be redirected. In order "to meet the challenges of governance," public administrations must reconsider the interactions between their organizational, institutional, adaptive and innovative capacities" (Bourgeon, 2011, p. 13).

Looking back at her words a decade later, one might conclude that even her calls for charting a course redirection have been overtaken by the dramatic events and new challenges confronting all aspects of public administration since the COVID-19 pandemic. The "old challenges"—essentially a variation of "rounding up the usual suspects"—are passé.

Dominant themes that were thought to be driving public administration (reinvention, modernization, i.e., privatization, technology innovation, and globalization affecting government performance) have been superseded by major challenges in social equity and justice, environmental sustainability, and the dramatic challenges of responding to a global pandemic. Looming over (or perhaps under is the better word) is the increase in political divisiveness in various forms of populism and anti-government social behaviors leading to the distrust of science, the public service, and even government itself. Alas, the bitter reality is that widespread failures in combatting the pandemic, unmet demands for social justice and equality, and mounting pressure for combatting global climate change are challenging public administration's abilities to manage both change and change management.

The Tarnished Legacy of a President and a Founder of Public Administration

American public administration as a field of study traditionally traces its origin to an 1887 *Political Science Quarterly* article by a young academic later elected governor of a state and then president. In 1885 Woodrow Wilson, having not yet completed his doctoral program at Johns Hopkins University, began his teaching career at the newly founded Bryn Mawr College for Women. He had already published his dissertation in a highly regarded work on congressional government. But in his essay "The Study of Administration," Wilson attempted nothing less than to refocus the newly emerging field of political science. Rather than be concerned with the "lasting maxims of political wisdom," he argued that political science should concentrate on the more generally neglected details of how governments are administered. This was necessary because "it is getting harder to *run* a constitution than to frame one."

Wilson wanted the study of public administration to focus not only on the problems of personnel management, as many other reformers of the time had advocated, but also on organization and management in general. The reform movement of the time had an agenda that did not go beyond the abolition of the spoils system and the installation of a merit system. Wilson regarded civil service reform "as but a prelude to a fuller administrative reform." He sought to push the concerns of public administration into investigations of the "organization and methods of our government offices" with a view toward determining "first, what government can properly and successfully do, and secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or energy" (Wilson, 1887 in *Classics of Public Administration*, 2012, p. 16). He was concerned with overall organizational efficiency and economy—that is, productivity in its most simplistic formulation.

In his essay, Wilson also proclaimed the existence of a major distinction between politics and administration. This was a common and necessary political tactic of the reform movement because arguments that public appointments should be based on fitness and merit, rather than partisanship, necessarily had to assert that "politics" was out of place in public service. As Wilson said, "Although politics sets the tasks for administration, it should not be suffered to manipulate its offices." In reinforcing what became known as the "politics–administration dichotomy," Wilson was really referring to "partisan" politics. While this subtlety was lost on many, Wilson's main themes—that public administration should be premised on a science of management and separate from traditional politics—fell on fertile intellectual ground.

The ideas of this academic professor eventually became the dogma of academic public administration. It would only be fair though to point out that as Wilson's political fortunes grew

to his election as president, the fledgling field of public administration was more than eager to use his political significance to promote the discipline. His "brilliant essay," as praised by Leonard White, who authored one of the first textbooks on public administration, was referred to often. A century later, public administration would dedicate a collection of essays commemorating the contributions of this "brilliant essay" and its continued relevance to contemporary challenges.

That said, within the last decade there has been a significant reassessment of Wilson—not for his essay, but for his racist views and enacted policies. Public administration can still debate the merits of the essay, but not his actions or his racist views. In 2020, the president of Princeton University wrote an open letter to Princeton and indeed all of America. He announced first that the board of trustees had decided to remove Wilson's name from its School of Public and International Affairs and its residential college.

A portion of President Eisgruber's letter follows. It states the case and the resolution to come to grips with what he notes as the "realities and legacy of racism":

> Wilson's racism was significant and consequential even by the standards of his own time. He segregated the federal civil service after it had been racially integrated for decades, thereby taking America backward in its pursuit of justice. He not only acquiesced in but added to the persistent practice of racism in this country, a practice that continues to do harm today.
>
> Wilson's segregationist policies make him an especially inappropriate namesake for a public policy school. When a university names a school of public policy for a political leader, it inevitably suggests that the honoree is a model for students who study at the school. This searing moment in American history has made clear that Wilson's racism disqualifies him from that role. In a nation that continues to struggle with racism, this University and its school of public and international affairs must stand clearly and firmly for equality and justice. . .
>
> These conclusions may seem harsh to some. Wilson remade Princeton, converting it from a sleepy college into a great research university. Many of the virtues that distinguish Princeton today—including its research excellence and its preceptorial system—were in significant part the result of Wilson's leadership. He went on to the American presidency and received a Nobel Prize. People will differ about how to weigh Wilson's achievements and failures. Part of our responsibility as a university is to preserve Wilson's record in all of its considerable complexity.
>
> Wilson is a different figure from, say, John C. Calhoun or Robert E. Lee, whose fame derives from their defenses of the Confederacy and slavery (Lee was often honored for the very purpose of expressing sympathy for segregation and opposition to racial equality). Princeton honored Wilson not because of, but without regard to or perhaps even in ignorance of, his racism.
>
> That, however, is ultimately the problem. Princeton is part of an America that has too often disregarded, ignored, or excused racism, allowing the persistence of systems that discriminate against Black people. When Derek Chauvin knelt for nearly nine minutes on George Floyd's neck while bystanders recorded his cruelty, he might have assumed that the system would disregard, ignore, or excuse his conduct, as it had done in response to past complaints against him. . . .

Christopher L. Eisgruber, Princeton University, *President's message to community on removal of Woodrow Wilson name from public policy school and Wilson College*, June 27, 2020

Working in the Public Sector in the 21st Century

While public service, or working for the public sector (whether as a government employee, as a nonprofit or a private sector contractor, or in an academic or policy research organization), remains a noble quest, it has changed significantly in the last two decades. For one thing, the number of employment opportunities is different. One can see the start of this in Table 1.3 where full-time employment actually has decreased slightly after nearly 30 years of stable growth. Table 1.4

FIGURE 1.3

The public service, including the nonprofit and private sectors

Data Source: Mission Square Research Institute Issue Brief: A Cross-Sector Review of Public Service Employment, March 2021, p. 4

provides a comparative snapshot of where government employees work in terms of functions.

For the public administration student who is wondering about job and career prospects, there is both good and not-so-good news. The not-so-good news is that government employment levels are slowing down. At the federal level, there will be fewer defense contractors, fewer administrators, and continued reductions in the number of post office workers. While the US Bureau of Labor Statistics projected a 14% reduction in the size of the federal workforce by 2022, the federal workforce has still remained rather stable—with the exception of the Postal Service—disproving the Bureau of Labor Statistics forecast. But the age of the federal worker continues unabated. In 2010, 11% of the federal workforce were over age 60; in 2020, according to the statistics cited in the President's FY 2022 Budget "Strengthening the Federal Workforce," that number is now over 14%. Although there is a saying going around among the baby boomer generation that 70 is the new 50, and even with the wonders of modern medicine and the reluctance of many older government workers to depart the workforce, they will ultimately have to retire. And the current retirement rate is already double the hiring rate of new employees.

State and local governments will see some growth, but at levels like 5%, that will seem pretty anemic. It's not clear yet how much damage was done to the state and especially local government workforce by the 2020 COVID pandemic. The general assessment is that losses were especially severe in local government education, and anecdotal evidence shows that the public safety sector—especially the police—has been hit hard by retirements and morale issues.

TABLE 1.4

US Governments by Level by Function 2013 vs 2019

	Local Governments		State Governments		Federal Government	
Full-Time Employees by Function	2013	2019	2013	2019	2013	2019
	10,965,982	11,012,029	3,803,877	3,880,855	2,583,768	2,861,100
Education	58.4%	57.7%	36.2%	39.2%	0.5%	.2%
Protective Services—Police, Fire, Corrections	12.6%	13.0%	15.1%	13.8%	8.0%	6.8%
Health and Social Welfare	9.9%	10.2%	22.7%	22.0%	16.3%	18.9%
Transportation and Infrastructure	4.8%	4.8%	6.9%	6.5%	2.2%	2.2%
Public Utilities	4.3%	4.3%	0.2%	0.2%	n.a.	n.a.
Administration	3.8%	4.0%	5.4%	5.6%	5.7%	4.0%
Judicial and Legal	2.2%	2.0%	4.5%	4.5%	2.3%	6.3%
Natural Resources and Environment	1.8%	1.8%	4.0%	3.8%	7.8%	6.7%
Defense/International Relations	n.a.		n.a.		28.9%	27.2%
Postal Service	n.a.		n.a.		20.8%	20.2%
Space Research and Technology	n.a.		n.a.		0.7%	0.6%
Other	2.2%	2.2%	5.0%	4.4%	6.8%	5.5%

Source: For State and Local: US Census 2019 Annual Survey of Public Employment and Payroll State and Local Government (and previous years)
For 2020 Federal: US Executive Office of the President, Office of Management and Budget, Budget of the United States Government, Historical Tables Fiscal Year 2022 (and previous years)

Even before COVID, the public sector that is projected to grow the most is health care and social assistance. One might think of these jobs as "public sector," but the US health care model shows over 60% of all jobs and expenditures in the private sector. The new occupational label of choice is "public service," which leaves out the still vital public safety groups. Many future jobs—especially in social assistance, for example dealing with homelessness and mental care or residential assistance for the aging—are going to be tied into the nonprofit and private sectors. A new study by the Mission Square Research Institute has provided an interesting first look at public service intersection within the social sector shown in Figure 1.3.

Note that these totals for state and local governments exceed the full-time employment numbers provided in the earlier tables. One needs to keep in mind that there is much more to the public sector workforce than just full-time employee positions. But whether work in public administration is delivering services or overseeing it, there will be no shortage of positions in this coming decade.

So fear not in terms of wondering whether in the future a job can be found in the public sector. We may have a few too many lawyers and MBAs, but a new generation of public service workers is on the horizon. And if you have any doubt, you might remember Steve Jobs's 2005 commencement speech at Stanford University, where he admonished the graduating class:

> *Death is very likely the single best invention of Life. It is Life's change agent. It clears out the old to make way for the new. Right now the new is you, but someday not too long from now, you will gradually become the old and be cleared away.*

Jobs knew that future prospects for young job applicants are best summarized by the ancient proverb—where there's death, there is hope.

CASE STUDY On the Case Study and Learning in Public Administration

Case studies are not unique to public administration. In the US, sociologists, especially in the social-work arena, assembled a qualitative investigation of interventions marrying documental and statistical analysis with interviews and narratives based on personal and interactive contact with people within the community. Harvard University generously credits itself with having developed (perhaps pioneered is the better term) the case study method first, when the method in legal education was used in the 1880s by the dean of Harvard Law School. He collected legal cases in contract law and had students read and then come to class prepared to discuss the legal principles involved and to assess future applications. Out of this came a "text book": *A Selection of Cases on the Law of Contracts*.

By the 1920s the business school at Harvard was employing a variation of this use of cases under the rubric of what they called the case study method—a model that is still dominant in business and executive education programs worldwide. There is a distinction between these two forms of the use of cases. In legal education, a settled court case decision is used for

class discussion with the focus on what it means in terms of legal precedent for assessing future dilemmas and disputes. The business school approach uses the case narrative or description of events as a means to explore the dilemma or challenge confronting a decision maker or group and generally discusses alternatives with pros and cons as the case unfolds. But the primary emphasis of both was for use in the classroom. As one review of the theory and application behind case studies noted, the original intent of teaching cases was to enhance discussion—for appreciation, for understanding, for analysis, and for action—in the service of thinking (Copeland, 1954, p. 1). In short, case studies were designed to apply theoretical principles to the reality of decision-making.

Case Studies in Public Administration Then

Public administration's development and use of case studies matches the business school approach in terms of longevity—but with a somewhat different focus. The first development of a form of the case study—called Service Monographs of the United States Government by the Institute for Government Research (later to become the Brookings Institution)—was a significant starting point. As the federal government expanded and took on new functions in the first quarter century of the 20th century, the Institute prepared some 30 studies of new and reordered agencies, commissions, boards, and bureaus. The effort was to provide complete descriptions of the origins, functions, activities, internal organizational structure, laws and governing regulations, and of course budgets and financial reports.

Although purely descriptive in character—they contained no recommendations for reforms or improvement—the Institute clearly intended the studies to provide an impetus for self-improvement, through either copying best practices or pointing to areas of overlap and duplication. These monographs also served as points of reference for subsequent change efforts. A study of the Children's Bureau (Tobey, 1925), founded in 1912, was a case in point. The Bureau—initially part of the Labor Department—was a different organization in that its responsibilities cut across various other government functions: welfare, health, and education. Over time, the Bureau would be transferred to other major departments and part of a vigorous debate as to what was more effective—having a single client-focused agency lobbying for the needs of all children or spreading the responsibilities to other agencies that would focus on the specialized needs of specific groups.

But from these humble beginnings, the case study as organizational monograph began to take on different forms, leading to the case report concept more along the lines of the business school model. By the 1930s, the consensus among educators in the emerging field of study of Public administration was that relying on administrative principles wasn't sufficient to help administrators adapt to changing times. As an influential report by the Social Science Research Council put it, there was little "telling the administrator what to do when a particular set of circumstances arises." So, by the late 1930s, a case reporting program was organized that solicited and

(*continued*)

CASE STUDY *Continued*

commissioned case reports of actual organizational and administrator efforts. These case reports were to then be published and distributed.

As might be expected, the cases were largely on organizational problems of centralization, coordination, and cooperation among units. Personnel issues were also well covered, but budget and finance less so. A review of the cases themselves found that most of the issues covered "relatively small and unpublicized matters." But the case study concept had taken another step forward, which would lead to bigger and broader issues being examined along with more rigorous standards on writing quality and conceptual depth.

By mid-century, the Inter-University Case Program (ICP) would be established under the aegis of the universities offering public administration degree programs. From around 1950 to 1990, ICP published 164 case studies and special studies of government decision-making and administration for departments of Political Science and Public Administration in over 60 member universities. If there was a key difference in this new level of case studies, it was the emphasis on "decision-making." Harkening back to the criticism of the previous period, there were now cases to discuss what choices the administrator faced and what "might be done" under a particular set of circumstances.

It should also be noted that with additional funding from outside foundations, cases in the ICP now covered European and developing countries—as well as related fields in social work and public health). During this period, some of the elite public administration university programs, such as the Maxwell School at Syracuse or the Kennedy School at Harvard, in addition to making the case study a primary mode of instruction in their curriculum, helped expand the development of cases. They did this by having their faculty, in conjunction with student research efforts, design, write, and explore new areas with advanced case studies.

Case Studies Now

Since that time, textbooks consisting of public administration cases were now being published. Edwin Bock's 1962 casebook was a well-used work in the PA classroom. All of this pointed to a second expectation for the use of case studies in public administration. In one sense this was a return to the monographs idea of organizational case reports—building a collection of studies that might lead to what some called "empirical generalization." As a collection of studies, they would show the current or emerging state of "theory or generalizations" for public administration (Lee, 1983). Put another way, the question of the value of case studies was reframed to ask how it contributed to the development of public administration research.

With the emergence of public policy analysis as a co-equal (and now dominant in the minds of many) partner to public management, the types of case studies and the diversity of subjects explored rapidly multiplied. This only led to more dissatisfaction with using case studies, no matter how rigorously evaluated, as a means to advance "empirical generalization" for the discipline. But it also produced considerable scholarship, usually called meta-analysis, that looked into a number of case studies on a similar subject

or issue. Meta-analysis uses a systematic method to combine the studies to determine if there is a single conclusion or key variable that is a dominant and determining factor. An interesting recent example of meta-analysis from a different country, Brazil, looks through about 50 different case study articles on public administration. Despite all this productivity, the analysis finds somewhat disappointingly a large number of "methodological inconsistencies and limitations, which undermine their scientific value and relevance to academic work in Brazil" (Guerra et al., 2014, p. 1).

These methodological issues notwithstanding, case studies continue to prosper. New varieties of case studies are being used in new and innovative ways. Ethics is a superb example. After Watergate, new attention was given to ethical dilemmas confronting not just executives, but also professionals at every level of employment. Short case vignettes were often developed for training sessions—where individuals were given hypothetical situations (usually based on real incidents but with names changed to protect the guilty parties) for discussions as to what one should do in such a situation and how codes of conduct or ethical standards should be applied. This reinforces the original context of the case study. No matter how complex, they are still largely qualitative in form and method, and should be judged primarily as such.

Given the various forms of case studies and case reports, what should a student expect in a case study or discussion (as they are titled in this textbook)? Of course, there are exceptions, but for our purposes the following description is for a typical case study.

- First, a case study covers a real situation. It may combine situations and localities, but it is based on actual events. Even if the names have been changed (some case studies do so for various reasons), you should be able to do further research and even update the case events. This is also called *the narrative*—essentially a chronology of the events before and during the situation as it unfolded.
- Second, a case study should have information, data, demographics, details, and so on that enable the student to see behind the situation being narrated and understand the environment. There should be enough complexity for the student to dig into the data/information and do some analysis that can impact the choices being considered.
- Last, there should be a decision point that has yet to happen, and that decision should involve alternatives and real choices. Some cases are developed around major mistakes—often involving tragic consequences. Even these cases should have a decision point that can be discussed along the lines of how the situation could have been prevented or what information the decision maker(s) needed to know that might have made a difference.

A Final Cautionary Note on Case Studies

One of public administration's most eminent scholars—Sandford Borins—at the University of Toronto has developed a series of works using case studies

(*continued*)

CASE STUDY *Continued*

that showcases another example of the value of the case study method. He has taken the various government entities who have won annual awards from the Harvard Kennedy School's Innovations in Government. His 2014 book *The Persistence of Innovation in Government* is a superb recap of what can be learned from the experiences and case stories of these award winners, and his chapter titled "Innovation Patterns in Six Policy Areas" demonstrates that meta-analysis of case studies doesn't always fail for lack of methodological rigor.

But this cautionary note is not about that excellent book, but rather about the warning he sounds in an earlier work, *Governing Fables*. In his book (superbly reviewed by Anne Khademian in the *International Public Management Journal*, for those who don't have time to read another book at this time), the author notes the fine line between the case narrative and fables. Part of the interest behind any case study is rooting for or at least sympathizing with the organizational hero/heroine or heroic organization confronting the situation. The outcome isn't—and perhaps shouldn't—always be defined as success or failure. And further research may reveal that current successful solutions—especially in the era of wicked problems—actually may create new and bigger problems.

His other warning is to cross-examine the narrative and ask, Whose side is being presented here? and, How much more contextual information do we really need to see those other perspectives in the larger picture? Khademian summarizes Borins's concern:

> He challenges the reader to see beyond the standard case study or story of success or failure to probe the multiple voices, contextual experience, and cultural backgrounds in a wide range of fables, and the emergent and experiential quality of narratives formed through telling and retelling.
>
> (Khademian, p. 231)

Put another way, in terms of learning objectives: how can anyone be taught to think critically if they are only provided with singular narratives?

This textbook will provide cases—or case situations to be discussed—at the end of each chapter. A few discussion questions will be provided to start your review. By keeping Borins's challenge in mind and the larger purpose of case studies in applying theory to practice, you'll get beyond the usual questions of What's the dilemma? What are the options? What decision should be made and why? You might begin by adding to the what and why questions those of: To whom does the outcome matter? Who is missing in the discussion of the case? After all, one of the advantages of case studies is the element of surprise.

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Amnesty International A worldwide organization that seeks to gain the release of political and religious prisoners by publicizing their plights worldwide and by lobbying governments. It has been especially effective in exposing cases of government-sanctioned torture. In 1972, the organization was awarded the Nobel Peace Prize.

Burke, Edmund (1729–1797) British political philosopher and Member of Parliament who is often referred to as the father of conservative thought.

Hamilton, Alexander (1755–1804) George Washington's aide during the Revolutionary War. A supporter of a strong national government, he co-authored the *Federalist Papers* to help get the Constitution ratified. When Washington became president, Hamilton was secretary of the treasury, one of the first five cabinet posts created.

Herring, E. Pendleton (1903–2004) One of the most influential of the pre–World War II scholars of public administration. His *Group Representation Before Congress* (1929) was one of the pioneering works in the study of pressure groups. His *Public Administration and the Public Interest* (1936) remains a major analysis of the relations between government agencies and their constituencies.

Judicial review Any court's power to review executive actions, legislative acts, or decisions of lower courts (or quasi-judicial entities, such as arbitration panels) to either confirm or overturn them.

Libertarianism A political doctrine holding that a government should do little more than provide protection; other than that, it should not interfere—for either good or ill—in the lives of its citizens.

Lippmann, Walter (1889–1974) A journalist who went beyond being the preeminent political pundit of his time to being a political philosopher who wrote pioneering analyses of public opinion and foreign policy.

New Deal The domestic programs and policies of the administration of Franklin D. Roosevelt, who was president from 1933 to 1945, that were designed to counteract the Great Depression and widespread economic misery in the United States before the Second World War.

Progressive movement While the term has its origins in religious concepts that argued for the infinite improvability of the human condition, by the end of the 19th century it had come to refer to a political and cultural movement that focused on reforming industrialized societies to provide for greater democratic participation, and the application of science and specialized knowledge to the improvement of life.

Proudhon, Pierre-Joseph (1809–1865) The French journalist who is considered the intellectual father of anarchism.

Privatization The process of turning over to the private sector property (such as public lands) or functions (such as trash collection, fire protection) previously owned or performed by government.

Public interest The universal label in which political actors wrap the policies and programs that they advocate.

Red tape The ribbon that was once used to bind government documents; the term now stands as the symbol of excessive official formality and overattention to prescribed routines.

Regulation The totality of government controls on the social and economic activities of its citizens; the rulemaking process of those administrative agencies charged with the official interpretation of laws.

Representative government A governing system in which a legislature freely chosen by the people exercises substantial power on their behalf.

Rosenbloom, David H. (1943–) The leading authority on the constitutional aspects of public employment. His paradigm of public administration as the intersection of management, politics, and law has become a standard way to analyze and teach the subject.

Tragedy of the commons A story illustrative of the principle that maximization of private gain will not result in the maximization of social benefit. When herdsmen sought to maximize individual gain by adding cattle to the commons, it caused overgrazing, with the result that the commons could no longer be used for grazing at all. The concepts involved with the tragedy of the commons apply to societal problems. Elinor Ostorm, a political scientist, received the 2009 Nobel Prize in Economic Sciences for her research in this arena, demonstrating that ordinary people are capable of creating rules and institutions that allow for the sustainable and equitable management of shared resources.

Waldo, Dwight (1913–2000) The preeminent historian of the academic field of public administration. His work "*The Administrative State* in 1948" (his doctoral dissertation) is considered a benchmark work in public administration.

White, Leonard (1891–1958) The University of Chicago professor who wrote the first public administration text in 1926. He is the author of the standard administrative histories of the US government in the 19th century.

Wilson, Woodrow (1856–1924) Before Wilson became president of the United States (1913–1921), he was a professor of history and political science who rose to be president of Princeton University (1902–1910) and governor of New Jersey (1911–1913). His essay "The Study of Administration" in 1887 in *The Political Science Quarterly* is generally considered a starting point for US public administration.

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RECOMMENDED BOOKS

Guy, Mary and Marilyn Rubin, eds. (2015) *Public Administration Evolving: From Foundations to the Future*. Routledge. The problem with textbooks is that no matter how well they explain the story of how a practice and discipline is developing, it's still only one perspective. Guy and Rubin bring in a dozen of the best academics in the field to look at different domains, issues, and future challenges.

Kettl, Donald F. (2002) *The Transformation of Governance: Public Administration for Twenty-First Century America*. Johns Hopkins University Press. An explanation of how governance—the set of processes and institutions, formal and informal, through which social action occurs—started transforming the nature of public administration.

Menzel, Donald and Harvey White, eds. (2011) *The State of Public Administration; Issues, Challenges, and Opportunities*. M.E. Sharpe. Same premise as the Guy and Rubin edited book noted earlier, but there are twice as many chapters, which allow for a deeper emphasis on theory and research perspectives and a broader purview that includes a section on international and global challenges.

Raadschelders, Jos C.N.B. (2013) *Public Administration: The Interdisciplinary Study of Government*. Oxford University Press. An assessment of how the identity of public administration has been formed both as an academic field of study and a practice for a profession—seeing public administration as an intellectual umbrella for the study of government.

Roberts, Alasdair (2019) *Strategies for Governing: Reinventing Public Administration for a Dangerous Century*. Cornell University Press. Updating Don Kettl's work, this would go under the category of "how's that working for you?" Roberts, who's written extensively on the history of public administration, provides a superb critique of the governing paradigm—so far.

Stivers, Camilla (2000) *Bureau Men, Settlement Women: Constructing Public Administration in the Progressive Era*. Topeka: University of Kansas Press. An intellectual history of the urban reform and progressive eras—central to the formation of public administration—but incorporating a gender perspective.

CHAPTER 2

The Political, Social, and Economic Environment of Public Policy and Its Administration

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KEYNOTE: Who Decides Whether the United States Should Wage War?

In the summer of 2021, the United States withdrew its last military forces from its bases in Kabul and ended the war it had entered in Afghanistan in 2001. The Biden

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administration slightly extended the May 1 deadline established by the Trump administration in agreement with the Taliban to remove the 3,000 US troops currently stationed there. Military intelligence had expected the reconstructed and retrained Afghanistan military and the government to withstand any Taliban advances for at least several years. To the utter astonishment of the Biden administration and most experts, the Taliban military forces quickly advanced through the regions of the country and entered the capital in complete command by August. It remained for the administration to send troops back into Kabul to complete a hurried air evacuation of over 60,000 Afghans and other citizens and then depart—this time for the last time?

While no official totals were announced, the cost in human suffering alone of this longest war included more than 2,300 US service members and more than 100,000 Afghan civilians over the two decades. Rough estimates of what this war cost the US were more than $2 trillion.

An *analysis* by the Costs of War Project at Brown University in the fall of 2019 broke down the US costs of the war in Afghanistan between 2001 and 2019 as seen in Figure 2.1.

And yet, this war with its enormous toll in human lives and financial costs was never accompanied by a declaration of war passed by the Congress nor even a presidential proclamation to the nation about the US entry into a war. How could this be?

A decision to go to war is arguably the most important public policy decision made by a state. The US Constitution (Article I, Section 8) unambiguously gives Congress the authority "to declare war." However, the president, as commander in chief, has implied powers to commit the military forces to action. Article III, Section 2, of the Constitution says, "the president shall be commander in chief of the army and the navy of the United States and of the militia of the several states when called into the actual service of the United States." The last president to exercise his authority as commander in chief to literally command troops in the field was James Madison during the War of 1812. At Bladensburg, Maryland, the American forces, under the direct command of the president, met the British and were soundly defeated. The British then marched on Washington, DC, to burn the White House, the Capitol, and most other public buildings. No subsequent president has sought to personally lead men in battle while in office.

UNITED STATES COSTS TO DATE FOR THE WAR IN AFGHANISTAN, 2001–2021	
Estimated Congressional Appropriations and Spending in **Current Billions of US Dollars,** Excluding Future Interest Payments and Future Costs for Veterans Care	
	Total FY2001–FY2021*
Defense Department Overseas Contingency Operations (OCO) (War) Budget	$933
State Department OCO (War) Budget	59
Defense Department Base Budget War-Related Increases	443
Veterans Care for Afghan War Vets	296
Estimated Interest on War Borrowing	530
TOTAL in Billions of Current Dollars	**$2,261**
	*Rounded to nearest billion

FIGURE 2.1

Analysis of the costs of war in Afghanistan 2001–2019

Source: Watson Institute for International and Public Affairs, Brown University, April 2021

But many subsequent presidents have sent US forces to fight in foreign lands without waiting for or even asking Congress to exercise its constitutional responsibility "to declare war." Formal declarations of war seem to be rapidly becoming quaint relics of diplomatic history. Declarations of war first came about when states felt it necessary to separate their military actions from the activities of bandits, pirates, and privateers (a pirate ship authorized by a government to prey on its foes). Therefore, before the beginning of hostilities, a formal statement of intention—a declaration—to make war on another state was promulgated. In 1907 this practice was formalized by the Hague Convention Relative to the Opening of Hostilities. This established an international obligation on the part of the signatories to announce that a legal state of hostilities existed with another state by making a formal declaration to this effect. And formal meant *formal*. For example, here is the declaration that started World War I:

> The Royal Serbian Government not having answered in a satisfactory manner the note of July 23, 1914, presented by the Austro-Hungarian Minister at Belgrade, the Imperial and Royal Government are themselves compelled to see to the safeguarding of their right and interests, and, with this object, to have recourse to force of arms. Austria-Hungary consequently considers herself henceforward in state of war with Serbia.
>
> (Collected Documents Related to the Outbreak of the European War 1915, p. 201)

These are the courtly words that initiated the greatest mass slaughter the world had seen to date. When British Prime Minister Winston Churchill had to justify why the declaration of war against Japan on December 8, 1941, was made in similar diplomatic language, he responded that even with war, "it costs nothing to be polite."

World War II was the last war the US Congress actually declared. The Congress was called into an emergency joint session by President Franklin D. Roosevelt the day after the Japanese attack on Pearl Harbor (December 8, 1941). Pearl Harbor, the American Pacific fleet headquarters in Hawaii, had about 5,000 casualties, half of them deaths. The attack incensed the American public not just because it was a surprise, which is to be expected in war, but also because it was a sneak attack when there was no state of war. Indeed, Japanese emissaries were in Washington at the same time purportedly negotiating in good faith to resolve United States–Japan differences.

The Japanese had intended to notify the Americans that a state of war existed one half hour before the attack. But because of decoding difficulties, the war message was not delivered until after the attack was well under way. This time difference was the difference between an honorable surprise attack and a dishonorable sneak attack. So how did Pearl Harbor cause the United States to fight Nazi Germany as well? Because Germany's 1937 treaty of alliance with Japan was a defensive one, its pact did not require Germany to declare war on the United States after the Japanese attack on Pearl Harbor. (It would have been required if the United States had attacked Japan.) Because Japan was clearly the aggressor, Hitler's declaration of war against the United States was both gratuitous and, as it turned out, stupid.

While World War II was the last time formal declarations of war were widely used, things started to get constitutionally messy with the Korean War. This war, between communist North Korea and non-communist South Korea, began on June 25, 1950, when the North invaded the South. The American intervention was a symbolic signal to the Soviets that the United States was determined to halt the spread of communism. With the encouragement of the United States, the United

Nations Security Council (with the Soviet Union temporarily absent) asked member nations to aid the South in resisting the invasion. Thus, the war, called a "police action," was fought under the flag of the United Nations by US forces with small contingents from more than a dozen other nations.

The Vietnam War of 1956 to 1975 was between the non-communist Republic of Vietnam (South Vietnam) and the communist Democratic Republic of Vietnam (North Vietnam), which resulted in the victory of the North over the South and the unification of the two countries into the communist Socialist Republic of Vietnam on July 2, 1976. The United States first offered financial support to South Vietnam during the Eisenhower administration. Military assistance began with the John F. Kennedy administration in 1961. By 1963, the United States had 16,000 military "advisors" in South Vietnam. In 1964, the Gulf of Tonkin Resolution allowed the administration of Lyndon B. Johnson to expand US involvement in spite of the fact that Johnson had promised, notably in a campaign speech in Akron, Ohio, on October 21, 1964, that the US wouldn't be sending American troops to anywhere in Asia.

With the Gulf of Tonkin Resolution, the US Congress sanctioned the Johnson administration's use of great numbers of American forces in an expansion of the Vietnam War. It was based on a presumed attack on US ships in the Gulf of Tonkin by North Vietnamese naval units. The Johnson administration would treat this as the moral and legal equivalent of a declaration of war. Later, those who opposed the war would denounce it as a fraud because there was no solid evidence that there ever was an attack on American ships in the Tonkin Gulf. Indeed, Barbara W. Tuchman in *The March of Folly* (1984) would write, "With evidence accumulating of confusion by radar and sonar technicians in the second clash, [President] Johnson said privately, 'Well, those dumb, stupid sailors were just shooting at flying fish' (Tuchman, 1984, p. 317). So much for *casus belli*." But there was little initial opposition. The House of Representatives passed it unanimously. In the Senate, there were only two dissenting votes.

By 1968, the United States had more than one-half million men engaged in the most unpopular foreign war in American history. As a direct result, the Democrats lost control of the White House to Republican Richard M. Nixon. The Nixon administration's policy of "Vietnamization" called for the South Vietnamese to gradually take over all the fighting from the Americans. The Americans continued to pull out, and the South held off the North for a while. As the American forces dwindled, the North got more aggressive and successful. Finally, the North's January 1975 offensive led to the South's unconditional surrender by April. More than 58,000 Americans died in the Vietnam War; another 150,000 were wounded.

Because of the unhappy experience of the Vietnam War, Congress passed the War Powers Resolution of 1973, the law that seeks to clarify the respective roles of the president and Congress in cases involving the use of military forces without a declaration of war. The president "in every possible instance" shall consult with Congress before introducing troops and shall report to Congress within 48 hours. The use of the armed forces is to be terminated within 60 days (with a possible 30-day extension by the president) unless Congress acts during that time to declare war, enacts a specific authorization for use of armed forces, extends the 60- to 90-day period, or is physically unable to meet as a result of an attack on the United States. At any time before the 60 days expire, Congress may direct by concurrent resolution that American military forces be removed by the president.

In one sense the War Powers Resolution has been a failure: it has not been able to remedy the problems of presidents ignoring Congress. President George H. W. Bush, for example, sent troops into action during the Panama Intervention and the

Persian Gulf War without formally asking for congressional consent. While Congress, at the last minute (on January 12, 1991), gave him legal authority to commit US forces to combat (which he did on January 15, 1991), he asserted that he didn't really need it—that his authority under the Constitution as commander in chief was sufficient.

On the other hand, the desire to avoid putting their war powers to the test has led presidents to be somewhat more responsive to Congress than they might otherwise have been. The Reagan administration, for example, withdrew US forces from Lebanon when it became clear that there was little congressional or public support for keeping them there. The Clinton administration conducted a major bombing campaign against Serbia to force the Serbian troops out of Kosovo in 1999. But it initially maintained that a ground assault was not an option because it knew that there was slight congressional support for the bombing.

If the president can, as Bush did, send 150,000 troops half a world away to fight for a country with which we had no treaty of obligation to defend, then what, if anything, is left of Congress's constitutional authority to declare war? The answer is that it has never amounted to much. The fallacy of Congress's authority "to declare war" was first exposed by James K. Polk, the president of the United States from 1845 to 1849. When in 1846 Mexico refused a US offer to purchase New Mexico and California, Polk sent the army to provoke a war. The Mexicans obliged with incidents, were conquered, and forfeited (with payment by the United States of $15 million) land comprising the present states of California, Nevada, Utah, and most of New Mexico and Arizona.

So it was nothing new when, in the wake of the September 11, 2001, attacks, President Bush decided that the United States would be "at war" but that it would not be necessary for Congress to actually declare it. Besides, the traditional declaration of war was designed to be an honorable notice of intent from one sovereign state to another. It hardly made sense to apply it to a criminal gang with branch offices in dozens of states.

Instead of a declaration, the president, on September 18, 2001, signed a joint resolution by Congress entitled "Authorization for Use of Military Force." While he was pleased to have the backing of the members of Congress and promised to "continue to consult closely with them," he also asserted—as did his father before him during the Persian Gulf War—that he didn't need their approval. "In signing this resolution, I maintain the long-standing position of the executive branch regarding the president's constitutional authority to use force" (Bush, 2001, p. 1319).

President Barack Obama demonstrated that he was no different from his predecessors in his disregard for the War Powers Resolution. In 2011, the United States and its NATO allies started military action against Libya in order to help rebels overthrow the regime of Muammar Gadhafi. After the 90 days passed and military operations continued, many members of Congress, both Democrats and Republicans, began publicly complaining that the president was in violation of the resolution. But the Obama administration refuted this, asserting that the United States had only a supporting role in the NATO operation and that the actions differed from the kind of "hostilities" contemplated in the resolution's termination provisions.

In effect, the president has always had dictatorial powers concerning military operations. This is only tempered by his political concerns and the ultimate ability of Congress to stop him by cutting off funds. So, the answer to the question of who decides if the United States should wage war is very simple: it is the president—alone. And because it is the president alone who makes this decision, it is the president who must accept the political fallout from failed military endeavors that

eventually disenchant the public because they fail, cost too much, have too many dead and wounded, or simply take too long. Of course, with success, however it is defined, he gets the political credit for foresight and wisdom.

Now into the second decade of the 21st century, it is also apparent that the nature of war has itself been fundamentally altered. Instead of sending our military forces backed by our air force and navy into harm's way, there is the option of sending in an unmanned Predator drone with hellfire missiles to take out an enemy force. The first generally acknowledged attack by drone was on November 4, 2002, when the US was able to blast a car with six terrorists in Yemen to kill an al-Qaeda leader who had led the 2000 bomb attack on the USS *Cole*. Also, in the car that was vaporized by the drone was a US citizen who was linked to a terrorist cell in the US. President Obama had elevated the use of this new war fighting technology to an even higher level—having ordered over 400 drone strikes in the first five years since taking office.

Responding to worldwide criticism of this, President Obama issued an executive order in 2016 requiring intelligence officials to publish the number of civilians killed in drone strikes outside of war zones. The Trump administration rescinded this rule reporting drone strike deaths in early 2019. So, at this point there are no longer official unclassified reports on the drone strike deaths. According to the Bureau of Investigative Journalism, a UK-based think tank, there were 2,243 drone strikes in the first two years of the Trump presidency, compared with 1,878 in Obama's eight years in office. Since the US could operate over the skies of Afghanistan, Iraq, Yemen, and most of northwestern Pakistan with impunity, it can strike whatever targets it deems "appropriate."

On August 28, after a deadly suicide bombing at Kabul airport, the US military used a drone strike to kill a member of the Islamic State group's Afghanistan affiliate. President Biden announced that the US would strike back against ISIS for the suicide bomber that killed 13 American military protecting the evacuation at the airport. But following this, both the *Wall Street Journal* and the *New York Times* reported a missile mistakenly had killed 10 civilians (seven children), wrongly targeting as a terrorist an employee of the US nonprofit Nutrition and Education International. After first denying this and proclaiming it as a "righteous strike," the Pentagon admitted it was a mistake and ordered a review of the mistaken attack and the in-error follow-up review process.

A drone attack—whether it is righteous or a tragic mistake—is not an undeclared war, but what is it a declaration of? As the United States draws lessons, as every government does when a policy decision fails, it will need to reassess the limitations of its intelligence-gathering capabilities in light of its policy objectives of world leadership—be it by hard power or soft power. And certainly, that includes the use of force in undeclared wars and, as is evident, in undeclared undeclared wars.

WHAT IS PUBLIC POLICY?

Public policy, by definition, is founded on orderly structures and creates a sense of direction. Public administration cannot exist in a policy vacuum. It must have administrative structures that are directed by leaders who wish to do something—if only to maintain the status quo. Thus, all of public administration is inherently an instrument of policy—whether that instrument plays well, poorly, or not at all.

Any policy is a decision. A public policy is whatever a government decides to do or not to do. It is what a government does in response to a political issue. A public program consists of all those activities designed to implement the public policy:

often this calls for the creation of organizations, public agencies, and bureaus, which in turn need to create more policies that give guidance to the organization's employees on how to put into practice the overall public policy.

Policy is hierarchical. The broadest, most overarching policy is made at the top. Then increasingly more focused policies must be made at every level on down. For example, the president of the United States sits at the top of the foreign policymaking pyramid. Dozens of layers below him or her sit thousands of clerks in the visa sections of hundreds of embassies and consulates making policy—that is, making decisions—on who may legally enter the United States. To be sure, policy at the bottom is heavily impacted by laws and regulations. But to the extent that these low-level officials—whom Michael Lipsky calls **street-level bureaucrats**—have any discretion at all, they are making policy. And if you are on the receiving end of that policy, whether as a visa applicant or a motorist receiving a traffic citation from a police officer, the policy is as real to you as if it were coming from higher levels in the policymaking hierarchy.

Public Policymaking in a Republic

It is the sovereign who makes legitimate policy in a political community. In a traditional society, the sovereign (meaning the monarch) is the sovereign (meaning the boss). In the United States, the people are sovereign and government is considered their agent. In a speech on January 29, 1916, President Woodrow Wilson rhetorically asked what America stood for, noting that above all it is the "sovereignty of self-governing people." This kind of sovereignty is generally referred to as a democracy.

But democracy is not a simple or constant concept. Instead, it is an evolving notion regarding the relationship between the people and government. It started, like so many things having to do with government, with the Greeks. Their democracy consisted of rule by an elite group of male citizens, whose well-being was maintained by politically suppressed women and a large slave population (not a desirable situation if you were a woman and worse if you were a slave). The development of popular or universal democracy in the 18th century led to revolutionary conceptions of democracy that called for the placing of all power in the hands of the people—at first just White males. The problem remained of constructing a state that could exercise that power not just in the name of, but for, all the people. This is what President Abraham Lincoln, a man with strong antislavery credentials, was concerned about in his 1863 Gettysburg Address: "that this government of the people, by the people, for the people, shall not perish from the earth."

The modern problem with "the people" is that so many nasty individuals have done too many despicable things in their name. Because the term *democracy* often has been used by totalitarian regimes and their "people's democracies," one person's democratic regime is too often another's totalitarian despotism. So modern democracy, like the modern contact lens, is in the eye of the beholder. By being used to describe such a large range of institutional possibilities, the term *democracy* has lost its meaning—but not its vitality—in political debate.

The founders of the United States were rightly suspicious of the so-called pure democracy of the free male citizens of ancient Athens. As Aristotle warned, time and again throughout history these pure democracies had been captured by demagogues and had degenerated into dictatorial tyrannies. While the founders specifically wanted a governing structure that was insulated from a pure democracy, they also wanted a governing arrangement that, unlike the city-states of ancient Greece,

could function over a large area. As James Madison (1788) wrote in *The Federalist*, No. 14, "In a democracy the people meet and exercise the government in person; in a republic, they assemble and administer it by their representatives and agents. A democracy, consequently, will be confined to a small spot. A republic may be extended over a large region." Yet the founders all knew that many republics in history, such as the Roman republic, had been replaced by despots. Consequently, when Benjamin Franklin was asked what sort of government had been hatched at the **Constitutional Convention of 1787**, he replied, "A republic, if you can keep it." He knew that "keeping it" was far from certain.

In a republic, the legislature, whether Parliament or Congress, is supreme. After all, it has the greatest number of enumerated powers and the executive and judicial branches must enforce its laws. As Madison (1788) wrote in *The Federalist*, No. 51, "In republican government, the legislative authority necessarily predominates." President Franklin D. Roosevelt, in a press conference on July 23, 1937, put it another way: "It is the duty of the president to propose and it is the privilege of the Congress to dispose." Yet this system was perverted from World War II until very recently. Because of the necessities of both hot and cold wars, the president has been unusually strong vis-à-vis the Congress. With the end of the Cold War and without the need to rally behind a wartime leader, the power relationship seemed to be returning to its "normal" condition—at least until September 11, 2001, and the war on terrorism.

Executive Powers and Responsibilities

Many political executives, whether mayors, governors, or presidents, have tried—often for sound causes relating to the public good—to take more policymaking power unto themselves than may be constitutionally warranted. Just how far can an executive deviate from the legislative will or the letter of the constitution in a republican government? This is usually a function of the political strength of the executive as evidenced by a large electoral mandate, control by the executive's party in the legislature, or public opinion poll ratings. Strong executives are able to put into place more of the policies they espouse. But just how much strength should an executive ideally have or be allowed to have? Fortunately, we can answer this question with the help of three famous statements on executive power, all made by past presidents of the United States—and all equally applicable to any political executive, whether president, governor, or mayor, in any constitutional system: the restricted view, the prerogative theory, and the stewardship theory.

The Restricted View This is the limited (or literalist) view of presidential power, espoused by President **William Howard Taft**. He, as an archconservative, held that "the president can exercise no power which cannot be fairly and reasonably traced to some specific grant of power or justly implied and included within such express grant as proper and necessary to its exercise." Furthermore (and in direct opposition to President Theodore Roosevelt's stewardship view that follows), "there is no undefined residuum of power which he can exercise because it seems to be in the public interest" (Taft, 1916, p. 138). Taft viewed the president as the agent of the Congress—in no way a free agent. In a constitutional sense, Taft was a strict constructionist. He was disdainful of those who asserted the presence of a "residuum of power" when he clearly saw none. As an administrator, he felt his political hands were tied by the constraints of his office. And he was happy in his bondage. Today he remains a role model for all those public managers who would instantly solve

public problems with new public policy if only they had the power. Not having it, they sit back, survey the poor conditions in their administrative realm, and feel quite strongly that they too are victims of "the system."

The Prerogative Theory This theory of executive power was espoused by President Abraham Lincoln and supported by **John Locke** in his *Second Treatise of Government* (1690). Under certain conditions, they believed that the chief executive possessed extraordinary power to preserve the nation: "Many things there are which the law can by no means provide for; and those must necessarily be left to the discretion of him that has the executive power in his hands" (pp. 91–92). This power, as Lincoln saw it, might not only exceed constitutional bounds but act against the Constitution. A president, according to this view, could at least for a short while even assume dictatorial powers. Lincoln explained this theory in an 1864 letter:

> [T]hat my oath to preserve the Constitution to the best of my ability imposed upon me the duty of preserving, by every indispensable means, that government—that nation, of which that Constitution was the organic law. Was it possible to lose the nation and yet preserve the Constitution? By general law, life and limb must be protected, yet often a limb must be amputated to save a life; but a life is never wisely given to save a limb. I felt that measures otherwise unconstitutional might become lawful by becoming indispensable to the preservation of the Constitution through the preservation of the nation.

Lincoln's attitude was commendable enough in the middle of a civil war. However, when recent presidents have sought extraordinary powers, even with claims of national security and **executive privilege**, they have been "checked" by the Supreme Court. For example, when President Franklin D. Roosevelt sought to expand the federal government's scope and size during the Great Depression, many of his efforts were rejected by a Supreme Court that viewed his initiatives as exceeding the bounds of executive power established by the Constitution. Similarly, during the Korean War, President Harry S. Truman's attempts to exert executive power over labor and industry were blocked by a skeptical judicial branch. As the war in Korea waged on during the 1950s, Truman issued an executive order directing the secretary of commerce to take possession of and operate the nation's steel mills because of a labor dispute that threatened to disrupt war production. In response, the Supreme Court held, in *Youngstown Sheet and Tube Co. v. Sawyer* (1952), that the president exceeded his constitutional powers.

Two decades later *Supreme Court in United States v. Nixon* (1974) rejected President Richard M. Nixon's claim that the Constitution provided the president with an absolute and unreviewable executive privilege—specifically, the right not to respond to a subpoena in connection with a judicial trial. The Court held that "neither the doctrine of separation of powers nor the need for confidentiality of high-level communications, without more, can sustain an absolute, unqualified, presidential immunity from judicial process under all circumstances." The Court allowed there was a limited executive privilege that might pertain in the areas of military, diplomatic, or security affairs and where confidentiality was related to the president's ability to carry out his constitutional mandates. This was the decision that forced Nixon to give the Watergate special prosecutor tape recordings of criminal activities in Oval Office meetings and, in effect, forced Nixon to resign as president in 1974.

The prerogative approach is not a theory for all seasons. Because it is applicable only in times of extraordinary national emergency, presidents have been able to "get away with it" only during wartime, when Congress has been compliant (as it was during the Civil War) or kept ignorant (as it was during the Vietnam War). Just how much prerogative President Bush should have been allowed to exercise during the War on Terror and in Iraq was a major point of contention with the Congress and the public. Similarly, as President Obama confronted the economic crisis in 2009, there was a great deal of criticism that he was overstepping his powers.

Despite an economic situation that was described as "the worst since the Great Depression," critics of Obama claimed that he was exceeding his prerogative to lead by taking actions beyond the legitimate role of the president. The important thing to remember is that this theory of executive power is quietly reserved to support the efforts of a leader who sees the nation through in a time of crisis, or, alternately, it lurks in the hands of an unprincipled opportunist or demagogue to stifle republican institutions. Only the writers of history get to decide who were the strong leaders and who were the political opportunists.

The Stewardship Theory This is President Theodore Roosevelt's view that the president, because he represents and holds in trust the interests of all the people, should be free to take any actions in the public interest that are not specifically forbidden by the Constitution or statutory law. Although he only articulated this doctrine in his autobiography, published in 1913 after he left office, Roosevelt certainly lived it. For example, he sent the US Navy's battleships on an around-the-world training cruise without congressional permission. He then told members of Congress that if they wanted the ships back, they would have to appropriate funds to buy fuel for the return journey. Roosevelt believed strongly in the idea that the executive officer was a steward of the people. He felt, in sum, that he was free to do as he pleased in that twilight zone lying between the prohibitions of the law and the duties required by specific constitutional or statutory enactments.

These three models of executive leadership are all still very much with us. Of course, the prerogative approach of Lincoln and Locke is not much in evidence except in despotic regimes. But the war on terrorism may force a future American president to temporarily suspend some constitutional privileges in the wake of a subsequent disastrous attack. While Lincoln's example remains as a last resort, the more common situation at all political and organizational levels is illustrated by the two ends of a continuum, with a literalist (Taft) at one end and a steward (Teddy Roosevelt) at the other. The choice for leaders, then, is to be inactive in terms of policy initiation—basically to just maintain what is—or to be proactive in terms of policy and to be at the forefront of continuous change and reform. Or to be where most political and administrative executives are—somewhere in between. That is, they are proactive only on a limited number of issues.

THE POLICYMAKING PROCESS

A new policy proposal is frequently presented to the public as a policy paper—a written argument in favor of (or opposing) a particular public policy. Political candidates typically generate a variety of policy papers on issues of importance to their constituents. Political campaigns often become a "battle" of opposing policy papers. And the modern battleground for these opposing policies is frequently in cyberspace, on political candidates' websites. Such websites are promoting not only

the candidate but the policies of that candidate as well. Consequently, they usually contain white papers about where the candidate stands on various issues and why. In theory, the voters can read these thoughtful papers on a wide range of policy issues. They may even believe the illusion that the papers were actually written by the candidate. In reality, the papers are read by few because most voters are content with the minimally informative sound bites.

But no matter how astute and detailed the arguments are for or against a particular policy, the media tend to distil them into a few words. Thus, an extremely thoughtful review of the utility of capital punishment often comes down to the fact that the candidate is "for" or "against" the death penalty. Voters prefer to think that their favored candidates have given great thought to all the subtle aspects of their policy positions. Consequently, it is more important that such policy papers exist than be read. However, policy papers put out by advocacy groups and academics—and not related to political campaigns—tend to be both more sophisticated and better received.

Thus, you are most likely to find campaign speeches—when potential political leaders are running for office—as the best source of public policy intentions and priorities. When Donald Trump campaigned in 2016 and declared he would build a wall to solve the immigration problem (never mind the part about making Mexico paying for it), it was a policy position that would manifest itself in a government shutdown two years later when Congress would not approve funding for his border wall. Trump's use of the national emergency power will be discussed in chapter 12.

But another place where you will find indications of the level of support for a public policy is on the media and now on the internet. On TV and especially radio talk shows, the most pressing public policy issues of any given day will be dissected, criticized, and/or supported *ad nauseam*. These discussions are now forewarned via internet social media—whether it's Twitter or Facebook—whereas academic policy papers are published in professional journals and read by few. Talk show or website hosts publish little and may be relatively ignorant and very biased in their viewpoints—but they can be immensely influential.

Because public policymaking involves so many aspects, so many players, and so many issues, it is difficult to grasp it as one single thing. Of course, it is not a tangible thing; it is a never-ending intangible process. This process can be illustrated by the public policymaking cycle (see Figure 2.2), a conceptual model that views the public policy process as moving through a succession of stages: (1) agenda setting (or the identification of a policy issue), (2) policy decision or nondecision, (3) implementation, (4) program evaluation or impact analysis, and finally, (5) feedback, which leads to revision or termination. Thus, the process comes full circle—which

FIGURE 2.2
The public policymaking cycle

is why it is called a "cycle." A review of this process will show that public administration is both at the heart of the process and a feature of every aspect of it.

Agenda Setting

Agenda setting is the process by which ideas or issues bubble up through the various political channels to wind up for consideration by a political institution such as a legislature or court. We have already mentioned the two greatest sources of agenda items—the executive and the legislators. Their constituents expect that they will seek the enactment into law of the policies that they advocated in their campaigns for elective office. Additionally, the administrative agencies of a government often generate legislative proposals. Sometimes, these are incorporated into the executive's legislative recommendations.

The agenda-setting process often makes extensive use of the mass media to take a relatively unknown or unsupported issue and, through publicity, expand the numbers of people who care about the issue so that an institution, whether it be city hall or the Congress, is forced to take some action. One example can be traced back to 1955, when Rosa Parks, an African-American woman, was arrested for refusing to take a seat in the back of a bus in Montgomery, Alabama. This confrontation sparked the modern civil rights movement. Rev. Martin Luther King Jr. would later use the tactics of nonviolent confrontation with southern segregation policies to arouse sufficient sympathy and support in the rest of the nation, which would lead to the passage of landmark civil rights legislation in Congress. When these nonviolent demonstrations turned violent, it was all the better—because it made better TV and thus ensured a bigger audience for the message of the cause. Starting in the 1980s, pro-life (meaning anti-abortion) groups used demonstrators in front of medical offices providing abortion services to arouse the national consciousness about this issue. These, too, often became spontaneously violent and thus made for better media coverage. That lesson is even clearer in the light of the set of protests unleashed first with the killing of Michael Brown in Missouri expanding to national outrage over the death of George Floyd and others transforming protests into the Black Lives Matter movement.

Agendas are often set by public policy entrepreneurs, political actors who take a political issue and run with it. Thus, certain senators might make particular issues their own by sheer force of expertise that, if respected, "forces" colleagues to take cues on the matter from them. Or a staffer might become such an expert on an issue that he or she can heavily influence legislation dealing with it. Thus, a public policy entrepreneur can be anyone in the political environment whose expertise and actions can affect an issue.

Agenda setting, which is usually confined to professional politicians, is a game that anybody can play. A federal judge could rule that a state prison is unconstitutionally overcrowded and thus force the state's legislature to deal with the issue by appropriating funds for new prisons. A citizens' group could be so concerned about an issue that they gather enough signatures of registered voters to advance the issue as a proposition on the next election's ballot. A public interest law firm could challenge the legality of an agency's action and force the courts to ascertain its constitutionality. Or an interest group could get thousands of its members to write (or email) letters to their legislative representatives demanding action on a controversy. While there are only a few places—such as a legislature, court, or regulatory commission—where agendas can be formally enacted, there are infinite numbers of sources from which agenda items spring. And like hope, they spring eternally.

FIGURE 2.3

Anthony Downs's issue attention cycle

Source: Adapted from Downs (1972) "Up and Down With Ecology—The Issue-Attention Cycle," Public Interest

The issue-attention cycle is a model developed by **Anthony Downs** that attempts to explain the way in which many policy problems evolve on the political agenda. The cycle is premised on the notion that the public's attention rarely remains focused on any one issue, regardless of the objective nature of the problem. The cycle consists of five steps as highlighted in Figure 2.3.

According to policy analyst John Kingdon,

> If Anthony Downs is right, problems often fade from public view because a short period of awareness and optimism gives way to a realization of the financial and social costs of action. As people become impressed with the sacrifices, dislocations, and costs to be borne, they lose their enthusiasm for addressing the problem.
>
> (Kingdon, 1995, pp. 104–105)

For example, early in the first Clinton administration there was great enthusiasm and support for a major reform in the nation's system of medical insurance. But as increasing attention was brought to the financial costs and difficulties of implementation, the issue faded from view while both political leaders and the public lost enthusiasm for dealing with what remains a major problem—at least for the nearly 47 million Americans without medical insurance.

By 2009, the public appeared once again engaged in the issue of health care reform with President Obama and the democratically controlled Congress passing a sweeping health care reform package in 2010. Public reaction was heavily divided, but opposition and anger to this action was considerable, culminating with the Republicans taking back control of Congress in the midterm elections of 2010. More challenges ensued, but when the Supreme Court first upheld the constitutionality of the Affordable Care Act (ACA) in 2012 and with President Obama's reelection, Obamacare (as it is still known) moved on to implementation.

Despite a rocky start in 2013 that would ultimately cost the HHS secretary her cabinet post because of repeated failures of the government's health care online sign-up website, over 8 million Americans signed up for health care coverage in 2014. This exceeded the 7 million projected. That sign-up goal also included a 40% segment being between the ages of 18 and 34 to average out premium costs. The

actual 2014 percentage was only 28%, lower than hoped, but close enough—in the view of the Kaiser Family Foundation—to avoid a significant increase in premiums for 2015.

Fast forward to 2021 and despite several more legislative attempts to terminate ACA and the need for yet another Supreme Court to uphold it, this public policy remains. As the Biden administration has announced, more Americans than ever have health insurance—the 47 million without insurance in 2010 is now down to 28 million in 2020—31 million people have enrolled in either the marketplace or Medicaid expansion provisions of ACA.

Decision-Making

Public policymaking is the totality of the processes by which a government decides to deal or not to deal with a particular problem or concern. It is a never-ending process. Nineteenth-century British statesman Lord Salisbury is usually credited with first remarking, "There is no such thing as a fixed policy, because policy, like all organic entities, is always in the making."

There are two distinct and opposite theories seeking to explain the mechanisms that produce policy decisions or nondecisions. The first might be called the **rational decision-making** approach, and it generally has been attributed to **Harold D. Lasswell**. In his book *The Future of Political Science* (1963), he posited seven significant phases for every decision:

1. The intelligence phase, involving an influx of information.
2. The promoting or recommending phase, involving activities designed to influence the outcome.
3. The prescribing phase, involving the articulation of norms.
4. The invoking phase, involving establishing correspondence between prescriptions and concrete circumstances.
5. The application phase, in which the prescription is executed.
6. The appraisal phase, assessing intent in relation to effect.
7. The terminating phase, treating expectations (rights) established while the prescription was in force.

Of course, there is an immediate problem with this and every other such list. It is impossible to complete. No matter how rational we would hope to be, there is no way anyone could gather *all* the facts and take into account *every* consideration. Therefore, decision makers exercise what Herbert Simon, the 1978 Nobel laureate in economics, calls "bounded rationality." The "bounds" are what people put on their decisions. Simon asserts,

> it is impossible for the behaviour of a single, isolated individual to reach any high degree of rationality. The number of alternatives he must explore is so great, the information he needs to evaluate them so vast, that even an approximation to objective rationality is hard to conceive.

Consequently, humans make decisions on satisfactory, as opposed to optimal, information. Inventing a new word, Simon said that decision makers "satisfice" when they accept a satisfactory and sufficient amount of information on which to base a decision. Thus, in the real world we are forced to reject the "rational comprehensive" approach and "satisfice" rather than "maximize."

A rejection of this rational approach was urged by **Charles E. Lindblom**, the leading proponent of the second theory of policy decision-making—the **incremental** approach. In his most famous article, "The Science of Muddling Through," Lindblom took a hard look at the rational models of the decisional processes of government. He rejected the notion that most decisions are made by rational (total information) processes. Instead, he saw such decisions—indeed, the whole policy-making process—as dependent on small incremental decisions that tend to be made in response to short-term political conditions. Lindblom's thesis essentially held that decision-making was controlled infinitely more by events.

Here's his comparison of what he called root vs branch decision-making is shown in its original form in Figure 2.4:

RATIONAL-COMPREHENSIVE (ROOT)	SUCCESSIVE LIMITED COMPARISONS (BRANCH)
1a. Clarification of values or objectives distinct from and usually prerequisite to empirical analysis of alternative policies.	1b. Selection of value goals and empirical analysis of the needed action are not distinct from one another but are closely intertwined.
2a. Policy - formulation is therefore approached through means-end analysis: First the ends are isolated, then the means to achieve them are sought.	2b. Since means and ends are not distinct, means-end analysis is often inappropriate or limited.
3a. The test of a "good" policy is that it can be shown to be the most appropriate means to desired ends.	3b. The test of a "good" policy is typically that various analysts find themselves directly agreeing on a policy (without their agreeing that it is the most appropriate means to an agreed objective).
4a. Analysis is comprehensive; every important relevant factor is taken into account.	4b. Analysis is drastically limited: i. Important possible outcomes are neglected. ii. Important alternative potential policies are neglected. iii. Important affected values are neglected.
5a. Theory is often heavily relied upon.	5b. A succession of comparisons greatly reduces or eliminates reliance on theory.

FIGURE 2.4
Lindblom's comparison of rational vs incremental decision-making

For the purposes of an introductory text, this classic comparison has been distilled to the Table 2.1.

The criteria listed compare a number of the key characteristics associated with the rational and incremental approaches to decision-making. While each approach certainly has its advantages and disadvantages, it is interesting to think about the circumstances in which each approach may be more beneficial. Lindblom's thesis essentially held that decision-making was controlled more by events and circumstances than by the will of those in policymaking positions. Disjointed incrementalism as a policy course was in reality the only truly feasible route, because incrementalism "concentrated the policymaker's analysis on familiar, better-known experiences, sharply reduced the number of different alternative policies to be

TABLE 2.1

Rational decision-making versus incremental decision-making

Rationalism	Incrementalism
All options and means are considered	Only a few options and means are considered
Decisions are the product of structured evaluations	Decisions are the product of negotiated settlements
Major changes can be made on a regular basis	Changes are made gradually over time
Decisions tend to be made proactively	Decisions tend to be made reactively
Decisions should be removed from political pressures	Political considerations are important in determining outcomes

explored, and sharply reduced the number and complexity of factors to be analysed" (Lindblom, 1959, p. 84).

The rational and incremental models, often viewed as two ends of a continuum, are useful intellectual tools for conceptualizing the decision-making process. There is even a "split the difference" compromise model that combines the two. Mixed scanning is the decision-making model put forth by **Amitai Etzioni**, which calls for seeking short-term solutions to problems by using both incrementalism and rational-comprehensive approaches to problem solving. For example, a foreign policy analyst responsible for reviewing political developments in Europe might superficially scan all recent developments (the comprehensive approach) but focus only on those political problems that have changed since the last scanning (the incremental approach). In this way, the analyst saves time by dealing in detail only with those situations that truly demand attention.

A Single Calculating Decision Maker—Not!

A famous example of a conceptual model of public policymaking is provided by Graham T. Allison's classic study of government decision-making, *Essence of Decision: Explaining the Cuban Missile Crisis* (1971). It showed the inadequacies of the view that policies are made by a "single calculating decision maker," such as a president who has complete control over the organizational units and individual officials within his or her government. Instead, Allison—using John F. Kennedy's Cuban Missile Crisis of 1962—demonstrated that differing bureaucratic viewpoints (such as those of the State Department, Defense Department, and National Security Council) fight over policy. Although Allison's ideas were not new, he helped crystallize thinking about foreign policymaking by dealing with the different approaches in terms of three models. He argued that the traditionally dominant model, that of the "single calculating decision maker," obscured more than it illuminated. Allison called this the rational actor model or model one and believed that this model must be supplemented by two other models. Allison's model two, the organizational processes model, basically argued that government action could be understood as the output of large organizations that operated according to standard operating procedures. Allison described model three as a governmental politics model, the essence of which was that decisions were the outcome of a bargaining process between different groups and individuals with

different bureaucratic perspectives and different political interests. Consequently, foreign policy decisions are not the product of a rational calculation about what is good for the state but a compromise—and often a compromised product of the internal bargaining process.

Policy makers bring two kinds of intelligence to bear on their thinking. First is their mental ability to cope with complicated problems. Second is the information and experience they have with the issue at hand. Both kinds of intelligence are then filtered through their ideological predispositions and personal biases before an attitude toward any given problem is set. Thus, political decisions are seldom made on the objective merits of a case, because a case only has merit in the eyes of a political decision maker if he or she is intelligent enough to see it and, equally important, is ideologically and politically predisposed to support it.

At the end of the day, the policy processes of government are not only about equity or justice but, fundamentally, about power. But once power is exerted, once a law is enacted, once a program is created, political executives at the head of governments—whether democrats or autocrats—turn to their public administrators to make their goals and priorities, to make their power, a reality. It is after all both the purpose and responsibility of the administrators of the state to carry out their bidding—what is termed implementation.

Implementation

Implementation is the process of putting a government program into effect; it is the total process of translating a legal mandate, whether an executive order or an enacted statute, into appropriate program directives and structures that provide services or create goods. Implementation, the doing part of public administration, is an inherently political process. Architects often say, "God is in the details." So, is it with implementation? A law is passed, but the process of putting it into effect requires countless small decisions that necessarily alter it. More than one political participant in the decision-making process has noted that implementation, when effected by the bureaucracy, invariably means distortion.

"Distort" is a harsh word that implies intentional change. Most administrative implementers, however, act in good faith, with little intentional distortion. But there is substantial friction. This concept has been well expressed by Prussian General Karl von Clausewitz, who held that no matter how well planned a large operation is, the reality of delays, misunderstandings, and so forth will make its inevitable execution less than ideal. While military in origin, friction has become a generally recognized phenomenon in all aspects of the administration of public and international affairs.

While implementation is obviously at the heart of public administration, it has only recently been self-consciously studied. The first major analysis of implementation as a new focus for public administration was Jeffrey Pressman and Aaron Wildavsky's 1973 study of federal programs in the city of Oakland, California. The unabridged title of their work tells part of the story: *Implementation: How Great Expectations in Washington Are Dashed in Oakland; Or, Why It's Amazing That Federal Programs Work at All; This Being a Saga of the Economic Development Administration as Told by Two Sympathetic Observers Who Seek to Build Morals on a Foundation of Ruined Hopes*. What Pressman and Wildavsky related in their landmark book seems almost simplistic—that policy planners and analysts were not taking into account the difficulties of execution or "implementation." The goal of their book was to consider how a closer nexus between policy and

implementation could be achieved. A direct result of this book was a spate of works explaining how policy analysis can accomplish this objective—an objective, it is fair to say, that has yet to be comprehensively implemented.

Pressman and Wildavsky define implementation as "a process of interaction between the setting of goals and actions geared to achieving them" as well as "an ability to forge subsequent links in the causal chain so as to obtain the desired results" (p. xxiii). This definition usefully calls attention to the interaction between setting goals and carrying them out. This helps clarify that implementation is political in a very fundamental sense. The activities that go on under its banner shape who gets what (and when and how they get it) from government. Like lawmakers, administrators and those they interact with during the implementation process exert power over program objectives and influence program inputs and outcomes. Implementation involves administrators, interest groups, and other actors with diverse values mobilizing power resources, forming coalitions, consciously plotting strategies, and generally engaging in strategic behavior designed to ensure that their point of view prevails. The terrain may be different from that found in Congress or other legislatures, but the basic staples of the political process are very much present.

Never forget that the goal of program implementation is necessarily the creation of the myriad details of everyday administrative life. Policy analyst Charles O. Jones maintains that implementation consists of steps and actions taken to put a program into effect. This involves transcribing policies and statements of purpose into objectives and future course directions. A major virtue of Jones's definition is that it explicitly points to the role of routine and other aspects of organizational structure in implementation. In order to conserve time and energy, as well as to promote the equal treatment of clients, organizations develop standard operating procedures. These procedures plus other informal **decision rules** greatly simplify choices for administrators. Decisions can be made almost without thinking. Any effort to comprehend how implementation processes affect program outcomes cannot then ignore the collective impact of countless procedures and simple decision rules. Implementation is always a mix of the consciously strategic with the daily routine.

Evaluation

Any evaluation is an assessment. A program evaluation is the systematic examination of activities undertaken by government to make a determination about their effects, both for the short term and the long range. Program evaluation is distinguished from management evaluation (also called organization evaluation) because the latter is limited to a program's internal administrative procedures. While program evaluations use management and organizational data, the main thrust is necessarily on overall program objectives and impact. Thus, a program evaluation is less concerned with the management of a police department than with that department's overall effect on crime and less concerned with a welfare agency's internal administration than with its effectiveness in dealing with clients.

The concepts of efficiency and effectiveness are the standard criteria by which programs are evaluated. In addition, these concepts helped to forge a workable distinction between audits and evaluations. Audits, primarily financial accounting audits, were traditionally geared to control—to ensure that every

dollar of public funds is accounted for and that every regulation is complied with. This law enforcement style of management is being increasingly displaced by program evaluation—a far more comprehensive management tool. We still expect programs to be administered efficiently, just as we expect complete fiscal accountability for funds and receipts. But efficiency is not enough. A work unit could be terribly efficient while working toward the wrong goals. Because of this, evaluations, if they are themselves to be effective, must also deal with the questions of effectiveness and relevance. It is not unreasonable to demand that programs have an effect on problems—and the right problems at that. Simply put, the most basic objective of a program evaluation is to assay the impact of a program on its target problem.

But that doesn't mean that the criteria for assessment aren't still evolving. In this century—as already noted—social equity and with it racial justice now have a special place at the top of the hierarchy of criteria to gauge progress, in terms of both the performance of government and the realization of its social objectives in protecting the public, promoting all its citizens' and their future generations' welfare. As the impacts of global warming and climate change become more evident, environmental values—such as sustainability and resilience—are now being embedded in those evaluation hierarchies. When a majority of the US public surveyed report that dealing with global climate change and protecting the environment should be a top priority for the president and the Congress, these need to be part of the public administration values as well and included in evaluating public policy outcomes and public management performance (implementation).

Program evaluations, while usually undertaken by the executive and legislative branches of government, are sometimes even done by the courts in response to petitions by client groups. While the three regular branches of government are heavily involved in evaluation, so too is the so-called fourth branch of government: the press. It conducts evaluations with every exposé of a mismanaged agency program or government incompetence. While journalistic evaluations often tend to be too superficial to serve as instruments of reform, they do serve to provide impetus for full-scale evaluation efforts by others. Evaluation is so essential that a separate concluding chapter is devoted to it in this textbook.

Feedback

The public policy cycle comes full circle when evaluative information creates new agenda items for subsequent decisions. This is called feedback, because the new information feeds back into its original source. In its purest form, feedback can either drive new items onto the policy agenda or reshape issues that are already being considered. But remember, everything about this cycle is impacted by politics.

This is because the policy process takes place in a political environment. Another way of viewing the effects of politics on public policy and its administration is to look at the overall assessment of the public of government. One might call this a macro view. This is most often depicted through various national polls—such as that shown in Figure 2.5, a composite of over 200 different surveys of the American public using the standard question: how often do you trust the government to do the right thing? In effect, this sense of trust is very significant because it shows the public's level of confidence in government's capabilities.

FIGURE 2.5

Pew summary of national polling data on trust in government

Source: Pew Research Center, May 17, 2021, Public Trust in Government: 1958–2021

The graph plots this question from the Eisenhower administration in the late 1950s where trust was above 70% to the present with under 25% for the Trump and Biden administrations in May of 2021.

Pew's report provides a succinct and alas not very favorable rating:

> When the National Election Study began asking about trust in government in 1958, about three-quarters of Americans trusted the federal government to do the right thing almost always or most of the time. Trust in government began eroding during the 1960s, amid the escalation of the Vietnam War, and the decline continued in the 1970s with the Watergate scandal and worsening economic struggles. Confidence in government recovered in the mid-1980s before falling again in the mid-1990s. But as the economy grew in the late 1990s so too did confidence in government. Public trust reached a three-decade high shortly after the 9/11 terrorist attacks, but declined quickly thereafter. Since 2007, the share saying they can trust the government always or most of the time has not surpassed 30%.
>
> (Pew, May 2021, p. 1)

FACTORING IN COMPLEXITY IN UNDERSTANDING PUBLIC POLICY

Public Policy—from its formulation to implementation to evaluation—has become the dominant branch of the discipline of public administration, if public administration can even lay claim to this field that has roots in economics, political science, and other interdisciplinary fields of study. Go to your university library and you

will find far more textbooks and academic studies in Public Policy than in general public administration. This is not a problem; rather, it is an opportunity for public administration to enrich its understanding of all facets of government administration and governance.

This advancement has led to new conceptualizations of how public administrators interpret and translate perceptions of societal problems and driving forces in the environment. It has also helped public administration see its roles and responsibilities as a collaborator and a cooperator, and yes—a primary funder—as opposed to seeing its self as the primary mover and shaker and coordinator in pursuing the public interest. Public administrators have generally understood that this begins at the very start even in trying to get agreement on what the policy goals are. Nearly 50 years ago in a classic article, Cohen et al., 1972, p. 2) likened this process to what they called a garbage can model:

> To understand processes within organizations, one can view a choice opportunity as a garbage can into which various kinds of problems and solutions are dumped by participants as they are generated. The mix of garbage in a single can depends upon the mix of cans available, on the labels attached to the alternative cans, on what garbage is currently being produced, and on the speed with which garbage is being collected and removed from the scene.

They concluded that administrators would be plagued by the competing and problematic preferences of the parties involved and most affected, unclear and dynamic technology, and highly fluid participation. Their litany of challenges included:

- Ambiguity as to what the purpose is and conflict or at least competition about what the goal is.
- Problems are often poorly understood—making it difficult to learn from events and past experience. (Is this lasting for a decade or 10 months of one year?)
- Problems vary over time (i.e., wander in and out of the system) but in systems terms, there are high interrelationships among organizational phenomena.
- Participants as decision makers come and go with different agendas and attention spans.

That also means that public administration understands the complexity of the problems public policy is trying to resolve as well as the possibility that public policy decisions framed as solutions may easily create more problems than the causes they amend. Interestingly, at the same time Rittel and Webber (1973)—two urban planners—posited the theory that many public policy and planning issues were "wicked problems."

They sought to specify 10 characteristics of "wicked problems" that confront social and urban planners. They began with a perplexing first rule—that there is "no definite formulation" of wicked problems. One approach to dealing with this effort at definition would be to ask what the opposite of a wicked problem is. The usual response is not normal or noncomplex problems but "tame problems." Such problems aren't easy, but at least these problems are definable. Their main causes are evident. Their solutions are mappable and verifiable. In contrast, wicked problems are at the other end of a continuum—hard to define, with solutions even harder to articulate.

As public policy complexity became more apparent through the 1980s and 1990s, wicked problems has become a useful model for framing both a deeper understanding of the problem and certainly more realistic expectations about the outcomes.

A 2007 analysis by the Australian Public Service Commission, "Tackling Wicked Problems: A Public Policy Perspective," cuts through the more technical public planning language of Rittel and Webber and lists nine characteristics of wicked problems.

1. Wicked problem are difficult to clearly define.
2. Wicked problems have many interdependencies and are often multicausal.
3. Attempts to address wicked problems often lead to unforeseen consequences.
4. Wicked problems are often not stable.
5. Wicked problems usually have no clear solution.
6. Wicked problems are socially complex.
7. Wicked problems hardly ever sit conveniently within the responsibility of any one organization.
8. Wicked problems involve changing behavior.
9. Some wicked problems are characterized by chronic policy failure.

In the previous edition of this text, recycling was used as a case study and the question was asked, is recycling a wicked problem? In this edition—with recycling facing all sorts of unanticipated challenges and grappling with an entirely new set of issues—the question of whether recycling is a wicked problem is updated here for your own assessment in the extended box below.

Recycling As a Wicked Problem

Recycling As a Wicked Problem

> At the 2020 America Recycles Summit on November 17, 2020, EPA announced the overall national recycling goal of **increasing the US recycling rate to 50% by 2030** (emphasis added). This national goal will provide the benchmark to evaluate the success of the collective efforts to improve the nation's recycling system. As currently calculated, the national recycling rate is 32%.
>
> US EPA 2020, EPA Media Announcement

Recycling policy is determined by state and local governments. They begin with disposal bans—which prohibit dumping of certain waste materials in facilities. Only one state—Montana—has no limits; all others ban something, such as lead acid batteries in Arizona and Wyoming. Moving further up the chain, 27 states have some kind of mandatory recycling rules, but there's wide variance regarding what is to be recycled, from paper products to plastics. There are also 10 states with bottle deposit laws that provide for payment on purchase and reimbursement for return as another example. There is more to recycling than glass, paper, and plastic. According to Waste 360, a nonprofit that covers recycling and waste remanagement issues, an estimated 20 million mattresses are dumped into landfills each year, but only three states have mattress recycling laws: Connecticut, Rhode Island, and California.

Given this somewhat fragmented but well-intentioned effort to make recycling a fundamental of environmental stewardship, how far has the US progressed since 1971 when Oregon became the first state to pass a bottle deposit law that led to the first container recycling program? Recycling made major progress in the United States per the statistics. In Oregon, the composition of roadside litter went from 40% bottles and cans to 6% following the adoption of their deposit law. Nationwide, recycling rates—measured as a percentage of total solid waste collected and sent to landfills—reached 34% by 2010.

FIGURE 2.6

Solid waste and recycling trends in the US: 1960–2018

Source: EPA National Overview: Facts and Figures on Materials, Wastes and Recycling 2020 Report

(continued)

Continued

And from there it essentially stagnated. As the graphs in Figure 2.6 show—out of almost 300 million tons of waste generated annually, only 70 million tons are recycled currently. Paper and paperboard accounts for most of this, and along with metals are among the more recycled materials. Glass, despite all the various state bottle deposit programs, have been flat in terms of growth at about 25%. Plastics recycling rates are still under 10%.

Even some jurisdictions with bottle deposit programs began reporting "issues." San Francisco, one of the leaders with recycle rates of above 75% of its aluminum containers and glass, found its success was generating an underground economy in pursuit of recycling deposit fees. C.V. Nevius, columnist from the *San Francisco Chronicle*, in June 19, 2013, wrote a column entitled "Black Market Run by Recycling Syndicates" and describes a very different kind of policy outcome than policy makers expected. Abandoned cans and bottles have turned out to be a virtual ATM in California. In fact, a thriving out-of-state black market has sprung up. Scavengers from states without a recycling program, like Arizona or Nevada, pick up tons of discarded material and drive across state lines to cash in.

He added, "In San Francisco, there's another layer of criminal activity. Recycling 'syndicates' set up large trucks on designated streets and hire homeless and down-and-out individuals as collectors. The freelancers do the dirty work—digging through trash bins or stealing recycling from the bins of homeowners—and are paid a fraction of what the material is worth." The State of California ultimately resorted to daily limits as to how much volume could be turned in, while the City of San Francisco began closing down the number of recycling redemption centers as it tried to increase its curbside pickup of recycling.

But the challenges facing recycling were going beyond one state's bottle deposit problems. Municipalities were finding that the costs of recycling and the problem of contamination of recycled materials were increasing. Then the economics of recycling totally shifted. In 2018, China announced its "National Sword" policy and halted the import of plastics and other materials destined for its recycling processors. For decades, these facilities had dealt with *almost half* of the waste that the rest of the world considered to be "recyclable"—primarily plastics. China's policy wasn't economic retribution; it was a simple recognition that most of what China was receiving was badly contaminated—it couldn't be recycled for much of anything and went into China's landfills.

Assessing the Chinese challenge to the current economics of recycling policy, the 2020 Annual EPA Report summed it up thusly:

> Market issues have been precipitated by numerous factors, including China's scrap ban and other export restrictions. These market challenges have been exacerbated by structural issues in some domestic commodity sectors, increased competition with cheaper new materials, and changes in packaging design that have introduced more complexity to collection, processing, and educational efforts. These combined circumstances have created a fundamental change in the value of collected Curbside recyclables.

So, what happens next?

- Do jurisdictions simply raise rates?
- Do they impose new restrictions and begin inspecting recycling bins and fining offending households for cross-contamination of their trash? (Remember, putting material in such as plastic bags would count as an offense, because they can't be recycled by processors.)
- Do they go after producers and treat waste as pollution by enacting legislation to ensure producers bear responsibility for the environmental impact of their products? Maine has already enacted legislation that invokes what is called EPR.

As Carl Smith of *Governing* explains, "In an EPR system, companies that sell products in the jurisdiction in question are required to be

members of a stewardship organization that collects fees from them based on criteria, such as the amount of material in their packaging, the nature of it and the costs involved in recycling it."

That might be just the approach to deal with the growing piles of packaging from Amazon and other internet sellers. Industry estimates with confirming data from the EPA indicate, packaging accounts for about 28% of US municipal solid waste. Only some 53% of it ends up in recycling bins, and even less is actually recycled: According to trade associations, at least 25% of materials collected for recycling in the US are rejected and incinerated or sent to landfills instead (Heiges and O'Neil, 2021). Now that's making the case for recycling as a wicked problem. It's easy enough and worthy in terms of pointing to the significance of a social problem by setting an ambitious goal, as the EPA has done to reach 50%. But like all wicked problems—how sure are we of the solutions and the likelihood that the solution won't generate yet another set of new problems?

POWER—THE EXTERNAL PERSPECTIVE

Power is the ability or the right to exercise authority over others. Traditionally, according to the founder of the People's Republic of China, Mao Zedong, "Political power grows out of the barrel of a gun." More recently power has been residing in the checkbooks of large corporations and influential lobbyists. Those with traditional power or the power to make large campaign contributions get to make or heavily influence public policy. Whether they do it with a gun or a check is dependent on local conditions. The world is organized into an immense hierarchy of power: political leaders have power over their followers, managers over their workers, and parents over their children. We are all subject to the powers that be that force us to work or school and constrain us from straying too far from what is expected.

One of the best ways to visualize and understand an administrator's power environment is to do a force field analysis of the pressures that bear on any agency. Field theory originated in physics. It was borrowed by psychology to explain how an individual's behavior at any given time is the result of his or her personality interacting with the psychological forces in the environment. Organizational analysts refocused field theory from the individual to the group, the group that made up an organization. By systematically examining all of the forces—all of the powers—in the organization's field (meaning environment)—thus a force field analysis—they were better able to understand why the organization acted the way it did. Those wishing to understand why a government or an agency does seemingly irrational or contradictory things use a force field analysis to arrive at an explanation. For example, the federal government has a variety of laws and programs designed to prevent people from smoking tobacco. It forbids cigarette advertising on television and demands health warnings on tobacco products. But at the same time, it encourages the growing of tobacco by American farmers and the sale of tobacco overseas by American companies. Thus, the federal government is at the same time both for and against the use of tobacco.

This contradictory policy seems silly on the surface. But the forces of good health work their will on the system to curtail tobacco use at the same time that the forces of commerce work their will on the system to encourage profit from tobacco—and the latter were here first. The obnoxious weed was introduced to Europe by none other than Christopher Columbus. For hundreds of years tobacco

has been a major part of the economic foundation of colonial and later republican America. Only in the 1960s did the government "discover" the health hazards related to it. But by then it was just so profitable in terms of excise tax yields to both federal and state governments that forbidding the sale on health grounds would mean higher taxes elsewhere. Besides, an illegal market for tobacco would immediately arise in its place, as it did with alcohol during the era of prohibition, thus yielding "tax" revenues only to the smugglers.

This all goes to show how governments as well as people get addicted to addictive substances. We as citizens are all addicted in the sense that we depend on smokers to disproportionately pay taxes for their vice and then graciously die prematurely without collecting their fair share of Social Security retirement benefits. What self-sacrificing patriots they are! The same can be said of alcoholics. Here we have **public choice economics** in action. The citizen smoker (or drinker), as the sovereign consumer, makes intelligent (or stupid) choices in the marketplace of products and ideas. If you feel this is irrational, you are right—but it is political, too. To understand why administration can so often seem irrational, we have to look at some of the underlying premises of American government.

Pluralism

The "problem" begins with the fact that American government is inherently pluralistic—composed of multiple elements. First, its constitutional arrangement requires a **separation of powers**, the allocation of powers among the three branches of government so that they are a check on each other. This separation, in theory, makes a tyrannical concentration of power impossible. The US Constitution contains provisions in separate articles for three branches of government—legislative, executive, and judicial. There is a significant difference in the grants of power to these branches: the first article, dealing with legislative power, vests in Congress "all legislative powers herein granted"; the second article vests "the executive power" in the president; and the third article states, "the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish." Justice Louis D. Brandeis offered the opinion of the US Supreme Court in the 1926 case *Myers v. United States*:

> The doctrine of the separation of powers was adopted by the Convention of 1787, not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction, but by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy.

The "friction" that Brandeis refers to is not the friction inherent in implementation that Clausewitz analyzed but the friction of conflict caused by independent power.

Second, American political processes, being inherently pluralistic, emphasize the role of competitive groups in society. **Pluralism** assumes that power will shift from group to group as elements in the mass public transfer their allegiance in response to their perceptions of their individual interests. In his book *Who Governs?* Robert Dahl established key tenets of the pluralist perspective. According to Dahl, pluralism involves varying degrees of political engagement among citizens, with the ability of individuals to impact political decisions in selected areas of public policy. However, according to **power-elite theory**, if democracy is defined

as popular participation in public affairs, then pluralist theory is inadequate as an explanation of modern US government. Pluralism, according to this view, offers little direct participation, because the elite structure is closed, pyramidal, consensual, and unresponsive. Society is thus divided into two classes: the few who govern and the many who are governed. So, pluralism is covert elitism instead of a practical solution to preserve democracy in a mass society.

Those who subscribe to elite theory often have a paranoid political orientation, the belief that there is a nationwide conspiracy against them. Examples include homosexuals who believe that AIDS was "invented" by the government to destroy them, African Americans who believe that the drug epidemic is encouraged by the government to hurt them, right-wing militia members who believe that the federal government is conspiring to confiscate all firearms in the hands of the citizens, and politicians who—especially during the Cold War—believed that a communist conspiracy was on the verge of taking over the country. In the wake of Hurricane Katrina, there has been considerable discussion that the failure of the levees and the slow government response were part of an intentional plot to eradicate the large African-American population in New Orleans.

This concept was first identified in 1965 by historian Richard Hofstadter in *The Paranoid Style in American Politics*. He found, "there is a vital difference between the paranoid spokesman in politics and the clinical paranoiac: although they both tend to be overheated, over suspicious, overaggressive, grandiose, and apocalyptic in expression." However,

> the clinical paranoid sees the hostile and conspiratorial world in which he feels himself to be living as directed specifically against him, whereas the spokesman of the paranoid style finds it directed against a nation, a culture, a way of life whose fate affects not himself alone but millions of others.
>
> (Hofstadter, 1965, p. 4)

Perhaps the most significant example of the paranoid style in contemporary American politics involves the actions of President Bush leading up to the war in Iraq. President Bush justified the war in Iraq in 2003 partly on the assertion that Iraq had weapons of mass destruction (nuclear, biological, or chemical weapons) and that it was on the verge of using them against the United States or its allies. When no such weapons were found after allied forces occupied Iraq, Bush opponents started to assert with ever-increasing intensity that the president purposely lied to gain public acceptance for the war. Many of them contend that the president knowingly gave false reasons to the Congress and the American public for starting a major war. Bush and his defenders maintained that the problem was just faulty intelligence. Besides, they argued, the war was justifiable on many other grounds as well. Nevertheless, a significant proportion of the US and world population continue to believe that Bush consciously lied about this. Is this an example of the paranoid style at work?

Finally, pluralism has a cultural dimension. Those who espouse this believe that a nation's overall welfare is best served by preserving ethnic cultures rather than by encouraging the integration and blending of cultures. This is in contrast to the assimilationist belief that all immigrants should take their turn in a national melting pot and come out homogenized. But studies have consistently shown this not to be the case. Historian Carl N. Degler wrote, "The metaphor of the melting pot is unfortunate and misleading. A more accurate analogy would be a salad bowl, for, though the salad is an entity, the lettuce can still be distinguished from the

chicory, the tomatoes from the cabbage" (Degler, 1970, p. 296). In recent years, the term has become less fashionable and has been replaced in political rhetoric by the image of a mosaic. Without using the term, then Speaker of the House Newt Gingrich resurrected the melting pot concept in 1995 when he asserted that America is a distinct civilization—and that the way for immigrants to become "civilized" is to accept the mainstream "melting pot" values.

Group Theory

The importance of pluralism and the significance of groups in the democratic political process have been recognized for more than two thousand years: Aristotle noted that political associations were both significant and commonplace because of the "general advantages" that members obtained. One of the first specific references to groups in the American political process was James Madison's famous discussion of factions in *The Federalist*, No. 10 (1787). In Madison's view, the group was inherent in the nature of people, and its causes were unremovable. Therefore, the only choice was to control the effects of group pressure and power. A more elaborate discussion of group theory can be traced to John C. Calhoun's 1853 treatise *A Disquisition on Government*. While essentially an argument for the protection of minority interests, the treatise suggested that ideal governance must deal with all interest groups, because they represent the legitimate interests of the citizens. If all groups participated on some level of parity within the policymaking process, then all individual interests would be recognized by the policy makers.

Modern group theory has taken greater impetus from the work of **Arthur F. Bentley**, **David B. Truman**, and **Earl Latham**. Latham viewed the legislature as the referee of the group struggle, responsible for "ratifying the victories of the successful coalitions and recording the terms of the surrenders, compromises, and conquests in the form of statutes." The function of bureaucrats is quite different, however. They are like "armies of occupation left in the field to police the rule won by the victorious coalition." Although Latham's description was aimed primarily at regulatory agencies, he saw the bureaucrat being deluged by the losing coalitions of groups for more favorable actions despite the general rules established. The result is that "agencies are constantly besought and importuned to interpret their authorities in favor of the very groups for the regulation of which they were originally granted" (Latham, 1952, p. 39).

Latham distinguished three types of groups, based on phases of development: *incipient*, *conscious*, and *organized*. An incipient group is one "where the interest exists but is not recognized" by the potential members; a conscious group is one "in which the community sense exists but which has not become organized"; and finally, an organized group is "a conscious group which has established an objective and formal apparatus to promote the common interest." Latham's incipient and conscious groups are essentially the same as Truman's potential groups, which always exist but do not come together until there is a felt need for action on an issue.

The concept of potential groups keeps the bureaucratic policymaking process honest (or perhaps balanced), given the possibility that new groups might surface or some issues may influence decision-making. The potential groups concept also serves as a counterargument to the claim that group theory is undemocratic. Once the concept of potential group is married to the active role of organized groups, the claim can be made, in Truman's words, that "all interests of society by definition are taken into account in one form or another by the institutions of government" (see Figure 2.7).

So much for the theory. The problem is that, according to political scientist Theodore J. Lowi, too much public authority is parceled out to private interest

FIGURE 2.7
Typical outside forces on a public agency manager

groups, resulting in a weak, decentralized government incapable of long-range planning.

Powerful interest groups operate to promote private goals but do not compete to promote the public interest. Government becomes not an institution that makes hard choices among conflicting values but a holding company for interests. These interests are promoted by alliances of interest groups, relevant government agencies, and the appropriate legislative committees in each issue area. This is furthered by so-called triangles, the mutually supportive relations among government agencies, interest groups, and the legislative committee or subcommittee with jurisdiction over their areas of common concern. (The term was coined by Gordon Adams in 1981 on defense contracting.)

Such coalitions constantly exchange information, services, and money (in the form of campaign contributions from the interest groups to the members of the legislative committee and budget approval from the committee to the agency). As a whole, they tend to dominate policymaking in their areas of concern. These triangles are considered to be so strong that others elected or appointed to control administrative policy as representatives of the public's interest are effectively prohibited from interfering on behalf of the public.

All government agencies rise and fall, are created or dissolved, in response to an ever-changing external environment made up both of broad historical trends and everyday political maneuvering. NASA is a perfect example of this. It began in 1958 as the American response to the space race of the Cold War—certainly a broad historical trend. Political maneuvering by cold warriors in the Truman administration allowed Nazi war criminals such as Wernher von Braun, the German rocket scientist, to give American rocketry a decided boost during the early days of the space program. Morality and ethics aside, von Braun and his team of refugees truly were among the best rocket scientists available to the United States at the time. Sometimes administrative necessity is as strong a force as military necessity. When that necessity lessened in the wake of the Cold War, it was not surprising to see NASA significantly declining in budget and numbers of employees.

NASA continues, however, to maintain its presence and its budget. Partly this is due to new military challenges posed by China and with old competitors like

Russia now a partner with the United States in space ventures. The direct insertion of private sector enterprises into space exploration, rather than just functioning as paid contractors, is another dimension. Perhaps as political scientists reexamine that and other emerging trends—the iron triangle will give way to a more malleable "metal quadrangle" that includes corporate powers and partners.

POWER—THE INTERNAL PERSPECTIVE

Discussions of power and politics go back to Aristotle and other writers from antiquity. All of political theory is concerned with the exercise of power. The ancient field of political theory is now frequently applied to the comparatively young concepts of organization theory. Those who would limit themselves to the wisdom of modern writers are putting on intellectual blinders. Remember, it is frequently said of those who rise to rule the nation's largest organizations that they are "natural politicians." Niccolò Machiavelli is the most famous management and political analyst of the Italian Renaissance. His 1513 book of advice to would-be leaders, *The Prince*, is the progenitor of all "how to succeed" books that advocate practical rather than moral actions. In 1967, British Broadcasting Corporation executive Antony Jay reintroduced Machiavelli's concepts to a modern audience with his bestselling book *Management and Machiavelli*, which applied Machiavelli's insights for managing a state to the problem of power and politics in organizations. Jay concluded that Machiavelli's principles are as valid now as they were 450 years ago because they are "rooted in human nature." According to Jay, "The new science of management is in fact only a continuation of the old art of government." Consequently, "when you study management theory side by side with political theory . . . you realize that you are only studying two very similar branches of the same subject" (Jay, 1967, p. 3).

Ordinary people—as well as scholars—have hesitated to talk about power. For many, power is not a subject for polite conversation. Often power is equated with force, brutality, unethical behavior, manipulation, connivance, and subjugation. Harvard sociologist Rosabeth Moss Kanter contended, "power is America's last dirty word. It is easier to talk about money—and much easier to talk about sex—than it is to talk about power" (Kanter, 1979, p. 65).

This reluctance has resulted in some progress in rethinking how power can be conceptualized. In the first two decades of this century, distinctions are being made between hard and soft power. These distinctions were first posited for assessing foreign policy goals (the term itself originates with Joseph Nye who used soft power as a new and different form of power in a sovereign state's foreign policy), but they show how power can be discussed over a continuum. Hard power is coercive power executed through military threats and/or economic inducements using tangible resources such as the armed force or economic strength. On the other side, soft power was seen as persuasive power deriving from attraction and emulation and grounded on intangible resources such as culture, heritage, and even tourism. As globalization increasingly prevails and nations become more interconnected, soft power—with a reliance on cooperation and, yes, co-optation—emerges as a preferred strategy for defusing complex situations and accomplishing difficult objectives.

Organizational Goals

The traditional thinking is that organizations are institutions whose primary purpose is to accomplish established goals. Those goals are set by people in positions

of formal authority such as elected officials or appointed agency directors. Thus, the primary question for organization managers is how best to design and manage organizations to achieve their declared purposes effectively and efficiently. The personal preferences of organizational members are restrained by systems of formal rules and authority and by norms of rational behavior. But these assumptions about organizations may be naive and unrealistic when organizations are viewed as being complex systems of individuals and coalitions, each having its own interests, beliefs, values, preferences, perspectives, and goals. These coalitions—just like the larger group theory of politics—compete with each other continuously for scarce organizational resources. While the battles between groups such as automobile manufacturers and environmentalists over new clean air regulations often play out in the public spotlight, organizational competition is less obvious but every bit as real. The public may not be aware of a deep competition between agencies within the Department of Homeland Security for control over a newly hired group of agents, although such small-scale battles are quite common.

Under the reality of scarce resources and individual aspiration, conflict is inevitable. Influence—and the power and political activities through which influence is acquired and maintained—is the primary "weapon" for use in competition and conflicts. Within an organization, this weapon of influence can be based on factors ranging from an employee's knowledge and abilities within a given field to a staff member's skill in "sucking up" to the right people. Therefore, to fully understand an organization, we must get beyond its formally established goals and recognize that power, politics, and influence are critically important and permanent facts of organizational life.

Only rarely are organizational goals established by those in positions of formal authority. Goals result from ongoing maneuvering and bargaining among individuals and transitory coalitions. Just as it is with outside politics in general, coalitions tend to shift with issues. Thus, organizational goals change with shifts in the balance of power among coalitions. Organizational goals are important in the same way that organizational power and politics are because they provide the "official" rationale and the legitimacy for resource allocation decisions: who gets which money.

Internal Power Relationships

Power relationships are permanent features of organizations primarily because specialization results in the creation of many interdependent units with varying sizes and degrees of importance that compete with each other for scarce resources. Organization theorist Jeffrey Pfeffer emphasizes this point in his book *Power in Organizations*:

> Those persons and those units that have the responsibility for performing the more critical tasks in the organization have a natural advantage in developing and exercising power in the organization. . . . Power is first and foremost a structural phenomenon, and should be understood as such.
>
> (Pfeffer, 1981, p. 252)

Power is related to dependence. Lower-level organizational members have an arsenal of weapons—such as expertise and personal attractiveness—with which to make others dependent on them. Servants who use their cleverness to take advantage of social betters are stock-in-trade in classic drama. This is an intellectualization of

something we all know instinctively: that some people are treated like prima donnas or "get away with murder" in organizations because they possess some special skill that gives them power in a specific context. The readiest examples are the characters Hawkeye and Trapper from the *M*A*S*H* movie and television series. If they had not been surgeons badly needed at the battlefront, they would have been court-martialed for their college-boy antics.

Other forms of power and influence often prevail over authority-based power—for example, control over scarce resources (office space, discretionary funds, current and accurate information, and time and skill to work on projects), easy access to others who are perceived as having power (important customers or clients, members of the board of directors, someone else with formal authority or who controls scarce resources), a central place in a potent coalition, ability to "work the organizational rules" (knowing how to get things done or to prevent others from getting things done), and credibility (believing that one's word can be trusted). Historian Richard E. Neustadt's landmark analysis of the presidency, *Presidential Power*, asserted that a president's real powers are informal, that presidential power is essentially the power to persuade. Neustadt quotes President Harry S. Truman contemplating General of the Army Dwight D. Eisenhower becoming president: "He'll sit here, and he'll say, 'Do this! Do that!' *And nothing will happen*. Poor Ike—it won't be a bit like the Army. He'll find it very frustrating" (Neustadt, 1960, p. 10).

Jeffrey Pfeffer further defines power as "the ability to get things done the way one wants them done; it is the latent ability to influence people." This definition offers several advantages for understanding organizations. First, it emphasizes the relativity of power. As Pfeffer points out, "Power is context or relationship specific. A person is not 'powerful' or 'powerless' in general, but only with respect to other social actors in a specific social relationship" (Pfeffer, 1981, p. x.). Pfeffer's phrase, "the way one wants them done," is a potent reminder that conflict and the use of power often are over the choice of methods, means, approaches, and/or "turf." They are not limited to battles about outcomes. This point is important because power is often a consequence of organizational specialization. For example, competing organizational coalitions often form around professions: hospital nurses versus paramedics, sociologists versus mathematicians in a university, and business-school-educated staff specialists versus generalists with business experience.

Organizational conflicts among people representing different professions, educational backgrounds, sexes, and ages frequently do not involve goals: they center on questions about the "right" of a profession, academic discipline, sex, or age group to exercise its perception of its "professional rights," to control the way things will be done, or to protect its "turf" and status. This point is important because it reemphasizes that organizational behavior and decisions frequently are not "rational"—not necessarily directed toward accomplishing the formally stated goals of the organization (see Figure 2.8).

All would-be administrators should be aware of the personal danger in possessing significant power. Say the word "power," and half the people hearing it will immediately think of Lord Acton's 1887 statement, "power tends to corrupt and absolute power corrupts absolutely." Certainly, men such as Hitler, Napoleon, Stalin, and Mao all grew more grossly corrupt the longer they held power. But even petty tyrants grow proportionately corrupt. Perhaps the best advice on handling power is attributed to former president Harry Truman who, in a series of interviews collected by a biographer, said—if a person sees power as a situation—and one that is only temporary, then a good outcome is possible. It's when the person sees themselves as the source of power, then they are on the path to "ruination" (Miller, 1974).

FIGURE 2.8
Typical inside forces on a public agency manager

CASE STUDY Housing Ready, Housing First, Housing Not Available—What Comes Next?

The Social, Economic, and Political Context of Homelessness in America

Each year the US Department of Housing and Urban Development (HUD) issues an Annual Homeless Assessment Report to the Congress that includes a point-in-time estimate of America's homeless population. This is regarded as an unreliable measurement. A *New York Times* editorial offered the following rebuke on the eve of the 2021 HUD annual count:

> **How Many Americans Are Homeless? No One Knows**
>
> We don't know exactly how many people are homeless in America. We don't even have a particularly good guess. But the federal estimate relies on local one-night-only head counts of the homeless population, conducted at the end of January, that seem almost designed to produce an undercount. A federal audit recently described the method as unreliable, which means that the government's ignorance is impeding efforts to provide necessary aid to people in desperate need.
>
> (*New York Times Editorial Board*, January 28, 2021)

Nonetheless, by even these annual "under" counts, it's clear that despite major increases in government spending for homeless programs over the last half decade, progress has been slight. HUD's report admits: "For the fourth consecutive year, homelessness increased nationwide." In 2017, the total count ranged from 553,742 (17 homeless for every 10,000), to an estimated 580,000 (18 per 10,000). Comparing the 2017 to 2020

(*continued*)

CASE STUDY *Continued*

counts also shows a decrease in the ratio of homeless staying in sheltered locations (that is, emergency shelters or transitional housing programs [65% to 61%] with an increase in the percent staying on the street, in abandoned buildings, or in other places HUD categorizes as "not suitable for human habitation" [35% to 39%]). (It should be noted that though the overall increase may seem small, the US homeless population counts had decreased for seven years up to 2017 [US Department of Housing & Urban Development, 2017, 2020].)

But who are these 580,000 Americans? One might conclude that there are in fact very different populations—or segments—of the homeless. Figure 2.9 from the National Alliance to End Homelessness's annual follow-on report using HUD's 2019 data breaks down the categories—individuals, families with children, unaccompanied youth, veterans, the chronically homeless, which cut across all strata of our population.

Total Number of People Experiencing Homelessness per Year by Type, 2007–2019

FIGURE 2.9
The demographics of homelessness in the US from 2007 to 2019

Source: National Alliance to End Homelessness (2020)

Some demographic groups are more affected than others are. The homeless are proportionately, male, African-American, and to a smaller extent young. Males are 60.7% compared to 49% of the population, African Americans or Blacks 39.4% compared to only 13.4% of the population, and there is a growing though still small category of young (18–24) who make up 7.8% of the homeless but only 6.4% of the general population. Homelessness is not just an urban problem, but it is easier to find in large cities. The 2020 HUD report found that New York and Los Angeles account for a quarter of all homeless survey count.

The Economic Context

As there are different segments of the homeless, there are different root causes. But one economic factor stands out. It is somewhat ironic that during the Great Recession (2009–2011) and its slow recovery, rates of homelessness were actually stable and slightly declining. In the current economic environment (notwithstanding COVID), disappearing affordable housing is the primary culprit. As a report on the costs of homelessness for the City of Seattle notes:

> There are many triggers of homelessness—an unexpected expense, the loss of a job, poor health, and domestic violence among them. But the rapid decline in the stock of affordable housing means that when people lose their homes, many of them find it hard to find a suitable alternative. As one emergency shelter provider said, "Ten years ago, our community had pockets of cheap motels and apartments. When you hit rock bottom, you could still find a roof. Today, there is no safe place for people to fall to. When crisis hits, you fall to the street."
>
> (Stringfellow and Wagle, McKinsey & Company, 2018)

That report for Seattle and King County put a price tag on alleviating homelessness. By McKinsey's estimates, Seattle spent about $200 million annually on various support and shelter programs. It would need to spend $360–$400 million to actually exit people out of chronic homelessness. According to the report, that larger sum, however, is still less than the $1.1 billion that homelessness is estimated to cost the Seattle-area economy as a result of extra policing, lost tourism and business, and the frequent hospitalization of those living on the streets.

So how much would it cost to end homelessness? A decade ago, officials in the Obama administration announced a plan to end homelessness, starting with the most vulnerable populations: chronic and veteran homelessness by 2015, and homelessness among families, the young, and children by 2020. Asked about the costs, a senior HUD official told the *New York Times* in an interview: "homelessness could be effectively eradicated in the United States at an annual cost of about $20 billion." The housing department's budget for addressing homelessness in 2012 was around $1.9 billion.

As an update, the FY 2021 budget has the federal government spending a modest $2.5 billion annually on homeless assistance grants, the major funding source to help the homeless. But there are numerous other federal programs. Some studies have identified more than 30 federal programs that explicitly flagged homeless individuals, or a subset of homeless groups like youth or veterans, as beneficiaries. The COVID pandemic of 2020 increased that substantially—albeit in the form of emergency spending. First, the CARES Act of March 2020 included $4 billion for homelessness prevention and assistance. The Biden administration's $1.9 trillion America Cares Act upped that to $21.5 billion for emergency rental assistance with $5 billion set aside for emergency housing vouchers and $5 billion for homelessness assistance. Again, these are one-time appropriations tied to increased (but not calculable) increases in long-term homelessness caused by the coronavirus pandemic.

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CASE STUDY *Continued*

Federal funding is but a small part of homeless spending. Major cities and counties are more likely to track spending across all programs. In 2019, the city of New York spent $3.2 billion on homelessness programs, compared with about $134 million from federal programs (including those where homeless individuals are one of several beneficiaries). The city of San Francisco expects to spend $305 million on similar programs in 2019, compared to the $43 million they received in federal funding.

But perhaps another way to see the economic cost of combatting homelessness is to total the costs across all agencies at the county- or community-wide level. One such study was recently done by the California Policy Lab, which tracked government social services spending for identified homeless individuals in Sonoma County.

In Sonoma County, 6,600 people accounted for more than a quarter of the county's jail time and behavioral health costs and more than half of the total nights in housing or shelters provided to the homeless. All told, these individuals, representing just 1.3% of the county's population, put an annual strain of $162 million on Sonoma County's systems of care. The Lab Report itemized the major cost components:

- The average high utilizer spent nearly two months each year in a publicly subsidized inpatient or residential setting, such as a jail, a hospital, or homeless shelter.
- They used at least $27,000 in state and county government services annually.
- Despite making up only 1% of the population, each year they accounted for an average of 28% of behavioral health costs, 52% of nights in housing or shelters for the homeless, and 26% of jail time in Sonoma County.

(High Utilizers of Multiple Systems in Sonoma County, 2020)

The Political Context

Government efforts to deal with homelessness have undergone their own political transition. Social services interventions—in part because they were based in different agencies and dealing with different constituencies—pursued a traditional continuum approach—which was labeled "Housing Ready."

The **Housing Ready model**, also referred to as the "Continuum of Care" model, posits there are certain steps that must be taken before a homeless individual can be considered ready for housing. Following gradual and incremental steps—most Housing Ready programs built in requirements for dealing with alcohol and drug abuse, along with employment and residential skills (being a good neighbor, abiding by lease requirements, paying rents on time, etc.). In the model, individuals must be set up for success, and housing assistance is the reward for successful behavior.

Under the Bush administration, the preferred model for assistance changed to "Housing First." The first priority of the Housing First approach is to help people find and maintain their own housing. Under Housing First

programs, additional services (e.g., job training, health care, and substance abuse treatment) are provided on a voluntary basis and not as a precondition for housing. Every effort is made to provide the services and flexibility to keep people in housing. Housing First was continued under the Obama administration. The Housing First model posits that every person has a right to have access to safe, affordable housing—regardless of other factors or "barriers" that would typically impact the ability to get housing—such as bad credit, previous evictions, employment turnover, and mental health, alcohol, and drug issues. The rationale is that it is easier to overcome these barriers when you have a stable place to stay. But, Housing First also—importantly—makes the assumption that housing is a basic human right.

The Trump administration also continued the Housing First approach—sort of. As national homelessness numbers increased during the first three years, the US Interagency Council on Homelessness (the main federal agency overseeing homeless policy) issued a get tough policy document called "Expanding the Toolbox: The Whole-of-Government Response to Homelessness." While the report favored retaining the basics of Housing First, it complained that many of the failures were attributed to putting people who were not willing to deal with mental illness, drug, or alcohol issues into housing and not requiring them to deal with these issues. This new "get into rehab or get tough" approach was lambasted by critics and homeless advocacy groups. The new toolbox was basically dropped when President Biden won the election.

One other major political development bears mention. Understanding the political environment is more than witnessing elections and administration transitions. Public policy is also affected and even directed by the judiciary. In December 2019, the US Supreme Court refused to hear the appeal of a Ninth Circuit Court ruling City *of Boise v. Martin*, letting stand a ruling that protected homeless people's right to sleep on the sidewalk or in public parks if no other shelter is available. The City of Boise Idaho, as many local governments have done over the year, passed city ordinances prohibiting individuals from sleeping (or setting up tents) on sidewalks in other public places. In 2018, a group of seven homeless people took Boise to court over its "camping ordinance." They prevailed when the Circuit Court ruled that prosecuting people for sleeping on the sidewalks violated the Eighth Amendment's ban on cruel and unusual punishment *if a government entity failed to provide adequate shelter*.

While one might say that this ruling by the Ninth Circuit only affects one part of the country, in fact the nine western and Pacific states within the court's jurisdiction account for almost two-thirds of the country's unsheltered homeless. One might say that the court's ruling is in itself an affirmation of Housing First. Jurisdictions now must provide an adequate number of shelter beds if they are to enforce any kind of ban on sleeping on public property.

New Strategies: The Santa Fe or San Antonio Models

Understanding somewhat the social, economic, and political context of homelessness doesn't mean that solutions are at hand. Nor can government simply throw money at the problem and expect it to be solved or go away.

(*continued*)

CASE STUDY *Continued*

The recently confirmed new secretary of HUD, Ohio Congresswoman Marcia Fudge, was asked how much it would take to address the homelessness problem, and she responded $70 to $100 billion. With the additional $22 billion being provided from Biden's $1.9 trillion relief packages passed, she set a goal to reduce the annual homeless population by 130,000.

But addressing and alleviating homelessness has to happen at the local government level (albeit with adequate levels of state and federal resources). Public administration is now engaged in exploring and examining different innovations from across the nation. Two such approaches have gathered some attention and are briefly summarized for this case discussion.

The San Antonio Model

- San Antonio was one of the early city adopters of moving away from temporary shelters and working in partnership with nonprofits to co-locate transitional housing and services for the homeless in a campus setting.

San Antonio established "Haven for Hope" on a 22-acre campus just outside the downtown, which became fully operational in 2010. It's basically a central service and support campus co-located with law enforcement and social service providers with nearly 20 buildings and 250 employees on site—it is home to around 1,700 people, including 300 kids. Unlike shelters which only provide housing overnight, San Antonio's is more a transitional residential community (it's billed as a Transformational Campus) where a homeless person or family can get housing, education, counselling, and support. While it is a joint government venture—the real work is done through 184 nonprofits on-site that provide services. San Antonio's Haven for Hope cost $100 million, with 40% paid by the city and county and 60% from private investment.

The Santa Fe Model

- Santa Fe is cited as one of 80 cities that have adopted a "Built for Zero" strategy, an administrative philosophy that focuses on better use of data and coordination to tackle homelessness.

To achieve functional zero, a community must have fewer individuals experiencing homelessness than it can routinely house in permanent housing in a single month. The measure includes determining whether communities have built systems that can achieve and sustain functional zero, even if individuals experience housing crises over time. The model first establishes lists of homeless people in the community by name as part of an effort to address individual needs. Although this can be difficult, the city has made progress in contacting and locating people to obtain not just counts but real identification of the individuals who are homeless. This is the first step to match social service and support programs to needs to order to move

different segments of individuals or families from being homeless to having housing.

In November 2020, Santa Fe used $2 million in CARES Act funds along with $6 million from a nonprofit organization to buy a defunct hotel to create 122 affordable studio apartments for people without housing or struggling to keep their homes through the economic crisis.

Case Discussion Questions

1. Homelessness is first and foremost a local government problem, but to what extent should state and federal government be involved in helping address the problem? Are there segments of the homeless population (for example veterans or runaway or unaccompanied youth) for whom you think an intergovernmental approach is better?
2. Which model—the San Antonio approach as a partnership on-site with nonprofits and other charitable organizations, the Santa Fe approach, where agencies work in close collaboration tracking homeless populations, or some other—do you think might enable the social sector to make progress in reducing homelessness?
3. Do you know what your city's/county's approach to homelessness is? Is there an adopted policy on sheltering and support services? Does your city/county contract with external providers for shelters or operate facilities directly? Does your city/county know what it spends on homelessness annually?

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Bentley, Arthur F. The political scientist who was the intellectual creator of modern interest group theory.

Constitutional Convention of 1787 The meeting in Philadelphia, held from May 25 to September 18, at which 55 delegates from the various states designed the US Constitution.

Decision rule Any directive established to make decisions in the face of uncertainty. For example, a payroll office might be given a decision rule to deduct one hour's pay from an employee's wages for tardiness that exceeds 10 minutes but is less than one hour.

Downs, Anthony The economist and policy analyst who is generally credited with establishing the intellectual framework for public choice economics in his book *An Economic Theory of Democracy* (1957). His classic book on bureaucracy, *Inside Bureaucracy* (1967), sought to justify bureaucratic government on economic grounds and to develop laws and propositions that would aid in predicting the behavior of bureaus and bureaucrats.

Executive privilege The presidential claim that the executive branch may withhold information from the Congress or its committees and the courts to preserve confidential communications within the executive branch or to secure the national interest.

Incremental decision-making model A view of the public policymaking process that assumes that small decisions made at the margins of problems are the usual reality of change. The classic statement of this concept was offered by Charles Lindblom in his 1959 article in *Public Administration Review* entitled "The Science of Muddling Through."

Lasswell, Harold D. One of the most influential and prolific of social scientists. While he made major contributions to the fields of communications, psychology (he pioneered the application of Freudian theory to politics), political science, sociology, and law, his most lasting legacy is probably his pioneering work in developing the concept and methodology of the policy sciences, in his classic 1936 book *Politics: Who Gets What, When, How*.

Latham, Earl The group theorist whose *The Group Basis of Politics* (1952) asserted that government itself is a group just like the various private groups attempting to access the policy process.

Lindblom, Charles E. The Yale University political scientist who since the 1950s has been asserting that incrementalism is the most viable approach to understanding how public policies are made.

Locke, John (1632–1704) The English physician and philosopher whose writings on the nature of governance were a profound influence on the founding fathers. It is often argued that the first part of the Declaration of Independence, which establishes the essential philosophic rationale for the break with England, is Thomas Jefferson's restatement of John Locke's most basic themes.

Pluralism A theory of government that attempts to reaffirm the democratic character of society by asserting that open, multiple, competing, and responsive groups preserve traditional democratic values in a mass industrial state. Pluralism assumes that power will shift from group to group as elements in the mass public transfer their allegiance in response to their perceptions of their individual interests.

Power-elite theory The belief that the United States is basically ruled by a political, military, and business elite whose decisional powers essentially preempt the democratic process. C. Wright Mills (1916–1962) wrote in *The Power Elite*, "the leading men in each of the three domains of power—the warlords, the corporation chieftains, the political directorate—tend to come together to form the power elite of America."

Public choice economics An approach to public administration and politics based on microeconomic theory that views the citizen as a consumer of government goods and services. It would attempt to maximize administrative responsiveness to citizen demand by creating a market system for government activities in which public agencies would compete to provide citizens with goods and services.

Rational decision-making model A view of the public policymaking process that assumes complete information and a systematic, logical, and comprehensive approach to change.

Separation of powers The allocation of powers among the three branches of government so that they are a check on each other. This separation, in theory, makes a tyrannical concentration of power impossible.

Street-level bureaucrats Those public officials who are literally closest to the people by being in almost constant contact with them. Examples are police officers, welfare caseworkers, and teachers. Perhaps the most seminal work on this is by Michael Lipsky in his 1980 book *Street-Level Bureaucracy*, which has been recently released in a 30th-year anniversary edition.

Taft, William Howard (1857–1930) The only person to be both president of the United States (1909–1913) and chief justice of the Supreme Court (1921–1930).

Truman, David B. A political scientist whose principal work, *The Governmental Process* views group interaction as the real determinant of public policy.

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CHAPTER 3

The Social Equity Imperative in Public Administration

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HOW AND WHY THIS CHAPTER IS DIFFERENT AND HOW TO APPROACH IT

This chapter offers a critical, intersectional view of social equity that problematizes the concept and disentangles it from related concepts like

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equality, diversity, and social justice. It takes a normative stance that social equity is ethically necessary for a healthy democracy and roots that stance in well-established legal and political philosophy. It provides empirical evidence—primarily through examples of public policies and Supreme Court cases—to illustrate structural causes and consequences of inequity in US democracy.

The purpose is to help public administrators design and implement policies and systems that rectify persistent inequities and prevent them (or new ones) from reappearing in different forms. It also acknowledges that not all public administrators or the constituencies they serve agree as to whether equity should be advanced and, even if they agree to that, to how it should be advanced. However, given the increased attention paid to equity in public discourse and administration, it is unlikely that public administrators will escape debates about equity, including how and whether to implement and fund policies to promote it. To engage successfully in those discussions, it is important to have a robust understanding of equity and its role in public administration to date.

Often chapters on social equity in public administration textbooks tell a story of advancement, from slavery and segregation to a time in which those practices are illegal, with legal protections for many groups who have historically faced *de jure* and *de facto* discrimination: women, racial and ethnic groups, LGBTQ+, and people with disabilities, among others. While the United States has undeniably made real advances in promoting equality before the law, it has not translated into widespread equity. One part of the explanation for why is definitional—equity and equality are different but related concepts. A second part of the explanation is structural—inequities are embedded in systems and difficult to undo. A third part of the explanation is related to policy and administration.

As you read this chapter:

- think critically about whether and how the distinction between the concepts equality and social equity matter
- pay attention to how the system of checks and balances embedded in the separation of powers plays out in our federal system to sometimes advance and other times reverse social equity
- interrogate the relationship between historical context and current reality
- reflect on how where you live, where you were born, and how you identify and how they are related to your understanding of, and experience with, social equity

Jennifer Shea, Professor, San Francisco State University

KEYNOTE: Voting and Equity—Why It Matters

President Barack Obama took his oath of office on January 20, 2009. (The photo is for his second term in 2013). For the first time in history, a Black, biracial man held the office of president and a Black family inhabited the White House. As President Obama was sworn into the highest office in the land, many had high hopes for racial equity in the United States. Supporters heralded Obama's victories as a sign that the country was moving to be more inclusive and equitable, away from

The inauguration of President Obama 2009

Source: Corbis

prejudices that characterized people of color as somehow inferior to White people. At the same time, some pundits questioned Obama's qualifications for office, despite him having graduated from the best preparatory school in Hawaii, then from Columbia University and Harvard Law School. The pundits falsely claimed that he was not a US citizen by birth (a qualifier for presidential candidates) and fueled a host of racist and other prejudicial rumors about Obama's background.

His campaign mobilized record voter turnout, especially among young voters and those who identified as Black, Hispanic, or women. Many of these votes were cast by first-time voters—either because they had never been eligible to vote or because they felt disenfranchised. Obama's victory in 2008 hinged on these voters, winning 69% of first-time voters, 66% of Black voters, 67% of Hispanic voters, 62% of Asian voters, 70% of LGBT voters, well over 50% of lower-income voters (less than $50,000 per year), and 56% of women. He won handily, with 53% of the popular vote overall. In 2012, he was elected to a second term, winning 51% of the popular vote fueled by a similarly diverse voting demographic. With Obama's victories and such diverse voter turnout, some were questioning whether the United States still needed civil rights–era voting protections, pointing to this diversity as a sign of positive change in the country. Others warned, "there's going to be hell to pay for this"—anticipating a backlash from White voters in future elections.

In 2016, Donald J. Trump was elected with 57% of the popular vote, fueled largely by White evangelicals, winning 58% of White voters and 60% of Protestants. In 2020, Joe Biden was elected president, also with 57% of the popular vote in an election that saw the highest turnout in a century, with 67% of the electorate casting ballots. With that victory, Kamala Harris became the first woman, the first Black American, and the first South Asian American to be elected vice president.

Theirs was only the second presidential ticket in US history not to feature a White Anglo-Saxon man and was supported by a majority of voters of color and women.

In the face of this decisive loss, Donald Trump and his campaign perpetuated the "**Big Lie**"—the false accusation that the 2020 presidential election was tainted by election fraud. Trump and some of his allies had been feeding unfounded fears of election impropriety for years before, citing concerns related to weak voter identification and verification practices, missing ballots, ballot-box stuffing, and outdated voter rolls that, in effect, target lower-income voters and voters of color. These claims were investigated thoroughly, and several mandated recounts completed, including the high-profile cases in the state of Georgia and in Maricopa County, Arizona. All confirmed Biden's victory and electoral integrity.

Few would contest the assertion that equitable access to voting rights is fundamental to a functioning democracy. After all, voting rights are enshrined in the US Constitution and upheld by federal legislation (the 1965 Voting Rights Act) and subsequent court decisions. However, more than 55 years after the Voting Rights Act was enacted, voting rights protections and restrictions remain hot topics for debate. Proponents of restricting voting rights argue that equal treatment under the letter of the law is sufficient for ensuring equal access to voting rights and often express concern for the need to protect the sanctity of elections from voter fraud and other wrongdoing. While there has been little evidence of widespread voter fraud in American elections, ample evidence shows that instituting these restrictions (allowed under the guise of procedural equality) results in disenfranchisement and exclusion for the same groups historically and systematically denied the right to vote. There is no more egregious example than former president Donald Trump's false claims of election fraud and subsequent attempts to tamper with election results and independent verification processes.

Voter disenfranchisement has historical roots in state and local government actions that discourage Black Americans and members of other communities of color from voting, despite a constitutional amendment and federal enforcement protecting voting rights for all citizens. **Disenfranchisement** directly limits who participates in electoral politics (who votes and who is elected), with consequences for representative democracy, democratic responsiveness, and legitimacy. By limiting political participation and voice, disenfranchisement has worked in favor of those wanting to prevent the adoption of policies meant to level the political and socioeconomic playing fields made uneven by exclusionary and discriminatory public policies.

VOTING RIGHTS IN THE CONSTITUTION

The US Constitution is a good starting point for understanding equity in voting rights. Enacted in 1789, the Constitution did not provide an explicit right to vote but left matters of running and regulating elections to the states. States determined who was eligible to vote and when and how voting took place. At the time, most states limited voting rights to White, property-owning men; some further limited those rights to Christian, White, property-owning men. Over the next 100 years, some states gradually expanded voting rights to include White men who did not own property.

During another 100-year period (1870–1971), a series of constitutional amendments gradually extended the right to vote to more groups of citizens (Table 3.1). With the ratification of the Fifteenth Amendment in 1870, access to voting rights for people of color was constitutionally protected and the US Congress was

TABLE 3.1

Constitutional Amendments Extending Voting Rights Protections

Amendment	Year Ratified	Protection Shorthand	Direct Quotation
15	1870	Black men	"The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude."
19	1920	Women	"The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of sex."
24	1964	Poor, low-income	"The right of citizens of the United States to vote in any primary or other election for President or Vice President, for electors for President or Vice President, or for Senator or Representative in Congress, shall not be denied or abridged by the United States or any State by reason of failure to pay any poll tax or other tax."
26	1971	Young adults	"The right of citizens of the United States, who are eighteen years of age or older, to vote shall not be denied or abridged by the United States or by any State on account of age."

empowered to enact legislation to protect those rights. Native Americans born in the US were not granted citizenship until the enactment of the Indian Citizenship Act in 1924. Even then some states still banned Native Americans from voting until the middle of the 20th century, with Utah being last to grant Native Americans the right to vote in 1962.

Fifty years passed before voting rights for women were protected and Congress was empowered to protect those rights, with the ratification of the Nineteenth Amendment in 1920. Another 44 years passed before the ratification of the Twenty-Fourth Amendment in 1964, which prevented states from requiring voters to pay a poll tax to exercise their right to vote in federal elections (note this protection does not extend to state or local elections). Ratified in 1971, the Twenty-Sixth Amendment extended the right to vote to any citizen 18 or older. Notably, these amendments protect voting rights only for citizens of the United States, defined in the Fourteenth Amendment as "all persons born or naturalized in the United States, and subject to the jurisdiction thereof."

FEDERAL VOTING RIGHTS LEGISLATION

These constitutional amendments signaled progress toward equality for all citizens by protecting the right to vote for all citizens. While some supported these signs of progress, others pushed back and sought to restrict voting rights at the state level. Some state legislatures (especially southern states) used policies such as poll taxes and literacy tests to reduce voting among people of color, Native Americans, immigrants, and low-income populations. These policies were very effective and went largely unchallenged for decades until Congress passed the Voting Rights Act (VRA) of 1965.

The VRA is considered one of the most successful pieces of legislation enacted by the US Congress during the **civil rights era**, a period from the 1950s to the 1970s when advocates, activists, and policy makers alike mounted sweeping challenges to inequality in the United States, whether that inequality was ***de facto*** (in fact, tolerated) or ***de jure*** (produced and protected by law). Designed to make sure state and local governments could no longer pass laws or policies that denied citizens the right to vote based on race and other **immutable characteristics**, the Voting Rights Act was expanded several times: in 1975 to protect linguistic minorities, in 1982 to require accommodations and protections for voters with disabilities, and in 1993 to allow voter registration at motor vehicle departments. Congress also reauthorized the act four times, most recently in 2006, for a period of 25 years.

Section 5 of the Voting Rights Act was enacted to prevent jurisdictions with histories of using "tests or devices" (like literacy tests or proof of good moral character) to restrict voting rights from adopting new restrictive voting policies, by subjecting any changes in election procedures to federal oversight. Section 4b of the VRA established a "coverage formula" to determine which state or local jurisdictions would be subject to that oversight; jurisdictions would be covered if they had voter registration rates below 50% in 1964 and used a "test or device" in registering voters that year. The definition of "test or device" was expanded in 1975 to include providing ballots only in English in jurisdictions where 5% or more of voting-age citizens were of a single linguistic minority. With this expanded definition and other changes in the coverage formula made in the 1970s, nine states were fully covered, and eight others were partially covered by 4b. These provisions have been widely recognized for their effectiveness in preventing covered states from implementing changes to disenfranchise voters. In addition, Congress has enacted several other pieces of legislation to protect voting rights.

For example, the Voting Accessibility for the Elderly and Handicapped Act of 1984 was enacted to require states to take certain steps to make the voting process for federal elections accessible to voters with disabilities and voters who are elderly. In 1986 Congress enacted the Uniformed and Overseas Citizens Absentee Voting Act (UOCAVA) to require all states and territories to allow three groups of citizens (members of the United States uniformed services and merchant marine; their family members; and other United States citizens residing outside the United States) to register and vote absentee in federal elections.

To remove barriers and improve access to voting for all Americans, in 1993 Congress enacted the National Voter Registration Act (NVRA), commonly called the *motor voter law* because it requires states to provide citizens with the opportunity to register to vote at the same time and place where they apply for or renew a driver's license (typically the state Department of Motor Vehicles) and requires the state to send the completed application to the designated state or local elections officials. The NVRA imposes two other voter registration requirements on states—one to offer voter registration at all offices that provide public assistance and all offices that provide state-funded programs serving people with disabilities and another that allows citizens to register to vote by mail using forms developed by each state in conjunction with the US Election Assistance Commission. It also includes provisions regarding how states should administer voter registration and requiring them to maintain accurate and current voter registration lists.

The NVRA applies to federal elections in 44 states and the District of Columbia, and many states have extended it to cover all state and local elections. Six states (Idaho, Minnesota, New Hampshire, North Dakota, Wisconsin, and Wyoming) are exempt from the NVRA because, on and after August 1, 1994, they either had no

voter-registration requirements or had election-day voter registration at polling places with respect to elections for federal office. Within a month of the NVRA's enactment, the US Department of Justice filed a series of lawsuits in response to states' refusals to comply with its provisions and challenging its constitutionality. States involved in this first round of litigation include California, Illinois, Michigan, Mississippi, Pennsylvania, New York, South Carolina, Vermont, and Virginia. The courts upheld NVRA's constitutionality and ordered states to comply with its provisions.

Signed into law by President George W. Bush in 2002, the Help America Vote Act establishes minimum standards that states are required to follow in several areas of federal election administration, including voting systems, voter registration databases, and provisional ballots. In addition, it established the US Election Assistance Commission to serve as a clearinghouse for election administration information and provided for funding to help with compliance.

Then in a 2013 landmark decision in *Shelby County v. Holder* (570 US 529 [2013]), the US Supreme Court struck down the Voting Rights Act's Section 4b's coverage formula on the basis that it had not been updated in nearly 50 years. The Court did not strike down Section 5 but rendered it inoperable with the decision because it eliminated the formula for determining which states would be considered covered and therefore none could be subject to Section 5's oversight requirements. The Court did not rule on Section 5 but indicated Congress would need to establish a new formula to replace 4b to render Section 5 operable again. This ruling reversed precedent established in many Court cases and as recently as 2009 in *Northwest Austin Municipal Utility District No. 1 v. Holder* (557 US 193 [2009]).

Jurisdictions that had been covered under Section 4b of the Voting Rights Act moved swiftly to enact legislation that had been blocked by federal oversight prior to the ruling in *Shelby v. Holder*. States including Alabama, Mississippi, North Carolina, and Texas enacted strict voter identification laws. These actions marked the beginning of more widespread attempts to restrict voter's rights that are tied to the "Big Lie." For example, between January 1 and September 30, 2021, 21 states had enacted 41 "anti-voter" bills restricting voting rights.

On August 24, 2021, the US House of Representatives passed the John R. Lewis Voting Rights Advancement Act of 2021, which establishes new criteria for Section 4b's coverage formula for determining which states and political subdivisions are considered covered and subject to Section 5's oversight, requiring that they obtain preclearance before enacting any legal changes that would affect voting rights. On October 6, 2021, it was placed on the Senate's legislative calendar as Senate Bill 4 (S.4; Calendar No. 143), with debate ongoing through the time of writing in mid-November. In response to the Court's ruling in *Shelby v. Holder*, the bill updates 4b's coverage form and stipulates that a state and its political subdivisions are subject to preclearance for 10 years if any one of the following conditions are met:

- 15 or more voting rights violations occurred in the state during the previous 25 years.
- 10 or more violations occurred during the previous 25 years, at least one of which was committed by the state itself as opposed to one of its political subdivisions.
- Three or more violations occurred in a political subdivision during the previous 25 years.

A flurry of at least 15 other bills related to voting rights were introduced in the first year of the 117th Congress in 2021, in reaction to documented violations of voting

rights in some states and former president Trump's false accusations about election fraud in his 2020 failed reelection campaign. However, partisan divisions in Congress threatened the likelihood that any federal legislation aimed at protecting voting rights would be passed. For example, in October 2021, Senate Republicans blocked debate on the Freedom to Vote Act, originally introduced by Senator Amy Klobuchar, to help mend the patchwork of state and local election laws. It included provisions to create national standards for early voting, voting by mail, voter identification, and voter registration. According to the Voting Rights Lab, none of the proposed legislation on the 2021 federal legislative agenda could effectively counter many of the restrictive state laws passed. They emphasize the importance of "continued vigilance and activism on the state level."

Public administrators at many levels—from state and local election officials to staff in Departments of Motor Vehicles to the US Department of Justice and Department of Defense—will find themselves on the front lines of reckoning with voting rights restrictions and protections for years to come. The decisions they make will have real consequences for American democracy and its promise of equality.

PUBLIC ADMINISTRATION'S PURSUIT OF SOCIAL EQUITY

The Trump and Biden administrations have faced one of the most formidable challenges of our time—the COVID-19 pandemic. Its implications for social equity are undeniable. At the time of writing, more than 700,000 people have died from COVID-19 in the United States alone. They are disproportionately low-income people. The COVID-19 pandemic has laid bare a myriad of overlapping equity issues often clumped together under the label of social equity—racial, economic, gender, health, housing, criminal justice, and education (among others).

These disparities are not so surprising in light of concurrent disparities in funding. Recent research reveals that 30% of public spending supports programs that reinforce racial disparities to some degree, including education, where school districts with high concentrations of Black student populations receive $1,800 less per student on average than comparable districts without a concentration of Black students. The pre-pandemic racial gap in life expectancy of 3.5 years, driven by limited access to health care and other factors, translates into the loss of lives for 2.1 million Black Americans who could otherwise still be alive (Stewart et al., 2021, p. vi). These overlapping racial and health inequities intersect with inequities in income and housing, so that Black renters (and Black women in particular) face the highest eviction rates, while evictions are associated with higher COVID-19 infection and mortality rates (Benfer et al., 2021). In other words, income, race, and gender are important predictors of inequitable outcomes in housing and health. Amidst social movements, protests, policy interventions, and financial struggles, public administrators find themselves struggling to understand how these inequities came to be so persistent and what (if anything) they should do to promote social equity.

Today practitioners, educators, and researchers are all being called on to pay critical attention to social equity in their work. However, there are real and well-documented challenges to doing that work well, including (1) understanding the concept of social inequity and why it persists, (2) recognizing the structural factors and historical context of advances and reversals in social equity in specific policy areas, (3) knowing which policy tools and mechanisms have the potential to advance social equity and which have perpetuated inequities. The remainder of this chapter addresses each of those challenges in turn.

To get at the definitional part of the explanation for why inequity persists, the chapter unpacks the concept of social equity, disentangling it from related concepts like equality and diversity, and takes a closer look at some specific equities that fall under the umbrella of social equity. Next, it delves into historical explanations and structural features of American governance that have both facilitated advances and caused setbacks for social equity. Those structural features are rooted in constitutionalism, the separation of powers, and federalism. The chapter then takes a closer look at the role of policy and administration, focusing on examples from equal employment opportunity and anti-discrimination policies. It concludes with recommendations for moving forward for those interested in advancing social equity in practice.

Understanding Social Equity: A Deep Dive

By the late 1960s, serious questions were being raised concerning the state of the discipline and profession of public administration. Dwight Waldo, then editor-in-chief of *Public Administration Review*, noted that public administration was "in a time of revolution" and convened a conference (known as Minnowbrook I) of younger academics in public administration to meet at Syracuse University's Minnowbrook conference site in 1968. The goal of the meeting was to identify what was relevant about public administration and how the discipline had to change to meet the challenges of the 1970s. **H. George Frederickson**, a professor at the University of Kansas, contributed a paper, "Toward a New Public Administration," which called for social equity in public management and service delivery. He argued that a focus on social equity was needed to challenge the predominance of efficiency and economy as pillars of public administration and bring theories of democratic governance into the field. His argument resonated with many of his colleagues so that by the late 1960s social equity had become "a feature of public administration with an attendant set of concepts and a cluster of shared values" (Frederickson, 2005, p. 32).

Part of a paradigmatic shift in the field, away from the idea that public administrators were (and should be) value-neutral and toward a recognition that administrators have to contend with sometimes conflicting public service values (responsiveness, worker and citizen participation in decision-making, social equity, citizen choice, and administrative responsibility) and find ways to resolve them in their work. Dubbed the **new public administration**, it called for a proactive administrator with a burning desire for social equity to replace the traditional, impersonal, neutral bureaucrat. Its emphasis on social equity, originally and currently, is rooted in a recognition that procedural democracy in the United States frequently has failed to address systemic inequalities and, even when it has, change has been incremental or incomplete.

While Frederickson's call for the new public administration to social equity was discussed by many, it was heeded by few in practice. Some critics argued that the basic problem with the new public administration's call for social equity was that it was also a call for insubordination—something not lightly tolerated in bureaucracies. **Victor Thompson** immediately attacked the new public administration movement in his aptly titled *Without Sympathy or Enthusiasm* as an effort by left-wing radicals to steal the popular sovereignty.

Nonetheless, the subsequent Minnowbrook II (1988) and III (2008) conferences reaffirmed the field's commitment to social equity. It seemed to some that new public administration had triumphed after a quarter century, reinforced by changing public attitudes, the reinventing government movement, and civil rights laws. But not everyone agreed, and over the next 10 years the call for a need to reinvigorate attention to social equity in public administration began to receive

increasing attention. In 2018, a group of leading scholars and practitioners at the Minnowbrook at 50 (MB50) concluded that the field's attention to social equity had waned since Minnowbrook I, concluding, "as a discipline and practice, we have not adequately anchored social equity to the foundation of public administration, and thus a call to action is warranted" (Blessett et al., 2019, p. 283).

Leading scholars agree that one important challenge for advancing social equity in practice is that there is a lack of conceptual clarity in the term (e.g., Blessett et al., 2019; Gooden and Portillo, 2011). That challenge has three components: (1) distinguishing social equity from closely related concepts like equity and equality, (2) disentangling social equity from its conceptual subunits like diversity, inclusion, and **representative bureaucracy**, and (3) understanding social equity as an intersectional concept.

Distinguishing Social Equity From Closely Related Concepts

Equity is considered a synonym for fairness. It is often distinguished from equality (as sameness) with illustrations like staggered starts on a racing track or different size boxes enabling people of different heights to see over a tall fence. Those illustrations are meant to show that treating everyone the same is not always fair when individual immutable characteristics (like height in the case of the fence) or broader conditions (like the distance of the outside lane of a race track, which is 40 to 50 meters longer than the inside lane) are likely to affect the outcome (seeing over the fence or finishing the lap in a given time). The moral equality of all people is laid out in the Declaration of Independence and encoded in the Fourteenth Amendment to the US Constitution. As the voting rights keynote to this chapter illustrates, moral equality has not always been enshrined in law and, even when it has, it has not always been enforced. In fact, entire groups of people—Blacks, immigrants, women, poor, young, old—have been systematically denied the right to vote, and the struggle to uphold equal access to voting rights continues. The resulting inequities perpetuate and exacerbate inequities in other areas.

Equality is conceptually close to equity, at least in some ways. For example, following in the tradition of **John Rohr**, a scholar of the constitution and public service ethics, his disciples adopt equity to replace equality as one of a set of constitutionally grounded regime values like liberty and property that should guide bureaucrat's decision-making and actions (Dudley et al., 2020). The concept of equity recognizes that the moral equality of all people laid out in the founding documents of the United States does not account for real inequalities in where and how we start out in life or how those inequalities relate to where we end up. Most fundamentally, shifting from equality to equity moves focus from sameness of treatment (regardless of individual characteristics or societal conditions) to a concern for fairness with concern to access (ability to participate without interference) and outcome (actual participation).

Shifting from equity to social equity moves us beyond a focus on individuals to groups, often defined by common characteristics like race, ethnicity, gender, and sexual orientation. Moreover, the concept of social equity recognizes the structural roots of social and economic disparities as well as their ties to individuals' identity-based group memberships, ascribed by immutable characteristics like race, ethnicity, and gender and aims to resolve the resulting inequities. The fairness dimension of social equity recognizes that while individual outcomes may still vary greatly in a socially equitable society, those differences in outcomes will not be strongly associated with group characteristics like race, ethnicity, or gender or social conditions like income or education that often intersect with those characteristics (Johnson and Svara, 2011).

TABLE 3.2

Five Complex, Enduring Questions

Question	Decade
What is the context for equality?	Pre-1960s
Who is "we"?	1960s–1970s
How much inequality exists?	1980s–1990s
Why does social inequity persist?	2000s–2010s
How is accountability for social equity achieved?	2010s–present

Gooden (2015) outlines the shift from focusing on equality to social equity in relation to "five complex, enduring questions" (p. 210) that emerge over decades and bridge research and practice (Table 3.2). The questions about why social inequities persist and how accountability for social equity is achieved that have been the focus of the 2000s also bring attention to the systemic causes and consequences of persistent inequities. That shift recognizes enduring historical legacies embedded in US policies, governance, and economic structures. In the last decade, it has brought increased attention to the responsibility of public administrators in perpetuating social inequities (even if unwittingly) and their corresponding responsibility to work to rectify those inequities.

The terms *social equity* and *social justice* are often used interchangeably—essentially as synonyms—or as complementary and reinforcing concepts that go undefined and undistinguished. The connection to justice is attributed to **John Rawls**, a political philosopher concerned with resolving the tensions between democracy's commitment to liberty and equality. In his 1971 seminal work *A Theory of Justice*, he first introduced the theory of justice as fairness and continued to develop it throughout his career, and as recently as in his 2001 book *Justice as Fairness*. In essence, Rawls argues that democracy will benefit from a sense of justice that goes beyond mere legitimacy in the exercise of political power and rule of law. Instead, he recognizes that legal, political, and economic institutions impose and reinforce a social order that may be inherently unjust, conferring privilege on some and correspondingly disadvantage on others, based on conditions associated with their birth (e.g., gender, race, ethnicity, socioeconomic status). As follows, in a just society, institutions should be designed to protect basic equality and liberty for all, allowing for inequality under one of two conditions: (1) equality of opportunity, so that everyone has the same opportunity to hold positions of power, influence, and wealth and to enjoy the privileges that come with those positions or (2) inequality based on providing the greatest benefit to the least advantaged members of society, so long as no one is made worse off.

DISENTANGLING SOCIAL EQUITY FROM ITS CONCEPTUAL SUBUNITS

The five questions Gooden identified correspond to scholarship in the field and help highlight a preponderance of research on representative bureaucracy, anti-discrimination policies, and diversity published beginning in the 1980s and

continuing into the 2000s. While that research fits under the umbrella of social equity, it focuses on conceptual subunits of social equity like representative bureaucracy, diversity and diversity management, cultural competency, and equality in the workplace rather than engaging with social equity's conceptual entirety (Gooden and Portillo, 2011). Research related to those subunits has proven valuable in shedding light on persistent inequalities along race, gender, and class lines and in bringing attention to questions about their structural causes and consequences. For example, there is rich and robust literature focused on equal employment, particularly for women and racial/ethnic minority groups (e.g. Guy, 1993, 2010; Kellough and Naff, 2004; Naff, 2001, 2018; Riccucci, 1997, 2009; Riccucci and Saidel, 1997).

This research helped illuminate how prejudice and discrimination (individual beliefs or actions) are distinct from systemic racism or gender bias (with institutional and structural explanations). These studies also shed light on the challenges of implementing initiatives meant to promote diversity, representative bureaucracy, and affirmative action in organizational practice. Their contributions are too numerous to catalogue here and have been reviewed thoroughly in many other publications (see, for example, Blessett et al., 2019). The relevance of these studies to practice can be traced to some key policy developments starting with the civil rights era and continuing to the present day.

For example, women have been the greatest beneficiaries of **Title VII** protections. Part of this is the rate of advancement in education. Since the 1990s women have higher rates of being in college, and more importantly completing college (37% of women in their twenties have a BA degree compared to 30% for men) and they are more likely to have an advanced degree. Pew Reports in a 2012 study, "Women in Leadership," that women earned 60% of all master's degrees and 51% of all doctorates. Male advantage is primarily in two areas: MBAs, where women have only 34% of graduate degrees, and the STEM programs—science, technology, engineering, and math—where degrees have increased, but actual presence in the workforce is lacking. Women are making some progress in law (34% of all professional jobs—but only 20% of partners and about 25% of all federal and state judges). Women hold 30% of the physician jobs. It may well be that Silicon Valley and the lab remain the last bastions of male dominance. While some complain of a **glass ceiling** that many women find difficult to break through, many others are happy to note that it is only a matter of time before it gives way to the sheer numbers of who graduates and who is in the workforce.

An Intersectional Perspective on Social Equity

By the 2000s, some public administration scholars started to shift their focus from single dimension equity concerns (i.e., race *or* gender) to concerns about how individual characteristics like gender, race, age, and class intersect to create systemic advantages and disadvantages in outcomes that can be predicted based on those intersecting characteristics (Guy and McCandless, 2012). Though the term *intersectionality* did not exist until Kimberlé Crenshaw coined it in 1989, the overlapping and reinforcing nature of various inequalities had been recognized by some for many years. For example, in 1967 Mosher wrote, "we know there is a connection between housing distribution and the quality and equity of education, between school dropouts and delinquency, between the location of a throughway and demography, land values, and public finance" (Mosher, 1967, 325).

Taking an intersectional perspective on social equity recognizes that social categories like race, class, gender, and disability are interrelated and embedded in

interlocking patterns of power that create and sustain systems of inequality or domination. It requires you to explore how group classifications like race, class, and gender have been socially constructed, meaning developed based on long-held, often unquestioned societal views that are not scientifically defensible and that do not exist objectively or naturally. Social constructions perpetuate negative or positive views of entire social groups based on where they fit (or seem to fit) in one or more of those groups and ascribes strong or weak societal power to them (Schneider and Ingram, 1993). Taking an intersectional perspective further requires you to consider whether and how an individual's identity characteristics interact with one another and their social constructions to exacerbate or ameliorate their experiences of social exclusion or marginalization and life outcomes (Johnson et al., 2018). For example, young Black men and women are often constructed as weak, whether negatively as "deviants"—system-involved criminals, gang members, or drug addicts—or positively as "dependents"—mothers and children reliant on public assistance programs like food stamps or welfare.

Intersectionality—A Definition of a Concept

Legal scholar Kimberlé Crenshaw coined the term intersectionality in 1989, as a Black feminist critique meant to shed light on the limitations of anti-discrimination law, anti-racist politics, and mainstream feminism. Published in the University of Chicago Legal Forum, the article "Demarginalizing the Intersection of Race and Sex" reviewed three Title VII court cases and their seemingly contradictory decisions about whether and how Black women could make claims as a group. Crenshaw argued that the courts failed to recognize unique and compound challenges Black women have faced as a group and the relationship between those challenges and their overlapping identities as Black and as women. The concept of intersectionality gradually gained popularity in critical legal studies, women's studies, sociology, public administration, and other fields, gaining widespread visibility during the 2017 Women's March on Washington. The term can now be found in many online dictionaries, including Merriam Webster, where it is defined as "the complex, cumulative way in which the effects of multiple forms of discrimination (such as racism, sexism, and classism) combine, overlap, or intersect especially in the experiences of marginalized individuals or groups."

Importantly, an intersectional perspective is change-oriented, specifically oriented to effecting change to achieve broad-based social equity and social justice (Furtado and Banks, 2016). From this perspective, social equity can be viewed as a process and an outcome. For example, social equity as an outcome ultimately means that an individual's intersecting identity characteristics could not reliably predict their life outcomes or be associated with disparities like income or educational attainment. As a process, social equity would advance policies to dismantle systems that perpetuate inequitable outcomes. Some public administrators have begun referring to this shift in practice as moving from doing good for the most people to doing the greatest good for the most vulnerable. It involves two strategies—one focused on treating people in similar circumstances the same to promote equality and another focused on treating people in different circumstances differently, in order to promote equity and rectify injustices.

The process dimensions of these equity issues may place priority on ensuring that people experiencing inequities are afforded opportunities that they have been denied historically and systemically and that they are actively involved in the creation and

TABLE 3.3

Equity Issues and Ideal Outcomes

Equity Issue	Ideal Equity Goal/Outcome/Result
Ability	Physical or cognitive ability is not associated with systemic barriers in access to essential life activities like employment, health care, or housing; outcomes are improved for people regardless of ability
Age	Age is not associated with systemic barriers in access to essential life activities like employment, health care, or housing; outcomes are improved for all age groups
Criminal Justice	The absence of unfair and unjust treatment in the criminal justice system; arrests and convictions reflect the diversity of residents within a jurisdiction
Education	Educational attainment cannot be predicted based on race, gender identity, ability, or income; barriers to educational attainment are reduced for all groups
Gender Identity	Gender identity does not reliably predict life outcomes; outcomes are improved for all gender identities
Health	The absence of unfair and unjust disparities in access to health care and health outcomes; characteristics like race, gender identity, and income do not reliability predict health outcomes
Housing	The absence of unfair and unjust treatment in access to housing; characteristics like race, gender identity, and income do not reliability predict health outcomes
Income	Income does not reliably predict outcomes in education, health, housing, or incarceration
Race	Race does not reliably predict life outcomes; outcomes for all racial groups are improved

implementation of policies, programs, and practices meant to redress those exclusions and their legacies. The process dimension may also focus attention on the need for individuals who have benefitted (and in some cases actively designed or perpetuated) from the policies and practices that created those inequities. An example related to **racial equity** would require that White people acknowledge and confront systemic racism and its drivers, as well as any biases they carry toward people of color, whether that bias is explicit or explicit. Current examples include the work being done by social movements like Black Lives Matter and Stop AAPI Hate.

Social equity is about systemic group-based disparities in access and outcomes. Disparities occur along overlapping identity-based characteristics (intersectionality) that sometimes exacerbate one another. Table 3.3 provides some examples of equity issues that often intersect under the social equity umbrella. Social equity issues include various sociodemographic characteristics, some that inhere in one's personal identity (e.g., race, gender, age) and others embedded in social context (e.g., income, education, housing). It is important to note that these are just examples; a host of other characteristics could be added. For example, some scholars have advocated for adding class, veteran status, sexual orientation, religion, or political party (Blesset et al., 2019). Examples of inequitable treatment for individuals and communities with a range of intersectional identities run the gamut of policy issues—from redlining and exclusion to adequate housing to lead-tainted water in Flint, Michigan, to underfunded schools in low-income communities throughout the country.

Looking at criminal justice through a social equity lens reveals how inequalities rooted in historical legacies structure patterns of police presence and how related resource allocation perpetuates disparities in police presence between communities in a given jurisdiction. One example comes from Ferguson, Missouri. After Michael Brown was killed by the city police in early August of 2014, the widespread and heavily publicized protest activity directed at alleged police misconduct took hold in the form of the Black Lives Matter (BLM) movement. By 2020, BLM had spread throughout the United States and to countries like Brazil, Japan, and the United Kingdom.

The US Department of Justice's report on Ferguson shows a troubling pattern of administrative failure. How does a public sector agency not take note of their statistical data showing that while African Americans were 67% of the city's population, they accounted for 85% of traffic stops, 90% of citations, and 93% of all arrests in the last three years? Even more troubling is another part of the report linking the court system and the city administration in an effort to increase city revenues for the municipal budget.

The report charged:

> Ferguson's law enforcement practices are shaped by the City's focus on revenue rather than by public safety needs. This emphasis on revenue has compromised the institutional character of Ferguson's police department, contributing to a pattern of unconstitutional policing, and has also shaped its municipal court, leading to procedures that raise due process concerns and inflict unnecessary harm on members of the Ferguson community. Further, Ferguson's police and municipal court practices both reflect and exacerbate existing racial bias, including racial stereotypes. Ferguson's own data establish clear racial disparities that adversely impact African Americans. The evidence shows that discriminatory intent is part of the reason for these disparities. Over time, Ferguson's police and municipal court practices have sown deep mistrust between parts of the community and the police department, undermining law enforcement legitimacy among African Americans in particular.
>
> (US Department of Justice, 2015, p. 2)

This example from Ferguson illustrates how lapses in procedural justice foster mistrust and diminish the well-being of affected communities (Furtado and Banks, 2016). It is one of many examples related to excessive use of force by police and the disproportionate burden born by communities of color. Nonetheless, the US Congress has not yet enacted legislation to protect the rights of those communities. The George Floyd Justice in Policing Act of 2021 passed the House in March of 2021; it remained stalled in the Senate as of November 2021. Among other things, the act establishes a framework to prevent and remedy racial profiling by law enforcement at the federal, state, and local levels. It also directs the Department of Justice to create uniform accreditation standards for law enforcement agencies and requires law enforcement officers to complete training on racial profiling, implicit bias, and the duty to intervene when another officer uses excessive force. Without congressional approval, any police reforms will have to occur at the state and local levels, which will undoubtedly result in inequitable outcomes.

Social Inequity as a Structural Phenomenon

Three structural features of American governance have significant implications for social equity advances and retrenchment: constitutionalism, separation of powers, and federalism. Taking a closer look at these structural features, including the values and public administration dynamics infused in them, can help us understand

how and why policy and legal decisions develop over time. In turn, this understanding reinforces the importance of understanding the historical and institutional context of those decisions and their implications for current policy priorities.

Constitutionalism refers to a system of government legally limited in its powers with its legitimacy derived from the people it governs based on adherence to legal limitations on power. Constitutionalism requires that the governed come to some agreements about the appropriate extent and limits of government power, including who ought to exercise those powers and how the limitations ought to be enforced. In addition, constitutionalism requires that laws be established, which requires that there be some agreement about where laws ought to come from, how they should be interpreted, and how fixed they should be vis-à-vis other social values. Finally, constitutionalism requires the governed to conform to the laws enacted (Kay, 1998). Two features of American constitutionalism that reflect concerns for limitations on power, the sources of rules, and the manner of their interpretation are federalism and the separation of powers. **Federalism** describes the vertical distribution of power and jurisdictional boundaries between the federal, state, and local governments. The **separation of powers** refers to three branches of government—executive, legislature, and judiciary, their distinct powers, and their abilities to check one another.

Starting with the Constitution and the values it puts forth uncovers inherent tensions between the two philosophies enshrined in it, with democracy's commitment to freedom and equality, which is consistent with the ideal of social equity on the one hand, and capitalism's commitment to freedom, most notably the freedom to accumulate property on the other. Many scholars contend that democracy and capitalism need one another to be effective. However, the American legal and political systems tend to emphasize freedom more than equality and protect individual rights more than group rights, which means that these systems have tended to subordinate values associated with advancing social equity policies and outcomes to those who favor individual freedoms and property rights protections (Johnson and Svara, 2011). As a result, the inherent contradictions between democracy (freedom, equality) and capitalism (property, freedom, inequality) have become structurally embedded in American institutions with real consequences for policymaking. Voting rights provides one contemporary example of how the structure of federalism allows for inequities based on one's state of residence. Box 3.1 elaborates further with contemporary examples.

BOX 3.1 | Federalism at Work in Voting Rights Legislation

Federal legislation and court rulings establish minimum protections and limitations on voting rights and require that state and local jurisdictions comply with federal rulings—with some states and localities subject to additional scrutiny because of their historical track records unfairly restricting voting rights for some groups. Nonetheless, some states continue to push back, enacting legislation that flies in the face of federal requirements and, consequently, is challenged in the courts. Restrictions include diluting the power of groups of voters, more stringent voter registration and identification requirements, more regulation over voter list maintenance, restrictions on vote-by-mail or absentee voting, and impeding the exercise of voting rights by limiting the times and places for casting ballots or impeding access for people with disabilities or limited English proficiency. For example, in 2021 four states adopted restrictions on voters' abilities to vote absentee or by mail—Arkansas, Arizona, Florida, and Montana.

Texas is a contemporary example of a state attempting to impede voting rights. Up until the

(*continued*)

BOX 3.1 | *Continued*

Shelby v. Holder decision in 2013, Texas had not gotten through a decade since the enactment of the Voting Rights Act without being rebuked for violating voting rights protections for citizens of color. Even before the proposed redistricting map was released in Fall 2021, the Texas legislature and governor (executive branch) were hard at work crafting legislation intended to restrict voting rights and targeting low-income voters of color with those restrictions. Governor Abbott signed Senate Bill 1 into law on September 7, 2021. It includes seven restrictive changes to the previous law that limit the hours and modalities for casting ballots, add voter identification requirements, and institute list maintenance requirements.

Some jurisdictions strive to go beyond protecting voting rights for the groups identified in constitutional amendments and want to extend them further—state and local governments can do so if they wish to protect, expand, and facilitate the exercise of voting rights. Three groups have typically been the targets of efforts to extend voting rights—youth, felons, and noncitizens. Voting rights to participate in local elections were first extended to 16-year-olds in Takoma Park, Maryland, in 2013. Two years later, Hyattsville, Maryland, also allowed those 16 or older to vote. A third city in Maryland—Greenbelt—joined in 2018. Two cities in California also recently extended voting rights to citizens 16 and older—Berkeley in 2016 and Oakland in 2020. In 2013, Takoma Park also extended the right to vote to felons who had completed their prison sentences.

To facilitate the exercise of voting rights, some jurisdictions allow for things like early voting, mail-in ballots, multiple polling places or ballot drop-off sites, and same-day voter registration. Taking the example of same-day voter registration, as of 2021, 20 states and the District of Columbia allow for same-day voter registration, which has been shown to increase voter turnout. Making it easier to register to vote is especially important for people who move frequently—they tend to be younger and poorer than people who move less often. Three states—Maine, Minnesota, and Wisconsin—enacted same-day voter registration in the 1970s. Same-day voter registration policies vary in their implementation guidelines, including where and when same-day voting can occur and how a voter's identification is verified.

Redistricting and Gerrymandering. Every 10 years states look to census data and often redraw voting district maps to account for changes in population (whether growth or decline). In 2021, the state of Texas was one of several states to take advantage of 2020 census data to redraw voting district lines through a process called gerrymandering—the intentional manipulation of political boundaries to give one party (usually the one with the most power—Republicans in Texas) a numeric advantage over opposing parties. Politicians interested in diluting the voting members of communities of color (primarily Latino and Black in Texas) use census data to redraw the lines to dilute or even eliminate the voting power of members of racial, ethnic, or linguistic minority groups by creating "boundaries" through communities of color—so that the political voices of minority groups cannot be heard, rendering them relatively powerless through electoral politics.

In an effort to prevent gerrymandering and its inequitable consequences, some states have adopted independent redistricting commissions to take the responsibility for redistricting out of the hands of the state legislature. These redistricting commissions vary in their size, mechanisms for appointment, composition (with some being nonpartisan and some bipartisan), and whether they are responsible for only state-level redistricting or also redistricting for congressional seats. All of them are meant to depoliticize the redistricting process, with legal authority granted by the state constitution. As of 2021, four states—California, Colorado, Michigan, and Utah—have nonpartisan redistricting commissions responsible for redrawing boundaries for congressional and legislative districts.

The history of slavery in the United States provides a good example of how enduring social inequities can be traced to provisions in the Constitution and subsequent legal decisions. It reveals how the structural features of constitutionalism, separation of powers, and federalism have interacted throughout history to create, exacerbate, and perpetuate racial inequities and their intersections with other issues is the legacy of slavery. Slaves and their descendants were prohibited from equal access to education, income, wealth accumulation, and even marriage. Decades of *de jure* and *de facto* segregation perpetuated and exacerbated those inequalities. Despite legislative corrections and advancements won through judiciary rulings and executive actions, the negative social constructions of Black men, women, and children have been perpetuated and fuel current debates about whether disparities in health, wealth, and educational attainment are the result of individual shortcomings or are structurally reinforced and embedded in institutions.

The institution of slavery was enshrined in the Constitution and legally defined slaves as less than fully human and as property owned by a full human with legally defensible rights to that property. Article I, Section 2, stated that slaves are to be counted for purposes of congressional appointments as "three-fifths" of a person. Article I, Section 9, stated that Congress could not pass any law banning the importation of slaves until 1808 (which it did). Article IV, Section 2, said that persons "held in service"—meaning runaway slaves—who escaped had to be returned because they were deemed property in need of being returned to their rightful owners. This constitutional protection for property owners was upheld by the *Dred Scott v. Sandford* decision of the Supreme Court.

This was the second case in which the US Supreme Court declared an act of the Congress (the Missouri Compromise) to be unconstitutional (the first was *Marbury v. Madison* in 1803). Dred Scott (1795–1858) was a slave who was taken to a free state in the North. The question before the Court was whether residence in a free state was sufficient basis for declaring Scott a free man. The Supreme Court in a 7-to-2 ruling said no. The chief justice, Roger Brook Taney, wrote in the Court's opinion, "The right of property in a slave is distinctly and expressly affirmed in the Constitution." While it helped to further entrench the Court's right to judicial review, the Court's holdings—that Black people could not become citizens and that the United States could not prohibit slavery in unsettled territories—did much to make the Civil War inevitable, especially because the decision made a legislative solution to the slavery issue virtually impossible.

In September 1862, President Abraham Lincoln, acting as commander in chief during the Civil War, issued the Emancipation Proclamation, which became effective on January 1, 1863. The proclamation declared that all people held in slavery "are, and henceforth shall be, free; and the executive government of the United States, including the military and naval authorities thereof, will recognize and maintain the freedom." The Thirteenth Amendment declared, "neither slavery nor involuntary servitude . . . shall exist in the United States"; its ratification in 1865 helped quell the controversy over the constitutionality of the Emancipation Proclamation and settle the issue of slavery in the United States forever.

While the Thirteenth, Fourteenth, and Fifteenth Amendments attempted to settle the issues of slavery and civil rights, the issue of the former slaves remained. After **Reconstruction**, many states enacted **Jim Crow laws**, which effectively made African Americans **second-class citizens** by requiring segregation of the races. Prior to the Civil Rights Act of 1964, many southern states had laws requiring "colored" persons—targeting Black residents primarily, but also people of other races and ethnicities deemed not White—sit at the back of buses, drink from separate drinking

fountains, use separate restrooms, learn in separate schools, and worship in separate churches. There was often great variation in the quality of these separate facilities.

This second-class status was supported by the Supreme Court in the separate but equal doctrine. In *Plessy v. Ferguson* (1896), the Court held that segregated railroad facilities for African Americans, facilities that were considered equal in quality to those provided for Whites, did not violate the equal protection clause of the Fourteenth Amendment. More than half a century later in 1954, the Court overturned the *Plessy* decision and nullified this doctrine when it asserted that separate was "inherently unequal" in *Brown v. Board of Education of Topeka, Kansas*. This decision, one of the most significant in the century, helped create the environment that would lead to the second reconstruction: the civil rights movement and legislation of the 1960s. All statutes deemed to create separate but equal facilities were declared unconstitutional. The first reconstruction, immediately after the Civil War, gave African Americans their freedom from slavery. But the laws as enforced and customs as practiced did not allow them to access full citizenship rights.

For example, the impacts of the Fair Housing Act of 1968 were substantially diminished by the enduring practices of the Federal Housing Administration, created in 1934 by President Franklin D. Roosevelt to help combat the impacts of the Great Depression by providing federal-loan guarantees to prospective homebuyers. The Federal Housing Administration used racial classifications to generate appraisal maps, coloring the maps red to indicated Black communities and refusing to guarantee mortgages for Black homebuyers—a process known as redlining. Though the Fair Housing Act made these practices illegal for the first time, their legacies can still be seen today.

The civil rights era legislation of the 1960s began the long and still continuing journey of protecting full equal rights for all American citizens. As illustrated in the following discussion of the Civil Rights Act, subsequent anti-discrimination legislation, and associated court rulings, one limitation of advancing social equity through legal rulings is that they do not come with policy guidance, policy instruments, or the funding and political will to implement and enforce them. At the federal level, congressional or presidential action is needed to develop policies, identify funding, and create enforcement mechanisms to ensure those rulings are reflected in policy and practice. State and local governments may rebuff or simply ignore federal court mandates, or may go beyond minimum requirements.

ADVANCING SOCIAL EQUITY: EQUAL EMPLOYMENT OPPORTUNITY AND ANTI-DISCRIMINATION POLICIES

Equal employment opportunity (EEO) is a concept fraught with historical, political, cultural, and ideological overtones. Generally, it applies to a set of employment procedures and practices that are meant to prevent any individual from being excluded from employment opportunities on the basis of race, color, sex, religion, age, national origin, or other immutable characteristics that cannot lawfully be considered in employing people. The Civil Rights Act of 1964 declared, "it shall be the policy of the United States to ensure equal employment opportunities for Federal employees." Title VII of that act established the Equal Employment Opportunity Commission (EEOC), which prohibits discrimination in employment on the basis of race, color, religion, sex, or national origin—in short to regulate against any form of systemic discrimination.

Originally, the EEOC was charged with combatting discrimination in the private sphere while the Civil Service Commission was charged with doing the same for federal employees. The Equal Employment Opportunity Act of 1972 solidified the Civil Service Commission's authority in this area and placed the program on a

solid statutory basis for the first time. It reaffirmed the traditional policy of nondiscrimination and empowered the commission to enforce its provisions "through appropriate remedies, including reinstatement or hiring of employees with or without back pay . . . and issuing such rules, regulations, orders, and instructions as it deems necessary and appropriate." It also made the commission responsible for the annual review and approval of agency EEO plans and for evaluating agency EEO activities. The act also brought state and local governments under the federal EEO umbrella for the first time. The EEOC, hitherto primarily concerned with the private sector, was given equal authority over the nonfederal public sector. In 1979, as part of the overall federal civil service reforms then taking place, the enforcement aspects of the federal EEO program were transferred to the EEOC. So after starting out with enforcement authority over only the private sector in 1964, by 1979 the EEOC's responsibility for enforcing equal employment opportunity had been expanded to include all levels of government.

Today, the EEOC's mission is to "prevent and remedy unlawful employment discrimination and advance equal opportunity for all in the workplace." Whether deliberate or unintentional, any action that has the effect of limiting employment and advancement opportunities because of an individual's sex, race, color, age, national origin, religion, physical handicap, or other irrelevant criteria, is discrimination—and illegal. Today, all large employers (typically those with at least 15 employees) in the public and private sector are legally obligated to provide equal employment opportunity—and legally liable if they do not.

EEO laws and programs were created to remedy very real problems of bigotry and sexism. For example, when two iconic female justices of the US Supreme Court—Sandra Day O'Connor and Ruth Bader Ginsberg—graduated from law school in the 1950s, neither could obtain jobs with any major law firm. They experienced direct discrimination by individual employers based on their gender, and that discrimination was upheld by institutional sexism (remember women were only granted the right to vote about 30 years earlier, in 1920). Institutional sexism is one dimension of institutionalized identity-based exclusionary attitudes and practices that may be deliberate and intentional or unintentional and implicit. Individual and organizational employers have not always stepped away from these entrenched discriminatory institutional beliefs and practices easily, resulting in accusations of EEO violations and adjudication of those disputes by the courts. EEO protections provide a useful framework for examining the bases of discrimination, which parallel the more specific categories of equity that intersect under the umbrella term *social equity*.

Racial Discrimination

Racial discrimination includes attitudes and behaviors that result in treating some people unfairly because they are of a particular race or because they exhibit personal characteristics associated with race (such as hair texture, skin color, or certain facial features) and deemed undesirable. It includes color discrimination, which involves treating someone poorly based on the color or complexion of the skin, how light or dark their skin is. Protections extend to every aspect of employment, from including recruitment and hiring to wages, performance evaluations, and promotions, to trainings and work assignments, to disciplinary actions and discharge, and beyond. Both intentional discrimination and unintentional discrimination are prohibited under Title VII. Intentional discrimination includes explicit racial animosity and harassment as well as conscious or unconscious stereotypes about individuals of certain racial groups. Unintentional discrimination is based on practices

that appear to be neutral but that disproportionately impact members of a racial group and have no relationship to the job performance. Examples include restrictions on facial hair or wearing one's hair in a natural style, or prohibitions against head coverings like hijabs or yarmulkes.

Sex Discrimination

Sex discrimination is any disparate or unfavorable treatment of a person in an employment situation because of their gender. The Civil Rights Act of 1964 (as amended by the Equal Employment Opportunity Act of 1972) makes sex discrimination illegal in most employment, except where a bona fide occupational qualification is involved. Its prohibition only became part of the Civil Rights Act of 1964 because of Congressman Howard "Judge" Smith (1883–1976) of Virginia. As chairman of the House Rules Committee in 1964, Smith was one of the most powerful men in Congress—and was unwittingly and unlikely a hero as the women's movement will ever have. As the leader of the South's fight against civil rights, he added one small word—sex—to prohibitions against discrimination based on race, color, religion, and national origin. He felt confident this amendment would make the proposed law ridiculous and cause its defeat. Smith was an "old style" bigot: to his mind, the one thing more ridiculous than equal rights for Blacks was equal rights for women.

The "sex discrimination" amendment was opposed by most of the leading liberals in Congress. They saw it as nothing but a ploy to discourage passage of the new civil rights law. The major support for adopting the amendment came from the reactionary southern establishment of the day. There was no discussion of sex discrimination by the Senate. The momentum for a new civil rights law was so great that Smith's addition not only failed to scuttle the bill, but also went largely unnoticed. The legal foundation for the modern women's movement was passed with almost no debate or media attention. Once Smith and his supporters realized the true impact of what they were doing, they sought to withdraw the amendment before the final vote, but the few female members of Congress stopped this by insisting that it be done by a recorded, as opposed to a voice, vote. The male members did not want to be embarrassed by voting against women, so the amendment remained in the bill.

Although the sex discrimination prohibition was included in the new civil rights law almost in secret, word quickly got out. The new law brought into being the Equal Employment Opportunity Commission to enforce its various provisions. During the first year of the new commission's operation, more than one-third of all of the complaints it received dealt with sex discrimination in employment. Typical complaints included inadequate consideration of female applicants for promotion, "help wanted" ads for separate male- and female-labeled jobs, and higher retirement benefits for male workers. All these practices and more were made illegal by Title VII. Over the next four decades, Judge Smith's unintended gift to the nation's women became the judicial reference for countless court cases and out-of-court settlements.

When the Civil Rights Act of 1964 prohibited sex discrimination in employment, nobody would have said that the new law had anything to do with **sexual harassment**. Yet today, for all legal purposes, sex discrimination includes sexual harassment. A 1978 amendment to the act holds that discrimination on the basis of pregnancy, childbirth, or related medical conditions also constitutes unlawful sex discrimination. Box 3.2 below elaborates further on pregnancy discrimination.

BOX 3.2 Pregnancy Dsicrimination

A 1978 amendment to Title VII of the Civil Rights Act of 1964 holds that discrimination on the basis of pregnancy, childbirth, or related medical conditions constitutes unlawful sex discrimination. The amendment was enacted in response to the Supreme Court's ruling in *General Electric Co. v. Gilbert* (1976) that an employer's exclusion of pregnancy-related disabilities from its comprehensive disability plan did not violate Title VII.

The amendment asserts that a written or unwritten employment policy or practice that excludes from employment opportunities applicants or employees because of pregnancy, childbirth, or related medical conditions is a prima facie violation of Title VII.

While this amendment to Title VII did not require an employer to offer a specific number of weeks of maternity leave, the Family and Medical Leave Act of 1993 does. It requires employers with at least 50 workers in both the public and private sectors to allow up to 12 weeks of unpaid leave (for childbirth, care of spouse or parent, new adoption of child, and so on) during a 12-month period for all employees (whether male or female) employed for at least a year. The FMLA is limited in its reach, though, and the US still has one of the worst records in the world for legally mandated parental leave and maternity benefits.

The Intersection of Race and Sex Discrimination. In the 1976 case *DeGraffenreid v. General Motors*, five Black women sued General Motors for a layoff policy purportedly based on seniority that resulted in all the Black women hired after 1964 being laid off during the recession of the early 1970s. The problem was that the company simply did not hire any Black women before 1964, so a seniority-based layoff policy *de facto* resulted in discriminatory outcomes. In the lawsuit, the plaintiffs argued that racial and sex discrimination were bound together and should be considered together rather than having to sue based on each separately. However, in May 1976, Judge Harris Wangelin ruled that "Black women" could not be considered a separate protected class under the law for fear that it would lead to a floodgate of other intersecting identities demanding protections. He wrote:

> The legislative history surrounding Title VII does not indicate that the goal of the statute was to create a new classification of "black women" who would have greater standing than, for example, a black male. The prospect of the creation of new classes of protected minorities, governed only by the mathematical principles of permutation and combination, clearly raises the prospect of opening the hackneyed Pandora's box.

However, in another 1976 court case, *Payne v. Travernol*, the court granted the defendant's request that the two Black women who were bringing a class action suit on behalf of all Black employees not be allowed to include Black men in their class action—they could only bring the suit on behalf of Black women. A review of case law in this area—bringing complaints of discrimination on the basis of more than one protected classification under Title VII of the Civil Rights Act—reveals inconsistencies in how courts at various levels have ruled over time, with real implications for legal strategies complainants and their attorneys might bring (Crenshaw, 1989). For example, in the 1998 case *Lam v. University of Hawaii*, an Asian woman alleged hiring discrimination on the basis of race, sex, and national

origin. While the district court ruled in favor of the defendant, Lam won on appeal, with the Ninth Circuit finding that "Asian women are subjected to . . . disadvantages that are not shared by Asian men or white women." In other words, the court recognized the intersectional identity of Asian women.

Age Discrimination

Ageism is discrimination against those who are considered "old." During the second presidential debate of the 1984 election, when there had been great speculation about Ronald Reagan's ability to continue to perform as president because of his age, Reagan literally turned the election around when he said, in answer to a question about his age, "I will not make age an issue in this campaign. I am not going to exploit, for political purposes, my opponent's youth and inexperience." Reagan went on to defeat the much younger Walter Mondale in a landslide.

Because not everybody has Reagan's ability to turn the issue of age on its head, the Age Discrimination in Employment Act (ADEA) exists. First passed in 1967 and often amended, this law prohibits **employment discrimination** on the basis of age and (with certain exceptions) prohibits mandatory retirement. The law applies to all public employers, private employers of 20 or more employees, employment agencies serving covered employers, and labor unions of more than 25 members. Only workers age 40 and older are protected under the ADEA. The act allows employers to favor older workers over younger ones, even if both are age 40 or older.

The ADEA prohibits help-wanted advertisements that indicate preference, limitation, specification, or discrimination based on age. For example, terms such as "girl" and "35–55" may not be used because they indicate the exclusion of qualified applicants based on age. Many states also have age discrimination laws or provisions in their fair employment practices laws. Some of these laws parallel the federal law and have no upper limit in protections against age discrimination in employment, some protect workers only until they reach 60, 65, or 70 years of age, and other protect workers younger than 40. In 1983 the Supreme Court, in *Equal Employment Opportunity Commission v. Wyoming*, upheld the federal government's 1974 extension of the ADEA to cover state and local government workers.

Disabilities Discrimination

The federal government has a long history of legislative efforts to provide employment for the differently abled. For example, disabled veterans were the first people formally given employment preference, toward the end of the Civil War. In 1919, just after World War I, employment preferences were extended to the wives of disabled veterans as well. However, it was not until the Vocational Rehabilitation Act of 1973 that federal contractors and subcontractors were required to take affirmative action to seek qualified handicapped individuals for employment. But it was not until the passage of the Americans with Disabilities Act (ADA) in 1990 that there was a comprehensive federal law to ban discrimination against individuals with physical and mental disabilities in employment, transportation, telecommunications, and public accommodations. This act also provided the now legally accepted definition of a disabled individual as a person who has a physical or mental impairment that substantially limits one or more of their major life activities, a person who has a record of such an impairment, or a person who is regarded as having such an impairment. Among those protected by the act are individuals who are in or have successfully completed rehabilitation for drug abuse or alcoholism.

In seeking to limit the applicability of the ADA to those with traditional disabilities, the ADA also specifically excludes transvestism, pedophilia, compulsive gambling, kleptomania, and pyromania.

With respect to employment, the ADA protects individuals with disabilities who with **reasonable accommodation** can perform the essential functions of a job in question. All employers with more than 15 workers are required to accommodate employees with disabilities.

The Equal Employment Opportunity Commission, which enforces the provisions of the ADA, requires that an employer may not ask about the existence, nature, or severity of a disability and may not conduct medical examinations until after it makes a conditional job offer to the applicant. This prohibition ensures that an applicant's disability that is not obviously apparent is not considered prior to the assessment of the applicant's non-medically related qualifications. At this pre-offer stage, employers can ask about an applicant's ability to perform specific job-related functions. After a conditional offer is made, an employer may require medical examinations and may make disability-related inquiries if it does so for all entering employees in the job category. If an examination or inquiry screens out an individual because of disability, the exclusionary criterion must be job related—and the employer must be able to demonstrate that the essential functions of the job cannot be performed with reasonable accommodation.

Sexual Orientation and Gender Identity Discrimination

The long history of discrimination against and hostility toward homosexuals—gay men and lesbians—has been subsiding considerably in recent decades but still often rears its ugly head. A newer area of the law, protection from discrimination on the basis of sexual orientation and gender identity, has made some advances in recent years. For example, in its 2012 *Macy v. Holder* decision, the EEOC determined that discrimination of transgender persons is a type of sex discrimination and violates Title VII of the Civil Rights Act. In its landmark 2020 *Bostock v. Clayton County* decision, the Supreme Court upheld gender identity as a protected class under Title VII of the Civil Rights Act. This Court opinion comes from three separate cases alleging discrimination against LGBTQ+ workers, which the Supreme Court decided together. In each of these cases, the Court found employers unlawfully fired employees merely for being gay or transgender. With this opinion, the Supreme Court ruled that discrimination based on sexual orientation or transgender status is discrimination based on sex and therefore unlawful conduct for employers covered by Title VII.

Historically, the core problem of dealing with the civil rights of gay men and lesbians was that the activity that defined them (sexual relations with a member of the same sex) was a crime in many states. This, however, is no longer the case. In 2003 the Supreme Court in *Lawrence v. Texas* declared unconstitutional the Texas ban on "consensual sodomy" and in effect asserted a broad constitutional right to sexual privacy. Justice Anthony M. Kennedy in the majority opinion wrote that the case concerned

> two adults who, with full and mutual consent from each other, engaged in sexual practices common to a homosexual lifestyle. The petitioners are entitled to respect for their private lives. The State cannot demean their existence or control their destiny by making their private sexual conduct a crime.

In an extremely strong dissenting opinion, Justice Antonin Scalia said that the ruling "effectively decrees the end of all morals legislation" and could possibly pave

the way for "judicial imposition of homosexual marriage, as has recently occurred in Canada." This case overruled a 1986 decision in which the Court upheld Georgia's sodomy law (*Bowers v. Hardwick*). The 2003 decision effectively nullified sodomy laws in the 13 other states besides Texas that still had such laws. The 2003 *Lawrence* decision on homosexual rights has its origins in the 1965 case of *Griswold v. Connecticut*, which first asserted that there was a constitutional right to bedroom privacy, even when the word *privacy* does not appear in the Constitution.

One of the most hotly debated matters related to employment discrimination is the official policy of the US government regarding the service of gay men and lesbians in the military. For most of the nation's history, the armed forces wouldn't accept homosexuals into their ranks. If a soldier was found to be gay or lesbian, he or she was discharged from the service, often in a dishonorable manner. It wasn't until 1993 that this policy changed with a key decision on the part of President Bill Clinton. Acting on one of his key campaign promises, Clinton ordered any homosexual or bisexual person serving in the military not to disclose his or her sexual orientation while serving in uniform. Clinton also ordered military superiors to refrain from asking a service member's orientation in the absence of discovering them engaged in a homosexual act. Despite some strong public reaction against the policy, Clinton stuck by "don't ask, don't tell," which his successor, George W. Bush, maintained during his eight years in office.

In 2008, Barack Obama campaigned on the promise that he would repeal the policy if elected. Obama not only indicated his belief that the policy was discriminatory in nature, but he also justified his position by pointing out the practical considerations of maintaining a ban on openly homosexual individuals in the armed services. In particular, he contended that the policy cost the government millions of dollars to replace troops kicked out of the military and that it deprived the military of key personnel in critical areas such as linguistics.

By the time Obama arrived in the White House in 2009, there was growing pressure to repeal "don't ask, don't tell" and let gay men and lesbians serve openly in the military. Once he arrived in the White House, however, Obama was slow to repeal the policy. Instead, he announced that he would need to confer more with his chiefs of staff before ending the rule. His administration was even put in the awkward position of defending "don't ask, don't tell" when the policy was challenged in court. It appeared that Obama didn't want to draw the same type of negative public reaction that Clinton had had to deal with during his first year in office and thereby preserve some of his political capital to fight other fights (e.g., the economic stimulus and health care reform). Eventually, with public opinion overwhelmingly in support of ending "don't ask, don't tell" and with support from the leaders of all the branches of the US military, Congress passed and President Obama signed the repeal in December of 2010. The armed forces finalized the process of ending the policy during the summer of 2011, and by the fall of that year openly gay Americans could serve their country in the military.

President Obama issued a number of directives protecting the rights of transgender people—to serve openly in the military, to advance equality for LGBTQ+ people in federal employment, to equal access to health care and housing, and to protect LGBT students from bullying at school. Since these directives did not have the power of law, the Trump administration reversed most of them with a strike of the pen. Once in office, the Biden administration acted quickly and swiftly to undo those reversals. For example, on his first full day in office in January 2021, President Biden overturned the ban so transgender people are once again able to openly serve in the US military. During its first year, the Biden administration announced several other initiatives to protect transgender rights.

Even more important than the end of "don't ask, don't tell" was the Supreme Court's decision in 2015 for gay rights in *Obergefell v. Hodges*, that the Constitution guarantees a right to same-sex marriage. This decision came after more than 20 years of legal controversy at the state level, with some states expanding rights for same-sex marriage or civil unions, others prohibiting it, and others, like California, going back and forth between enacting and rescinding those rights protections. For example, in 2003 Massachusetts became the first state in the nation to legalize same-sex marriage while most other states had enacted statutory bans and three (Alaska, Nebraska, and Nevada) had constitutional bans on gay marriage. In 2008 Connecticut became the second state to legalize gay marriage while a majority of other states had adopted constitutional bans on gay marriage by that time. That same year, California's Supreme Court that the state constitution guaranteed same-sex marriage rights but later that year California voters approved a constitutional amendment (Proposition 8) banning same-sex marriage. It was not until 2013 that same-sex marriage became legal again in California (Pew Research Center, 2015).

In the majority opinion in *Obergefell v. Hodges*, Justice Kennedy wrote, "No longer may this liberty be denied. No union is more profound than marriage, for it embodies the highest ideals of love, fidelity, devotion, sacrifice and family. In forming a marital union, two people become something greater than once they were." The court confirmed that with marriage everyone would have "equal dignity in the eyes of the law."

However, at the state level, protecting equal rights for all regardless of sexual orientation or gender identity remains a source of controversy, so that there is substantial variation by state in legal protections or prohibitions afforded to LGBTQ+ individuals and families. Some of those laws cover fundamental activities of daily life, including nondiscrimination in employment, housing, public accommodations, and housing. Others cover safety and well-being, including anti-bullying, hate crimes, health care access, HIV/AIDS criminalization, and conversion therapy. Some states have enacted legislation to ensure that all of their citizens have equal rights to pursue activities of daily life and to feel protected from threats to their safety and well-being. Other states have enacted legislation restricting the rights of LGBTQ+ community members, not allowing them to participate equally in those activities of daily life and leaving them unprotected from threats to their safety and well-being. These legal struggles are ongoing in 2021 (Warbelow et al., 2020). They provide concrete and current examples for proponents of social equity to heed Guy and McCandless's (2012, pp. S5–S6) advice to remember that "simple equality is more readily accepted than actions designed to compensate for complex causes of inequality. It is for this reason that initiatives designed to ensure social equity require constant attention and advocacy."

Equal Opportunity and Affirmative Action

Even before the Civil Rights Act was passed, President John F. Kennedy declared, "I have dedicated my administration to the cause of equal opportunity in employment by the government." His Executive Order 10925 of March 6, 1961, was the first to require "affirmative action" be used to implement the policy of nondiscrimination in employment by the federal government and its contractors. **Affirmative action** first meant the removal of "artificial barriers" to the employment of women and minority group members. Special efforts were made to bring more members of minority groups into the federal service. These included recruitment drives at high schools and colleges heavily attended by minorities. Agencies were encouraged to provide better training opportunities for minority group members.

The continuing rationale for government-sanctioned affirmative action programs was provided by President Lyndon Johnson in a June 4, 1965, speech at Howard University:

> You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, "You are free to compete with the others" and still justly believe you have been completely fair.

The next major development in the evolution of the EEO program came in 1969, when President Nixon issued an executive order requiring agency heads to "establish and maintain an affirmative program of equal employment opportunity." It was also during the Nixon administration, when the federal courts associated affirmative action with specific goals and timetables for minority hiring, that the term was altered to include compensatory opportunities for hitherto disadvantaged groups.

The legal rationale for affirmative action, which opponents often call **reverse discrimination**, was to provide a remedy for past practices of discrimination. But how do you justify the continuation of such remedies when the practices they were designed to remedy were increasingly long in the past? This is the question that confronted the Supreme Court in 2003 in two cases concerning the University of Michigan. It is a question still fraught with contention.

The Court agreed that the University of Michigan Law School could continue to give advantages to minority applicants for admission. But the justification for such preferences was not to remedy past practices of discrimination but to further diversify for its own sake. The majority opinion written by Justice Sandra Day O'Connor held that the Constitution "does not prohibit the law school's narrowly tailored use of race in admissions decisions to further a compelling interest in obtaining the educational benefits that flow from a diverse student body." In this 5-to-4 decision, the Court asserted, "effective participation by members of all racial and ethnic groups in the civic life of our nation is essential if the dream of one nation, indivisible, is to be realized." Justice Lewis F. Powell had initially advocated the diversity rationale in the 1978 *Bakke* decision. In this 2003 case, the Court endorsed Justice Powell's "view that student body diversity is a compelling state interest that can justify the use of race in university admissions."

But even in accepting that diversity is a "compelling state interest," the Court has asserted that this interest, no matter how "compelling," must be temporary because such compliance flies in the face of the Fourteenth Amendment's requirement for equal treatment. In an unusually blatant appeal to a future Supreme Court, Justice O'Connor stated,

> Race-conscious admissions policies must be limited in time. This requirement reflects that racial classifications, however compelling their goals, are potentially so dangerous that they may be employed no more broadly than the interest demands. Enshrining a permanent justification for racial preferences would offend this fundamental equal protection principle.

She concluded, "All governmental use of race must have a logical end point." Then she quite literally provided the end point: "We expect that 25 years from now, the use of racial preferences will no longer be necessary to further the interest approved today" (Majority Opinion, Grutter v. Bollinger, 2003, p. 30).

So the Court has ruled that racial preference for diversity's sake may extend another 25 years—but did not provide explicit criteria for their termination. In

an unusually scathing dissenting opinion Justice Antonin Scalia asserted that the "mystical 'critical mass' justification" for racial preferences "challenges even the most gullible mind." The "critical mass" refers to the oft-asserted "fact" that significant numbers of minorities are needed in schools for everyone's betterment. The "gullible minds" seem to include the five justices that approved O'Connor's majority opinion. Scalia observed that the same academics who are among the strongest advocates of diversity tolerate "tribalism and racial segregation" on their own campuses, including "minority-only student organizations, separate minority housing opportunities, separate minority student centers, even separate minority-only graduation ceremonies" (Dissenting Opinion, *Grutter v. Bollinger*, 2003, p. 3).

In a parallel case involving the University of Michigan's undergraduate admissions process, *Gratz v. Bollinger*, the Court held that a point system that automatically gave Black students an overwhelming advantage in admissions was unconstitutional. Race may still be taken into account but not in such a "non-individualized, mechanical" way. This means that affirmative action admissions (and hiring) programs may continue as before—so long as no hard numbers that look, smell, or sound like quotas are attached to them. Justice O'Connor expected a "highly individualized, holistic review of each applicant's file." Race is just one factor among many. To those who are annoyed that race is a factor at all (because they believe the Constitution should be color-blind), the Court said, in effect, "just wait 25 years."

Following the rulings, Michigan voters in 2006 passed a referendum by 58% to 42% (Proposition 2) that banned the use of racial preferences in response to the court's earlier law school decision. But this new law was taken to court—and a lower court ruled that the ban was unconstitutional. But the Supreme Court in 2014 upheld the ban on affirmative action in the Michigan Constitution as constitutional. Justice Anthony Kennedy wrote, "[t]here is no authority in the Constitution of the United States or in this Court's precedents for the Judiciary to set aside Michigan laws that commit this policy determination to the voters."

During President Obama's first year in office, the Supreme Court sent a signal that it might be growing less supportive of affirmative action measures. In the case of *Ricci v. DeStefano* (2009), the Court struck down a New Haven, Connecticut, decision to throw out a firefighter test that promoted too few minorities. While once again avoiding answering the question regarding the ultimate constitutionality of affirmative action, the Court continued to narrow what it will consider fair in the realm of racial preferences.

The death of Supreme Court Justice Antonin G. Scalia in 2015 affected the Court's 2016 decision in *Fisher v. Texas*, an affirmative action case that experts say will change the admissions processes of universities, including Harvard. In 2013, the Supreme Court first heard *Fisher v. Texas*, a case that involves a White woman who, after being denied admission to the University of Texas at Austin, filed a lawsuit against the school alleging that the university discriminated against her because of her race. The Supreme Court initially ruled that a lower court made a procedural misstep, and eventually a circuit court ruled in favor of the University of Texas. Plaintiff Abigail N. Fisher later appealed that ruling, and the Supreme Court upheld a university's admissions process that uses race in making its selection decisions.

Affirmative action has become a wedge issue—one that drives people apart. Since the 1980s, some in the Republican Party have been using this wedge to brand the Democratic Party the champion of special privileges for minorities. Opponents of affirmative action argue that racial and sexual hiring preferences are not only inherently discriminatory, but also in violation of the Civil Rights Act of 1964. They favor "race-neutral" policies that do not account for the legacies of discriminatory public policies.

While equal opportunity legislation, affirmative action policies, and related court rulings have provided some additional layers of protection for the groups they protect—women, people of color, older adults, and those with disabilities—they have also been limited in their reach and sources of lasting contention. One limitation is due to the focus on protecting the rights of individuals whose identities align with one of the types of discrimination enumerated in law. This is consistent with the US Constitution's protection of procedural due process, which has been interpreted as an individual right, not a group right that applies to large classifications of people (Rosenbloom, 2005). Advocates of social equity point to this predilection for individual rights protections as one explanation for the widespread and persistent inequalities that pervade American society despite the abundance of civil rights legislation and enforcement mechanisms.

MOVING FORWARD: HOW DO WE GET TO SOCIAL EQUITY IN PRACTICE?

This section identifies recommendations for moving forward for public administrators, advocates, and everyday citizens alike. First and foremost is to acknowledge that social inequities threaten democracy, including the values of freedom and equality at its foundation (Blessett et al., 2019; Guy and McCandless, 2012). The social equity imperative requires that persistent social inequities be acknowledged and identified as policy problems. In turn, policy alternatives and debates about those alternatives should be explicit in identifying how they will promote one or more of the intersecting social equity issues. Programs should be planned, resourced, and evaluated with social equity aims in mind.

Second is to recognize the social equity imperative for public administrators and its inextricable links to ethical administration, including policymaking, implementation, and evaluation. This link to ethical administration is reflected in the degree to which professional associations incorporate social equity into their governing documents, practices, and structures, through codes of ethics, standing committees, and similar vehicles. Each of four leading professional associations (National Academy of Public Administration, American Society for Public Administration, International City/County Manager's Association, and the Network of Schools of Public Policy, Affairs, and Administration) recognizes the importance of social equity and has begun to encode it in its code of ethics and governing practices. At the same time, public administrators have to balance concerns for social equity with other public service values like liberty, equality, efficiency, and effectiveness in a diverse society.

Third is to recognize that "public managers run constitutions. This requires them to coordinate the separation of powers and federalism. It subordinates and places them in the joint custody of legislatures, chief executives, and the judiciary" (Rosenbloom, 2015, p. 12). The examples from voting rights, equal employment opportunity, and anti-discrimination policies discussed in this chapter illustrate how that plays out in practice. They show the successes and limitations of civil rights era legislation like the Voting Rights Act, Title VII of the Civil Rights Act, subsequent court rulings, and the implementation of related acts.

Policymaking, Implementation, and Evaluation

Gooden and Portillo (2011) note that the practical concerns of social equity are primarily with how fairness is portrayed and measured in policymaking,

implementation (delivering services), and evaluation (tracking outcomes and assessing effectiveness). Public policy scholars have long recognized that policymaking and implementation occurs in phases that are part of policy cycle: agenda setting, formulation, adoption, implementation, and evaluation. The agenda-setting phase includes identifying and defining the policy problem. Once a policy problem is put on the agenda, public officials weigh alternatives and debate the best course of action to address the problem—this is the policy formulation phase. Once a policy proposal is formulated, it is debated and, if adopted, implemented and evaluated.

To some degree, policy language reflects the policy cycle. For example, the first paragraphs of a policy tend to define the problem being addressed (e.g., lack of supply of affordable housing) and may identify a target population (e.g., low- and very-low-income households) and a broad policy goal (e.g., increase density). This introductory language derives from the agenda-setting phase. As it moves into the formulation phase, policy makers identify a range of policy instruments, implementation options, and target populations. As policy makers formulate policies, they identify the policy goals (also called objectives or intended outcomes), or what the policy intends to achieve, how those goals should be achieved (in other words how the policy will be implemented), and which populations should be the targets (or beneficiaries). The adopted policy identifies those policy instruments and implementation options and may include more specific goals (intended outcomes). Often policy language will include some requirements for evaluation.

Policy language matters for several reasons throughout the policy cycle. During the agenda-setting phase, advocates use language to explain social conditions and to establish those conditions as public problems (Kingdon, 1995). As Gooden (2017, p. 823) notes, "problems are solved, conditions are tolerated"—in other words, some social conditions never make it out of the agenda-setting phase because they are not accepted as public problems. As the policy cycle moves from agenda setting to policy formulation, policy makers and advocates start with the problem definition agreed upon during the agenda-setting phase. The goals they identify in relation to solving that problem may focus on creating opportunity or removing barriers to opportunity, specific results or changes the policy is meant to bring about, or both. Though often overlooked, understanding the distinction between a policy goal of equality of opportunity versus equality of outcome is essential for promoting social equity. Nelson and Brooks (2016) note that policies and programs are often designed and implemented without careful consideration of social equity goals, making it nearly impossible to achieve equitable outcomes. For example, in reviewing 10 federal policies and programs and one local planning process adopted as responses to Hurricane Katrina and the Great Recession plus initial federal, state, and local responses to the COVID-19 pandemic to assess their efficacy in advancing economic mobility and racial equity, Scally et al. (2020) found none of the programs named racial equity explicitly as a policy goal.

Public administrators and policy makers face real challenges in making those careful considerations. They may not center considerations of the historical legacies and patterns of inequity that provide the context for their work, whether because they are focused on the real-time implementation of a policy or because they are reluctant to spur controversy by disrupting power relations (Gooden, 2017; Guy and McCandless, 2012). This challenge may be related to limitations in how research is conducted and used to inform policies. For example, studies often use variables like gender or race as control variables in statistical models rather than considering their explanatory power. These approaches may mask the explanatory roles identity characteristics and their intersections play in particular policy fields.

As a result, public administrators may overlook important variables in program implementation and reinforce or exacerbate persistent inequities by implementing the very policies that purport to address them.

Another challenge is related to the lack of outcomes data disaggregated by race, gender, and other characteristics. This may be related to real and perceived limitations imposed by complying with legal nondiscrimination laws. For example, while there is ample data to document racial inequities in housing, data documenting the outcomes of inclusionary housing programs by race is scant (Wang and Balachadran, 2021). Similarly, the Urban Institute's study of housing recovery programs (Scally et al., 2020, p. 31) finds that outcomes data by race "are difficult to collect and even more difficult to report on because of nondiscrimination requirements in lending." In addition, when data are collected, they are not standardized, which limits the ability of public administrators to assess progress over time, to understand whether and how specific interventions affect outcomes, or identify best practices and make evidence-based decisions that center social equity.

Advancing Social Equity in Practice

What, then, can be done to advance social equity in practice? One concrete recommendation is to operationalize the concept of social equity. The National Academy of Public Administration (NAPA) provides a useful starting point with four dimensions of equity it identifies as measurement criteria for policies and programs meant to advance social equity. Using these measures as a way to structure program design discussions and to inform implementation and evaluation plans could help elevate social equity concerns. The four measures are (1) procedural fairness, which includes concerns for due process, equal protections, and equal rights in program implementation and administration, (2) access or distributional equity, which is focused on who receives (or should receive) services and the criteria used to determine eligibility, (3) quality or process equity, which is concerned with consistency in the quality of service delivery for all eligible groups, and (4) outcome fairness, which focuses on assessing program impacts and understanding drivers or conditions that help explain differences in outcomes where they exist (Johnson and Svara, 2011). Furtado and Banks (2016, p. 1930) suggest three guiding questions that could be used to advance social equity in this framework: "Whom does this benefit? Does this differentially affect racial and ethnic groups? What is missing that will decrease or eliminate racial disparities?"

Advancing these conversations may not be easy and may well be met with resistance in some contexts. Achieving racial equity requires both individual behavior changes and changes in policy and practice to help people make decisions that advance equity. Many cities need more tools, training, and technical assistance in communicating about racial equity to internal and external constituencies. Individual public administrators, even if deeply committed to advancing social equity in democracy, may need additional training and will need support from upper-level leadership, in order to do this work well. Leaders can help establish an organizational culture supportive of social equity advancement by developing policies and practices that create a framework for its infusion throughout the organization, supported by training for staff to develop their competencies in racial equity and inclusion. Leaders who embrace social equity work should approach it using a lens of systems change. The Government Alliance on Racial Equity (GARE)—a national network of governments using evidence-based approaches to advance equity—is one resource to consider. Its approach focuses on five dimensions

(results, community indicators, outcomes, actions, and performance measures) that should comprise a jurisdiction's strategic equity plan.

The bottom line is that the way forward requires doing things differently and thinking about policy problems and solutions in different ways. Topics like systemic racism, criminal justice reform, environmental justice, health equity, and housing equity now regularly appear in policy debates. Policy debates must be informed by knowledge of the policy history in a particular field as well as knowledge of the local context about the policy problem. This requires attention to how the system of checks and balances embedded in the separation of powers plays out in our federal system to sometimes advance and other times reverse social equity. Advocates, public administrators, and citizens-at-large will have to work together to pay close attention to how and whether state and local policies extend or challenge federal laws meant to protect social equity.

CASE STUDY | Defunding the Police? What Happened in Minneapolis?

The police killing of George Floyd in the City of Minneapolis in May 2020 inspired international protests and generated new attention to the treatment of African Americans by police and criminal justice systems in the United States. The protests and riots in Minneapolis are listed as the second most costly riots since Watts in 1962. But they also led directly to another development—demands by many seeking reforms to "defund the police."

First raised in the City of Minneapolis in the aftermath of the protests, the reforms called for abolishing the police department. A majority of City Council members that summer passed a resolution to remove the police department from the city's charter and place public safety duties under a new department entirely. This "pledge" was ultimately reduced, as might be expected, but the city began a long, contentious look at the police budget. Thus, defunding took on other meanings. Six months later—the city shifted about 4.5% of the proposed $179 million police budget—essentially $8 million—to other city services. But in the next budget cycle- even this diversion from the police budget was compensated for as the Minneapolis *Star Tribune* reported:

Minneapolis Mayor Unveils Plan to Boost Police Funding Closer to Previous Levels

> MINNEAPOLIS—Minneapolis Mayor Jacob Frey unveiled a budget plan Friday that seeks to replenish police funding to nearly the level it was before George Floyd's killing. The mayor's $1.6 billion spending plan, unveiled during a virtual speech Friday afternoon, includes nearly $192 million for the Minneapolis Police Department . . .
>
> "Following the murder of George Floyd, Minneapolis became ground zero in the debate around the future of public safety and a case study in the dangers of grand pronouncements with little planning," Frey said.

(*continued*)

CASE STUDY *Continued*

> He added that while the city has invested in other safety programs, "It would be disingenuous to expect these new, complementary programs to succeed simply by breaking down the work of others." Frey's 25-minute speech touched on a question that has dogged city officials since Floyd's death: If they want to build violence prevention and mental health programs, should they use police funding to do that, or pull from other pools of money?
>
> (Liz Navratil, Minneapolis *Star Tribune*, August 15, 2021)

But while the political narrative in Minneapolis continues to unfold, the question posed by the reformers on "defunding the police" remains unanswered. There are real budget alternatives that can and should be debated as the course of police reform proceeds. However, the debate about alternatives begins with defining what is meant by "defunding." Here it's best to turn to a reputable (and objective) source on public finance, such as the Government Finance Officers Association (GFOA) and its *Government Finance Review*, which published a useful overview of the different alternatives. Table 3.4 illustrates:

TABLE 3.4

GFOA's Five Approaches to Defunding the Police

Abolition (This might be called the least desirable alternative—as GFOA admits that most polls show "a solid majority of Americans oppose abolishing police departments")	Two Scenarios: • Turn over patrol services to state police • Establish a professional police service—as part of a volunteer operation
Reorganization/Consolidation	Three Scenarios • Regionalization—disband police department and establish a subregional unit with county or other jurisdictions • Create a Department of Public Safety—with broader mandate to serve the public • Public safety officers—joint police/fire/emergency response
Divestment	Reduce the size of the police budget—reduce number of police officers and special units (SWAT teams)
Change the Role of the Police	Change "scope of responsibilities of the police"—shift resources to other programs, especially concerning being first responders for mental health, dealing with homeless people, and schools
Reinvestment	Shift resources from police budget to community redevelopment initiatives—education, social, and health treatment programs

Source: Williams and Eichenthal (2020) "The Debate Over Defunding the Police," October, pp. 22–23

The alternatives mentioned aren't mutually exclusive. They can be merged (with the exception of the most extreme alternative) to produce a combined strategy—perhaps along the lines of what Howard Henderson and Ben Yisrael advocate in the following:

> No matter what we choose to call it, defund the police, a reallocation of funding, or a total reimagination, research supports a public health approach to policing. If we are effective, funding public health approaches will reduce the reliance on law-and-order policing, save lives and reverse the longstanding slide in the wrong direction. Police must be the last resort, used only when necessary to protect the public from harm. Until then, municipalities will need to prepare for the impact of increased police accountability and transparency.
>
> (**Seven myths about "defunding the police" debunked,** 2020, Howard Henderson and Ben Yisrael)

On the other side, police funding is a major expenditure in local government spending, but it's still not the biggest source. Girard Miller of *Governing* (2021) puts this in perspective this way:

> Would defunding actually work? For perspective, state and local governments spend about 4 percent of their budgets on police and local law enforcement. Nationwide, that works out to about $30 per month per capita. That is less than one-fifth of what is spent directly at the state and local level on "public welfare" expenditures, mostly direct payments to families and health-care providers. And it amounts to only a tenth of the spending on what I'll call redistribution social services, categorized more broadly to include functions that would bootstrap minority communities such as public education and health services used by lower-income households. Importantly, police budgets are local-government budgets, not part of state budgets where social services funding is largely provided. Even if a police department's spending were slashed in half—extreme by any measure—the additional incremental local funding thus made available for social services and income redistribution would increase current levels almost imperceptibly. Defunding simply wouldn't move the needle.
>
> (**The Misunderstood Math of Defunding the Police,** Governing October 20, 2021)

But What to Do About Increasing Crime Rates?

Complicating the debate over alternatives has been an increase in crime rates since 2020—or more specifically since COVID. The National Commission on COVID-19 and Criminal Justice issued a report showing fairly dramatic increases in crime rates—especially violent crimes, which was a reversal of trends over the past several years. See Figure 3.1 charting violence in 32 major cities in the United States though spring 2021. Note that not all crime increased—the second chart shows the statistics from the Commission's report on robberies with threat of force.

(*continued*)

CASE STUDY *Continued*

FIGURE 3.1

Crime rates in US cities 2017–2021

Source: National Commission on COVID-19 and Criminal Justice 2021

Pointing to a number of contributing factors—including the exodus of police officers and political pressures—they caution that, despite the spike, overall crime rates are lower when compared to prior years, and "The first-quarter 2021 homicide increase actually began in 2019, prior to the pandemic and well before protests against police violence spread across the country."

As state and local budgets recovered strongly from the COVID pandemic of spring 2020, police (and other public safety budgets) austerity budget cuts were eliminated. Minneapolis wasn't the only entity that raised its police budget—a host of other cities from NYC and LA to Dallas and even Seattle also did so.

Cities especially are now facing another issue complicating the defunding debate—recruiting new police officers. Pew's Route 50 reported the following statistics:

> Recruitment and retention of officers was an ongoing challenge in law enforcement even before the coronavirus pandemic led to increased burnout across all manner of public sector jobs and last summer's racial justice protests intensified the turmoil. But the problem has worsened over the last year.
>
> - Departments are on average filling 93% of their authorized positions, and retirements and resignations have surged in the last year, according to a recent survey conducted by the Police Executive Research Forum.
> - Retirements were up 45% from April 2020 through March 2021 compared to the same time frame the year before, according to the survey of 194 law enforcement agencies. Resignations were up 18% during the same period.
> - Meanwhile, hiring rates dropped by 5% overall and 36% among large agencies with more than 500 officers.
>
> (Andrea Noble, Route 50, June 25, 2021)

Case Discussion Questions

1. The defund the police movement has lost some momentum (recently), but the core questions remain: (a) should police reform include some form of "reallocation or total reimagination" of what is budgeted for police? Why or why not?
2. How would you respond to the question posed for the City of Minneapolis? "If they want to build violence prevention and mental health programs, should they use police funding to do that, or pull from other pools of money?"
3. To what extent does the defunding police debate mainly apply to major large cities in the US? (Remember Ferguson)
4. How do police reformers reconcile agreement about the problem but far less support for changing funding to drive reform?

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Affirmative action A term that first meant the removal of "artificial barriers" to the employment of women and minority group members; now it refers to compensatory opportunities for hitherto disadvantaged groups—specific efforts to recruit, hire, and promote qualified members of disadvantaged groups for the purpose of eliminating the present effects of past discrimination.

Big Lie A deliberate and gross misrepresentation of the truth by a politician or political body, used as a propaganda technique. In the context of the 2020 presidential election, the Big Lie refers to the false claims President Trump and his allies made about election fraud and a stolen election.

Civil rights era The period between the mid-1950s and late 1960s in the United States when Black Americans and their allies fought for equal rights protections under the law. During this time, Congress enacted significant legislation to protect those rights, most notably the Civil Rights Act and the Voting Rights Act.

Constitutionalism A belief that a government's authority is, and should be, constrained by a written constitution and legal determinations about the constitutionality of laws and policies.

De facto Conditions or practices that exist in reality, even if not legally recognized.

De jure Conditions or practices that are encoded in law and legally recognized, even if not reflected in practice.

Disenfranchisement The act of excluding citizens from full participation in civic life, especially political decision-making and exercising the right to vote.

Employment discrimination The phrase that summarizes workplace intolerance toward those who are different; the failure to treat people equally in employment practices.

Equal employment opportunity Employment practices that prevent any individual from being adversely excluded from employment opportunities based on race, color, sex, religion, age, sexual orientation, national origin, or other factors that cannot lawfully be considered in employing people.

Federalism Describes a system of government where power is diffused so that the national government shares power with states and lower levels of government, as in the United States.

Frederickson, H. George The public administration scholar who proposed adding social equity as the "third pillar" of public administration in 1968.

Glass ceiling The unseen barrier through which an organization's highest-level positions can be seen but not reached. Women and minorities often perceive that a "glass ceiling" prevents their advancement to the top.

Immutable characteristics Individual identity characteristics that are not the result of individual choice and not easily changed. In US constitutional law, immutable characteristics are often used to identify suspect classifications.

Jim Crow laws A name given to any law requiring the segregation of the races. All such statutes are now unconstitutional but prior to the Civil Rights Act of 1964, many southern states had laws requiring separate drinking fountains, separate restrooms, separate sections of theaters, and so on, for White and "colored" races.

New public administration An academic advocacy movement for social equity in the performance and delivery of public services originating in the late 1960s in the United States. It called for a proactive administrator with a burning desire for social equity to replace the traditional impersonal and neutral gun-for-hire bureaucrat.

Racial equity A condition in which individual outcomes (e.g., health, economy) can no longer be predicted based on race. May also refer to processes designed to promote racially equitable outcomes.

Rawls, John R. An iconic political and ethical philosopher best known for *A Theory of Justice*, in which he defines "justice as fairness" and defends egalitarian liberalism.

Reasonable accommodation The steps an employer must take to accommodate an employee's disability (e.g., adequate workspace for an employee confined to a wheelchair) unless such steps would cause the employer undue hardship.

Reconstruction The post–Civil War period when the South was divided into military districts and the states that were formerly part of the Confederacy were brought back into the Union. The official end of Reconstruction was 1876 when the last federal troops were withdrawn.

Representative bureaucracy The ultimate goal of equal employment opportunity and affirmative action programs.

Rohr, John An American political scientist and leading constitutional scholar whose work focused on ethics in public management, normative theory, public law, comparative public administration, and constitutional issues in public administration. Rohr advocated for using constitutionally grounded regime values to guide ethical decision-making in public administration.

Separation of powers Describes the division of government responsibilities into distinct branches (executive, legislative, judiciary) to limit the power of each branch and to establish a system of checks and balances.

Sexual harassment The action of an individual (either a supervisor or co-worker) in a position to control or influence another's job, career, or grade who uses such power to gain

sexual favors or punish the refusal of such favors. Sexual harassment on the job varies from inappropriate sexual innuendo to coerced sexual relations.

Systemic discrimination Use of employment practices (recruiting methods, selection tests, promotion policies, etc.) that have the unintended effect of excluding or limiting the employment prospects of protected-class persons. Because of court interpretations of Title VII of the Civil Rights Act of 1964, all such systemic discrimination, despite its "innocence," must be eliminated where it cannot be shown that such action would place an unreasonable burden on the employer or that such practices cannot be replaced by other practices that would not have such an adverse effect.

Thompson, Victor One of the most gifted stylists in the literature of public administration. Thompson is best known for dealing deftly with bureaucratic interactions and dysfunctions. In his most influential work, *Modern Organization*, he reminds us, "one must not forget that clients are notoriously insensitive to the needs of bureaucrats."

Title VII The part of the Civil Rights Act of 1964 that prohibits employment discrimination based on race, color, religion, sex, or national origin and created the Equal Employment Opportunity Commission as its enforcement vehicle.

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RECOMMENDED BOOKS

Elias, Nicole and Amanda Olejarski (2020) *Ethics for Contemporary Bureaucrats: Navigating Constitutional Crossroads*. Routledge. An examination of social equity from the practitioner's perspective using ethical decision-making as the focus. Social equity is one of three constitutional values (along with freedom and property) that are integral to navigating what they see as "uncharted territory" for public administrators.

Frederickson, H.G. (1980) *New Public Administration*. University of Alabama Press. Frederickson is one of Public Administration's most outspoken academics, and in this concise 140-page work coming out of the new public administration movement, his was one of the first voices to make the case that public administration needed to chart a transformative course past efficiency toward social equity and by definition new dimensions for public sector institutions and even academia.

Gooden, Susan (2014) *Race and Social Equity: A Nervous Area of Government*. Routledge. A different look at the complexities of social equity and racial justice as more than simply adopting equity as new objectives for public administration. Gooden's concept of nervousness—explained in her first chapter—is important reading for seeing the pursuit of equity in the context of race-related tensions in communities, states, and society.

Guy, Mary and Dean McCandless, eds. (2020) *Achieving Social Equity: From Problems to Solutions*. Melvin & Leigh Publishers. A comprehensive collection of original contributions on all aspects of the challenges of social equity for public administrators from rethinking administrative rulemaking to various critical policy domains.

Johnson, Norman J. and James H. Svara, eds. (2011) *Justice for All: Promoting Social Equity in Public Administration*. Routledge. A compilation of essays written by members of the Standing Panel on Social Equity of the National Academy of Public Administration to help guide public officials and other practitioners who seek to understand and promote social equity. The book serves as a primer for understanding the state of social equity in several policy areas that is grounded in a historical context and may help inform action plans to promote social equity.

CHAPTER 4

The Architecture and Institutions of Government

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KEYNOTE: The New Feudalism: Gated Communities in America

In the late 1990s, a number of works appeared describing a new form of neo-governmental institution that was becoming increasingly prevalent—the construction of gated residential communities. As Blakely and Snyder in their 1997 *Fortress America: Gated Communities in the United States* explain:

> In this era of dramatic demographic, economic and social change, there is a growing fear about the future in America. Many feel vulnerable, unsure of their place and the stability of their neighbourhoods in the face of rapid change. This is reflected in an increasing fear of crime that is unrelated to actual crime trends or locations, and in the growing number of methods used to control the physical environment for physical and economic security. The phenomenon of walled cities and gated communities is a dramatic manifestation of a new fortress mentality growing in America. Gates, fences, and private security guards, like exclusionary land-use policies, development regulations, and an assortment of other planning tools, are means of control, used to restrict or limit access to residential, commercial, and public spaces.
>
> Americans are electing to live behind walls with active security mechanisms to prevent intrusion into their private domains. Americans of all classes are forting up, attempting to secure the value of their houses, reduce or escape from the impact of crime, and find neighbours who share their sense of the good life. The new fortress developments are predominantly suburban, with a growing number of urban inner-city counterparts. They are, however, more than walled-off areas and refuges from urban violence and a rapidly changing society. They are also a search for sociocracies community—the ideal community that Americans have sought since the landing of the Pilgrims.
>
> (Blakely and Snyder, 1997, p. 2)

Partly as a response to a sense that public services are deteriorating—especially in urban areas—those with enough money, increasingly, have sought to buy their way out of the problem. First, they send their children to private schools, and then they look to hire private security. And in almost feudal tradition, they retire each night behind walled towns where guards at a gate check the identity of all who seek to enter, or there is at least a passcode to control entry. According to the American Housing Survey conducted by the US Census—there were over 11 million people in 2015 (a 53% increase since 2000) estimated to live with controlled entry behind walls or fences. In terms of total residential units (houses, apartment buildings, mobile homes) in the US, that's just under 16%.

While most popular in California, Texas, Arizona, Florida, and Virginia, such private residential communities sprang up throughout the United States, patterned after the comprehensive mini-cities that have been popular with retirees in the Sunbelt. Residents in these gated communities pay forms of private taxes (community association fees) and submit to various forms of zoning and environmental regulations.

Regionally, there's quite a bit of variation in terms of the number of gated communities, but the last census with data showed the following probabilities—the West has the highest likelihood of living in walled communities (11.1%), followed by the South (6.8%), the Northeast (3.1%), and the Midwest (2.1%). Those probabilities reflect both population growth and new housing construction rates. Thus, it's also expected that the majority of these gated communities will be found in urban areas. Table 4.1 shows 2010 census data of the top 10 cities in terms of their percentage of either walled or entry-controlled access communities.

TABLE 4.1

Residents in Gated Communities by Metropolitan Area US 2010

City—Metro Area	% Walled	% Access Controlled
Houston	26.7%	21.9%
Dallas	17.8%	13.4%
Los Angeles	18.2%	11.7%
Atlanta	7.4%	5.5%
New York	5.2%	1.7%
Washington, DC	4.3%	2.6%
Chicago	5.3%	1.3%
Boston	3.5%	0.6%
Detroit	2.3%	1.2%
Philadelphia	2.0%	0.8%

Source: Top Gated Communities by Geographic Location (2010 AHS Data)

As these gated communities have proliferated, we would like to know more about the "residents"—their social identities (what are called household characteristics) as well as their views. The American Housing Survey, however, deleted "Secured Communities" from its data in 2017. From one of the first studies of the previous census data, we know that in fact the residents aren't primarily affluent homeowners. In fact, renters more likely "are nearly 2.5 times more likely to live in walled or fenced communities and over 3 times as likely to have controlled entries" (Sanchez et al., 2005). (Partly this includes renters who live in public housing projects, which often have walled and gated design elements.)

Still, these citizens obviously feel that having their own private police, streets and parks are well worth the cost in money and possible personal restrictions. But the question is, does that mean the larger sense of community is lost? Are citizens living in their affluent private enclaves less likely to vote for spending on public services that they do not use or rely on, such as traditional public schools, public parks, and public roads? Likewise, another essential question is, if certain citizens can afford to buy their way out of common public problems, what kind of public services does that leave for the rest? It used to be that the "leading" (meaning richer) citizens would make an effort to contribute to solving the problems of their communities because, for better or worse, they were part of it. Now they can just retire behind their walls.

Even people living in the heart of a big city can buy better public services for themselves by creating a "business improvement district"—a quasi-government paid for by taxes on property owners within the district. Almost a thousand of these districts nationwide provide extra sanitation, policing, and other services for their residents. New York City has perhaps the most extensive network—where over 69 different districts operate in the city as a public-private partnership providing services and programs, all under the coordination of the New York City Department of Small Business. Thus, many of the richer neighborhoods in New York City are cleaner and safer because their residents can afford to pay for private sanitation services and private security.

Seen in another light, this new feudalism is just one side of the increasing privatization of the public sector: here, citizens, as is their right, buy the number of

"public" services they can afford. Government itself has for some time contracted for the private provision of public functions. Thus, increasingly trash is collected, public buildings are cleaned, and streets are repaired not by public employees but by private sector employees of companies with government contracts. This is often less expensive because such workers are typically paid less than public employees are—especially when pension and other employee benefits are considered.

The traditional institutions of government—the administrative structures by which public purposes are achieved—are increasingly being called into question by a skeptical citizenry that does not always see the contradiction between wanting ever greater government services at ever decreasing costs. Thus privatization, even with its feudal aspects, is seen by some as one means of lowering the overall costs of government, by others as a means of reducing services to the poor, and by still others as a means of eliminating large elements of government altogether. But these arguments—often based mostly on political ideology from the 1980s—have given way to another way of conceptualizing public vs private in government. The discussion begins with separating who provides the service from who produces or delivers the service. Government is then expected to be competitive with the nonprofit and private sectors in terms of quality and cost. This then moves to a performance discussion. But in the pursuit of improving government performance (what the Organisation for Economic Co-operation and Development—a highly influential source on government reform—prefers to label "modernization"), there is still a significant difference between using market-type mechanisms to produce public services in specific instances and opting to sell off whole government entities and public functions.

WHAT ARE THE INSTITUTIONS OF GOVERNMENT?

In the United States, there is no one government. In fact, in 2020 there were over 80,000 governments of all different sizes and even names. These government entities or better yet "institutions" consist of all of the structural arrangements adopted by national, state, and local governments to deliver their legally mandated programs and services. This of necessity includes the central management arrangements of government. In all jurisdictions, the organization and eventual reorganization of executive branch agencies is a continuing form of evolution—and as with all change—subject to debate.

In 1733 English poet Alexander Pope wrote the following:

For forms of government let fools contest—
That which is best administered is best.

These two lines from his *An Essay on Man* became so well known that Alexander Hamilton, in *The Federalist*, No. 68 (1788), took the trouble to quote them, denounce the sentiment as "political heresy," and then go on to acknowledge, "Yet we may safely pronounce that the true test of a good government is its aptitude and tendency to produce a good administration."

Ever since, one test of governing efficacy has been Hamilton's ideal of "good administration." The agencies and their functions through the programs that a government creates to work its will must be judged by the quality of public administration that it yields. But many political analysts of Hamilton's generation as well as today would argue that no matter how good the quality, it is the quantity that is the crucial thing. Senator Barry Goldwater's often stated warning during his unsuccessful 1964 presidential campaign still resonates: "a government big enough to give you everything you want is a government big enough to take from you everything you have."

Hamilton's contemporary, Thomas Paine, the pamphleteering propagandist of the American Revolution, wrote in *Common Sense*, "society in every state is a blessing, but government, even in its best state, is but a necessary evil; in its worst state an intolerable one." This certainly reflects the sentiments of the modern Republican Party in the United States. Indeed, this party took control of the US Congress during the 1994 midterm election, running on a platform that differs only in detail with Paine's contention. This can all be summed up in the proposition that "government is best which governs least." New England writer Henry David Thoreau began his famous 1849 essay "Civil Disobedience" with this motto, which has also been attributed to Thomas Jefferson, Thomas Paine, and many other doubting Thomases about government.

But if so many good and wise people believed so strongly that government should be "least," how and why did it grow so large? Has the institution grown too big for its most elemental task of producing Hamilton's "good administration"? The task of this chapter is to examine the institutions of government and its effects on administrations good and bad. However, it is best to keep in mind that most of the debates over reinventing government and the best public management practices are not really about fundamentally changing the nature of governing institutions but more about refining and retrofitting the institutions.

The Rise and Fall of Government Institutions

Whenever government seeks to address any major issue, it confronts the issues of who will be entrusted with administering whatever is designed and expending whatever funds are allocated. Thus, the civil rights movement that began in the 1950s established the Commission on Civil Rights (created in 1957) and then the Equal Employment Opportunity Commission (created in 1964). The environmental movement that began in the 1960s created the Environmental Protection Agency (founded in 1970). The war on terrorism that started after the arrack on the World Trade Center in 2001 would reorganize 22 different federal departments and agencies into one new unified, integrated Department of Homeland Security.

Governmental entities, once established, tend to last a long time and not change easily. Such is the nature of institutions as they develop constituencies that support their cause. Often, they take on new causes that also enhance their support. For example, the Equal Employment Opportunity Commission initially dealt only with cases of workplace discrimination. Today, as federal courts reinterpret the nature of discrimination, it is the nation's prime enforcer of workplace sexual harassment prohibitions as well.

However difficult to change, the agency entities and subunits of departments of government are not immutable. What goes up can also fall down. For example, the Civil Aeronautics Board, created by the federal government to regulate the airline industry in 1938, was abolished in 1985 as economic deregulation became fashionable. The Office of Technology Assessment, created in 1972 as a support agency of Congress to be an objective source of information on policy alternatives for technology-related issues, was abolished in 1995 as a newly elected Republican-controlled Congress sought to cut costs. In 1996, the Bureau of Mines within the Department of the Interior was terminated with all of its 1,200 employees by a Congress less interested in the concerns of labor unions than in budget savings.

Often change (at least adding new agencies or other government entities) comes with crises. With the economic turmoil of the Great Recession in 2008 and 2009, the Recovery Accountability and Transparency Board—a nonpartisan, nonpolitical agency—was originally created out of the American Recovery and Reinvestment Act of 2009 (ARRA) with the twin goals of providing transparency of ARRA-related funds

and preventing fraud, waste, and mismanagement of those funds. Later, through the Consolidated Appropriations Act of 2012, the Board's authority was then expanded to include oversight of all federal funding for the post-economic recovery efforts supported by the federal government. Then under the Disaster Appropriations Act of 2013, the Board was mandated by Congress to use its resources to provide oversight of Hurricane Sandy funding. Only in 2015 did the Board run out of disaster recovery efforts to oversee and was finally "decommissioned."

But even when a piece of the government machine is sliced off, it is seldom completely thrown away. For example, the Bureau of Mines' workers engaged in coal mine safety were transferred to the Fossil Energy Division of the Department of Energy. And even the most fervent advocates of abolishing the Department of Commerce believe it would be wise to retain the National Weather Service or the National Oceanic and Atmospheric Administration, even if only in scaled-down forms somewhere. In the United States, the institutions that comprise national government are far more inherently conservative and, in consequence, there is more hesitancy to change. Good honest questions will persist, such as Why is the US Forest Service in the Department of Agriculture and not the Department of Interior? and How does that affect the nation's ability to coordinate wildfire prevention and mitigation? But there will be as many critics of change as there will be proponents of reform.

THE ADMINISTRATIVE ARCHITECTURE OF THE US GOVERNMENT

A constitution provides the basic political and legal structure, the architecture, that prescribes the rules by which a government operates. James Madison wrote in *The Federalist*, No. 57 (1788),

> the aim of every political constitution is, or ought to be, first to obtain for rulers men who possess most wisdom to discern, and most virtue to pursue, the common good of the society; and in the next place, to take the most effectual precautions for keeping them virtuous whilst they continue to hold their public trust.

While Madison asserted that the first aim was to find appropriate "men," he would certainly reconsider that word if he were writing today. To be sure, he would use a sexually neutral term such as *people*, *individuals*, or *persons*. But this does not go far enough—because the primary task of rulers in all modern constitutional systems is administration. So "administrators" should replace "men" in Madison's political philosophy because administrators are those who run a constitution. The echo of Woodrow Wilson's famous statement, "it is getting harder to run a constitution than to frame one," is loud and clear (Wilson, 1887, p. 197). Madison is generally considered the primary framer of the Constitution. But if he had lived to see what his handiwork had wrought, he would be much more concerned about running it.

The Constitution, with its famous opening words "We the people," asserts that the source of its authority is the people as opposed to the states. It then assigns powers to the various branches of government and, in doing so, structures the government. It limits the powers that any branch may have through a system of **checks and balances**. Most significantly, it denies certain powers to the national government by reserving them for the states and the people.

American politics has grown up around the Constitution and has therefore been "constitutionalized." Many domestic political issues are eventually treated in constitutional terms—for example, civil rights, crime, pornography, abortion, and impeachment,

to name but some of the more obvious cases. Only the realm of foreign affairs has substantially escaped this tendency, although the war on terror has increasingly brought back questions of the rights of prisoners to the American courts. In addressing matters of government and politics, Americans are likely to pose as the first question, "Is it constitutional?" Only afterward is the desirability of specific policies and government arrangements considered on their own merits. In the 1819 case of *McCulloch v. Maryland*, the Supreme Court explained how to tell if something is constitutional: "Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional."

Unlike the British parliamentary institutions of government that evolved over hundreds of years, the American institution was created at one moment in time for its specific purpose. The Constitutional Convention of 1787 was truly the world's first inventing-government movement. And the government it created was designed to be inefficient. Because of their experiences under British rule, Americans have historically been suspicious of a too-efficient government, feeling that an overly efficient administration of public affairs could eventually eat into political liberties. Chief Justice Warren Burger, writing for the Court in *Immigration and Naturalization Service v. Chadha* (1983), offered this opinion:

> It is crystal clear from the records of the [Constitutional] Convention, contemporaneous writings and debates, that the Framers ranked other values higher than efficiency. . . . The choices we discern as having been made in the Constitutional Convention impose burdens on governmental processes that often seem clumsy, inefficient, and even unworkable, but those hard choices were consciously made by men who had lived under a form of government that permitted arbitrary governmental acts to go unchecked.

The modern US Supreme Court then reaffirmed the value of inefficiency when it asserted in the *Chadha* case that "there is no support in the Constitution or decisions of this Court for the proposition that the cumbersomeness and delays often encountered in complying with explicit Constitutional standards may be avoided, either by the Congress or by the president." The Court unanimously declared its support for red tape, the treasured procedural safeguards that protect us even when we do not wish to be protected, and the law's delay. And they have done this as they stated in the *Chadha* case because "with all the obvious flaws of delay, untidiness, and potential for abuse, we have not yet found a better way to preserve freedom than by making the exercise of power subject to the carefully crafted restraints spelled out in the Constitution."

The Executive Branch

One glance at an organizational chart of the US government and we can see immediately that the most complex institutional part of government lies in the executive branch; the other two branches seem small by comparison, with comparatively few subdivisions (see Figure 3.2). While the inefficiency of the separation of powers is to be highly valued for its protection of basic liberties, this is no excuse for individual agencies to be inefficient as organizations. Indeed, a major thrust of American public administration reform over the past century has been the attempt to create efficient subunits within an overall political (not inherently concerned with efficiency) system.

Although the executive branch has the most complex structure, the other two branches are also of interest. For example, the US Supreme Court has ultimate

administrative responsibility for the entire federal court system. And while most citizens know that the legislative branch contains the Senate and the House of Representatives, not so many realize that other important agencies are located in this branch, ranging from the Architect of the Capitol and the US Botanic Garden to the Library of Congress and the Government Accountability Office (GAO). This last agency is of critical importance, allowing Congress to exercise financial oversight of the executive branch. The GAO would be severely diminished if its functions were located within the executive branch, as it frequently is within democracies based on the British **parliamentary system**. (The GAO's work is discussed in more detail in Chapter 13.)

The executive branch, headed by the president, contains all the entities that serve to implement national policies established by both constitutional and legislative means. There are three main categories of organizations in the structure of the executive branch: (1) executive office agencies, (2) executive departments, and (3) independent public bodies as seen in the organization chart of the federal government in Figure 4.1.

Executive Office of the President

The Executive Office of the President is an umbrella office consisting of the top presidential staff agencies that provide the president help and advice in carrying out major responsibilities. These include, as you might expect, some agencies that are concerned with "head office" functions of policy, planning, and resource allocation, such as the Office of Management and Budget, the Council of Economic Advisers, and the National Security Council. But some exist to signify important national priorities, such as the Office of National Drug Control Policy and the Council on Environmental Quality.

Executive Departments

There are currently 15 executive departments. As a group, they constitute the president's cabinet. Established in Article II, Section 2, of the Constitution, the cabinet's role is to advise the president on any subject he or she may require relating to the duties of each member's respective office. Reliance on cabinet meetings is more difficult to ascertain. Donald Trump convened his cabinet 25 times over his four years of office; Obama held only 19 meetings in his first term.

But the cabinet is an institution whose existence relies as much on custom as its constitutional provision, even though its chief members, the secretaries of the federal executive departments, must be approved by the Senate. It came into being as a single body because President George Washington found it useful to meet with the chiefs of the several executive departments. While all subsequent presidents have considered it necessary to meet with the cabinet, their attitudes toward the institution and its members have varied greatly. Some presidents have convened their cabinet only for the most formal and routine matters, while others have relied on it for advice and support. The president's cabinet differs from the cabinet in the British parliamentary system in that, in the United States, the executive power is not shared by the cabinet as a whole but is constitutionally vested solely in the president. This is famously illustrated by a story about Abraham Lincoln. During the Civil War, he called his cabinet together to discuss a pressing matter of war policy. Wanting to get a sense of their feelings, he called for a vote. They all voted "nay." Lincoln alone voted "aye." Yet, as president, he declared, "The ayes have it."

However, a substantial part of the executive branch is not represented in the cabinet. From the earliest days, presidents have accorded to others the privilege of attending and participating in cabinet meetings. In recent years, the US ambassador to the United Nations and the director of the Office of Management and Budget,

FIGURE 4.1

The government of the United States 2020

Source: www.usgovernmentmanual.gov

among others, have been accorded cabinet rank to symbolize the importance of the functions they represent. However, not all cabinet members are equal. The "inner" cabinet refers to the federal Departments of State, Defense, Treasury, and Justice—because they (and their secretaries) tend to be more prominent and influential in every administration than the rest of the cabinet. While all cabinet secretaries are equal in rank and salary, the missions of those in the inner cabinet tend to give them an advantage in prestige, access, and visibility denied to those who head the remaining (the "outer") cabinet.

The structure of US government departments is a reasonably deft selection of topics likely to need a national focus by government. But these topics are not the only ones that could be represented at this level. They represent choices among competing priorities. There is no federal Department of the Environment, for example, which on the one hand means that environmental issues must be voiced through other departments. But there is a Federal Chief Sustainability Office housed within the White House Council on Environmental Quality. In the Biden administration, federal agencies are required to appoint an agency chief sustainability officer to lead agency-wide implementation of sustainability and climate adaptation policy and meet the president's goals and priorities. The architecture of government allows for other ways to raise issues about climate adaptation. Since the Clinton administration, the EPA administrator has normally been accorded cabinet rank by the president.

Independent Public Bodies

Independent establishments and government corporations form the third main area of the US national institutions of government. They range in purpose from public business corporations (such as the US Postal Service, the Export-Import Bank of the United States, and Amtrak—the National Railroad Passenger Corporation) to important regulators and watchdogs (such as the Environmental Protection Agency and the Commission on Civil Rights) to foundations committed to worthy purposes (such as the National Science Foundation and the African Development Foundation).

A regulatory commission is an independent agency established by Congress to regulate some aspect of US economic life. Among these are the Securities and Exchange Commission (SEC) and the Federal Communications Commission (FCC). Such agencies are, of course, not independent of the US government. They are subject to the laws under which they operate as these laws are enacted and amended by Congress. Independent agencies and regulatory commissions can be divided into two categories: (1) those units under the direct supervision and guidance of the president, and therefore responsible to him or her, and (2) those not under such supervision and guidance, and therefore not responsible to him or her.

Independent executive agencies, with rare exceptions, are headed by single administrators appointed by the president and confirmed by the Senate. These administrators serve at the pleasure of the president and can be removed by the president at any time. In addition, they must submit their budget requests to the Office of Management and Budget (OMB), which is located within the Executive Office of the President, for review and clearance. Examples of independent executive agencies include the Central Intelligence Agency, the Environmental Protection Agency, the General Services Administration, and the Small Business Administration.

Government corporation is the term used for a government-owned corporation or an agency of government that administers a self-supporting enterprise in the following situations:

1. When an agency's business is essentially commercial.
2. When an agency can generate its own revenue.
3. When the agency's mission requires greater flexibility than government agencies normally have.

The largest government corporation in the federal government is the US Postal Service (which is the subject of the case study at the end of the chapter). Other examples of federal government corporations include the Saint Lawrence Seaway Development Corporation, the Federal Deposit Insurance Corporation, Amtrak, and the Tennessee Valley Authority. Some government corporations, such as the Tennessee Valley Authority, have been established to exist in perpetuity, while others are temporary—basically set up to serve as transition vehicles to transform from governmental entities into private firms. At the state and municipal levels, corporations (often bearing different names, such as authorities) operate enterprises such as turnpikes, airports, and harbors. At various times, there has been an effort, especially under Republican administrations, for many government corporations to be dissolved or sold to private entities.

Separation of Powers

The executive branch organizations discussed in the previous section maintain important powers within their individual spheres. But as even the most casual observer of American government will recognize, those powers are significantly constrained by the core principle of separation of powers established by the Constitution. James Madison's perspective follows in Box 4.1. This separation of powers among executive, legislative, and judicial branches, in theory, makes a tyrannical concentration of power impossible. While the Constitution contains provisions in separate articles for the three branches of

BOX 4.1 James Madison on the Separation of Powers

But the great security against a gradual concentration of the several powers in the same department, consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. The provision for Defense must in this, as in all other cases, be made commensurate to the danger of attack. Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature? If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions. This policy of supplying, by opposite and rival interests, the defect of better motives, might be traced through the whole system of human affairs, private as well as public. We see it particularly displayed in all the subordinate distributions of power, where the constant aim is to divide and arrange the several offices in such a manner as that each may be a check on the other—that the private interest of every individual may be a sentinel over the public rights. These inventions of prudence cannot be less requisite in the distribution of the supreme powers of the State.

Source: James Madison (1788a) *The Federalist* No. 51

government, there is a significant difference in the grants of power to these branches: the first article, dealing with legislative power, vests in the Congress "all legislative powers herein granted"; the second article vests "the executive power" in the president; and the third article states that "the judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish." The drafters of the Constitution were very familiar with Sir William Blackstone's *Commentaries on the Laws of England* (1723–1780), which asserted, "In all tyrannical governments the supreme magistracy, or the right both of making and of enforcing the laws, is vested in one and the same man, or one and the same body of men; and wherever these two powers are united together, there can be no public liberty." Thus, Justice Louis D. Brandeis wrote in *Myers v. United States* 272 US 293 (1926):

> The doctrine of the separation of powers was adopted by the Convention of 1787, not to promote efficiency but to preclude the exercise of arbitrary power. The purpose was not to avoid friction, but, by means of the inevitable friction incident to the distribution of the governmental powers among three departments, to save the people from autocracy.

STATE AND LOCAL GOVERNMENT INSTITUTIONS

American subnational governments are individually smaller than the national government but collectively far larger (see Table 4.2). The number of public employees is a good indicator of this disparity. The federal government, excluding the armed forces, has just about 2.8 million civilian employees. But state and local employment is nearly 15 million. The institutions of government at the state and local levels parallels the national model with legislative, executive, and judicial branches—but within the branches there are numerous differences.

The Tenth Amendment, the last part of the Bill of Rights, holds that the "powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." This means that whatever the federal government cannot constitutionally do for the people, the states and their subunits must or may do. Significantly, the national Constitution does not mention cities, counties, or any other type of local government. They are all creatures of their states; their powers are derived from state law; and what a state gives a state may later take away. A current listing of local government entities by category is provided in Table 4.2 by state in order off population size.

TABLE 4.2

Number of Governmental Units by States (US Census of Governments 2017)

			G3	G4	G5	G7	G8	G9	G10
State	**Population**	**All Local Govts**	**Special Purpose**	**General Purpose**	**County G5**	**City G7**	**Town G8**	**Special Districts**	**School Districts**
Wyoming	578,931	794	672	122	23	99	X	617	55
Vermont	624,344	729	436	293	14	42	237	159	277
Alaska	739,700	179	15	164	67	461	X	530	137
North Dakota	754,942	2,664	946	1,718	15	149	X	15	X

South Dakota	872,868	1,916	637	1,279	15	91	X	310	242
Delaware	956,823	334	274	60	75	501	X	730	235
Montana	1,052,482	1,226	1,043	183	57	482	X	2,894	1,011
Rhode Island	1,055,673	129	90	39	62	271	X	2,628	180
Maine	1,334,612	834	330	504	X	30	149	429	17
New Hampshire	1,348,787	541	297	244	3	57	X	255	19
Hawaii	1,424,393	21	17	4	X	1	X	1	X
Idaho	1,717,715	1,170	926	244	66	412	X	1,139	95
West Virginia	1,817,004	651	364	287	152	537	X	511	180
Nebraska	1,915,947	2,538	1,550	988	3	1	X	17	X
New Mexico	2,091,784	1,013	875	138	44	200	X	808	118
Kansas	2,908,718	3,792	1,799	1,993	102	1,297	1,429	3,204	886
Nevada	2,969,905	189	154	35	91	567	1,004	687	289
Mississippi	2,988,510	969	589	380	99	943	X	551	348
Arkansas	3,001,345	1,541	965	576	103	625	1,265	1,493	306
Utah	3,101,042	619	340	279	118	417	X	614	173
Iowa	3,141,550	1,941	899	1,042	60	304	X	83	69
Connecticut	3,573,297	625	446	179	16	23	465	232	98
Oklahoma	3,931,316	1,830	1,163	667	23	157	X	164	X
Oregon	4,143,625	1,510	1,234	276	5	53	298	417	85
Kentucky	4,452,268	1,322	787	535	83	533	1,240	436	571
Louisiana	4,670,560	516	152	364	87	853	1,780	590	333
Alabama	4,874,486	1,195	667	528	82	298	X	432	157
South Carolina	5,021,268	671	355	316	114	944	283	1,897	530
Minnesota	5,566,230	3,643	923	2,720	54	129	X	730	313
Colorado	5,611,885	3,141	2,808	333	93	529	366	1,281	269
Wisconsin	5,790,186	3,096	1,172	1,924	16	19	X	137	17
Maryland	6,023,868	344	164	180	10	13	221	129	168
Missouri	6,106,670	3,768	2,427	1,341	21	324	241	233	519
Indiana	6,658,078	2,638	976	1,662	33	105	X	779	96
Tennessee	6,708,799	906	469	437	57	601	929	1,185	678
Massachu-setts	6,859,789	858	502	356	100	552	X	318	X
Arizona	7,044,008	658	552	106	53	357	1,308	767	179
Washington	7,423,362	1,900	1,580	320	88	931	1,308	904	666
Virginia	8,463,587	517	194	323	77	590	X	621	542
New Jersey	8,885,525	1,338	752	586	36	240	X	1,004	230
Michigan	9,973,114	2,863	1,007	1,856	66	1,013	1,546	1,691	514
North Carolina	10,268,233	970	318	652	X	8	31	86	4
Georgia	10,410,330	1,380	691	689	46	270	X	274	81
Ohio	11,659,650	3,897	1,570	2,327	66	311	902	487	150
Illinois	12,778,828	6,918	4,090	2,828	92	345	X	455	14

TABLE 4.2 (Continued)

Pennsylvania	12,787,641	4,830	2,205	2,625	254	1,218	X	2,798	1,073
New York	19,589,572	3,450	1,863	1,587	29	250	X	299	41
Florida	20,963,613	1,712	1,234	478	14	42	237	159	277
Texas	28,295,273	5,343	3,871	1,472	95	228	X	193	1
California	39,358,497	4,444	3,905	539	39	281	X	1,285	295

Key—G3 Total Local Government Units—Special Purpose Governments
G4 Total Local Government Units—General Purpose Governments
G5 Total Local Government Units—County Governments
G7 Total Local Government Units—Subcounty Governments—Municipal Governments
G8 Total Local Government Units—Subcounty Governments—Township Governments
G9 Total Local Government Units—Special Purpose Governments—Special District Governments
G10 Total Local Government Units—Special Purpose Governments—Independent School District Governments

Source: US Census of Governments (2017) http://www.census.gov/govs/nts

The primacy of state over local law is the essence of **Dillon's rule**—a rule famously formulated by Judge John F. Dillon in his 1911 *Commentaries on the Law of Municipal Corporations*. The rule outlines criteria developed by state courts to determine the nature and extent of powers granted to local governments. It holds that municipal corporations have only those powers (1) expressly granted in the city charter, (2) necessarily or fairly implied by or incidental to formally expressed powers, and (3) essential to the declared purposes of the corporation. "Any fair, reasonable, substantial doubt" about a power is to result in denying that power to the corporation. In some states, the rule has been relaxed, especially in dealing with **home rule** cities. The essence of Dillon's rule was upheld by the Supreme Court in *Trenton v. State of New Jersey* (1913).

State Government

The elected chief executive of a state government is the governor. The responsibilities of a governor usually parallel those of a US president, on a smaller scale, but each governor has only the powers granted to the office by the state constitution. Some states severely limit executive powers, while others give their governors powers, such as the budgetary line-**item veto**, that are greater than those possessed by the president of the United States. The term of office for a governor is four years in all states except Arkansas, New Hampshire, Rhode Island, and Vermont, where it is two. Currently, 38 states have limits on the number of terms that their governors can serve, with most allowing two or three four-year terms, and a few, such as Virginia, only allowing a single four-year term.

In one sense, it is a misnomer to call a governor the chief executive of a state. The reality is that most state constitutions provide for what amounts to a plural executive, because governors, in marked contrast to the US president, typically must share powers with a variety of other independently elected executive branch officers, such as a secretary of state, an attorney general, a treasurer, and an auditor (or controller). Consequently, a governor's informal powers as a lobbyist for his or her initiatives and as head of his or her party may often be far more useful than the formal authority that comes with the office. Nevertheless, the management job of a governor compares favorably in terms of responsibility to those of the highest-paid corporate executives. In comparing the leading corporations in the world, over 30 of the states have more than 200,000 employees which would rank them in the top 20. Walmart, the largest employer in the US with over 2.3 million employees would trail California with now over 2.45 million state and local employees.

The lieutenant governor is the elected state official who would replace the governor should he or she be unable to complete a term of office. The office parallels that

of the vice president in the national government but differs in that in many states the lieutenant governor is separately elected and thus may be of a different party from the governor. This can sometimes cause considerable friction when the two officeholders are political rivals—and especially when, as in California, the lieutenant governor assumes some of the governor's powers to act whenever the governor is out of the state. Arizona, Maine, New Hampshire, New Jersey, Oregon, West Virginia, and Wyoming have no lieutenant governors. In four of these states, the president of the state senate would succeed to the governorship; in the other three, the secretary of state would.

County Government

The county is the basic unit for administrative decentralization of state government. Although it is typically governed by an elected board or commission, there is a movement at present toward a county administrator or executive (sometimes elected). In Louisiana, the comparable unit is called a parish; in Alaska, it is a borough. In 2011, the United States had 3,033 county governments. Each state determines for itself how many counties it will have. The elected officials of county government have a bewildering array of titles. According to Dade County, Florida, Commissioner Harvey Ruvin, quoted in 1987, county officials "are supervisors in California, judges in Texas, jurors in Louisiana, freeholders in New Jersey, county legislators in New York, commissioners in Dade. If I tell somebody from New York I'm a commissioner, they think I'm the dog catcher. No wonder the public and the media focus on governors and mayors." (Ruvin, 1989, p. 2).

The county seat is the capital of a county, where the courts and administrative offices are located. In much of the United States, the county seat was located in the geographical center of the county so that it would not be more than one day's ride on horseback from the farthest part of the county. This is why there are so many counties. Because few citizens ride horses to government offices today, it would seem to make a lot of sense to combine many counties and thus realize substantial savings from having fewer county clerks, county sheriffs, county courts, and so on. But which clerk, sheriff, or judge is going to quietly resign? Of course, the multiplicity of governing entities allows for greater democratic control in that government is kept closer to the people. Nevertheless, reformers constantly ask if the benefits derived are worth the extra costs of fragmented government. There have been some consolidations between county and municipal governments. In addition, some States like Massachusetts have taken over the budgetary and administrative responsibilities of counties. But there are no national trends here as one might support

Professor Tanis Janes Salant has classified the forms of county government as follows:

1. *Commission Form*. An elected county commission or board of supervisors, which is the most common form of county government, has legislative authority (e.g., to enact ordinances, levy certain taxes, and adopt budgets), as well as executive and administrative authority (e.g., to administer local, state, and federal policies, appoint county employees, and supervise road work). Typically, however, administrative responsibilities are also vested in independently elected constitutional officers, such as a county sheriff, treasurer, coroner, clerk, auditor, assessor, and prosecutor.
2. *Commission-Administrator*. There are three basic types of this form, some of which also have additional, independently elected constitutional officers. About 786 counties have one type of this form.
   A. *Council Manager*. The county council or board, which is the legislative body, appoints a county manager who performs executive functions, such

as appointing department heads, hiring county staff, administering county programs, drafting budgets, and proposing ordinances.

B. *Chief Administrative Officer*. The county board or commission, as the legislative and quasi-executive body, appoints a chief administrative officer to supervise and coordinate county departments, but not appoint department heads, and to prepare budgets, draft ordinances, and oversee program implementation.

C *County Administrative Assistant*. The county board or commission, as the legislative and executive body, appoints an administrative assistant to help carry out the commission's responsibilities.

3 *Council-Executive*. A county executive is independently elected by the people to perform specific executive functions. The county board or commission remains the legislative body, but the county executive may veto ordinances enacted by the commission, with the commission having override power by an extraordinary majority vote. The county executive's authority and responsibilities are much like those of a mayor in a strong mayor-council municipality. About 383 counties have this form.

Municipal Government

Municipal refers to something of local government concern—such as municipal bonds or municipal parks. It implies that the thing it modifies is of internal concern to a state—as opposed to international concern. It comes from the Latin word *municipium*, which was a self-governing body within the ancient Roman Empire. A city is a municipal corporation chartered by its state. A political subdivision must meet various state requirements before it can qualify for a **city charter**; for example, it must usually have a population above a state-established minimum level.

A city council is the legislative branch, typically **unicameral**, of a municipal government. The duties and size of city councils vary greatly, but in almost all cases the most significant functions include passing ordinances (local laws) and controlling expenditures.

A mayor is the elected chief executive officer of a municipal corporation, the chief ceremonial officer of a city. In most modest-sized and small cities, the office of mayor is a part-time job. He or she may be directly elected. The smaller the city, the more likely that the election will be nonpartisan or that the city council will select a mayor from among its members; then the mayor simply presides as the first among equals on the council. While many big-city mayors such as Rudy Giuliani and Michael Bloomberg have become national figures, no mayor has ever been able to make the leap directly from city hall to the White House—or has even been able to get a major party's nomination for president.

Towns and Special Districts

A town is an urban population center—larger than a village but smaller than a city. Typically, its state statutory powers are less than those possessed by cities. The New England town combines the role of both city and county. It usually contains one or more urban areas plus surrounding rural areas. The town meeting was once a method of self-government, suitable for only the smallest jurisdictions, where the entire citizenry is eligible to meet to decide local public policy. But as a primary form of governance, they long ago were dismissed. The interest now in Participatory Budgeting—where the populace is asked to weigh in on how funds should be spent is in a small way a reflection of this former hallmark of New England style public administration by the polity.

A special district is a unit of local government typically performing a single function and overlapping traditional political boundaries. Examples include transportation districts, fire protection districts, library districts, water districts, sewer districts, and so on. Because special districts are such useful devices, they have been multiplying rapidly. In 1942 there were only 8,299 of them in the entire United States. In the latest available census of governments—special districts numbered over 38,000 more than a third of all forms of local government. The census (see Table 4.3) has a new way of summarizing these other forms of government institutions, showing that of the over 90,000 units of all local government, 52,000 are categorized as special purpose compared to the remaining more than 38,000 general-purpose units (counties, cities, towns, and school districts).

A school district is a special district for the provision of local public education for all children in its service area. An elected board, the typical governing body, usually hires a professional superintendent to administer the system. School districts often have their own taxing authority. Many are administratively, financially, and politically independent of other local government units. The total number of school districts has been constantly shrinking because of the increasingly common phenomenon of merging two or more districts. There were more than 108,000 school districts in 1942; today there are under 13,000. But the decline in the number of school districts has slowed greatly in the last two decades—from 14,400 districts in 1992 to 12,900 in 2012 to just 12,750 in the latest census (2017). Still, remember that education remains the largest public sector employer within state and local governments, and the public prefers to maintain strong local control over this function, even if it means entertaining the entry of nonprofit charter schools into the arena.

TABLE 4.3

US Composition of Big Cities and Small Towns Remain Mostly Unchanged: US "Cities" (Incorporated Places) by Population Size 2000–2015

Category by Size	Number of Cities	Number of Cities	Population "Census" (In Millions)	Population "Estimate" (In Millions)	Pct. of US Population	Pct. of US Population
	2000	2015	(281.4 US) 2000	(316.7 US) 2015	2000	2015
Number of Cities	19,454	19,508	174.1	198.2	61.9%	62.7%
Over 1 million	9	9	22.9	24.3	8.2%	7.7%
500K–999K	20	25	12.9	17.3	4.6%	5.5%
250K–499K	38	41	13.7	15.0	4.9%	4.8%
100K–249K	173	216	25.7	32.4	9.1%	10.2%
50K–99K	363	450	24.9	31.1	8.8%	9.9%
25K–49K	644	718	22.6	24.9	8.0%	7.9%
10K–24K	1,435	1,553	22.6	24.5	8.0%	7.7%
<10,000	16,772	16,949	28.7	28.6	10.2%	9.1%

Source: U.S Census Current Population Reports March 2015 (p. 2)

Local Management Institutions

Local government leadership in the majority of jurisdictions overwhelmingly consists of part-time elected volunteers. Tens of thousands of citizens of middle- and small-sized local governments serve as elected or appointed unpaid (or symbolically paid) council, commission, and board members. Often these amateurs appoint a full-time professional manager. The council-manager plan is a form of municipal government in which an elected city council appoints a professional city manager to administer the city government. A county manager system offers the same essential structure at the county level.

A city manager is the chief executive of the council-manager system of local government. In contrast to the heads of other types of government, the city manager is an appointed chief executive serving at the pleasure of the council. The concept originated early in the 20th century by progressive reformers who wanted to replace political **bossism** with municipal experts. To do this effectively, they created the concept of an administrative chief executive armed with critical administrative powers, such as appointment and removal of administrative officials, but denied any political powers, such as the veto. The city manager concept was sold to the cities as being just like a corporation with its board of directors. The dichotomy between administration and politics (remember Woodrow Wilson) on which the system was premised was implemented by putting all of the policymaking and political functions into the city council, essentially abolishing any separation of powers in the traditional sense at the local level. The decision-making ability of the council was ensured by (1) creating a small council, typically from five to nine members, elected through at-large, nonpartisan elections, and (2) permitting the council to hire and fire the city manager, their expert in the implementation of community policies.

Present council-manager systems often deviate from this traditional model. Many, particularly in bigger cities, have large councils, partisan elections, and separately elected mayors, and some if not all of the council members are elected from a ward or district. In fact, some recent federal court decisions have required ward elections in some cities because at-large elections make it more difficult for minority candidates to be elected. In some larger cities, a variant of the system has evolved, utilizing a chief administrative officer often appointed by the mayor.

The council-manager system has been criticized by some political scientists as being unresponsive to some elements of the community and supported by public administration experts for its effective management in the public interest. Yet even when a city manager delivers effective public management, it is important to remember that he or she is working in an expressly political environment. The best managers are those who are able to neatly balance political pressures with service delivery, thus addressing the real needs of the public.

The mayor-council system is a form of urban government that has a separately elected executive (the mayor) and an urban legislature (the council) usually elected in partisan ward elections. It is called a strong mayor system if the office of mayor is filled by separate citywide elections and has such powers as veto, appointment, and removal. Where the office of mayor lacks such powers, it is called a weak mayor system. This designation does not take into account any informal powers possessed by the incumbent mayor—only the formal powers of the office. Hence, someone can be a strong mayor in terms of actual power in a weak mayor system.

Metropolitan Government

Larger American cities today cover wide geographical areas. They may have an old urban center with sprawling suburbs extending for many miles, connected to the

center by freeways and other forms of urban transportation. The governance of such large conurbations or metropolises presents several options and philosophical choices. There could be a single local government covering the whole area and providing for all. There could be, at the other end of the spectrum, total fragmentation, with many suburban local governments, and even fragmentation within the old center. Or there could be a variety of compromises in between—such as the two-tier government in Miami-Dade County, Florida, where functions are split between an overall metropolitan government and particular localities. The Lakewood Plan, in force in California for many years, offers another option: local governments remain within the county, but they contract for many of their services from the county.

There's a tendency to think of metropolitan government in big letters, as the global literature emphasizes how the world is moving to the big city, or what are called mega cities.

While the concept of urban area is useful for showing the extent to which Americans are becoming urbanized—the census notes that over 70% of the US population lives in the some 19,495 "cities," and further estimates show that nearly 80% of the US population lives in urban areas, up from 64% in 1950—those urban areas encompass a range of metropolitan forms of government. In fact, the size of these 19,495 cities varies considerably. One tends to think of cities in a global context as the primary driving force for population change. But even the top 200 US cities with a population exceeding 200,000 only account for 15% of the US population. As Table 4.3 illustrates, each of the size categories of US cities from the smallest (under 10,000) to over a million has only about 10% share of the US population.

As the table illustrates, the United States' composition remains a mix of big cities and small towns. More recently, while only 4.0% (780) of all cities had a population of 50,000 or more in 2019, collectively they contained 127.7 million people out of the nation's 328.2 million—nearly 61% of the US population living in incorporated places. On the other hand, of the 19,502 cities and towns in the United States, around 76% (14,754) had fewer than 5,000 people as of July 1, 2019.

The adoption of the appropriate institutions of government for a metropolis depends on values. Often, richer residents prefer to withdraw to the suburbs and live under a fragmented local government system, which can avoid the costs of aging urban infrastructure and the social costs of policing and welfare in poorer areas. But fragmented local government may lack the muscle and resource base to put investment into social capital that benefits everybody—such as extensive transit systems, museums, parks, and land preserves.

REFORMING THE ADMINISTRATION OF GOVERNMENT

The progressive reform movement left in its wake some reform institutions that continue to encourage improvements in state and local government institutions. At the beginning of the 20th century, municipal research bureaus—private nonprofit good government organizations—were established in most major cities. This "**bureau movement**" emphasized fact-finding and the application of the scientific method to urban reform; this was in marked contrast to the simplistic "throw the rascals out" tactics of earlier reform efforts. The New York Bureau of Municipal Research, founded in 1906, pioneered with investigations of wasteful municipal spending (double billing, work paid for but not performed, etc.) that, when it was published, so shocked the community that real administrative reforms followed. The investigatory approach of the New York Bureau (now called the Institute of Public Administration) was then imitated in Philadelphia, Cincinnati, Chicago, Milwaukee, Kansas City, San Francisco, and elsewhere.

The bureau movement was the primary vehicle for developing, and then advocating, the implementation of many administrative innovations that we take for granted today—for example, executive budgeting; uniform accounting standards; merit system selection and staffing procedures; retirement systems; uniform crime statistics; and in-service training. This movement was the source of much of the early scholarly research in public administration. Indeed, it is not an exaggeration to say that academic public administration was almost wholly created in its initial stages by scholars associated with the various bureaus.

At the national level, one could make the case that the various efforts to reform government administration can be traced back to the conquest of England in 1066. William the Conqueror appointed commissioners to make an inventory of the assets of his new kingdom. This report, known as the Doomsday Book (because its findings were as beyond appeal as a Doomsday judgment), is the predecessor of today's royal or presidential commissions and committees. Ever since, prime ministers and presidents have used these devices to investigate a matter of public concern and to issue recommendations for improvement. There is great public satisfaction to be had in bringing together a group of responsible, respected, supposedly objective but knowledgeable citizens to examine and report on a national problem or major disaster.

Such commissions have proven to be handy devices for a modern president who, when faced with an intractable problem such as crime, pornography, or urban riots, can appoint a commission as a gesture to indicate his or her awareness of constituent distress. Whether that gesture has meaning or sincerity beyond itself is inconsequential for its immediate effect. By the time a commission makes its report—six months to a year later—attention will have been diverted to other issues, and the recommendations can be safely pigeonholed or curtailed.

Often such commissions (or committees) have been used to tinker with the institutions of government. The modern performance review can trace its lineage to the Doomsday Book. Both are efforts by the prevailing regime to assess a present situation so that it can be better repositioned. William the Conqueror used his assessment to restructure England's tax system. A later William—President William Jefferson Clinton—used his to try to reinvent government. The advent of the 1990s reinventing government movement once again made reorganization a fashionable theme in the practice and literature of American public administration.

Just as every new generation writes its own history, each new managerial generation has its own ideas about the "one best way". What has been genuinely new here is that governments at all levels are actually being forced by events to change the fundamental ways in which they operate. They must literally rethink (reinvent) how they operate because they can no longer afford to simply do what they have been doing—with reorganization here and a new public relations effort there—to assuage their critics. In the United States, there have been no less than 10 major reform efforts or commissions in the last 100 years. A book by Ronald Moe actually details and compares the themes and causes espoused in each effort (Moe, 2003). Our review here will focus on just six—see Table 4.4—that have garnered the most attention and debate.

The Brownlow Committee

The classic example of commission government reform, the one that to this day is still the most significant, is the structuring of the executive branch recommended by the President's Committee on Administrative Management in 1936–1937. This committee was popularly known as the Brownlow Committee, named after its chairman, Louis Brownlow, a major figure in the development of city management as a profession. The two other members of the committee were Charles Merriam

TABLE 4.4

Major Commissions to Reform Federal Government Organization

Name	Chair	Year(s)	President	Emphasis/Result
Brownlow Committee	Louis Brownlow	1936	Roosevelt	Enhanced presidential control of bureaucracy
First Hoover Commission	Herbert Hoover	1947–1949	Truman	Further strengthened the Executive Office of the President and enhanced agency management
Second Hoover Commission	Herbert Hoover	1953–1955	Eisenhower	Advocated turning over some operations to private sector
Ash Council	Roy Ash	1971	Nixon	The Bureau of the Budget became the Office of Management and Budget
Grace Commission	J. Peter Grace	1982	Reagan	Some minor bureaucratic adjustments and push for productivity
National Performance Review	Al Gore Jr.	1993	Clinton	Emphasized reducing regulations and promoting customer service quality

of the University of Chicago and Luther Gulick of Columbia University and the Institute of Public Administration in New York City.

Government grew rapidly during the New Deal period, and there was little time or inclination for planning. It was largely believed that there existed many poorly conceived and poorly implemented organizational designs that were neither economical nor effective. These poor designs were often a reflection of the considerable political conflict between the executive and legislative branches. Both the president's office and the Congress had deliberately contributed to this problem by establishing programs in new organizations or agencies only with regard to political objectives—without taking managerial considerations into account. This persistent struggle over organizational control would be addressed by the Brownlow Committee—which provided the first formal assessment of government organization from a managerial perspective.

The Brownlow Committee submitted its report to President Roosevelt in January 1937. The core proposals of the committee were simple enough. Essentially the report indicated that "the president needs help" and professional staff members who possess a "passion for anonymity." This particular passion seems to have faded in recent years, along with the public's belief that a modern president writes his own speeches.

Overall, the committee recommended a major reorganization of the executive branch. The president agreed, and appropriate legislation was submitted to Congress in 1938. But Congress, in the wake of the president's efforts to "pack"—to enlarge and thus control—the Supreme Court and fearful of too much power in the presidency, killed the bill. The president resubmitted a considerably modified reorganization bill the following year, and Congress passed the Reorganization Act of 1939. This law created the Executive Office of the President, brought into it the Bureau of the Budget (later to be the Office of Management and Budget) from the Department of the Treasury, and authorized the president to prepare future reorganization plans subject to an after-the-fact congressional veto.

The Brownlow report, the Executive Office of the President, and many of the other recommendations of the Brownlow Committee that would eventually become law have

been sanctified by time. Yet the Brownlow Committee's major proposals initially aroused considerable controversy. Modern scholars now recognize that there were different schools of thought regarding the development of public administration. The executive administration school, espoused by **Frank J. Goodnow**, viewed the roles and functions of government almost exclusively as opportunities for executive actions. In contrast, the legislative administrative school, as espoused by Brookings Institution head William F. Willoughby, viewed the relationship and especially the accountability of administration to the legislative branch as a central focus. This latter school believed that there was a considerable distinction between what was meant by "executive" and "administrative" and that the Constitution gave administrative power mainly to Congress. The argument over who has more power over the institutions of government, the executive or the legislature, resonated in the mid-1990s with the budgetary struggles between the president and Congress over the size and scope of the governmental machine.

While Congress was considering the Brownlow Committee's various proposals, the forces opposed to an increase in the "administrative" powers of the president at the expense of Congress marshalled their arguments. One of the most eloquent was Lewis Meriam's 1939 *Reorganization of the National Government*. As the Brownlow Committee was arguing for increased presidential power, Meriam was cautioning against it. After "noting Hitler's rise to power within constitutional forms," he warned his readers that "proposals to vest great powers in the executive" might not work "to preserve democracy as we have known it but seriously to endanger it."

Forty years later the only surviving member of the Brownlow Committee would concede a point to Meriam. In considering Richard M. Nixon's abuses of the enhanced powers of the presidency, which the Brownlow Committee helped to create, Luther Gulick is quoted by Stephen Blumberg (1981) as saying, "We all assumed in the 1930s that all management, especially public management, flowed in a broad, strong stream of value-filled ethical performance. Were we blind or only naive until Nixon came along?"

The Hoover Commissions

The first Hoover Commission (1947–1949), formally the Commission on Organization of the Executive Branch of the Government, chaired by former president Herbert Hoover, was specifically charged to reduce the number of government agencies created during World War II; it did not, however, do so. Instead, it found that "disorder in the administrative institutions makes the executive branch of the Government work at cross purposes within itself" and focused on strengthening the executive branch by providing for a reorganization of agencies so that there would be a coherent purpose for each department. Instead of calling for a reduction of government agencies, the commission made a vigorous call for increased managerial capacity in the Executive Office of the President through:

1. Unlimited discretion over presidential organization and staff.
2. A strengthened Bureau of the Budget.
3. An office of personnel located in the EOP.
4. The creation of a staff secretary (what we now call a chief of staff) to provide a liaison between the president and his subordinates.

The commission was considered a big success because 72% of its recommendations (196 out of 273) were adopted, including passage of the Reorganization Act of 1949 and the establishment of the Department of Health, Education, and Welfare in 1953.

A second Hoover Commission (1953–1955), also chaired by Hoover, is a unique example in the history of American public administration of an important commission being virtually reconvened after four years had passed to continue its work. This second commission recommended the elimination of nonessential government services and activities competitive with private enterprise, based on the assumptions that the federal government had grown beyond appropriate limits and that such growth should be reversed. In contrast to the first commission, the second commission's recommendations accomplished little. In a mere 18 volumes, the former president and his 11 fellow commissioners rigorously argued that a whole host of government activities should be turned over to the private sector. But the US Congress was not so inclined, and this commission's recommendations got essentially nowhere. There was no political will to undertake massive privatization in the mid-1950s. This was a banner in the dust that would not be picked up and held high again until the Reagan administration of the 1980s and, more dramatically, with the Republican capture of Congress in 1994.

The Ash Council

President Richard M. Nixon's Advisory Council on Executive Organization, chaired by Roy Ash of Litton Industries, led to the transformation of the Bureau of the Budget into the Office of Management and Budget. The Ash Council's 1971 recommendations were extraordinarily ambitious in calling for a major restructuring of the cabinet agencies. Nixon hoped to move many of the domestic cabinet departments into four new super-departments: Department of Community Development, Department of Economic Development, Department of Human Resources, and Department of Natural Resources. President Nixon intended to implement this restructuring in his second term, beginning in 1973.

But the Watergate scandal so dominated his aborted second term that no major domestic policy initiatives were possible. Nixon's 1970s subversion of constitutional government in the United States during the 1972–1974 Watergate scandal forced his resignation before he could be impeached. Ironically, Nixon sought to enhance the power of the presidency with the creation of the Office of Management and Budget, yet he accomplished just the opposite. Upset by Nixon's budget impoundments and reductions, the Congress created a parallel Congressional Budget Office in 1974 to create a stronger role for themselves in budget matters and provide an objective set of economic assessments about projected spending levels and deficits.

The President's Private Sector Survey on Cost Control

If the second Hoover Commission is to be measured by 18 volumes of output leading nowhere, the 1982 President's Private Sector Survey on Cost Control (PPSSCC) can be measured by 47 reports from 36 major task forces with approximately similar results. The executive summary alone was 650 pages in two volumes. Like the second Hoover Commission, President Reagan's survey was appointed from an ideological position in which it was assumed that private sector expertise was what it would take to put things right in Washington.

It now seems that the PPSSCC, which came to be called the Grace Commission, was ill-fated from the start. The first problem was Grace himself. His true feelings notwithstanding, he came across in countless media interviews as an irascible old corporate patriarch who was condescending enough to disturb his well-earned

repose by deigning to advise a misguided government on the multitudinous errors of its ways. The second problem was the commission's ignorance of one of the central precepts of modern management—employee participation. While Grace orchestrated this immense management audit by 2,000 private sector volunteers, the committee's task force largely ignored the expertise that was freely available from within the bureaucracy and the Congress.

Bureaucratic reform historian Donald Savoie reported that both the General Accounting Office and the Congressional Budget Office systematically reviewed the commission's conclusions and "undermine[d] the Commission's credibility" when they demonstrated that too many of the proposed savings were nonexistent and too many of the commission's facts were not factual after all. This, however, "did not stop the Reagan administration from applauding the findings of the commission and from reporting that it would press ahead with their implementation." But this was largely a public relations exercise of putting a good face on a poor effort. Perhaps the most highly touted recommendation of the commission that was actually implemented was the proposal that federal employees be issued corporate-type credit cards for official travel. While this offered legitimate savings on time previously spent on completing expense reimbursement vouchers, it was hardly worth the estimated $75 million cost (all private sector donated) for the report.

The National Performance Review: "Reinventing Government"

The next most comprehensive recent government reform movement was started in 1993 by the Clinton administration. The National Performance Review—as it was formally called—was better known as "REGO," short for "reinventing government" deriving from a book with that title by Osborne and Gaebler (1992). It represents the confluence of two long-standing influences in American public life: the progressive reform movement and management faddism. Reinventing was logically the continuation of the progressive movement's philosophy of continuous improvement. This year's or this generation's most popular management fad is the comprehensive performance audit as a logically prior step in developing a new strategic vision for a business organization or a government operation. Next year, or next generation, there will be a new management fad, but it will still be within the progressive tradition.

When President Bill Clinton launched the National Performance Review in 1993—a six-month study, chaired by Vice President Al Gore, aimed at making the federal government more efficient—the language he used was familiar: "Our goal is to make the federal government both less expensive and more efficient, and to change the culture of our national bureaucracy away from complacency and entitlement toward initiative and empowerment. We intend to redesign, to reinvent, to reinvigorate the entire national government." In pointed and emphasized contrast to the federal government's last major management reform effort (the Grace Commission), the Gore report would be researched and written largely by the in-house talent of the federal bureaucracy.

Whereas the Grace Report under the Reagan administration—which based its philosophy on the proposition that only private business executives could fix government—was an abject failure, the implementation of reinvention was quite different. The National Partnership for Reinventing Government relied on internal federal career officials to do its work. By 1998 it reported savings of $137 billion, a reduction of 351,000 positions in government, and the creation of 340 reinvention laboratories in government agencies. Though it should be pointed out

that a significant percentage of those reductions came from the so-called peace dividend—defense reduction and base closures following the end of the Cold War and the breakup of the Soviet Union.

But there were other new themes. Partnership was a key theme: between labor and management (occupational health and safety has been a key focus); between regulatory agencies and regulated businesses; and between government agencies. As was customer service—all federal agencies were required to establish customer service standards and measure levels of satisfaction for their interactions with the public. All this was for the common goals of best value for the taxpayer dollar, better service for customers, and better workplaces for employees.

It must also be said, however, that the NPR report was not unlike its predecessors in that it focused on many specific programs and details, as would a conventional management consultant's report. It lacked the root and branch depth of change achieved in those bureaucracies where new fundamental principles have been adopted. It was an endeavor to fine-tune, but not fundamentally change, the existing system. Indeed, one might cynically note that the NPR report was following the counsel of the Prince in di Lampedusa's 1958 classic work *Il Gattopardo* (*The Leopard*)—"Change everything just a little so as to keep everything exactly the same." And for implementation, it relied on a flurry of executive orders, not some jointly agreed upon legislation that enlisted congressional approval.

In marked contrast were the institutions-of-government changes that have taken place in the last decades of the 20th century in Britain, Australia, and New Zealand. These have involved fundamental principles and have been more radical than those of the National Performance Review. And they were backed by parliamentary legislation. Yet, they too have not stood the test of time. Changes were made and discarded and ultimately the reform principles embedded within diminished and were then disregarded.

The specific institutional government recommendations of the National Performance Review were relatively few—considering that an organization left in place after a review lived to fight another day and to disregard review recommendations it dislikes once the dust has settled. What was left of the NPR as hallmarks were improving customer service quality, better labor management cooperation, and a renewed emphasis on improving performance.

Administrative Reform and Crises in the 21st Century

The defeat of Vice President Al Gore in the 2000 presidential race ended reinvention. But by that time, after eight years of the Clinton administration's reform impetus, the reinventing government effort badly needed reinventing itself. Its proposals were attacked both by those who felt that its principles didn't fit the traditional values of public administration and by those who felt that its proposals weren't radical enough. During Clinton's second term with a Republican-controlled Congress, reinventing efforts had become more rhetoric than reality. The Republicans' idea of reinventing meant two things: devolution and marketization (the replacement term for the old privatization).

The Bush administration, after quickly issuing an executive order cancelling the labor management partnership arrangements, promoted much of the same management agenda as its predecessor. But at this critical juncture, new or even old ideas were put on hold. Any effort at management reform in the Bush administration was, of course, side-tracked by the tragic events of 9/11 and, following that, the effort to reconstruct a large new federal agency—the Department of Homeland

Security—which would consist of parts of 22 existing federal agencies and units to combat terrorism and protect America.

There was a smaller management improvement effort led by the central budget office with a set of performance goals with a twist. The twist they provided was to set up an executive score card system where each federal agency would have its performance rated by the Office of Management and Budget across several core management dimensions—human capital, financial controls, and e-government goals. Widely known as "getting too green"—because the ratings were color coded and green was the top rating, reinvention as major reform had been relegated to something akin to a CEO's scoreboard or quarterly progress report.

In Bush's second term, there was again a major crisis—responding to Hurricane Katrina that flooded New Orleans and wreaked havoc on the Mississippi Coast. Blame for the loss of nearly 1,000 lives—mostly the elderly who weren't evacuated after the flooding—and the shutdown of public utilities and services were placed on all levels of government, both for their ineffective performance and for their inability to coordinate rescue and recovery efforts. Normally, a second term without the distraction of running for office offers an opportunity to think about management and budget innovations. Alas, the Bush administration had other foreign policy issues to worry over and there was little appetite to formulate even a presidential management agenda, much less mount an institutional reform effort.

The Obama Revolution—The Return of Big Government

But the election of Barack Obama in 2008 marked a return to the endeavor of government redesign. This, however, was created primarily from a major crisis—this time by financial misdeeds and mistakes in the private sector that created the Great Recession. The combination of vastly expanded government activity as part of the economic recovery effort and enormous fiscal pressures from mounting deficits and debt served as a catalyst for increased attention on the redesign of the federal government.

While President Obama claimed that his administration's major expansion into areas of the economy such as the auto industry, insurance, and financial securities marked a temporary phase for the federal government, it clearly spelled an end to the idea that the "era of big government" was over. Much to the contrary, government had been placed at the center of steering the nation out of an almost fatal catastrophic economic crisis, with the Obama administration exerting influence in many spheres of society that at one time might be unimaginable. Perhaps the greatest example of this new order was the 2009 dismissal of General Motors Corporation CEO Rick Wagoner as part of the deal to have the once-proud auto company bailed out by the federal government. President Obama made it clear to GM's board that any financial support from the federal government to keep GM afloat was conditional to Wagoner's dismissal. In essence, the president made GM an offer it couldn't refuse and Wagoner was gone.

After a generation of efforts to make government behave more like business, the failures of major American corporations, banks, and investment firms had many questioning if some of the reforms had gone too far. With the passage of the Affordable Health Care in 2010, the Obama administration had to focus on implementing a very complex piece of legislation, with major changes on an unprecedented scale affecting millions of Americans.

President Obama after reelection chose to keep the management reform agenda small and low key. Indeed, the administration's management change effort was spelled out deep inside the 2015 budget message—calling for efforts to benchmark

performance and increase productivity levels (Budget.gov, 2015, p. 39). The OMB was again to provide guidance on how this would be accomplished, never mind that the only federal agency that has an actual productivity measurement system in place was the nearly bankrupt Postal Service and that benchmarking has been passé in the private sector for over a decade.

Obama turned his attentions instead to the environment and resolved that rather than remake the structures or architecture of the federal government, he would push the existing intuitions to prioritize climate change adaptation internally and pursue environmental regulatory change wherever possible. He had passed the Affordable Health Care Act, his signature accomplishment, but at the cost of losing his working majorities in the Congress. Facing an openly hostile and increasingly antagonistic partisan legislature the last years of his administration were marked by a series of executive orders. As the country finally got back to full economic recovery, he left the presidency and the country in decent economic shape, though more divided than ever before in terms of political partisanship.

Enter and Exit Trump—The Reject, Rescind, and Dismantle Presidency

Donald Trump's election to the presidency was a surprise to almost everyone—even to himself, it is said. Even at this stage, after his bitter reelection defeat in the midst of a global health pandemic, there is a dearth of analysis on the Trump presidency and his reform agenda, or even priorities. It is clear that he relished taking on the various government agencies and their career staffs—a part of his "draining the swamp" campaign metaphor—and valued only one administrative requirement—that of loyalty to the president. He didn't hide his disdain for many of the government institutions that are expected to carry out the president's programs and plans.

Most of his administrative actions were set to the themes of his campaign. He vowed to undo every reform, initiative, and especially executive order of his predecessor. While other analysis will come over time, his reform agenda was non-reform. The agenda was to reject and rescind all previous actions of the Obama regime, whether it was foreign policy, climate change agreements, or social and business regulations and policies. It would be left to court challenges to slow or stop many of his executive orders.

But Trump, who unlike his two predecessors started his presidency without an economic or terrorist crisis, confronted a mega-crisis in the COVID-19 pandemic that struck the nation in early spring in 2020 and would lead to over 400,000 deaths in the final year of his presidency. Obviously, there would be no attempt to sort out a government reform effort for a second term.

After the deficit had soared to higher-than-expected levels because of the Tax Cuts Act he was able to pass in his first year, there were some statements before COVID-19 struck that he would be addressing entitlements and federal government spending as part of his future agenda. Warming up to that task at the end of 2019, he offered an executive order informing federal agencies that they would have to reduce their total budget requests to offset any new costs needed for new programs.

ADMINISTRATION AS MICROMANAGEMENT

Woodrow Wilson wrote in his essay "The Study of Administration" that "the field of administration is a field of business . . . a part of political life only as the methods of the counting-house are a part of the life of the society," and "administrative

questions are not political questions." This was institutionalized by the Brownlow Committee recommendations for greater managerial capability on the part of the executive. But as Professor David H. Rosenbloom has observed, Congress responded to this stronger, more managerially capable, presidency "in 1946 by establishing the legal and institutional bases for its contemporary role in federal administration." Thus, when Truman, a Democrat, was president while the Republicans controlled Congress, a divided government brought forth this quartet of laws that sowed the seeds of micromanagement. Rosenbloom, with his legal emphasis public administration, has pointed out four key pieces of congressional action—all in 1946—that set the stage for this:

1. Administrative Procedure Act (APA) of 1946: The basic law governing the way federal agencies operate to safeguard agency clients and the general public. The APA specifies the conditions under which administrative agencies (a) publicize information about their operations, (b) make rules, (c) engage in adjudication, and (d) are subject to judicial review. Thus, agencies begin with some form of legislative mandate and translate their interpretation of that mandate into policy decisions, specifications of regulations, and statements of penalties and enforcement provisions. The APA requires that rules be published 30 days before their effective date and that agencies afford any interested party the right to petition for issuance, amendment, or repeal of a rule. In effect, while the APA establishes a process of notice and time for comment, it accords administrative rule makers the same prerogatives that legislatures have in enacting statutes, as long as the rule enacted is consistent with the enabling statute.
2. Legislative Reorganization Act of 1946: A law that dramatically reduced the number of standing committees in the Senate and House, provided for a major expansion of the Legislative Reference Service (now known as the Congressional Research Service), and promoted the creation of a professional, nonpartisan staff for committees, as well as increased staff for individual members. This was the first attempt by Congress to establish an effective staff system to decrease its dependence on executive agencies for information.
3. Tort Claims Act of 1946: The law that made federal agencies responsible for their torts—legal harms done to another person that can be the cause of a civil court suit.
4. Employment Act of 1946: The law that created the Council of Economic Advisers in the Executive Office of the President and asserted that it was the federal government's responsibility to maintain economic stability and promote full employment.

The combined effect of these laws was to unleash a host of "micromanagers"—plus open the door to legal challenges to executive actions. Members of Congress, once largely limited to policy oversight, now had the opportunity to delve into the minutiae of administration on behalf of their constituents. The APA created a rulemaking process that offered unlimited possibilities for influencing rules for pork barrel motivations. The Legislative Reorganization Act gave Congress the staff it needed to constantly interfere for their specific political purposes. The Tort Claims Act meant that Congress could effectively lobby agencies to redress wrongs to constituents. And the Employment Act meant virtually unlimited justification to pump federal money into selected congressional districts.

This process can be seen every time the Department of Defense has been forced into buying more of a weapon than it needs simply because the factory that makes

it is in an influential member's congressional district. As Rosenbloom sarcastically noted, "Turning pork barrel politics into a virtuous national economic policy was no small achievement." But while pork by its nature is not kosher, for many Americans the very definition of a member of Congress is one who brings home the bacon. This, however, may be changing.

The importance of all this is that Congress has never drawn—as the Brownlow Committee would have preferred—a dichotomy between politics and administration; the two are not separate anyway. So, what made anyone think that the reinventing government movement—the latest effort to take politics out of administration by turning grumpy citizens into happy customers—was going to change the situation?

Now, there is much tinkering that the executive branch can do on its own. It can get the Social Security Administration to answer its phones within a reasonable period. It can force Internal Revenue Service auditors to be polite. But this is minor compared to the power of Congress to determine the amount of Social Security payments and the level of taxes. Members of Congress are hardly likely to give up their ability to micromanage—with all the pork for constituents and reelection prospects that implies—for vague notions of greater efficiency. Members thrive on bureaucratic red tape and the opportunities it creates for constituent service. This is why the **ombudsman/ombudswoman** movement has never gone very far in the United States. This function is happily, even joyously, performed by the elected representatives. It is quite literally what their staffs spend most of their time on—because it is the key to reelection.

The conclusion is in essence quite simple and obvious: to reinvent government, you must also reinvent Congress. And to reinvent state government, you must reinvent the state legislature. Few things are more obvious in the study of public administration than the fact that there exists a strong relationship between the organization of a legislature and that of its executive branch. According to administrative analyst Harold Seidman, "One could as well ignore the laws of aerodynamics in designing an aircraft as ignore the laws of congressional dynamics in designing executive branch structure." Thus, "what may appear to be structural eccentricities and anomalies within the executive branch are often nothing but mirror images of jurisdictional conflicts within the Congress. Congressional organization and executive branch organization are interrelated and constitute two halves of a single system." The British and other parliamentary systems have been able to go much further down the reinventing road precisely because they do not have this problem. There the executive and legislature are, for policy purposes, effectively one.

Replacing Privatization With Competition

Nothing is more challenging, indeed threatening, to public administration than the now constant specter of privatization. Indeed, to many on the political right, reinventing was virtually synonymous with privatization. There are essentially two kinds of privatization.

First, as discussed in the Keynote, there is the private provision of services with a "public" character, such as private police and private parks. These services are public only in the sense that they are available to any who can pay for them.

Second, privatization is the process of returning to the private sector property or functions previously owned or performed by government. Conservative Republicans in particular tend to be in favor of privatizing those government functions

that can be performed (in their opinion) less expensively or more efficiently by the private sector. Privatization is a broad long-term trend, often fueled with strong and emotional conservative ideology, to reduce government expenditures, to turn (or return) government assets and operations to private enterprise, and, thereby, to increase the effectiveness and efficiency of government.

Privatization is almost always predicated on assumptions about public sector versus private sector efficiency and productivity rates. The burden of proof is often on public sector managers to explain why they are not inferior to private enterprise managers and why they should retain their functions in the face of private sector alternatives. Perhaps no responsibility is greater for public managers today than developing the evaluation and management assessment tools needed to assure critics that public sector programs and enterprises are being managed efficiently and effectively.

Generally, there are three basic forms or types of government privatization:

1. The sale of government assets (such as a railroad to a corporation or public housing units to their tenants).
2. The private financing of public facilities (such as toll highways in California or Virginia).
3. The private provision of services (such as trash collection or retirement benefits).

Strategies for Privatization and Competition

Privatization is the management ideology for those fearful, suspicious, or skeptical of expanding government. It is equally ideal as a tool for those who wish to reduce the size of government. Done properly, it dovetails with the first principle of the reinventing government movement: that government should be catalytic and steer (set direction) rather than row (do the work).

However, privatization sometimes means that government will neither steer nor row. It will simply get out of an activity altogether. For example, some people strongly believe that government should have absolutely no role in birth control, sex education, broadcasting, or the arts. These activities, if undertaken at all, should be undertaken by private citizens at their own initiative. One counterargument was made by the Pulitzer Prize–winning playwright Arthur Miller. He tells the story of the time he was speaking in defense of government support for theatre. A man in the audience asked him, "I manufacture shoes. If the public won't buy enough of them, why shouldn't I demand government support?" Miller couldn't think of a logical and reasoned answer to this perfectly valid question. So, he responded with a question: "Can you name me one classical Greek shoemaker?" Of course, Miller was emphatically not in favor of government control of the arts, but he felt, as many do, that government has an obligation to further its notions of civilization—and that this is often done by subsidizing the arts.

Political analyst E.S. Savas identified four strategies of privatization that together will "halt and reverse the growth of government."

1. Load shedding: A term that refers to government withdrawing from the provision of goods and services and allowing them "to be supplied by the marketplace or by voluntary arrangements."
2. Alternative delivery systems: Arrangements "in which government plays a relatively limited role," including services provided through voluntary or

self-service arrangements, competitive markets, franchises, vouchers, grants, and contracts.

3. Imposing user charges for goods and services: Savas argues that government should do this whenever possible in order to expose the true costs of services and, thereby, to increase the chances that alternative delivery systems will evolve.
4. Restoring competition and minimizing government monopolies: Savas maintains that this "requires a conscious strategy of creating alternatives and fostering a receptive climate and mental attitude in favor of giving options to the citizen-consumers of public services."

(Savas, 1987)

Privatization is often pursued on the ideological grounds that government should not provide goods and services that firms in the private for-profit or nonprofit sector are able and willing to provide. Government should limit itself to activities that firms in the private sector cannot or will not provide. Policy analyst John Donahue has found that privatization brings both good news and bad news. The good news is that while privatization is not a "universal corrective," it does present some "real opportunities to make public undertakings more efficient and accountable by enlisting the private sector." The bad news is that political pressures could just as easily "tend to retain for the public sector functions where privatization would make sense, and to privatize tasks that would be better left to government" (Donahue, 1989, p. 13).

A major problem with the term *privatization* is that it leaves out the nonprofit sector and its role in producing public services. Some lament that the government no longer dominates in producing health care services, and it is accurate to note that over 60% of health care services are outside of government entities. But many of those providers are nonprofits—not corporate entities—and there are important differences.

The nonprofit sector is a uniquely democratic phenomenon. In some respects, it is the most capitalistic of our economic responses, reacting to marketplace failure, that is, the inability of a society's free markets to provide a needed service, and filling economic voids with volunteers and charitable contributions. In contrast, more socialistic economies tend to meet similar types of community needs through tax-supported government programs and services. Nonprofits provide a flexible alternative to tax-supported government action.

A nonprofit organization is in many respects a concept rather than a specific entity—and it can be defined in many different ways. The primary essence of a nonprofit organization, however, is that it is organized and operated for public or societal purposes (such as alleviation of poverty) rather than private benefit purposes (such as return on shareholders' investments). A second essential element of a nonprofit organization is its reliance on voluntary action for most of its financial and human resources. Despite common misconceptions to the contrary—and within well-defined limitations—nonprofit organizations can realize profits from their activities and programs, and they can engage in commercial-type enterprises. However, such profits must be returned to the operations of the agency.

Nonprofit organizations range in size and structure from large international religious denominations and semi-national hospital chains to small, local, nonincorporated associations of people with common interests, goals, or concerns. From a relatively narrow, legalistic point of view, we can argue that a nonprofit organization is, in effect, an organization prescribed by the laws, rules, and codes

of tax exemption. From a tax-exemption viewpoint, there are two basic types of nonprofit organizations:

1. Publicly supported charitable organizations that engage directly in religious, education, and social welfare programs.
2. Private foundations, which tend to support other tax-exempt organizations' programs.

Voluntarism and Philanthropy

Nonprofit management, third-sector organizations, and independent-sector programs are only new articulations of the old concepts of charity, philanthropy, and social action. The notions of charity and philanthropy are old, but how they are influencing today's society is new. In a country where the profit motive is supreme, it is both curious and inevitable that there also exists a pervasive nonprofit sector. In most other societies, voluntarism does not play as significant a role in the lives of people as it does in the United States.

This Western tradition of voluntarism has roots in two diverse ideological streams:

1. The Greco-Roman heritage of emphasis on community, citizenry, and social responsibility. The Greco-Roman ideology rests on a foundation of social reform to relieve community social problems, in order to improve the quality of life for all in the community.
2. The Judeo-Christian belief that relationships with a higher power affect our choices, our decision-making. Thus, our purpose is not to change people's lots but rather to alleviate the (preordained) suffering of others, particularly the poor. Under the Judeo-Christian tradition, one does not help others solely from concern for oneself or one's neighbors but because a deity has given instructions to do so. We have been told to love our neighbors as we love ourselves: one loves one's neighbor because one loves God first and thus seeks to obey.

These two distinct, historical, ideological themes remain clearly evident today. For example, we can distinguish between *cause advocacy*, or leadership for social reform, and *case advocacy*, or individual service to a person or a limited group of persons in need. The influence of the two ideologies has been replayed countless times and in countless ways in the history of the American nonprofit sector. Notice how it is reflected in the following definitions of two types of voluntarism:

- *Philanthropy* is the giving of money or self to solve social problems; it is developmental, an investment in the future, and an effort to prevent future occurrences or recurrences.
- *Charity* is relieving or alleviating specific instances of suffering; it entails acts of mercy or compassion.

We tend to view these two forms of voluntary action as complementary elements in a nonprofit system. We need philanthropy as well as charity. However, this is not always the case. For example, Andrew Carnegie, an ardent philanthropist, abhorred charity. "It was better for mankind that the millions of the rich were thrown into the sea than so spent as to encourage the slothful, the drunken, the unworthy. . . .

So spent, indeed, as to produce the very evils which it hopes to mitigate or cure" (Carnegie, 1900). Yet from the Judeo-Christian charitable tradition, alms-houses, charitable hospitals, orphan homes, and charitable organizations such as the Little Sisters of the Poor, the Salvation Army, the International Red Cross, and countless others have helped relieve untold instances of human suffering.

As this nation was founded on the democratic ideals of both individualism and pluralism, our fundamental notion of how domestic problems (such as poverty, health, childrearing, housing, mental illness, homelessness, and inequitable access to employment opportunities) should be addressed is returning to its historical stable state: community-level problem solving.

Our basic approach to dealing with domestic problems has progressed from individual and family-level resolution, to community problem solving (as the country urbanized), to massive state intervention, and back toward community problem solving. In part this return to the past has been a negative reaction to the perceived failure of many New Deal and Great Society social programs. Thus, as we enter a new century, the nexus of responsibility for charity and social action once again shows signs of shifting from a national orientation back to one of local control.

Until recently, philanthropy was largely limited to a leisure-time activity of the rich. In the last century, the great industrialists/robber barons and their families, after making their fortunes, might have donated funds for this or that public improvement. Andrew Carnegie was the most systematic example of this variety of traditional philanthropists. He gave away more than $350 million while he lived. This is equivalent to $6 billion today. But this century's differing attitudes toward social responsibilities and tax laws have transformed philanthropy from the altruistic concern of a single individual or family to a huge enterprise that affects and sustains a major portion of our economy and our society.

Of course, individual fortunes may still play a huge part. Microsoft founder Bill Gates and his now ex-wife Melinda have given their foundation more than $36 billion (according to the foundation's website). In 2020, Jeff Bezos, one of the world's richest persons, made the single-largest charitable contribution in 2020, a $10 billion gift to fight climate change. To be sure, wealthy people as well as people of all economic means contribute money, time, energy, and property for socially desirable purposes. But the largest share of the available philanthropic dollar goes to endow foundations. These institutions have been redefining random charitable or community developmental efforts to systematic efforts to find causes for focused efforts, such as to alleviate poverty in certain regions, control world population growth, or preserve rare artifacts. There are tax advantages to the donor in doing this. Therefore, using a foundation helps to multiply the total amount of philanthropic funds available for good works.

However, MacKenzie Scott has given away over $8 billion in a short time to a host of smaller social sector organizations and educational institutions in a different kind of philanthropy that is challenging the claim that philanthropy has become institutionalized. Crowd sourcing and small donation giving is not yet at a scale where it might change the large-scale nature of philanthropy, and there are concerns that it has become bureaucratized. And the majority of the nonprofit social sector, environmental, and justice organizations are still small and locally based. Ironically, the nonprofit sector is much like that large number of governmental units that still make up the units of governance in the US. But new models are emerging, and it's too soon to tell what the architecture and the funding sources will be of the social sector.

CASE STUDY Transforming the US Postal Service

Reform and transform are often used as synonyms to describe change. But are they? In some cases, there is more than a difference in semantics. Reform is best thought of as improving, of efforts designed to restore to a former good state, or bringing from bad to good. Transform involves more innovation—change efforts that radically make over, alter the structure, or move to a new state entirely.

This case study asks you to consider which verb do you think best fits the task before the Postal Service in the 21st Century?

The United States Postal Service (USPS) is a government corporation responsible for the delivery of mail. With just under 500,000 career employees and 32,000 retail locations, the USPS produces one of America's most widely used public services. While customers of the USPS have come to expect postal delivery six days each week, excluding federal holidays, the USPS is struggling to maintain this service standard while facing a host of complex challenges, including technological change, competition with private sector vendors, deficit financial conditions, pressures for environmental stewardship, and now disruptions from the COVID-19 pandemic.

Still, USPS provides one of the most widely used and well-known government services in the United States. It is also one the most admired government agencies, regularly garnering positive ratings by the public, confirmed in a 2020 survey by Pew Research (Figure 4.2).

These favorable ratings also reflect the public's customer service view as shown in Figure 4.3. The USPS Office of Inspector General surveys post office customers regularly and reported the following trends:

But being a public favorite doesn't mean that the USPS can ignore the myriad of problems confronting it and threatening to make it insolvent. The Postal Service, as part of an early reorganization effort, is not a public agency relying on the Congress for annual appropriations to finance its operations. It is set up as a public corporation with the requirement that its operating costs are to be covered by charges for its services.

FIGURE 4.2

Public perceptions of federal government agencies 2020

Source: Pew Research Study "Public Holds Broadly Favorable Views of Many Federal Agencies" April 2020

FIGURE 4.3
Public Views of the Postal Service (2017–2020)

Source: US Postal Service Inspector General Annual Report (2020)

How One of the Oldest Federal Cabinet Departments Became a Public Corporation

The federal government's responsibility for organizing the Postal Service is spelled out in the US Constitution (Article I, Section 8). In 1775, The Second Continental Congress appointed Benjamin Franklin as the first postmaster general. The Post Office Department was subsequently created in 1792 and became a cabinet department in 1872. Historian Richard John describes the Post Office as one of the nation's earliest complex bureaucracies—the first federal agency reaching across the nation's growing geography. During the 19th century, the Post Office Department, while important for delivering mail, was also valued by federal politicians as a government employer.

Employment with the Post Office was awarded through political patronage, controlled by the president but also influenced by members of Congress, who directed jobs to party loyalists in their districts. Civil service reform and professionalization changed this at the turn of the 20th century, as the Post Office workforce converted from patronage to a merit system covered by professional civil service guidelines.

Until 1971, the US Post Office Department was overseen directly by Congress, with the postmaster general controlling the delivery network but significantly constrained by congressional budget allocations for any efforts to modernize or update facilities and operations. Eroding service quality, including a major mail slowdown in Chicago in 1966, led the Johnson administration to investigate reform options.

But things came to a head with a national postal strike in the spring of 1970. Wanting to compartmentalize the impacts of a then unprecedented

(*continued*)

CASE STUDY *Continued*

work stoppage by a federal agency, the Nixon administration pushed to change the Post Office Department to a public corporation. As part of the reorganization, the government for the first time in history agreed to allow wages, which hitherto had always been set through the legislative process, to be negotiated between union and government representatives. That ended the strike. The Postal Reorganization Act established the corporate framework sought by Nixon providing for collective bargaining with postal employees in the future. (The Postal Service is the only federal agency whose employees are governed by a collective-bargaining process that permits negotiations over wages. Interestingly, it is also the only federal agency that systematically measures worker productivity.)

In terms of organizational structure, the reforms created a government corporation with a board of nine governors appointed by the president, with the authority to appoint the postmaster general. The chief executive officer of the Postal Service, the postmaster general, is appointed by the nine governors of the Postal Service, who are appointed by the president, with the advice and consent of the Senate, for overlapping nine-year terms. The ambiguous legal status of the Postal Service has been the source of political controversy since it was established in 1970. It does not report to the president and is only indirectly responsible to Congress. Even though it is an "independent" government corporation, it cannot even set its own prices for services. A Postal Rate Commission, created by the 1970 Reorganization Act, must approve all postage rates, fees, and mail classifications. The commission also has appellate jurisdiction to review Postal Service determinations to close or consolidate small post offices.

The reforms significantly changed the organizational structure, but also the culture and operations, as the new United States Postal Service operated with an emphasis on efficiency, according to a period case study assessment by Nicole Baggert. But there are perils to efficiency in terms of investment in a business model that can become obsolete due to technology change or other dynamic environmental forces.

USPS Reaches a Tipping Point: Mail Delivery in a Digital World

One might look back to 2006 (really just a short time ago) as a high point for the Postal Service as they sorted out what the demand would be for mail service in a digital world. In 2006, they processed more than 213 billion pieces of mail delivered to 146 million residences and businesses by almost 700,000 career employees in 37,000 post offices. But the information technology and communication revolution was changing everything rapidly. The decline in mail volume was due largely to the internet, email, and electronic billing and then the advent of cell phones and text messaging. By 2011, annual mail volume had declined by 500 billion pieces (30%), with USPS downsizing by eliminating 5,000 post offices and reducing its workforce to 532,000.

Looking for new strategies, USPS hired consulting firms to rethink their business plans and, more importantly, make forecasts for the demand for mail

services. In a 2010 study for them by the Boston Consulting Group—they were facing the following major expected declines, as seen in Figure 4.4.

US Postal Service Office of Inspector General
Part 1: Facts and Trends

February 24, 2011
RARC-WP-11-002

Table 2: Mail Volume Forecasts in 2020

Consumer-Sent Mail	Business-Sent Mail
▪ Consumer-sent mail to fall 39 percent overall with the greatest decline in payments sent. ▪ Consumer-sent mail to account for 8 percent of total mail sent (compared with 10 percent in 2009). ▪ Consumer "personal/social" mail to remain at 3 percent of all mail sent.	▪ Business-sent mail to fall by 15 percent overall, with the greatest decline in bank statements and payments. ▪ Business mail sent to consumers to fall 38 percent; to other businesses by 25 percent. ▪ Catalogs and magazines sent to fall by 20 percent. ▪ Ad mail sent to increase by 4 percent.
▪ Parcels sent by both consumers/businesses to increase by 40 percent.	

Source: Boston Consulting Group 2010.

FIGURE 4.4
Forecast for USPS for 2020

Those forecasts were quite close to predicting the dramatic shifts that the Postal Service faced this decade. Table 4.5 details the actual numbers—in terms of both mail volumes and organizational resources.

TABLE 4.5

Postal Service Facts and Figures 2011–2020

USPS	2011	2016	2020
Mail Volume	168.3 billion	154.3 billion	129.2 billion
1st Class	98.3 billion	80.9 billion	67.8 billion
Packages	3.3 billion	5.2 billion	7.3 billion
Marketing	84.0 billion	80.9 billion	64.1 billion
Total Revenue	65.7 $Billion	71.4 $Billion	73.1 $ Billion
Career Employees	557,251	508,908	495,941
Vehicles	228,160	229,104	231,579
Retail Post Offices	32,146	31,585	31,300
Customer Visits	1.02 billion	877 million	768 million

Source: USPS Postal Facts 2011, 2016, 2020

What's not shown in the table's numbers is the bottom line. So, what is the state of the Postal Service's fiscal condition? The Postal Service provides a series of annual financial statements to the Congress, the most recent of which is titled *United States Postal Service Fiscal Year 2020 Annual Report to Congress an Essential Public Service*. Summing these reports, the previous postmaster

(*continued*)

CASE STUDY *Continued*

general, Megan Brennan, testified before a Senate Committee to request federal aid in the spring of 2020. She noted that USPS net losses for the period FY 2007 to FY 2019 were nearly $80 billion and they expected—even with price increases, that USPS would be losing another $50 billion in the coming decade.

In the first agreements over the shape of the COVID-19 pandemic response, the $2.2 trillion congressional aid package (CARES) with over $400 billion in private-sector bailouts, the Trump administration was adamantly opposed to giving any aid to the Postal Service. Congressional leaders had originally proposed a direct grant of $13 billion to the Postal Service that would not have to be repaid. As the *Fiscal Times* reported, then Treasury Secretary Steven Mnuchin blocked that idea, reportedly telling congressional negotiators, "You can have a loan, or you can have nothing at all". In the end, that legislation included only a $10 billion loan from the Treasury Department to the Postal Service. But Congress usually has the last word in federal budgeting—and so in a later COVID relief package (after the fall presidential election) they included provisions that negated the Postal Service's obligation to repay the money.

As to how much of the hard line by the Trump administration on aid was due to its ire over USPS's contracts with Amazon and the past president's feuds with Amazon's CEO Jeff Bezos is speculation. It was reported by the *New York Times* that Amazon generated $1.6 billion in profit and $3.9 billion in revenue for the USPS in fiscal year 2019, with the Postal Service delivering 1.54 billion packages for the e-commerce giant (or 30% of Amazon's total volume). Regardless, those volumes and offsetting profits with Amazon are rapidly coming to a close. In 2021, Amazon itself will be shipping over two-thirds of its packages to customers toward a 2023 goal of 85%, according to industry sources.

Reform Efforts, Governance, and Yet Another New Strategic Plan

While reorganizing as a government corporation was a significant reform in 1971, Congress still places certain requirements on USPS, including the universal delivery obligation. While technological changes in the early years of the 21st century resulted in decreased mail volume in certain categories such as letters and periodicals, the rise of e-commerce expanded the delivery of parcels. New business relationships were formed with its competitor corporations, including FedEx and UPS, in which the USPS delivery network is used to provide the final delivery service for packages to residences and businesses. While USPS has adopted efficiency enhancement, such as neighborhood collection boxes rather than delivery to individual homes, they have not been able to pursue many of the reforms agency leaders argue are necessary for cost-effective operation. Congress has continued to limit the ability of the agency to close low-volume post offices in the interest of maintaining broad public access to postal services, even in sparsely populated parts of the country. Likewise, efforts to curtail or better yet eliminate Saturday home delivery of mail has not been well received by congressional members.

Financial stability remains one of the most significant challenges for USPS. In 2006, Congress required USPS to "pre-fund" employee pension

obligations. Rather than paying pension costs as they come due, USPS must set aside the full estimated amount of employee pension costs each year. This change required USPS to begin setting aside significant sums of money for future estimated pension costs. In 2015, the USPS Office of Inspector General argued that were it not for these costs, the budget would be close to breaking even. USPS continues to protest that this approximate $5 billion annual cost is a significant factor in its continued "unprofitability."

In 2018, another presidential task force reported, "The USPS's ability to achieve and maintain sustainability over the long-term is dependent upon formative reforms to it business model that will enable it to be flexible and swiftly adapt to the social, technological, and operational changes in the mail and package markets." But on the governance side, the report recommends giving the Postal Rate Commission more authority to raise service rates, revise the definition of the universal service obligation by specifying which types of mail are essential service, and engage in operational cost-cutting, including greater use of private sector partners. The task force also recommended allowing USPS to explore new revenue streams such as postal banking. Advocates for the underserved populations have long pointed to the void created by conventional banks who won't set up financial service accounts for accounts with low sums and balances. They see the USPS offering financial service accounts to "the unbanked"—functioning as a limited-service bank, setting up checking and saving accounts, prepaid debit cards, and even small loans. Loan defaults could be covered by the USPS's ability to garnish federal tax refunds to collect on unpaid loan balances.

Another major challenge as climate change pressures have mounted is confronting environmental sustainability. During the Obama administration, new emphasis was placed on the environmental performance of federal agencies. Pressure to do even more is now part of the Biden administration's priorities. Under Obama, federal agencies were required to set sustainability goals, create strategic plans, and report on reducing greenhouse gas (GHG) emissions. USPS established a chief sustainability officer and reports annually on its actions and goal attainment. Its FY 2021 report shows it met its original 2008 goal of reducing its total GHG emissions by 25% in 2018. Critics, however, point to the lack of any further progress since then and question how much of that goal attainment was really the marginal subtraction of facilities, employee, and vehicles. USPS also is facing criticism of its awarding a major contract for its new vehicle fleet. Sierra Club was quick to pounce on the US Postal Service's plan to only electrify about 10% of the USPS delivery trucks as "really short-sighted and not acceptable."

In 2020, after the retirement of Brennan, a new postmaster general, Louis DeJoy, was appointed by the Board of Governors. DeJoy, a former corporate head of a logistics firm, announced his intentions to devise a new plan to cut costs and invest in growth. The 10-year strategic plan (Delivering for America) provided in March of 2021 was to "overhaul" the public mail service and set it on a path to breaking even over the next 10 years. It involves numerous steps to alter mail delivery—including raising rates, slowing the delivery of first-class mail, and cutting hours at post offices

(*continued*)

CASE STUDY *Continued*

around the country. The standards for delivery of first-class mail would be pushed from the current three days to five days, though the majority of mail would still be delivered within three days. Another step taken was a 6.9% increase in postal rates to take effect in summer. (It should be pointed out that compared to European and other national postal services, US first class mail rates still are among the lowest globally.) The plan stops well short of transforming the Postal Service to a new public enterprise reshaped to meet current challenges, much less those coming in the next decade. Rather, it seems to rechart a path blending choices between higher rates, reductions in service, and more tax subsidies.

Reactions to the new plan have been mixed. On the one hand, the Biden administration has submitted three nominees for the Board of Governors. If the nominees are confirmed by the Senate, Democrats and Democratic appointees would gain a majority on the nine-member board, which is widely believed to have as its first goal replacing DeJoy—if he doesn't resign in lieu of ongoing investigations regarding past political contributions. On the other hand, the US Congress was working on a bipartisan legislative deal—the Postal Service Reform Act—which would jettison the annual $5 billion payments on retiree health care benefits, loosen mail delivery standards but restrain further efforts making the mail more expensive, lowering coverage, and retaining. Time will tell whether the Post Office marches on with marginal improvements to its bottom line or embarks upon true transformation.

Case Discussion Questions

1. Do you think the Postal Service can effectively reform or transform itself without having greater control over its own governance?
2. As the Postal Service is a public corporation—do you think it should see itself as a public service or a modern competitive enterprise?
3. Returning to the prefatory question—should the Postal Service think of its change efforts as reform or transformation?

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Bossism An informal system of local government in which public power is concentrated in the hands of a central figure, called a political boss, who may not have a formal government position. The power is concentrated through the use of a political machine, whereby a hierarchy is created and maintained through the use of patronage and government largesse to ensure compliance with the wishes of the boss. It was a dominant system in American city government after the Civil War and was the main target of the American urban reform effort.

Bureau movement The efforts of progressive reformers early in the 20th century to apply scientific methods to municipal problems. Their efforts led to the creation of research bureaus, which in turn created the academic field of public administration.

Checks and balances The notion that constitutional devices can prevent any power within a nation from becoming absolute by being balanced against, or checked by, another source of power within that same nation. The US Constitution is often described as a system of checks and balances. For example, it allows the president to check Congress by vetoing a bill and Congress to check the president by overriding a veto or refusing to ratify treaties or confirm nominees to federal office. The Supreme Court can check either by declaring laws passed by Congress or actions taken by the president to be unconstitutional.

City charter A document that spells out the purposes and powers of a municipal corporation. To operate, a municipal corporation must have a charter like any other corporation. The municipality can perform only those functions and exercise only those powers that are in the charter. If the particular state permits home rule, a city can develop and implement its own charter. Otherwise, it is limited to statutory charters spelled out by the state legislature.

Dillon's rule The criteria developed by state courts to determine the nature and extent of powers granted to local governments. The rule was posited by John F. Dillon is his 1911 volume *Commentaries on the Law of Municipal Corporations*.

Goodnow, Frank J. (1859–1939) A leader of the progressive reform movement and one of the founders and first president (in 1903) of the American Political Science Association. Goodnow is now best known as one of the principal exponents, along with Woodrow Wilson, of public administration's politics–administration dichotomy.

Home rule The ability, the power, of a municipal corporation to develop and implement its own charter. It resulted from the urban reform movement of the early 20th century, which hoped to remove urban politics from the harmful influence of state politics. Home rule can be either a statutory or a constitutional system and varies in its details from state to state.

Item veto The executive power to veto separate items in a bill. This is also known as the line-item veto. While many state governors have item veto, especially to reject additions to their executive budgets made by legislatures, efforts to give the president a budgetary line-item veto have failed. Even when passed, the Supreme Court struck it down only two years after the law enacting it. When President Clinton actually began using the line-item veto, several entities filed suit to have the act declared unconstitutional and were affirmed in a combined case, in a 6–3 ruling, *Clinton v. City of New York*, 524 US 417 (1998).

Ombudsman/ombudswoman An official whose job it is to investigate the complaints of the citizenry concerning public services and to ensure that these complaints will reach the attention of those officials at levels above the original providers of service. The word is Swedish, meaning a representative of the king. Ombudsmen and ombudswomen are now found in many countries at a variety of jurisdictional levels. Many of the functions of ombudsmen/women in American local, state, and national governments are performed by members of their respective legislatures as casework.

Parliamentary system A means of governance whose power is concentrated in a legislature, which selects from among its members a prime minister and his or her cabinet officers. The government—that is, the prime minister and the cabinet—stays in power as long as it commands a majority of the Parliament. When the government loses its majority (loses a vote of confidence), elections must be held within a prescribed time period (or at least every five years in British practice).

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Moe, Ronald C. (2003) *Administrative Renewal: Reorganization Commissions in the 20th Century*. University Press of America. A definitive guide to the landmark 10 federal commissions in the United States that have sought to reform and reorganize the federal government—from preambles and great expectations to disappointing results and realistic reappraisals.

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CHAPTER 5

Intergovernmental Relations

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KEYNOTE: The Intergovernmental Problem of Marijuana

Marijuana is the most widely used controlled substance in the United States. In 2018, sixteen percent of Americans reported marijuana use, and forty-five percent reported marijuana use at some point during their lives (SAMHSA, 2018). Liberalizing marijuana has generated debates among legislators, voters, social activists, researchers,

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> and the popular press. Although marijuana use remains illegal under federal laws, marijuana legalization at the state level has grown in popularity . . . From 2002 to 2018, total marijuana consumption increased by 45% and intensive users more than doubled.
>
> —Stephanie F. Cheng, Gus De Franco, and Pengkai Lin (2020)

For many generations, the topic of marijuana has been a mainstay of discussions on America's college campuses. As students examine their personal freedoms and the limits that may be placed on them by the law, conversations regularly turn to the rules that govern their access to one of the most controversial substances in the United States. It is not unusual to hear a student ask why marijuana, or cannabis as it is more formally known, often remains beyond their legal reach, while alcohol—a substance with a long history of destructive consequences—is legal and readily available to anyone 21 or older. And now students in many states are asking why their counterparts in states like Washington and Colorado can legally purchase, smoke, and even digest marijuana when they could be arrested for trying to do the same thing in their state. Upon graduation, they may also ask why past usage of marijuana or positive drug test results can't be taken into consideration in employer hiring and firing decisions in some states but not others but is absolutely prohibited in federal employment.

While the debates regarding marijuana use tend to focus primarily on questions of freedoms and liberties, this substance and its place in contemporary society provides a familiar case study in the complexities and tensions that are inherent in the intergovernmental nature of American federalism. In particular, the issue of marijuana provides a powerful case study of federal and state relations in contemporary America.

Marijuana has had a long history of use in the United States. The hemp plant, used in making rope and canvas for sailing ships, from which marijuana is also derived, was a common part of colonial era agriculture. Proponents of marijuana legalization often point to the fact that George Washington ordered his slaves to cultivate hemp on his Virginia plantation during his years as a gentleman farmer. Indeed, Virginia's original English settlement, Jamestown colony, actually required farmers to plant hemp as one of their crops. Its use as an intoxicant in America became prevalent in the late 19th and early 20th centuries. The substance found growing popularity within the expanding Latin American communities of the Southwest and in the African-American communities in America's urban areas in the years in and around the turn of the 20th century. With this growth in use of cannabis in the United States came some real problems, but even more manufactured concerns regarding marijuana's role in American culture.

Marijuana, like many intoxicating substances, can be misused. Excessive use of marijuana by some, during the early 20th century, did result in incidents where individuals engaged in behaviors that were harmful to themselves or others. However, any real problems associated with its use paled in comparison with the portrayal of marijuana's dangers within the American media. Films such as the 1936 propaganda movie *Reefer Madness* comically (the comedy was inadvertent) dramatized how marijuana use leads to sexual promiscuity, the murder of one's parents, and a liking for jazz music. This was complemented by highly negative stories in William Randolph Hearst's chain of newspapers, which printed sensational and highly questionable stories designed to fuel public fear about marijuana's threat to American society. Many of these so-called threats were crafted to play on a variety of the nation's worst racial prejudices and fears, including scenarios where minorities perpetrated crimes on Whites while under the influence of this illegal substance.

As the 20th century began, public fears served to encourage government action on the nation's "marijuana problem." In the earliest stages of the campaign against cannabis, the federal government attempted to tighten regulations on the sale of marijuana throughout the nation. In 1906, Congress passed the Pure Food and Drug Act which, among other things, required the labelling of marijuana when sold without a prescription. As regulation of marijuana was emerging from Washington, DC, the states took the lead in banning marijuana completely. Beginning in California in 1907 and continuing with dozens of other states until the 1930s, marijuana was deemed an illegal substance, with possession and production of the intoxicant ruled as criminal offenses, punishable by fines and jail time.

The patchwork of marijuana laws throughout the nation in the first quarter of the 20th century and growing public concern with all forms of intoxicants during an age of prohibition helped lead Congress to work on establishing more consistent rules on the sale and trafficking of cannabis. With some states banning marijuana and others taking more of a laissez-faire approach, Congress created model legislation for marijuana and other substances under the Uniform Narcotic Act (UNA). At first, few states signed on to the voluntary standards of the UNA, but the efforts of the President Franklin D. Roosevelt administration and an impressive propaganda effort on the radio resulted in every state signing on to the standards by 1935.

Even with the adoption of uniform regulations by all states, there was continued pressure in Washington for the federal government to be more aggressive in fighting cannabis use. At the forefront of this campaign for a stronger federal presence was the head of the Federal Bureau of Narcotics (FBN, but now merged into the Drug Enforcement Administration), Harry Anslinger. As the first director, Anslinger became a crusader for tougher federal narcotics laws. Anslinger, who would serve as the head of the FBN for over three decades (1930–1962), maintained an almost religious zeal for outlawing cannabis and successfully rallied support from a variety of political and economic sources for his cause. However, without constitutional authority to establish an outright ban of marijuana, Anslinger was forced to find alternative methods to rid the nation of the problem.

As is often the case with federal efforts to change behaviors, the power of taxation was selected as the tool by which the feds could attack marijuana use in America. In 1937 Congress passed the Marijuana Tax Act, which placed taxes on anyone dealing commercially in cannabis and established heavy fines and jail sentences on individuals not in compliance with the act. This act did not criminalize the possession or use of cannabis, but the impact of the law was nonetheless enormous in terms of limiting access to marijuana throughout the nation. Anslinger was a very successful bureaucrat. By expanding his mandate with this new law, he also expanded his agency and his budget—mainly at the expense of minorities and jazz musicians who had little political influence.

States responded to the federal insertion into marijuana matters not with shouts of protest against usurpation of power, but instead by cracking down on marijuana even more through their own laws over the following three decades. Anslinger and his allies in the nation's capital had successfully created an environment where any state going against the federal position on cannabis was seen as putting the interests of decadent drug-induced minorities against the protection of decent law-abiding White Americans.

It wasn't until the 1960s that both the wisdom and legality of federal marijuana policy began to be challenged in mainstream venues. In the changing American culture of the era, it became more fashionable to question the legitimacy of federal incursions into areas of individual freedoms. It was also becoming more

apparent that the costs of implementing prohibition of marijuana were rising as the substance grew in popularity during the "hippie" decade. The federal government under President Richard M. Nixon even reconsidered its hardline stance on cannabis through a well-publicized commission on drug policy. While Nixon and the federal government opted to continue its hard line against marijuana despite the commission's recommendations to consider other paths, the states began a process of reasserting their control over this policy area.

In 1973, Oregon became the first state to decriminalize marijuana. By decriminalizing consumption and possession of small amounts of cannabis, Oregon made most marijuana use the legal equivalent of speeding. By 1978, eight other states had followed Oregon's lead. These states' actions directly contradicted federal policies that identified marijuana as an illegal narcotic. Simply put, the federal government did not recognize the decriminalization efforts and held that federal public administrators, such as those in the Drug Enforcement Agency (DEA), would follow federal standards even if state laws differed. This meant that even if the locals wouldn't arrest you for smoking pot, the feds still might.

The strained relationship between states and the federal government regarding marijuana was exacerbated in the late 1990s when California became the first state to legalize the use of marijuana for medical purposes. Unlike decriminalization, legalization means that the state permits the use of cannabis as long as a prescription for the substance has been obtained. A number of other states would follow California's lead, with 22 states providing some form of legal protection for medical marijuana by 2014.

While legalized medical marijuana became popular in the states, the federal government refused to yield on its stance that marijuana has no medical properties and that therefore state laws legalizing the use of cannabis for medical purposes would not be recognized. As is often the case when there is a showdown between the federal government and states, the conflict ended up in the courts. When federal DEA officials destroyed a number of marijuana plants that were owned by a Californian growing the plant for medicinal purposes under a prescription from a physician, the battle between the states and feds was thrown into the courts.

In the 2005 case of *Gonzales v. Raich*, the United States Supreme Court held that Congress may ban the use of marijuana even in cases where states have legalized its use for medical purposes. The Court's decision in this case rested on the position that the federal government's constitutionally delegated power to regulate commerce trumped California's policy on medical marijuana, thus allowing DEA officials the ability to act in the interest of federal laws even if those actions went against state medical marijuana laws.

What is perhaps most interesting about the aftermath of the *Gonzales* case was that the decision did not seem to slow the growth of medical marijuana use in California and other states. In fact, the medical marijuana business boomed. In California, an increasing number of citizens took advantage of the state's lax rules on attaining marijuana for medical purposes. Doctors in California dispensed prescriptions for marijuana by the tens of thousands, and pot became a common sight in storefronts from San Diego to San Francisco.

With medical marijuana proliferating in California and beyond, the federal government was faced with a dilemma. Should DEA agents ramp up their efforts to crack down on the expanding medical marijuana market or do they turn a blind eye and give their attention to other matters? In 2009, the answer to this question came in an announcement from the United States attorney general that the DEA would no longer raid medical marijuana retail outlets. In effect, the federal

government had called a truce with states on the question of medical marijuana. The laws had not changed and the feds continued to have the authority to crack down on medical marijuana use. The desire to do so had simply dissipated with the arrival of the Obama administration.

The announcement of this "truce" was followed by a memo from the Department of Justice proclaiming that federal law enforcement resources were not to be used against anyone that was in conformance with state laws governing medical marijuana use. The "truce" also led to a huge jump in the number of medical pot shops in the 18 states that legalized cannabis, from about 1,000 shops in 2009 to over 2,500 by 2015. Tied to this increase was a flood of revenue, making the medical pot business a multimillion-dollar enterprise, though with sometimes dubious financial connections.

The march toward legalization of marijuana, however, rapidly became a stampede. While it was often difficult to legalize adult-use marijuana through a state's legislative process, marijuana legalization efforts were instead accomplished by ballot initiative processes that allowed the voters to legalize marijuana use fully through ballot propositions. Full legalization included three aspects: (1) medical use, of course, but now also (2) recreational use and (3) decriminalization for possession of marijuana. By 2019, more and more state legislators began reconsidering their positions. According to a study by Heather Trela at Brookings, in 2019 when *Illinois* became the first state to pass legislation legalizing marijuana and creating a market for it to be purchased within the state, another six states quickly followed suit.

Today the intergovernmental picture regarding marijuana sale and use is a mosaic of different state polices (see Figure 5.1), but only a small minority—three states of Idaho, Nebraska, and Kansas and American Samoa among the territories—prohibit all uses of marijuana.

The decriminalization aspect of legalized marijuana use is a dimension that should be closely looked at in terms of social equity. As John Hudak of the Brookings Institution has noted,

FIGURE 5.1

US State Legal Regulation of Marijuana

Source: Hartman National Conference of State Legislators Cannabis Overview Legalization, July 2021

> there is a long history of discrimination in terms of PAST legal enforcement. All along, one consistent target for the nation's cannabis laws were communities of color. Despite cannabis usage rates between whites and non-whites being similar, Black Americans are arrested for cannabis offenses at a rate of nearly 4:1, compared to whites. And in a nation with nearly 700,000 cannabis-related arrests each year (a number that was over 800,000 a few years ago), these policies affect an enormous number of Americans.
>
> (Hudak: Brookings Policy Brief, June 23, 2020)

This still leaves the federal government (as of summer 2021) on the outside looking in regarding its continued listing of marijuana as an illegal substance. In July 2021, Rep. Jerry Nadler (D-NY) reintroduced the Marijuana Opportunity Reinvestment and Expungement Act to reform federal treatment *of* marijuana by descheduling it, meaning it no longer would be a prohibited substance. This has been tried before, though the inclusion in the bill of a federal excise tax of 5% on the sale of all marijuana products may attract more support. Over in the Senate, the Democrats released their own proposal—the Cannabis Administration and Opportunity Act—which also calls for federal descheduling of marijuana (Boesen, The Tax Foundation, July 14, 2021).

State critics are already complaining about this form of reverse piggy-backing—a fiscal term that describes how jurisdictions share the revenues collected from a tax levied by one government. Usually though, it's the lower levels of government that collect a percentage of taxes collected—as with sales taxes where cities and counties take a smaller share of the state's sales tax. But as the chart in Figure 5.2 shows, adding another 5% to the already stiff levels of tax rates would be an issue.

FIGURE 5.2
Taxing marijuana

Data Source: Wall Street Journal, 2021

How much does the potential revenue from marijuana taxes matter to these early state adaptors? Quite a bit, but actually not a lot—the State of Washington at the high end took in about $500 million in marijuana revenues in 2020—or just over 2% of the operating budget. But every new tax source is viewed as a positive in this era of fiscal federalism—especially one that so far seems to generate increasingly higher returns regardless of the state of the economy.

THE EVOLUTION OF FEDERAL SYSTEMS

History indicates clearly that the principal factor in the formation of federal systems of government has been a common external threat. Tribes, villages, cities, colonies, or states have joined together in voluntary unions to defend themselves. However, not all systems so formed have been federal. A true federal system such as that in the United States must have the following features:

1. A written constitution that divides government powers between the central government and the constituent governments, giving substantial powers to each.
2. Levels of government, through their own instrumentalities, exercising power directly over citizens (unlike a confederation, in which only subnational units act directly on citizens while the central government acts only on the subnational governments).
3. A constitutional distribution of powers that cannot be changed unilaterally by any level of government or by the ordinary process of legislation.

Alliances and Confederations to Federal Systems of Governance

In the beginning there was the alliance—a coalition of states agreeing to help each other in the event of war or crises. Alliances do not only involve cooperation and aggregation of capabilities; they are generally directed toward an actual or potential enemy and the actual or potential use of force. The agreement on which an alliance is based is often embodied formally in a treaty, but it can also be based on a tacit or informal understanding. Alliances can exist between states that are relatively equal in power and involve mutual security guarantees, or they can be between unequal states—in which case the more powerful state generally extends a unilateral guarantee to the less powerful one. This is always a dangerous situation for the weaker state. Too often, a willingness to protect and preserve has turned into a desire to take over and annex.

Then came the confederation, a group of independent states that delegate powers on selected issues to a central government. In a confederation, the central government is deliberately limited, designed to be inherently weak, and has few independent powers. The United States was a confederation from 1781 to 1789. But the central government was so ineffectual in dealing with problems such as **Shays' Rebellion** and interstate commerce that the Constitutional Convention of 1787 was called to discuss the inadequacies of confederation government. To the great surprise of many who sent them to the convention, the delegates recommended not improvements in the confederation—which was expected—but a whole new form of national government.

Finally, when there is a need for even stronger bonding among governments, there is federalism, a system in which a national, overarching government shares power with subnational or state governments. Intergovernmental relations represent federalism in action. It is the complex network of day-to-day interrelationships among

the governments within a federal system. It is the political, fiscal, programmatic, and administrative processes by which higher units of government share revenues and other resources with lower units of government, generally accompanied by special conditions that the lower units must satisfy as prerequisites to receiving the assistance.

Defining Intergovernmental Relations

In essence, intergovernmental relations are the sets of policies and mechanisms by which the interplay between different levels of government serving a common geographical area is managed. Such relations reflect the basic constitutional framework that links the levels of government, as well as dynamic contemporary factors including relative power, financial strengths, ethnic divisions, geographical factors, and so on. The essence of this constitutional framework is well captured by this famous 1763 statement by **William Pitt the elder**, in the British House of Lords:

> The poorest man may in his cottage bid defiance to all the forces of the Crown. It may be frail—its roof may shake—the wind may blow through it—the storm may enter—the rain may enter—but the King of England cannot enter!—all his force dares not cross the threshold of the ruined tenement!
>
> (Timbs, 1880, p. 1)

In the United States today, the "crown"—the federal government—may not interfere unless this "poorest man" commits the proverbial "federal offense" and federal officials obtain a search or arrest warrant. And only local officials can obtain warrants for local crimes. This is why the investigation of President John F. Kennedy's 1963 assassination was undertaken by the local police in Dallas, Texas. In the eyes of the law, Kennedy was just the victim of a local murder. In 1963 it was a federal crime to rob a bank if it was insured, as most are, by a federal agency, but it was not a federal crime to murder a president. Afterwards, Congress made it a federal offense to threaten or attack a president, vice president, or his or her immediate family. The point here is that within a federal system, different levels of government often perform similar functions, law enforcement in this case, that are constitutionally separate. Each level has constitutional limitations.

An understanding of intergovernmental relations is essential for every public administrator, because this area defines the scope and territory of the administrative world in which he or she lives. It is not just a question of territorial boundaries, though the boundaries of all political units are established by laws, constitutions, and accords, the study of which is central to intergovernmental relations. It is equally a question of functional allocations, because most countries have found it necessary to distinguish among national, regional, state, and local issues and to allocate them in various ways to different levels of government. This allocation, the question of who does what and with what resources, is the essential core of intergovernmental relations.

THE FUNDAMENTAL SETTLEMENT: THE CONSTITUTION

The most critical dimension of intergovernmental relations, that which forms and shapes the context of every government, is the fundamental settlement or accord by which the government was created. Such accords can never ultimately be unilateral—they must always involve a settlement between a plurality of communities. Federalism, like most institutional forms, is a solution of, or an attempt to solve, a certain kind

of problem of political organization. Viable federal systems accommodate regional or subsystem diversity, thereby enhancing the strength of the greater federation. Both the United States and the European Community offer illustrations of settlements whose terms determine the nature, scope, and powers of the governments involved.

The 1789 Constitution of the United States is the oldest written constitution continuously in force and an enduring example to the rest of the world of the benefits and effectiveness of such a well-crafted document. Its famous beginning, "We the people," asserts that the source of its authority is the people as opposed to the states. It then assigns powers to the various branches of government, and in doing so, structures the government. It limits the powers that any branch may have and allows each branch to check and balance the others. Most significantly, it denies certain powers to the national government, reserving them for the states and the people. But aside from its legal force as law and its physical existence as a piece of fading parchment in the National Archives, the US Constitution is the national icon, the premier symbol of American freedom and governance. Above all, it represents the collective political will of the American people over two centuries to maintain their republican form of government. Nevertheless, because of the nature of judicial review, the Constitution is ultimately, as New York Governor Charles Evans Hughes asserted in 1907, "what the judges [of the Supreme Court] say it is." It is, as Thomas Jefferson angrily wrote in a letter dated September 6, 1819, to Judge Spencer Roane, "a mere thing of wax in the hands of the judiciary, which they may twist and shape into any form they please" (Melton, 2004, p. 150).

The 85 essays in *The Federalist*, published in 1787–1788, are the classic commentary on the US Constitution and the theories behind it. They are considered by many political scientists to be the most important work of political theory written in the United States—the one product of the American mind counted among the classics of political philosophy. The papers were originally newspaper articles written by Alexander Hamilton, James Madison, and John Jay (all under the pseudonym **Publius**) to encourage New York to ratify the new Constitution.

Jay wrote only a few of the *Federalist Papers*, but he was the first chief justice of the United States—a job he considered so insignificant that he resigned to become governor of New York. His resignation had the beneficial effect of making room for a later chief justice, John Marshall, a Revolutionary War soldier who became the third chief justice of the Supreme Court and, by almost universal agreement, did the most to establish the independent authority of the Court. From 1801 to 1835, he led the struggle for the Court to be the final arbiter of the Constitution and, by sheer force of will and legal cunning, made the federal judiciary a true check on the power of the other two branches.

Marshall, in a wide-ranging series of decisions, helped to create the American style of federalism. For example, in 1819 in *McCulloch v. Maryland* the Court upheld the implied powers granted to the Congress by the **necessary and proper clause** of the Constitution, upheld the supremacy of the national government in carrying out functions assigned to it by the Constitution, and established the doctrine of intergovernmental tax immunity. In stating, "the power to tax is the power to destroy," the Court held that the Bank of the United States was not subject to taxation by the State of Maryland. And "destroy" is exactly what the Maryland State Legislature wanted to do to the bank. It viewed the "Monster Bank" so much as the tool of the privileged elite and the still-hated British interests that it specifically passed a law taxing the bank's operations in Maryland in the hopes of crippling it.

Sometimes the fundamental settlement occurs all at once, as it did with the creation of the American federal system by the US Constitution. Sometimes it evolves over a series of accords, as it has with the European Union, which is still evolving.

It may eventually become a "sort of United States of Europe," as Winston Churchill envisioned in 1946, or it could fracture into warring (either hot or cold) camps as it did so often in the 20th century. Remember, the US experience with federalism was not a ride in a continuous direction. The Civil War was a major setback. Of course, after the war the Union was stronger than ever. Historian James M. McPherson reminds us in his *Battle Cry of Freedom* (1988), "before 1861 the two words 'United States' were generally rendered as a plural noun: 'the United States *are* a republic.' The war marked a transition of the United States to a singular noun" (p. 80). Only after the Civil War were we "one nation under God, indivisible," as it says in the Pledge of Allegiance. The war had decided once and forever the issue of divisibility.

THE AMERICAN FEDERAL SYSTEM

For the United States, the Constitution is the fundamental settlement defining federalism and also defining the permanent features of intergovernmental relations in the United States. Like the constitutions of many countries, the US Constitution is capable both of amendment as to its formal terms and evolution as to its meaning as a result of such things as Supreme Court judgments. Yet, in essence, it represents a relatively unchanging element of the framework within which intergovernmental relations are conducted.

The most fundamental aspects include the Constitution's provisions in three areas:

1. Its creation of a federal system—that is, one in which there is both a national government and state governments.
2. Its allocation of certain functions to the national government.
3. Its embodiment of certain principles, particularly through the interpretation of the Constitution and the **Bill of Rights**, which provide scope for Supreme Court judgments that can profoundly alter the respective powers and functions of the national and state governments over time.

If we grow up within a federal system and are used to belonging to a state as well as a nation, it is difficult to imagine what it would be like to live in a country without states. Yet this is the case in countries such as France and New Zealand, which have unitary governments, with all significant decisions being made at the national level. Indeed, among the largest nations of the world, there are more people living in countries that have unitary systems of government than there are living under federal systems.

Three Categories of Governments: Unitary, Federal, and Confederation

There are three major groups into which we can allocate nations: unitary governments, federal governments, and confederations. Each has certain strengths and weaknesses, and it is interesting to consider the effects of altering the system from one of these to another, as New Zealand did in 1879 when it abolished its federal system and moved to unitary government. In Australia today, a significant minority would like to abandon federalism, abolish state governments, and perhaps introduce a new level of less costly, more numerous regional administrations. But first, some attempt at definition and differentiation is in order.

The basic distinction is that in unitary governments, there are no state or regional governments, although there may be subnational administrative units with specific powers delegated by the national government. All important power lies with the national government.

Funding for these subnational units—be they provinces, states, or municipalities—is usually provided by the national government. This can get more complicated, as illustrated by China—the world's largest unitary government. In China, taxation is divided into national and local taxes, but tax collection is overseen by the municipalities' State Taxation Administration (our equivalent of the Internal Revenue Service of the United States or the HM Revenue and Customs of the United Kingdom). In 2018, China modernized its system further by having the State Taxation Administration take over additional responsibility to regulate China's national and local tax bureaus—effectively putting tax bureaus at and below the provincial level into their own offices to centralize oversight and administration of local taxation.

Unitary Government Advantages

Unitary governments do have some significant strengths. The following are the four key advantages they usually have over a federal system or a confederation:

1. National direction is clear; policies can be made by a single government without the need for negotiation or cooperation with subnational states.
2. There can be no confusion as to accountability. It is clear to voters which level of government is responsible for a particular problem or function. (Legislators who wish to spend money must raise it; it is not possible for legislators to seek to shift the blame for failure to another level of government.)
3. Duplication of legislatures, bureaucracies, and programs is avoided with significant savings in direct costs—and the more subtle but no fewer real costs of needless duplication.
4. Issues of fairness in raising and spending money between levels of government (vertical fiscal imbalance) simply do not arise.

For federal systems, there is a national government and a number of state or subnational governments that share powers. State governments usually have the power to organize and establish local units of governments: example in the US include counties and other local governments (cities, towns, school districts, etc.). In terms of financing, each level—federal, state, and local—has the right to levy its own taxes and user charges to fund its administration and operations. Higher levels of government can influence taxation and spending decisions of lower units through revenue sharing, grants, and transfers. Thus, the federal government provides fiscal grants for transportation construction projects, and most state governments provide state aid for primary and secondary education to local governments.

Figure 5.3 divides the top 30 nations of the world by population into two camps—21 with unitary governments and the nine with federal governments.

There is also a third form of governance system—the confederation. The classic examples are Belgium, which is really two states with 11 million people united between two states, and Switzerland, with its 8 million citizens among its 10 cantons. In the confederation, power rests with "sovereign" state governments, and an overarching government has some defined powers (usually defense treaties, and regulation of trade). Confederations are increasingly important given the emergence of the European Union and the disintegration or reintegration of the Soviet Union—now the Commonwealth of Independent States.

Confederate systems are generally viewed as inherently weak central governments. The United States was originally a confederate system. The Articles of Confederation were the original framework for the government of the new United States; they went into effect in 1781 and were superseded by the US Constitution in 1789.

FIGURE 5.3
A/B unitary versus federal governments by GNP size

The Articles said that the states were entering into a "firm league of friendship" and a "perpetual union for the common defense, the security of their liberties, and their mutual and general welfare." The Articles provided for a weak central government, which could not compel states to respect treaties, could not regulate interstate and foreign commerce, could neither collect taxes directly from the people nor compel the states to pay for the costs of the national government, and could not create a sense of national unity and national purpose. Such absence of central power directly

contributed to problems such as a devalued national currency, trade wars between states, and an ineffectual foreign policy. It nonetheless provided the experience of state cooperation out of which the consciousness of the need for a stronger union could emerge.

That leads to the central question for the present European Union and the Commonwealth of Independent States. Which way are they going? Will they evolve, as the United States did, into a strong federal system? Or will they follow the route of the long-ago defunct **Confederation of the Rhine** and simply disintegrate, to be replaced by new governing structures?

THE STRUCTURE OF INTERGOVERNMENTAL RELATIONS

There are eternal questions concerning the structure of intergovernmental relations: which level of government will have overall responsibility for what functions? When functions are shared between levels of government, how will each function be divided among national, state, and local governments? Should the taxes needed to finance local government be raised by the government that is to spend them or by the higher level of government most successful at tax raising? Should a national government have an objective of redistributing revenues to reduce the differential between the richest and poorest regions of a nation?

As noted earlier, the Constitution itself is the best place to go for answers to these questions. For example, Article I, Section 8, of the Constitution gives the national government the authority to regulate trade "among the several states." Similarly, the Constitution makes explicit the limits of federal intervention in state matters, including restrictions on the federal government's ability to tax interstate commerce (Article I, Section 9). Such direction provides a framework for what governments can and cannot do in relation to each other.

While the Constitution does provide a framework for intergovernmental relations, the document does not provide all the details on how governments should relate to each other. In fact, the Constitution can be particularly vague in laying out the balance of power between the levels of government. Nowhere is this more obvious than in the Tenth Amendment. In this last amendment of the Bill of Rights we are told, "the powers not delegated to the United States by the Constitution, nor prohibited by it to the states, are reserved to the states respectively, or to the people." This amendment, commonly known as the reserved powers clause, has been at the heart of numerous debates on the balance of power between the national and state governments.

Intergovernmental relations structures are almost always designed to accommodate differing communities of interest—social, ethnic, and political—as the boundaries of governments often possess, or soon acquire, symbolic meanings for communities that identify with them. This applies whether we are speaking of what it means to be a European or an American, a Luxembourger or a Texan, a Londoner or a San Franciscan. For example, localities in the United States often create fire, library, and school districts that for obvious reasons of economies of scale (i.e., where cost savings are realized by doing things in larger rather than smaller units) serve the citizens of small general-purpose jurisdictions, such as boroughs or towns. These communities may develop a strong sense of identity that is focused on volunteer fire companies or high school sports teams.

The Effects of Pluralism

Sometimes a community is so dominated by one ethnic group that this impacts its relations—its intergovernmental relations—with other levels of government.

Thus, the people of Quebec, because of their strong French cultural identity, have been able to get special advantages from the Canadian national government. Alternatively, ethnically dominated communities in other countries have complained that they get fewer resources from their national governments because of their minority status. Sometimes national policies even encourage political ghettoization. For example, the United States has long practiced the art of gerrymandering, the reshaping of an electoral district to enhance the political fortunes of the party in power, as opposed to creating a district with geographic compactness. The term first arose in 1811, when Massachusetts Governor Elbridge Gerry reluctantly signed a redistricting bill, creating a district shaped like a salamander.

In 1986, the Supreme Court ruled in *Davis v. Bandemer* that partisan gerrymandering is unconstitutional "when the electoral system is arranged in a manner that will consistently degrade a voter's or a group of voters' influences on the political process as a whole." This encouraged a spate of affirmative gerrymandering, redistricting to consolidate minority votes so that a minority group member will most likely win the next election. This has resulted in more minorities, especially African Americans, being elected to the US Congress than ever before. The effect of this is to give them representation in numbers that approximate their percentage of the population. Just like all other members, they fight the political wars to bring resources to the myriad governments within their legislative districts. However, in the 1995 case of *Louisiana v. Hays*, the Supreme Court seemed to put severe inhibitions on this when it ruled that congressional district lines are unconstitutional if race is the "predominant factor" in drawing them. Nevertheless, the Court did not say that race could not be a factor at all.

The Marble-Cake Metaphor

It is easy to underestimate the complicated nature of intergovernmental relations. It is not simply a question of dividing the work between the levels—of assigning local issues to local government, and national issues to federal government. The majority of issues have national, regional, and local implications, as the keynote on marijuana legalization and commercialization aptly illustrates.

The popular image of the federal system as a layer cake, with each layer of government neatly on top of the other, is deceptive. The reality is more like a marble cake. This metaphor holds that the cooperative relations among the varying levels of government result in an intermingling of activities; this is in contrast to the more traditional view of layer-cake federalism, which holds that the three levels of government are totally or almost totally separate. Marble-cake federalism is usually associated with **Morton Grodzins**, who made a famous example out of the case of rural county health officials called sanitarians. Sanitarians are appointed by the state government under merit standards established by the federal government, and while their base salaries come from state and federal funds, the county provides them with offices and office amenities and pays a portion of their expenses.

According to Grodzins (1966):

> It is impossible from moment to moment to tell under which government the public health official operates. His work of inspecting the purity of food is carried out under federal standards; but he is enforcing state laws when inspecting commodities that have not been in interstate commerce.
>
> (p. 9)

In Grodzins view, the essential story of the sanitarian can be applied to hundreds of other public sector jobs. Bus drivers, police officers, and teachers are all

caught up in the intergovernmental maze. Consequently, mass transit, law enforcement, and education policies, for example, must be subjects of attention at all levels of government. It takes wise legislators at each level to comprehend how their legislation will fit in with that being developed at other levels—and officials working at each level may find it a major task to see that their work is compatible with that of people working on similar topics in other levels of government.

FEDERALISM AND CHANGE

The formal structure of powers, roles, and relationships underlying the intergovernmental relations of a federal system is rather like the trunk and branches of an old tree. It sways in the wind, leaves come and go, and sometimes entire branches are lost in a storm. The more rigid the tree, the greater the possibility that a major storm (such as a civil war) may uproot it entirely. If the tree is more supple, it will adapt and change to withstand the storm—and may be all the stronger for the experience.

Some federations have collapsed entirely in recent political history. The Union of Soviet Socialist Republics and Yugoslavia are leading examples. Others, such as Malaysia, have lost a major branch (Singapore) but survived. Still others, such as Canada, have been close several times to losing a very major branch (Quebec). There are other examples still evolving in the trials of several unitary government forms—the United Kingdom and Scotland or Spain and Catalonia.

In the United States, a civil war has already been fought to uphold the doctrine that subunits, that is, states, are not allowed to opt out once they have opted in. Though it should be pointed out that there is another interesting debate within US intergovernmental relations whether Puerto Rico, in commonwealth status, should be admitted if it should seek statehood. But interpretations of the evolution of the American federal system are generally couched as a progression through a series of major phases of intergovernmental relations.

The classic interpretation of these various phases was developed by Deil Wright (1988) in his book *Understanding Intergovernmental Relations*. Wright understood well the linkage of funding provided by different levels of government for key functions such as schools. Most states provide half of the revenue needed for school districts and set political requirements (call them mandates) that are imposed on those receiving funds. His phases also tied in to different presidential administrations as both the scope and scale of federalism was debated between the parties controlling the Congress and the presidency.

For this edition of our textbook, we have folded some of Wright's ingenious labels and partitions of federalism's development into a somewhat larger and updated framework developed by scholars Robert Dilger and Michael H. Cecire at the Congressional Research Service. Figure 5.4 attempts to highlights their reorganization of the eras or phases of federalism in the United States.

Dual Federalism

The first such phase was the 19th-century concept of dual federalism that prevailed up to the Civil War, in which the functions and responsibilities of the federal and state governments were theoretically distinguished and functionally separate from each other. With this philosophy—each level of the government could and often did pretend the other level did not exist—rival lawmen rode through the Old West. In the absence of cooperation between jurisdictions, an outlaw could evade capture simply by "crossing the state line." The basic idea of dual federalism was expressed

FIGURE 5.4
Eras in US Federalism 1776 to Present

succinctly in 1891 in *The American Commonwealth* by British historian James Bryce, who visited the United States in the 1880s to observe its political system:

> The characteristic feature and special interest of the American Union is that it shows us two governments covering the same ground yet distinct and separate in their action. It is like a great factory wherein two sets of machinery are at work, their revolving wheels apparently intermixed, their bands crossing one another, yet each doing its own work without touching or hampering the other.
>
> (Bryce, p. 26)

This doesn't mean that the federal government wasn't providing some forms of assistance to the state governments, especially to new territories being given statehood. Congress made extensive use of land grants to states, in which federal land was provided for state use. Sometimes these land grants were given to construct education facilities. In other cases, land grants were passed over to states to use or sell to finance their own operations. But in this first century, the idea of two separate domains—where domestic roles were carried out by the states and national defense, trade, and foreign policy were the province of the national government—was the essence of dual federalism.

Some argue that dual federalism has never really died out. It has just been extensively modified by two centuries of federal legislation and judicial precedents. Indeed, in 1997 the Supreme Court in *Printz v. United States* held that "it is incontestable that the Constitution established a system of 'dual sovereignty.' "

But after the Civil War, the federal government established the first trappings of an intergovernmental transfer process. By 1900, the first federal "**grants**" were established, beginning with a grant to create annual revenues to help states support education for the blind. Next were grants for agricultural research units and then for disabled veterans. It wasn't much, but it was a start, amounting to about 1% of the federal budget. These efforts would expand when the federal government was able to expand its treasury. After the Sixteenth Amendment establishing income tax was ratified, Congress had a new source of revenue (albeit quite modest) to expand and set up new grants for highway construction, public health, and vocational education. The Congressional Research Service's (CRS) history notes another step in this process was the federal government's being able to move from providing land grants to the states to providing real cash grants.

Cooperative Federalism

The emergency funding arrangements of the Depression years, known collectively as the New Deal, and the cooperation among federal, state, and local authorities during World War II to administer civilian defense, rationing, and other wartime programs ushered in the next era, labeled cooperative federalism. This is the notion that the national, state, and local governments are cooperating, interacting agents, working jointly to solve common problems, rather than conflicting, sometimes hostile competitors pursuing similar or, more likely, opposing ends. While some cooperation has always been evident in spite of the conflict, competition, and complexity of intergovernmental relations, cooperation was most prominent between the 1930s and the 1950s.

The New Deal's scheme of economic reconstruction involved many new federal grants to the states aimed at providing jobs. During this time, the concept of using federal spending to create demand led to an entirely new position for federal government as the shaper of programs in the states. This was the economic prescription of the British economist **John Maynard Keynes**, which called for stimulating the economy during a time of economic decline by borrowing money to spend on public works, defense, welfare, and so on. In theory, the prosperity generated by such expenditures would increase tax revenues, which in turn would pay for the borrowing.

Indeed, as part of the New Deal, 16 new grant programs for states and local governments were established that quadrupled funding to $800 million by 1938. Following WWII, the federal government created over 100 new categorical grants. Adding to the scale of this new era of cooperative federalism was the passing of the Social Security Act of 1935, which gave the federal government a prominent role in the social welfare arena. One final example—and for its time a very ambitious effort—was the $25 billion decadal effort to have the states build the 41,000-mile

US interstate highway system in the 1950s. Under this funding arrangement, the federal government underwrote 90% of the construction costs.

It should be noted that cooperative federalism also has a horizontal dimension: state-to-state interactions and relations. Such interstate relations take many forms, including **interstate compacts** and commissions established for specific purposes: river basin management, transportation, extradition of criminals, conservation of forests and wildlife, and administration of parks and recreation. Horizontal relations between local governments also are numerous. Cities frequently contract for services from various neighboring local governments (and even from private providers). The Lakewood Plan, established in southern California in 1954, was one of the best-known examples of local contracting for services in the United States. Under this plan, the city of Lakewood contracted for a rather comprehensive package of services from Los Angeles County, where Lakewood is located.

Fiscal Federalism in the 1960s—"Creative" vs "Coercive" Federalism

The 1960s were dramatic years in the US—marked by the Vietnam War, the civil rights movement and federal responses, and the **Great Society** programs to address poverty and racial injustice. Initiatives such as Head Start (a federal program designed to provide early education opportunities for poor children prior to kindergarten) and the War on Poverty (a name given to other social programs designed to eliminate the causes and effects of poverty in the United States) were all based heavily on the concept of federal grants shaping activities and directions at the state and local levels.

The Johnson administration pushed through a dramatic increase in the number of grants (132 in 1960 to 387 in 1968) and most importantly in fiscal scale ($7 billion in 1960 to $20 billion in 1968). The majority of these new grants were to address poverty and racial injustice. Low matching requirements, where states paid only 10% to 30% of total program costs, greatly encouraged state participation. But clearly the most significant step with vast implications for federal assistance was taken on July 30, 1965, when President Johnson signed into law legislation that established the Medicare and **Medicaid** programs. These two programs, as will be seen, are the current dominant forms of federal intergovernmental transfers.

Creative federalism was the Johnson administration's preferred term for its approach to intergovernmental relations, which was characterized by joint planning and decision-making among all levels of government (as well as the private sector) in the management of intergovernmental programs. But it was truly creative in the many new programs of this period that had an urban/metropolitan focus, with much attention given to anti-poverty (and racial injustice) issues. Creative federalism sought to foster the development of a singular Great Society by integrating the poor into mainstream America. Its expansive efforts were marked by the rapid development of categorical grant programs to state and local governments and direct federal grants to cities, frequently bypassing state governments entirely. However, the idea that all wisdom rested in Washington was not always well received in state capitals or city halls.

The Nixon and Ford administrations sought to alter this balance. Nixon latched on to critics calling the Great Society program escalation of grants as dysfunctional and "coercive" because of the various mandates and requirements that these grants included. Nixon's administration attempted to return autonomy to the states while maintaining significant levels of federal funding. From 1972 onward, federal fiscal assistance entailed establishing aggregate grant levels by formula but allowing state

and local governments substantial latitude in applying the funds in their own area. During the Nixon administration, federal intergovernmental aid pursued a style of decentralized management at the federal level symbolized by such programs as general revenue sharing and the decentralization of federal regional management to 10 coterminous regions, each with a common regional center.

Devolution and Reshaping Federal and State Roles

Federalism made another turn with the Reagan administration. Disregarding the Nixon approach of decentralized federal regional management, Reagan called for restoring direct relations between the federal government and the state governments and reshaping roles and responsibilities. His intent was to return power and responsibility to the states and to dramatically reduce the role of the federal government in domestic programs, ranging from community mental health to crime prevention. This was somewhat reminiscent of the dual federalism that prevailed in the United States in earlier eras.

The Reagan administration imposed new policy objectives on intergovernmental arrangements. Reagan and his advisers viewed much activity by the national government, especially many expenditures on social programs, as wasteful and unnecessary. Thus, they turned their attention to cutting federal grants, attempting to transfer functions "back" to the states and away from Washington. In 1986, the Reaganites also eliminated general revenue sharing, which was a short-lived fiscal policy experiment that provided a modest but unrestricted distribution of a portion of federal tax revenues to state governments.

Initially, there was some success in making cuts in the funds available from Washington to state and local governments; 84 existing categorical grants were to be consolidated into six new block grants. A proposal for a super revenue sharing program to replace another 43 federal grant programs was made (but rejected). Negotiations with the states over having the federal government take over functions like Medicaid and letting states fend for themselves on other domestic social services and infrastructure went nowhere. While the number of grants did decline modestly, they then continued to grow in mid-80s. Reagan's priority was defense spending to win the Cold War with the Soviet Union, and in his budget negotiations with a now Democratic-controlled Congress, he traded defense spending increases for domestic program spending and let the budget deficit boom. And boom it did, led by Medicaid spending that would triple from under $15 billion in 1980 when he assumed office to over $40 billion when he left—heading on its way to over $115 billion in 2000.

But the **Devolution Revolution**—as it was called—came and went. There was one last-gasp effort when in 1995 Congress passed the Unfunded Mandates Reform Act in 1995, Pub. L. 104–4, in an effort to limit the number of unfunded federal **mandates** imposed by the federal government on state, local, and tribal governments. In order to address this problem, at least symbolically, this law held that any future bill might be out of order if it imposes a financial mandate of more than $50 million on any one state, local, or Native American tribal government. But this requirement could always be rescinded by a majority vote. The law did nothing to end current unfunded mandates. It was basically designed to force Congress to be more aware of the implications of possible future mandates.

As the law is basically an information-sharing requirement, it hasn't done much to sway proponents or critics. As the GAO noted in a 2004 review of the law, "UMRA generates information about the nature and size of potential federal mandates to assist Congress and agency decision makers in their consideration of proposed legislation and rules. However, concerns about actual or perceived federal mandates continue" (GAO, 2004).

The Current Era: Federal Grants in the 21st Century (Before COVID)

Looking back at the policy shifts in federalism in the 20th century, one can see that the major swings followed political lines. Republican administrations and after 1990 Congresses favored cutting back on federal grants and consolidating and centralizing grant mechanisms to reduce regulations and federal controls, whereas Democratic administrations pushed expansions in all directions and with it more federal assistance to states and local governments. One would think the Bush administration would have followed these lines, but it didn't. Federal grants to state and local governments nearly doubled—from just over $275 billion in 2001 to nearly $475 billion in 2008 before Bush left office.

The Bush administration did provide waivers to states on administering Medicaid funds, but Medicaid was by then the largest grant category and the fastest growing. This would only grow further with passage of Obamacare. Conservative presidents are not immune from pursuing certain pet policy objectives, and Bush demonstrated that with many of the new requirements enacted in education reform with the passage of No Child Left Behind Act of 2001. This is a classic example of how federal grant controls can mandate, as a recent CRS report notes:

> Grant conditions, historically the predominant means used to impose federal control over state and local government actions, have also continued to be used to promote national goals. For example, many observers consider the adoption of the No Child Left Behind Act of 2001, signed into law on January 8, 2002, to be President George W. Bush's signature federalism achievement. Although the act allows states to define the standards used for testing, it imposed federal testing, teaching, and accountability standards on states and school districts that, overall, significantly increased federal influence on public elementary and secondary education throughout the nation.
>
> (US CRS, 2020, p. 35)

The Obama administration, while not proclaiming any new federalism policy labels, pushed even further. First, in response to the Great Recession of 2008–2010, they passed a major fiscal assistance program that pumped $787 billion, mostly in grants to state and local governments, to combat recession in the 2009 American Recovery and Reinvestment Act. Then they expanded significantly Medicaid eligibility as part of the Affordable Care Act (ACA, or Obamacare). But in addition to this, the Obama administration added or amended 71 categorical grants to state and local governments as part of ACA. In the second term, other efforts were made, especially in education reform where the federal government essentially staged innovation competitions for grants.

With only one term to work with and with other higher policy priorities to occupy its time, the Trump administration didn't turn to the federal grant arena until late. While it announced it favored reducing the growth of Medicaid, it was more focused on ending ACA entirely rather than dealing with aid formulas. Whatever might have been a Trump federalism or management doctrine disappeared with the arrival of the COVID pandemic in the spring of 2020.

Summing up these two decades—and despite all the rhetoric about grant mandates, consolidation, and federal vs state responsibilities—the scale and scope of federal grants to state and local governments continue to escalate. CRS provides regular reporting on all this and notes in a 2020 report that despite the push for block grants over categorical, categorical grants with all their strings attached persist. In 2020 there are 21 block grants accounting for 7.5% of total federal grant outlays vs 1,253 categorical grants to cover the remaining 92.5%.

As for the next decade, the sheer magnitude of federal fiscal "assistance" provided to combat the COVID-19 pandemic and the Recession of 2020 will surely require rewriting the current era—or starting a new era. (A prelude to that is provided in the case study at the end of this chapter.)

INTERGOVERNMENTAL MANAGEMENT: STRUCTURES AND GRANT MECHANISMS

We cannot usually "see" intergovernmental relations, just as we cannot see other aspects of government machinery. But there are times when intergovernmental management bubbles to the surface and becomes visible. Unfortunately, these times usually involve great tragedies such as a major earthquake in California or hurricane and flooding as in New Orleans with Katrina, the terrorist attack on the World Trade Center in New York, or the bombing of the federal building in Oklahoma City. In each case, the various levels are literally on the scene. First to arrive are local police and fire personnel. They are backed up by appropriate state agencies such as the National Guard. The federal government is represented by the FBI (when a crime is suspected, as in a bombing) and the Federal Emergency Management Agency (FEMA), which plans for and coordinates emergency preparedness and response for all levels of government and for all kinds of emergencies—both civilian and military.

FEMA is a federal intergovernmental organization whose major purpose is to help coordinate and decide what the various governments should be doing after a catastrophe. This doesn't always work as intended, as seen in the ineffective and late response by FEMA and the State of Louisiana and City of New Orleans, which was a major cause of the horrific death toll from Hurricane Katrina in 2005. But governments do learn—and later responses to Hurricane Sandy in New York and New Jersey demonstrated how it can be done better. However, performance in intergovernmental management is always marked by what happens next time—as seen in the federal response to Hurricane Harvey in Texas (excellent) versus what can only be described as a dreadful failure: Hurricane Maria in Puerto Rico.

Another form of intergovernmental management is the special districts created by state and local governments to either consolidate or set up a shared cooperative effort around a function of government. The best example—and the most numerous—is the fire protection special district, where smaller governments unite to create a fire department to serve all the entities involved. As the 2017 census of governments show in the following figure, there were nearly 6,000 of these—or 16% of all the special districts in the US (see the table of government units, Table 4.2 in Chapter 4).

Figure 5.5 shows the total count for the US illustrating the range and extent of intergovernmental management using this form of governance.

Another major structure in intergovernmental administration involves multijurisdictional cooperative arrangements established to permit a regional approach to planning, development, transportation, environment, and other problems that affect a region as a whole. This structure tends to be known as a **council of government (COG)**, even if the word *council* is not part of its formal title. COGs are typically substate regional planning agencies established by states. They are usually responsible for area-wide reviews of projects applying for federal funds and for development of regional plans and other area-wide special-purpose arrangements. They are composed of designated policymaking representatives from each participating government within the region. Some COGs have assumed, beginning in the 1980s, a more enterprising role by acting as contractors for, and service providers to, their local governments. A good example would be the COG for Lee and Russell counties

FIGURE 5.5

US Special District governments in 2017

Note: Data are not subject to sampling error. For information on nonsampling error and definitions. See <www.census.gov/programs-surveys/gus technical-documentation/methodology.html>.
Source: 2017 Census of Government US Census, October 29, 2019

in Alabama, which helped form a waste management authority to negotiate a single landfill contract with the private company that owned the landfills they use.

The value of councils of government and other cooperative agreements between local governments is becoming particularly noticeable in the area of land-use management. As suburban and now exurban expansion has emerged as a significant challenge in many parts of the country, there has been a move on the part of state governments to use incentives to bring counties and municipalities into partnerships to manage growth. For example, local governments in Wisconsin are entitled to state grants for planning only if they enter into intergovernmental agreements with their neighbors. While the best way to effectively manage sprawl-related problems might be to simply merge local governments or shift land-use management completely to the county level, such options are generally a political nonstarter. Thus, states will likely continue to rely more on nudging local governments to join forces rather than shoving them together.

Finally, even if states can coax municipalities into councils of government, the voluntary nature of the partnerships makes them only advisory in nature. They have few, if any, independent sources of revenue. Taxing or borrowing authority,

or some form of raising revenue through user fees or charges, is the real difference. That's a critical difference in comparing COGs to special districts—districts have some form of revenue generating authority, either in allotments and payments by the entities that comprise the district or, more often, the ability to levy fees or extract user charges for services provided.

As funding is always the most important dimension in all forms of administration, it's important to define how levels of government "transfer" funding between them. So how does a national government bring about actions at the state level that state governments, left to themselves, might find neither palatable nor affordable? Certainly, at times, the federal courts have ordered state governments to adopt policies and actions based on judicial interpretations of the meaning of federal legislation or the Constitution. For example, the courts have ordered states to integrate schools (by busing if necessary) and to relieve prison overcrowding if it amounts to cruel and unusual punishment. However, the federal government, under the Tenth Amendment to the Constitution, does not have a general power to give directions to the states in their primary areas of power. Consequently, more often than not, financial inducement, through grants of money tied to a particular policy objective, has been the preferred instrument for achieving federal purposes. Financial arrangements have been the predominant vehicle within intergovernmental relations by which national policies have been implemented by and through the states.

These financial arrangements—or grants as we explored them in the historical narrative—can take different forms. The CRS has a good summary in a recent 2020 report of these various forms, beginning with a precise definition and then enumeration of categorial grants:

> Most categorical grants are awarded through a competitive application process, can be used only for a specifically aided program, usually are limited to narrowly defined activities, and have more administrative conditions than other grant types. There are four types of **categorical grants** (generally ranging from those with the most federal control over the use of funds to those with somewhat less federal control):
>
> - project categorical grants (applications are submitted to a specified federal agency for review and the funds are awarded on a competitive basis),
> - formula-project categorical grants (funds are distributed to states by formula, localities apply to a state agency for funds, and the funds are awarded by states to localities on a competitive basis),
> - formula categorical grants (funds are distributed to eligible recipient governments by a formula), and
> - open-end reimbursement categorical grants (the amount of funding is dependent on program costs, typically reflecting the number of program participants).
>
> (US CRS, 2020: Block Grants: Perspectives and Controversies)

Since the 1970s, there has been an ongoing debate about whether there should be more block grants (basically some form of consolidation of categorical grants) to afford more "local" control and reduce federal regulations and oversight. The rationale behind less-specific block grants is worth some explanation. First, their whole purpose is to counter the criticism that overly restricting the ways federal moneys can be spent tend to reduce state governments to an extremely mechanical role not consistent with a state's status as governments in their own right. A **block grant** is distributed in accordance with a statutory formula for use in a variety of activities within a broad functional area, largely at the recipient's discretion. For example, the community development block grant program, administered by the Department of Housing and Urban Development, funds community and economic

development programs in cities, counties, Indian reservations, and US territories. The nature of the block grant allows these jurisdictions to allocate the funds to supplement other resources in ways they choose.

It's already been revealed that the battle over which dominates—categorical or block grants—has been decided. But the debate continues, and it's well worth looking at pros and cons of each: again, nicely summarized in the 2020 CRS report noted earlier.

Arguments for Block Grants	Arguments Against Block Grants
• a means to increase government efficiency and program effectiveness by redistributing power and accountability through decentralization • partial devolution of decision-making authority from the federal government to state and local governments • a means to reduce government expenditures without sacrificing government services	• block grants undermining the achievement of national objectives • "backdoor" means to reduce government spending on domestic issues • Decentralized nature of block grants makes it difficult to measure block grant performance and to hold state and local government officials accountable for their decisions

On the surface—besides the question of who "trusts" whom to do what—the debate seems even, with quality concerns being raised on both sides. Moreover, in light of public administration's pursuit of reinvention in the last two decades of the last century, there's even some favoritism toward block grants where agents of governments are given strategic goals and objectives, but red tape and rules are reduced and freedom to manage is allowed. So, students of public administration and even political science might ask, why has the debate resulted in such a lopsided preference for categorical grants? Perhaps an insight—provided by Brookings scholar Pietro Nivola—helps explain:

> Why is it so difficult to do block granting? Why is it politically hard? And I think the answer's pretty straightforward: it seldom has more friends than it has enemies. Liberals prefer a categorical approach to intergovernmental grant giving. Essentially for two reasons:
>
> First of all, it locks in—it institutionalizes constituencies; that is, it sets up a pretty sturdy relationship between client groups; program authorizing committees in Congress; and patron agencies in the Executive Branch. And this pretty much ensures that intended target populations get funded, consistently. But, secondly, unlike block grants, which are often administered by formula, the categorical system gives politicians more opportunities for credit claiming. . . .
>
> But when the chips were down, conservatives are often not that keen about block granting, either. . . . They may like the fact that it may be somewhat easier to trim program spending, once programs are taken out of their political silos or cease to be entitlements. But they don't necessarily like the total lack of accountability, the absence of any strings to the money, once it goes out to the states.
>
> (Pietro Nivola, 2003)

FISCAL FEDERALISM—FOLLOWING THE MONEY

Fiscal federalism refers to the fiscal (financial) relationships that exist between and among units of government in a federal system. The theory of fiscal federalism, or

multiunit governmental finance, addresses the question of the optimal design of governments in a multilevel (or federal) governmental system.

The public sector has three principal economic problems to solve:

1. The attainment of the most equitable distribution of income.
2. The maintenance of high employment with stable prices.
3. The establishment of an efficient pattern of resource allocation.

The theory of fiscal federalism postulates that a federal form of government can be especially effective in solving these problems because of the flexibility it has in dealing with some problems at the national or central level and some at the local or regional levels. It argues that, for a variety of reasons, the first two problems, equitable distribution of income and maintenance of high employment with stable prices, are problems that the national level of government is best equipped to handle. However, according to the theory, the decentralized regional or local units of government can more efficiently deal with the third problem, allocation of resources, because such units of government are more familiar than the central or national government is with local needs and the desires of citizens for public services. Even so, grants-in-aid from the national level of government to local levels may be needed to stimulate local government spending for national purposes, to provide for uniform or minimum service levels (as in education), or to compensate citizens of one area for benefits from services they finance that spill over to residents of another area. Spillover benefits are especially frequent in such programs as clean water and air pollution control, health, and education.

But before examining intergovernmental transfers, a look at the three levels of government—just in terms of where they get their revenues—is in order. Figure 5.6 shows three pie charts with the divisions for their own revenue sources.

While it's safe to say that each level of government dominates a certain type of taxation, the charts show some crossover. This means that while the federal government relies on income taxes, income taxes are also significant for many states. And while state governments dominate sales taxes and user charges, local governments increasingly rely more on sales and user fees. Local governments have always

FIGURE 5.6
Revenue Sources for US Governments 2018–2019

TABLE 5.1

Summary Comparison of Total Outlays for Grants to State and Local Governments: 1970–2020

	Total Federal Grant Outlays (in billions)	Pct. Outlays to Individuals	Constant Billions*	Pct. of Total Federal Outlays	Pct. of National GDP
1970	$24,065	37.7%	$151.7	12.3%	2.30%
1980	$91,385	36.2%	$283.7	15.5%	3.30%
1990	$135,325	57.2%	$238.9	10.8%	2.30%
2000	$285,199	65.2%	$389.1	16.0%	2.80%
2010	$608,300	64.3%	$637.6	17.6%	4.10%
2015	$624,354	74.2%	$599.3	16.9%	3.50%
2019	$749,554	75.3%	$667.3	16.5%	3.50%

Source: CRS Federal Grants to State and Local Government, May 2019

* In 2019 dollars to account for inflation of past years

dominated property taxes, but even this tax source is no longer the largest source of revenue. The figures also show the significance of government transfers—over 30% of the overall revenue base for both state and local governments.

To fill out the narrative of fiscal federalism, it's important to see the level of federal intergovernmental transfers in terms of scale. Several important distinctions can be made. First, it's important both to see the level of spending in terms as a percent of the federal budget itself and to interpret that in macroeconomic terms—as a percent of national wealth, best measured as a percent of GDP. Table 5.1 provides some decadal marks for the last 50 years. Much of the growth in federal transfers was due first to increases in Medicaid, first felt in the 1990s and then increasingly with the passage of Obamacare. The other spike, if it can be called that, was in 2010 with federal assistance for the Great Recession. Another such spike—certainly even more dynamic—will be registered when the numbers are calculated for all of the transfers provided to combat the COVID-19 pandemic.

So, what are these outlays to individuals that account for 75% of the nearly $750 billion noted in 2019. Over 25% goes for Social Security, which provided monthly retirement benefits to nearly 45 million retired workers. Social Security also provided benefits to over 3 million spouses and children of retired workers, 6 million surviving children and spouses of deceased workers, and 10 million disabled workers and their eligible dependents. Another 25% and increasing goes for four health insurance programs: Medicare, Medicaid, Children's Health Insurance Program (CHIP), and Affordable Care Act marketplace subsidies (Center on Budget and Priorities, 2021).

The other dimension is to see federal transfers in terms of function. While the graph accompanying Table with Figure 5.2 shows the marked escalation of the health care function, all the category totals follow in a table to show functional specifics more clearly. But the health care escalation is critical—50 years ago it accounted for just 16% of federal grants and assistance. By 2000 it had reached 44%, moving to 61% in 2019.

The sums of federal aid devoted by the federal government to combatting the COVID-19 pandemic are surely a new era in fiscal federalism and certainly another chapter. Over a half trillion dollars alone were directed to state and local governments across various categories of programs. The case that concludes this chapter has a separate assessment of the American Rescue Plan (ARP) provisions for state and local governments. But a recent analysis by the Brookings Institution provides a final thought on the

Federal Grants	Health	Income Security	Education & Labor	Transportation	Community Regional Dev	Other	Total
1970	$3,849	$5,795	$6,417	$4,599	$1,780	$1,625	$24,065
1980	$15,758	$18,495	$21,862	$13,022	$6,486	$15,762	$91,385
1990	$43,890	$36,768	$21,780	$19,174	$4,965	$8,748	$135,325
2000	$124,168	$68,653	$36,672	$32,222	$8,665	$14,819	$285,199
2010	$290,168	$115,156	$97,586	$60,891	$18,908	$25,591	$608,300
2015	$368,026	$101,082	$60,527	$60,831	$14,357	$19,531	$624,354
2019	$453,862	$114,169	$67,500	$67,211	$21,917	$24,895	$749,554

TABLE 5.2

Federal Grants by Functional Category 1970–2019

Source: Dilger and Cecire, CRS "Federal Grants to State and Local Governments 2019", p. 5

how the mechanics of fiscal federalism matter. Comparing the initial response in 2020 under the Trump administration with the Biden administration's plan, they noted that there can be major differences in terms of flexibility and management even in categorical grants. Sometimes, as the comparison table from their policy brief alludes to (Table 5.3), categorical grants can be very much like block grants in all important aspects.

TRANSFORMING INTERGOVERNMENTAL MANAGEMENT IN THE FUTURE

In 1999, the National Academy of Public Administration (NAPA) established a Priority Issues Task Force to identify the key issues in public administration that would face the nation in the first years of the 21st century. What the task force found was that governance throughout the United States and around the world was "undergoing a fundamental transformation" that had huge implications for public administrators. In particular, the NAPA group suggested that public administrators would face (1) a growing complexity of relationships between government and society; (2) the shifting of national responsibilities both in the direction of international bodies and systems and in the direction of states, localities, and community-based institutions; and (3) the need for greater capacity to manage these relationships.

The task force pointed out these major shifts in who takes responsibility for what is the issue of scale. Scale means that the "size" of societal problems may be greatly out of line with the capabilities, resources, and authority of the government organizations expected to resolve social issues. While government remains the only player in society that has formal authority to act in the name of the "people," it

Key characteristics of state and local aid in the American Rescue Plan (ARP)

Key features	General ARP provision	ARP rules	CARES Act comparison
The purpose of the funds is flexible	A few broad, purpose-based constraints	Funds can be spent to close budget gaps; address COVID-19 (including the recession); and on water, sewer, or broadband infrastructure	Funds could only be spent on the "public health emergency" and not to replace lost revenue
State and local funding is broad and substantial	$350 billion for state and local government: $220 billion for states and $130 billion for localities*	States and over 30,000 counties and cities receive funds proportionate to need and population	$150 billion was allotted, with states and only 154 of the largest cities and counties receiving funds, leaving other cities to negotiate with their states
Funding distribution is geographically equitable	Funds are mostly distributed between places by need	States receive funds based on unemployment; large cities from a need-based formula;** and smaller cities and counties based on population	Funds were principally allocated by population
The timespan of the funds is extended	Funds can be spent until the end of 2024	All costs must be incurred by December 31, 2024	Signed March 27, 2020, the CARES Act had an initial deadline of December 31, 2020

** American Rescue Plan Act, Section 9901*
*** Funds given to cities are being distributed using the Department of Housing and Urban Development's Community Development Block Grant (CDBG) formula.*
Source: American Rescue Plan; CARES Act; Kass, "COVID-Relief Packages + State-Local Aid."

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TABLE 5.3
Brookings Analysis Comparing Grant Features of American Rescue Plan

Source: Munro et al. (2021)

has seen its responsibility distributed to both nonprofit and profit-driven enterprises. Given the increasing importance of public-private partnerships, the already complex nature of intergovernmental relations becomes even more stressed. Not only must a local public administrator work with officials at the state and federal levels, but he or she must also coordinate programs with nongovernmental organizations such as private contractors and nonprofit groups. Inevitably, such multidimensional relationships raise questions of accountability and responsiveness, with public administrators receiving blame and credit for actions they really do not have control of.

Now in 2021, NAPA is initiating a new effort after seeing the numerous issues arising from the federal and state local government response to COVID. While giving Congress credit for providing an unprecedented $4 trillion in relief, the executive director Teresa Gerton then mentions issues with implementation.

> In the 21st century, no significant public initiative fits entirely within one government agency or even one level of government, and our federal system presupposes that all levels of government have an important role to play in the democratic process. Effective problem-solving usually requires federal, state, and local governments to work together, often with the private and non-profit sectors. When intergovernmental responses become bogged down by bureaucratic processes,

> conflicting rules, competing objectives, organizational stovepipes, and overlapping programs, the public's needs can go unmet.
>
> (Gerton, 2021)

NAPA then announced it would be establishing a new Center on Intergovernmental Partnerships (CIP) to help rebuild the collaborative capabilities necessary to develop and implement effective policies and programs across levels of government. At least there is recognition that much work needs to be done address the significant challenges facing the intergovernmental system in the United States. Whether new strategies and solutions will result in a form of federalism that rises to real partnership, only time will tell.

CASE STUDY "It's Raining Money"

The COVID-19 Pandemic Recession and the War Between the Red and Blue States Over Federal Assistance

> "A billion dollars has just fallen from the sky, in some respects," said Vermont Gov. Phil Scott, a Republican. "It's here, right in front of us. We have to invest it wisely."
>
> —NBC Washington, May 9, 2021

The COVID pandemic hit the United States and the global economy like a cataclysmic storm. At the start of 2020, the national economy and along with it state and local governments were performing at record levels. Three months later, the US was in lockdown with businesses shut down and people out of work. State and local governments were also confronting the impacts of shutting down their economies, which meant forgoing tax revenues, transit fees or airport concession fees, or other now uncollectable user fees for closed facilities.

To get a sense of the scale of how this fiscal crisis at the state and local levels was perceived, one need only look at the titles of various articles published in the early spring of 2020.

Absent Fed Help, State Budgets Will Be the Worst in Decades
Alan Greenblatt, *Governing*, April 27, 2020
Why State Budget Officials Worry About COVID-19's Impact on Sales Taxes
Jeff Chapman and Mike Maciag, *Pew Fiscal Update*, April 16, 2020
States Are in a Quandary as Taxes Evaporate and Virus Spending Soars
Mary Williams Walsh, *New York Times*, April 15, 2020
Coronavirus Has States Facing Steep Revenue Losses
Brian Tumulty, *The Bond Buyer*, April 2, 2020
States Prepare for Coronavirus Fiscal Storm
Fiscal Times, April 1, 2020

Most states and local governments were going into the last quarter of their fiscal year after having reaped record revenue gains in FY 2020. And yes, many states also had built up reserves—often in excess of 10% of their general fund budgets (what are referred to as rainy day funds), but these

funds were designed to deal with incremental declining economic conditions over a two- to three-year business cycle—not a severe 10% plunge from one quarter to the next.

So just how bad was the actual COVID recession in comparison to another past equally unpredicted (though perhaps not unexpected) economic storm—the Great Recession of 2008–2009? Using FRED data—an excellent source for all economic data from the Federal Reserve Bank of St. Louis, a graphical comparison can be assembled (see Figure 5.7).

Now here's the same 15 years from a State and Local Tax Revenue perspective

Data Source: FRED Federal Reserve Bank of St Louis

Link: https://fred.stlouisfed.org (Federal Reserve Economic Data)

Insert 17.4% Drop over 1 Qtr. Full Recovery 15 Qtrs.

(*continued*)

CASE STUDY *Continued*

At first glance, the Great Recession of 2008–2009 seems much worse, not so much in terms of how steep the drop was, but with regard to how long it took to recover. What was different in 2020 was the quickly provided massive levels of federal support for the economy. A recent assessment by Pew sums this up:

> *The multiple rounds of federal support for individuals and businesses have led to starkly different results so far than were seen during the Great Recession, when total personal income fell nationally, including in every state. Thanks to the unprecedented temporary government aid, states largely avoided sharp declines in personal income in 2020 after COVID-19 left millions unemployed. In the first quarter of 2021, less than a year after the latest recession officially ended, total personal income in every state exceeded, at least temporarily, its pre-pandemic level, after accounting for inflation. In contrast, it took five years from the end of the Great Recession for the last state—Nevada—to recover to its pre-recession personal income level.*
>
> (Pew: Barb Rosewicz, States Began 2021 With Record Personal Income Growth, 2021)

It does seem that the federal government and the Federal Reserve learned from the Great Recession. In 2009, President Barack Obama signed a $780 billion stimulus package designed to give a boost to the struggling US economy (albeit without Republican support in the Congress). In 2020, Congress had passed the $2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided an array of federal aid to businesses, direct payments to individuals, and extra funding for unemployment to prop up the economy, with broad bipartisan support.

But there was one major sticking point: what to do about the state and local governments in terms of federal aid. In 2009, state budgets were being battered by the combination of dramatically reduced tax revenue and state constitutional requirements that prevented them from running deficits. Unlike the federal government, the states must balance their budgets each year because their varied constitutions force them to do so. The Great Recession forced states to quickly find other sources of revenue and/or cut spending to bring their budgets into balance. Under these pressures, states did make many cuts to programs and services while also coming up with new or enhanced revenue sources to help bring their budgets in line. But even with significant changes to both revenue and spending policies, the absence of additional federal stimulus dollars in 2011 left many states and local governments with some of their deepest deficits ever and more difficult decisions to make.

In the 2020 CARES legislation, there was some direct aid to state and local governments—but it was limited. Aid allocated was $110 billion to states and another roughly $30 billion to populous cities and counties (all of which had to be spent before the end of calendar year 2020). Aid was assigned to separate program categories that had to be related to spending caused in treating COVID or covering economic losses—but not to revenue shortfalls.

Rethinking Federal Fiscal Assistance for States and Local Governments

Advocates for state and local governments were vociferous in their claims for more help. Their projections of expected revenue losses to states saw $350 billion in tax

revenue shortfalls over the next two years. State Medicaid and other COVID-19-related health care spending was expected to increase acutely by over $150 billion. Local governments—especially cities—were said to be facing $135 billion in new budget costs and revenue losses. Advocates pointed to the April 2020 employment statistics—where layoffs and furloughs reduced the government workforce by nearly a million employees, with 80% of those jobs being cut in local government.

But a divided Congress and a pro-business-only administration pushed back against any more direct aid to state and local governments. Partly this was fueled by claims that direct aid would be rescuing what were called "poorly run" blue states with profligate public pension systems. Left to fend for themselves, states and cities delayed but finally assembled budgets for FY 2021. Some included drastic cutbacks, some dipped into their reserves (rainy day funds), and others did provisional budgets with scenarios for expansion should a new administration be forthcoming in November.

And so it happened. A new administration was elected and, by the slimmest of margins, congressional control along with it. The Biden administration made clear that its relief plan would include provisions for direct federal aid to states and governments, at around $350 billion. All of this was incorporated into the $1.9 trillion American Rescue Plan (ARP) that passed through Congress using the reconciliation process in which only a simple majority vote was required. State ARPA funding assistance was just over $195 billion granted directly to the states based on $25.5 billion distributed equally among the 50 states and the District of Columbia and the remaining amount according to a formula based on unemployment. Another $110 billion was set aside for city and county governments.

Of course, the debate and controversy over federal aid to states and local governments was just heating up. Partly because the economy was doing a lot better, progress was being made in vaccinating the public, and analysts began projecting that state and local fiscal needs for both FY 2021 and the future have abated. Pew issued a report—"State Tax Revenue Passes a Recovery Milestone; In most states and nationwide, collections overcome early pandemic losses" (May 7, 2021), confirming that the forecasts for doom and gloom may have been overstated. Another indication of the state and local fiscal situation could be found in the report that 30 of the states would have half of their share of $350 billion in coronavirus relief aid withheld until next February 2022 because their unemployment rates were less than two percentage points higher in March than just prior to the pandemic in February of last year (thus, failing the fiscal need case established under Treasury's guidelines).

But the real debate over the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) is over the restrictions on using any of the federal assistance to lower other tax revenues or to make payments to pension funds. Led by Ohio, lawsuits filed by largely red states arguing that the legal restrictions in the act prohibiting states from taking these federal funds and reducing state taxes (or covering pension costs) were a violation of the Tenth Amendment. All told, 16 states filed lawsuits challenging the constitutionality of the restriction that pandemic relief funds received couldn't be used to lower taxes. These are mostly red states, but there's one blue state mounting a challenge too. Illinois (as reported in *The Bond Buyer*) wanted to use part of their $8.1 billion share of the SLRRF to repay their $3.2 billion short-term loan from the Federal Reserve's Municipal Liquidity Facility to balance their FY 2021 budget. However, the

(*continued*)

CASE STUDY *Continued*

Treasury guidance prohibits using the federal aid to cover principal and interest repayment of other loans, even when the borrowing was directly related to the COVID-19 crisis. The conservative *Wall Street Journal* reported in an editorial, "A Judicial Blow to Biden's Tax Cut Ban," that the legal challenge raised by the red states over restricting how the SLFRF can be used resulted in a preliminary opinion by a federal judge in a rebuke stating the state had a substantial likelihood of success in their arguments that the Treasury guidelines are unconstitutional.

Final Notes on the SLFRF

Yes, what about those lawsuits on how the $350 billion in Coronavirus State and Local Fiscal Recovery Funds can be used? As of this writing, there have been no final court rulings, but it seems that the Treasury Department has been extremely "flexible" (maybe generous is the better word) in applying its guidance on what states and localities are doing. Even when it's raining billions of dollars in free money (per Governor Scott of Vermont), there are still issues and complaints. The concept of "strings attached" has always been a part of fiscal federalism, and it will be more than interesting to see how this all unfolds within an improving national economy. Figure 5.8 contrasts the grant levels for red vs blue states.

FIGURE 5.8
Who won in the battle between the red and the blue states

Case Discussion Questions

1. Blue states received more ARPA aid—even dividing by their population. But red states received more ARPA aid as a share of their budgets. So how do you decide who got the better deal?
2. Notwithstanding the legal suits filed by the red states, do you think that the ARPA funding should have strings attached—requiring they not be used to reduce taxes or reduce pension debt?

Why Not Do Your Own Fiscal Federalism Analysis: Data Appendix

While it's not really accurate to cast blue states vs red states based on a single presidential election, it does make for a convenient half and half sample breakdown. The following map of the states and the first table just divide the 50 states into red and blue. They show each state's reliance on the two main tax revenue sources (sales and user charges taxes and personal and corporate income taxes) and the change in total revenues collected by quarter in 2020.

A second table shows the same states by population, state budget expenditure totals, and the amount of federal aid being provided under ARPA.

Red vs Blue Fiscal Analysis State Tax Revenue Picture 2020 — **2019–2020**

	Pct. from SALES	INCOME		Pct. change	Pct. change	Pct. change
Red States	**Taxes**	**Taxes**	**2020Q1**	**2020Q2**	**2020Q3**	**2020Q4**
Idaho	51%	41%	3.2	4.5	8.4	11.2
Utah	48%	47%	0.7	−6.2	3.6	5.8

(*continued*)

CASE STUDY *Continued*

South Dakota	83%	2%	1.0	1.1	2.3	4.0
Alabama	49%	42%	1.1	−4.0	1.8	2.8
Tennessee	79%	9%	2.2	−3.2	1.1	2.6
Nebraska	48%	48%	2.0	−4.0	1.5	1.8
Kentucky	49%	41%	1.0	−0.5	0.0	1.0
South Carolina	46%	47%	0.5	−0.9	−1.3	0.6
North Carolina	45%	47%	0.2	−5.8	−1.2	0.1
Ohio	66%	27%	0.9	−3.1	−0.9	0.1
Arkansas	50%	33%	−0.2	−2.8	−0.1	−0.4
Mississippi	65%	28%	0.5	−4.5	−1.6	−0.7
Montana	21%	48%	2.2	−3.1	1.3	−1.0
Kansas	48%	39%	2.1	−6.4	−1.5	−1.1
Indiana	56%	40%	1.0	−6.6	−2.0	−1.7
Iowa	47%	43%	0.0	−5.5	−2.6	−2.3
Missouri	44%	50%	0.1	−8.7	−2.8	−2.7
Louisiana	53%	38%	0.6	−6.3	−4.5	−4.2
Oklahoma	45%	36%	−0.7	−7.5	−5.6	−5.4
Florida	82%	6%	0.6	−5.5	−6.6	−6.3
West Virginia	52%	38%	0.3	−7.0	−5.9	−6.8
Wyoming*	48%	0%	−2.4	−4.4	−5.7	−8.3
Texas*	87%	0%	0.4	−9.2	−6.4	−8.5
North Dakota*	36%	11%	2.4	−10.9	−18.7	−25.7
Alaska*	20%	12%	−4.4	−20.8	−20.0	−34.4
US State Average	**48%**	**41%**	**0.54**	**−7.0**	**−3.0**	**−1.9**
Blue States						
Vermont	34%	26%	2.3	−2.7	2.9	4.1
Colorado	40%	55%	1.2	−7.3	0.0	3.0
Washington	75%	0%	1.6	0.5	−0.1	2.7
Rhode Island	53%	41%	2.6	−5.3	1.2	2.4
Illinois	46%	47%	2.2	−3.3	2.0	2.3
Maine	50%	42%	1.1	1.0	0.1	2.1
Arizona	61%	28%	1.1	−4.7	−0.3	2.0
Georgia	40%	53%	1.0	−1.0	0.4	1.5
Virginia	36%	58%	0.4	−2.3	−0.6	0.5
California	36%	55%	0.7	−14.1	−3.6	0.1
New Mexico**	55%	19%	−0.9	2.8	0.8	−0.1

Wisconsin	43%	49%	0.2	−2.3	−2.3	−0.6
New Jersey	43%	50%	0.5	−3.6	−5.3	−2.0
New York	31%	63%	1.0	−10.2	−2.6	−2.5
Massachu-setts	30%	63%	0.5	−3.2	−3.5	−2.6
New Hampshire	34%	32%	0.1	−5.3	−2.8	−2.6
Connecticut	41%	56%	−0.5	−3.9	−4.8	−3.0
Pennsylvania	53%	37%	0.1	−8.4	−3.5	−3.2
Minnesota	42%	47%	−0.4	−3.6	−4.0	−3.5
Maryland	40%	50%	0.4	−3.7	−4.5	−4.0
Michigan	48%	35%	−3.1	−9.8	−5.2	−4.8
Delaware	13%	42%	0.0	−5.5	−2.6	−7.2
Nevada	80%	0%	−1.1	−8.1	−9.1	−10.9
Oregon	15%	75%	−2.9	−15.4	−11.4	−11.6
Hawaii	64%	31%	0.6	−9.3	−11.4	−15.2

Some states rely on Severance taxes which are taxes imposed on the removal of natural resources (i.e. oil and gas) within a taxing jurisdiction

* Texas relies on Severance for only 7% but it's a major source

** New Mexico relies on 20%f or severance taxes

Red vs Blue States by Population and Size of ARPA Grant

Red States	Population	ARPA Awarded (millions)	FY 2020 Spending (millions)	Award As Pct. Spending
Idaho	1,839,106	$1,094	$9,872	11%
Utah	3,271,616	$1,378	$19,901	7%
South Dakota	886,667	$974	$4,854	20%
Alabama	5,024,279	$2,120	$28,591	7%
Tennessee	6,910,840	$3,726	$37,410	10%
Nebraska	1,961,504	$1,040	$12,901	8%
Kentucky	4,505,836	$2,183	$39,849	5%
South Carolina	5,118,425	$2,499	$26,949	9%
North Carolina	10,439,388	$5,439	$60,184	9%
Ohio	11,799,448	$5,368	$74,555	7%
Arkansas	3,011,524	$1,573	$27,835	6%
Mississippi	2,961,279	$1,806	$21,727	8%
Montana	1,084,225	$906	$8,302	11%
Kansas	2,937,880	$1,584	$18,682	8%
Indiana	6,785,528	$2,685	$27,310	10%
Iowa	3,190,369	$2,685	$27,310	10%

(*continued*)

CASE STUDY *Continued*

Missouri	6,154,913	$2,685	$27,310	10%
Louisiana	4,657,757	$3,011	$37,165	8%
Oklahoma	3,959,353	$1,870	$24,799	8%
Florida	21,538,187	$8,817	$90,989	10%
West Virginia	1,793,716	$1,355	$17,734	8%
Wyoming*	576,851	$1,068	$4,708	23%
Texas*	29,145,505	$15,814	$129,524	12%
North Dakota*	779,094	$1,008	$6,947	15%
Alaska*	733,391	$1,012	$12,615	8%
Red States	**141,066,681**	**$73,704**	**$798,021**	9.2%
US Totals	**330,759,736**	**$198,256**	**$2,277,848**	8.7%
Blue States	**189,693,055**	**$124,552**	**$1,479,827**	8.4%
Blue States	Population	ARPA **Awarded** (millions)	FY 2020 Spending (millions)	PCT
Vermont	643,077	$1,049	$6,175	17%
Colorado	5,773,714	$3,829	$40,905	9%
Washington	7,705,281	$4,428	$53,511	8%
Rhode Island	1,097,379	$1,131	$12,082	9%
Illinois	12,812,508	$8,128	$77,509	10%
Maine	1,362,359	$997	$10,543	9%
Arizona	7,151,502	$4,183	$40,784	10%
Georgia	10,711,908	$4,854	$54,465	9%
Virginia	8,631,393	$4,294	$64,234	7%
California	39,538,223	$27,017	$337,708	8%
New Mexico*	2,117,522	$6,245	$67,778	9%
Wisconsin	5,893,718	$1,752	$21,386	8%
New Jersey	9,288,994	$6,245	$67,778	9%
New York	20,201,249	$12,745	$172,981	7%
Massachusetts	7,029,917	$5,286	$63,047	8%
New Hampshire	1,377,529	$995	$7,074	14%
Connecticut	3,605,944	$2,812	$33,901	8%
Pennsylvania	13,002,700	$7,291	$92,673	8%
Minnesota	5,706,494	$2,833	$44,988	6%
Maryland	6,177,224	$3,717	$48,262	8%
Michigan	10,077,331	$6,540	$60,230	11%
Delaware	989,948	$925	$11,892	8%
Nevada	3,104,614	$2,739	$15,961	17%
Oregon	4,237,256	$1,870	$24,799	8%
Hawaii	1,455,271	$2,648	$49,162	5%
Total Blue States	189,693,055	$124,552	$1,479,827	8%

Fiscal Federalism Analysis Questions

1. In terms of averages of awards and share of federal aid, blue states benefitted more than red states did—63% vs 37% of $199 billion awarded, or by population $656 per blue state resident vs $522 for red states. Is this another factor in why red states were more opposed to aid than blue states were?
2. In terms of state spending levels, red states spend much less per state resident ($5.567) than blue states do ($7,801) and their citizens pay less in state taxes, but that also makes the ARPA award higher as a percentage (9.2%) of their budget than what blue states received on average (8.4%). How do you think this should be factored into determining levels of federal intergovernmental aid?
3. Looking at how states raise their tax moneys (and leaving out the states with a major reliance on energy [oil and gas] severance taxes), what do you think the impact was of relying on one tax versus another in terms of recession impact (sales versus income?)
4. Cities and counties also received federal assistance, but it can be more difficult factoring in unemployment rates across smaller local government boundaries. Thus, the City of Chicago with an 8.8% unemployment rate received $1.86 billion or $700 per resident. The City of Dallas with a 6.6% unemployment rate, on the other hand, received $355 million or $265 per resident. How do you think local governments funding should have been allocated?

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Bill of Rights The first 10 amendments to the US Constitution. Only a few individual rights were specified in the Constitution that was ratified in 1789. Shortly after its adoption, however, 10 amendments—called the Bill of Rights—were added to the Constitution to guarantee basic individual liberties.

Block grant A grant distributed in accordance with a statutory formula for use in a variety of activities within a broad functional area, largely at the recipient's discretion.

Categorical grant A grant that can be used only for specific, narrowly defined activities—for example, to construct an interstate highway.

Confederation of the Rhine The 1806–1813 union of the smaller German-speaking states in the Rhine River region.

Council of government (COG) An organization of cooperating local governments seeking a regional approach to planning, development, transportation, environment, and other issues.

Fiscal federalism The financial relations between and among units of government in a federal system. The theory of fiscal federalism, or multiunit government finance, is one part of the branch of applied economics known as public finance.

Grant An intergovernmental transfer of funds (or other assets). Since the New Deal, state and local governments have become increasingly dependent on federal grants for an almost infinite variety of programs.

Great Society The label for the 1960s domestic policies of the Johnson administration, which were premised on the belief that social and economic problems could be solved by new federal programs. This was Johnson's effort to revive the federal reform presence in social change represented in the progressive movement, the New Deal, and the Fair Deal.

Grodzins, Morton (1917–1964) A University of Chicago political scientist who likened American federalism to a marble cake, as opposed to a layer cake of distinct governance.

Interstate compacts Formal arrangements entered into by two or more states, generally with the approval of the US Congress, to operate joint programs.

Keynes, John Maynard (1883–1946) The English economist who wrote the most influential book on economics of the last century, *The General Theory of Employment, Interest, and Money* (1936). Keynes founded a school of thought known as Keynesian economics, which called for using a government's fiscal and monetary policies to positively influence a capitalistic economy and developed the framework of modern macroeconomic theory.

Mandates One level of government requiring another to offer—and/or pay for—a program as a matter of law or as a prerequisite to partial or full funding for either the program in question or other programs.

Medicaid The federally aided, state-operated, and state-administered program that provides medical benefits for certain low-income people in need of health and medical care. Authorized by 1965 amendments to the Social Security Act, it covers only members of one of the categories of people who can be covered under the welfare cash payment programs—the aged, the blind, the disabled, and members of families with dependent children where one parent is absent, incapacitated, or unemployed.

Necessary and proper clause That portion of Article I, Section 8, of the US Constitution (sometimes called the elastic clause) that makes it possible for Congress to enact all "necessary and proper" laws to carry out its responsibilities.

Pitt, William (1708–1778) The First Earl of Chatham, known as the Great Commoner for his leadership in the House of Commons. The City of Pittsburgh is named in his honor. Historians call him "the elder" because his son with the same name was later prime minister.

Publius An ancient Roman who was famous for his devotion to republican government. It was common in the late 18th century for political writers to use a pseudonym of ancient lineage that reflected their political leanings. Besides being the pseudonym for John Jay and

the *Federalist Papers*, Publius has since 1973 been the title of one of the best social science journals on intergovernmental relations, or as it calls itself—*The Journal of Federalism*.

Shays' Rebellion Futile armed revolt (1786–1787) led by Daniel Shays (1747–1825), a Revolutionary War officer, in New England to protest the discontent of small farmers over debts and taxes. The rebellion was never a serious military threat, but it raised concern over the inadequacy of the Articles of Confederation to handle internal disorders and thus helped to create support for a stronger national government.

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Dilger, Robert, Jay Dilger and Michael H. Cecire (2019) "Federal Grants to State and Local Governments a Historical Perspective on Contemporary Issues," *Congressional Research Service*, May 22, 2019. No, it's not a book, but it should be. An invaluable explanation, historical guide, and statistical source for fiscal federalism in the United States.

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CHAPTER 6

Honor, Ethics, and Accountability

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KEYNOTE: Niccolò Machiavelli, Public Administration Ethicist

It has been more than five centuries since his birth, but Niccolò Machiavelli (1469–1527) remains one of the most quoted, most read, most interpreted, and most misunderstood public policy advisers who ever lived. By the time William Shakespeare wrote Richard III in 1592, he could assume that his audience would be familiar with Machiavelli's diabolical reputation. Thus Shakespeare could have his title character introduce himself as being so evil that he could "set the murderous Machiavelli to school." Similar references to Machiavelli as the personification of evil abound in the plays and literature of Shakespeare's time and have continued ever since.

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But this reputation is ill-deserved. Yes, as James Hankins at Harvard and one of the leading authorities on humanist political thought notes, "Machiavelli's *Prince* is commonly read as a manual for tyrants and its title is usually taken to be synonymous with the tyrant," but this prolific author is "considered, and rightly so, as one of the finest minds produced by the Italian Renaissance" (Hankins, *Virtue Politics*, p. 431). Indeed, he is an exemplar as a public administrator and policy analyst. Born into a family of ancient nobility but persistent impoverishment, he was educated well enough to become a civil servant and sometime ambassador for Florence beginning in 1498. He was an honest, truthful, and competent employee. But his was a patronage position (there being no merit system then), and he lost his job and nearly his life with a shift in the political winds of 1512. Thereafter, he eked out a living on a meager farm left to him by his father.

His greatest desire was to go back to work for his beloved Florence, now in the control of the Medici family. So, like many a high-level political appointee out of power, he wrote a book (indeed several) to demonstrate his usefulness to potential employers. In his most famous private letter (dated December 10, 1513), quoted by biographer Giuseppe Prezzolini, he expresses hope that "if it [his book *The Prince*] were read, they [the Medici] would see that for . . . fifteen years I have been studying the art of the state." He even offers proof of his honesty as a past and potential employee: "As a witness to my honesty and goodness I have my poverty" (Prezzolini, 1967).

Because Machiavelli, despite constant efforts, never did get the government job he so coveted, after working on his farm all day he spent his nights working on the most enduring books of political philosophy produced during the Italian Renaissance. *The Prince* (1532) and *The Discourses* (1531) were important political and military analyses that led to the use of the term **Machiavellianism** to refer to cunning, cynical, and ruthless behavior based on the notion of the end justifying the use of almost any means. What Machiavelli actually noted in *The Prince* was that a ruler would be judged by results—and through this, his methods will always be judged positively. Machiavelli, as one of the first policy advisers, developed a set of prescriptions and proscriptions for his prince that were designed to ensure that the prince would flourish politically. Machiavelli offers a set of axioms and ideas about obtaining power, holding on to power, and using power to gain advantage:

- Men should either be treated generously or destroyed, because they take revenge for slight injuries—for heavy ones they cannot. [Potential organizational or political rivals should be either made part of your team or "destroyed"—fired or killed—because if left in place, they will, like a snake, bite you in the rear when you least expect it.]
- Princes ought to leave affairs of reproach to the management of others, and keep those of grace in their own hands. [The good news a leader delivers with a maximum of publicity; the bad news is quietly announced by a low-level assistant.]
- It is necessary for him who lays out a state and arranges laws for it to presuppose that all men are evil and that they are always going to act according to the wickedness of their spirits whenever they have free scope. [It is as James Madison, a reader of Machiavelli, wrote in *The Federalist*, No. 51: "Ambition must be made to counteract ambition." To this extent, the US Constitution with its system of checks and balances is reflective of Machiavelli.]
- Princes who have achieved great things have been those who have given their word lightly, who have known how to trick men with their cunning, and who, in the end, have overcome those abiding by honest principles.

Portrait of Niccolò Machiavelli by Santi di Tito. Painted in latter half of 16th century. The painting of Machiavelli is currently in the Palazzo Vecchio.

Source: Wikimedia Commons

If lying politicians have a patron saint, it must be Machiavelli, who wrote in *The Prince*, "It is necessary that the prince should know how to color his nature well, and how to be a great hypocrite and dissembler. For men are so simple, and held so much to immediate necessity, that the deceiver will never lack dupes." Machiavelli's ideal prince would not be a traditional man of honor; his word would not be his

bond. Machiavelli's advice was "not to keep faith when by so doing it would be against his interest and when the reasons which made him bind himself no longer exist" (Machiavelli, 1532, pp. 64–65). This was the kind of thing that made people suspect that not only was Machiavelli not a gentleman, but his books were not fit reading for gentlemen either.

Machiavelli, in his advice, disregarded the issue of morality—apart from those circumstances where it was prudent or necessary for the prince to appear to be moral. Yet this was essentially ethical because the lying was for the good of the state. Machiavelli's theory of lying was a restatement of Plato's noble lie from Book 3 of *The Republic*, in which he asserts that the guardians of a society may put forth untruths necessary to maintain social order.

THE ORIGINS AND NATURE OF HONOR

Our modern concepts of **honor** have their origins in ancient Greece and Rome. The classic example of honorable public service was Lucius Quinctius Cincinnatus, the Roman patrician who has become the symbol of republican virtue and personal integrity. In 458 bc, when Rome was threatened with military defeat, Cincinnatus, a farmer, was appointed dictator by the Senate to deal with the emergency. Legend has it that he literally abandoned his plow in midfield to take command. Within 16 days he defeated the enemy, resigned from the dictatorship, and returned to his plow. Ever since, politicians have been insincerely asserting how much they yearn to give up power and return to the farm, as Cincinnatus did. This is a very strong theme in American political history. Until the 20th century, it was thought politically indecent to publicly lust after political power. Politicians were expected to sit contentedly on their farms, metaphorically behind their plows, until they were called to service.

George Washington is one of the few genuine Cincinnatus figures in world history. Indeed, Lord Byron (George Noel Gordon), in his 1814 *Ode to Napoleon Bonaparte*, called Washington "the Cincinnatus of the West." Garry Wills writes in *Cincinnatus: George Washington and the Enlightenment* (1984), on December 23, 1783, at the end of the Revolutionary War, General George Washington

> spoke what he took to be his last words on the public stage; "Having now finished the work assigned me, I retire from the great theater of Action . . . I here offer my commission, and take my leave of all the employments of public life." At that moment, the ancient legend of Cincinnatus—the Roman called from his plow to rescue Rome, and returning to this plow when danger had passed—was resurrected as a fact of modern political life.
>
> (Wills, 1984)

The example of Cincinnatus is still with us today. It is even unconsciously evoked for a modern public that never heard of the ancient Roman. For example, Ronald Reagan is quoted by E.G. Brown in *Reagan and Reality*: "One thing our founding fathers could not foresee . . . was a nation governed by professional politicians who had a vested interest in getting reelected. They probably envisioned a fellow serving a couple of hitches and then looking forward to getting back to the farm." The modern term limits movement is at its core an effort to legislate Cincinnatus-type behavior—to send them back

"to the farm" (Brown, 1970, p. 51). Of course, both Cincinnatus and Washington were not merely farmers. They both had major estates with slaves to do the heavy lifting. Modern political leaders not only lack slaves, but they also do not even have farms anymore. Having no honorable and luxurious place to which to retreat when recalled from public life, they fight all the harder to stay in the game.

Our culture inculcates us with concepts of honor from childhood. Much of our sense of honor comes from observing the actions of family and neighbors. The rest comes from the media. Many people get their first conscious lessons in honor from movies. Westerns directed by John Ford and others taught Americans the "code of the West." They taught you that one's word was sacrosanct and thus was not given lightly, taught you when an insult was so bad that it warranted violence, and taught you, above all, to protect the weak—all notions from medieval chivalry.

Later, space "westerns" such as *Star Trek* and *Star Wars* taught a new generation the intergalactic concept of honor, which, of course, was no different from the medieval concept. Some things have not changed in a thousand years. Thus, young people still learn what it means to be honorable by listening to (and watching) the sagas of their culture. *Star Trek* as a transmitter of notions of honor is just a modern version of the eighth-century *Beowulf* or the eleventh-century *Song of Roland*. Honor has been and remains one of the core influences of human behavior. The founders of the United States in the last sentence of their 1776 Declaration of Independence stated, "And for the support of this Declaration, with a firm reliance on the Protection of Divine Providence, we mutually pledge to each other our Lives, our Fortunes, and our sacred Honor."

National Honor

Once reserved for the nobility, since the 18th century honor has become increasingly democratized. As absolutist governments declined, national honor (once solely the concern of individual monarchs) became a factor that influenced whole peoples. No less a pragmatist than President Woodrow Wilson felt the pull of national honor. In 1916 he asserted, "the nation's honor is dearer than the nation's comfort; yes, than the nation's life itself" (Wilson, 1916, p. 28). Thus a collective democratic citizenry, no less than a defenseless maiden, may espouse the motto "death before dishonor."

When Winston Churchill told the House of Commons on June 4, 1940, immediately after the Dunkirk evacuation, "we shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills; we shall never surrender," he meant exactly that. Indeed, he later wrote in his postwar memoirs, *Their Finest Hour* (1949), "we were prepared to go to all lengths. I intended to use the slogan 'you can always take one with you.' " Suicidal? Perhaps—but honorable all the same. When General Charles de Gaulle fled to England rather than surrender, he was asked why he was there. He replied, "I am here to save the honor of France."

The US involvement in the Vietnam War can also be viewed through the perspective of national honor. As the costs of the war became more than the American public was willing to bear, the nation's leaders struggled to find a way for the United States to leave Vietnam while maintaining its appearance as a strong and

proud world power. Even when the chances of military success in Vietnam became remote, the United States continued to send troops into the field, as diplomats tried to negotiate an acceptable peace. In 1973, President Richard M. Nixon addressed a national audience that he had concluded an agreement to end the war and bring peace with honor in Vietnam. Ultimately, it can be argued that Nixon's agreement brought neither real peace nor real honor to the United States, yet the importance of maintaining an appearance of honor was essential to any plan that extricated the United States from its involvement in Vietnam.

As the United States scaled down its military operations in Iraq in 2008, the issue of maintaining national honor was once again playing a significant role in the decision-making process on the removal of combat troops. During the 2009 presidential campaign, then candidate Barack Obama was adamant that if elected he would have American troops out of Iraq within 16 months. Like Nixon before him, Obama would not declare victory in Iraq, but instead attempted to preserve American honor while recognizing the limited success of our efforts there. Still, the US completed its final withdrawal of American military forces by the end of 2021. The final withdrawal from Afghanistan—American's last undeclared war, as discussed in an earlier chapter—is another note about how difficult it is to uphold national honor. While the truce discussions, troop withdrawal, and unexpected overwhelming of the country by the Taliban don't show anyone in a good light, the US's evacuation of more than 75,000 people from Afghanistan since the withdrawal is a more indicative statement of maintaining a country's honor or at least its responsibilities.

Why Honor Precedes Ethics

Honor comes before ethics because a person without honor has no moral compass and does not know which way to turn to be ethical. Honor goes to the essence of public affairs; since ancient times only individuals perceived to be honorable could be trusted with the public's business. Of course, honor always has a context, and it is always influenced by the prevailing organizational and political culture. Melvin M. Belli, an American attorney, relates a story that illustrates this point. In the early 1950s Belli traveled to Paris to represent his client, movie star Errol Flynn, who had a legal tangle with a French firm over the profits from a movie. When Belli arrived, the French lawyer on the case advised him that there was nothing to worry about: "We have given the judge 200,000 francs and the case is in the bag." When Belli wondered aloud what would happen if the other side were to give the judge 300,000 francs, his French associate became indignant and replied, "But Monsieur, we are dealing with a respectable judge. He is a man of honor. He would not think of taking from *both* sides" (Belli, 1976, p. 130).

Dimensions of Honor

Honor has many dimensions. The most obvious and superficial kind is *ex officio*. This is the Latin phrase meaning "by virtue of the office." Many people hold positions on boards, commissions, councils, and so on because of another office they occupy. For example, the mayor of a city may be an *ex officio* member of the board of trustees of a university in that city. Thus "honorable" is the form of address used for many public officials, such as judges, mayors, and members of the US Congress. Here honorable does not necessarily imply personal honor or integrity; it merely

signifies current (or past) incumbency. Consequently, even after Richard M. Nixon disgraced himself and was forced to resign as president in 1974, he was still formally "The Honorable" in terms of formal address.

Honor is also a function of the outward perception of one's reputation. Reputation in business, whether of an individual or an organization, is a highly valued asset. Indeed, when businesses are sold, they often sell for sums far in excess of their book value because of their goodwill or reputation in the community.

True honor begins with personal **integrity** and honesty. It goes beyond Benjamin Franklin's famous admonition from his *Poor Richard's Almanac* that "honesty is the best policy." Honesty is not worthwhile for its own sake; it is simply the optimum policy—one choice from among many. But true honesty, as opposed to policy honesty, is the essence of a person of honor. Such people act with integrity. This is at the core of honor. Those who have integrity live up to their stated principles, values, and most importantly, their word. A person whose word is his or her bond gives the full faith and credit of his or her whole being to keeping commitments.

Sometimes this is almost frivolous, as it was when the legendary Abraham Lincoln walked miles through the snow to return a book by a promised date. But far more often, one's word is the coin of the administrative realm. Things happen because one person tells something to another. This integrity of communication is essential for the smooth functioning of organizations that, in essence, are merely information-processing structures. This is why codes of honor (or integrity) first evolved among the military. Because lives, indeed whole battles, depended on the accuracy of information sent up the chain of command, it was imperative that an ethic of honesty be instilled. This is still true today. If the word of an officer is not known to be good, that officer has lost his or her effectiveness to his or her superior.

A second but more subtle meaning of integrity is integrated strength or character. A building that holds together is said to have structural integrity. Individuals who have character, as demonstrated by an observable long period of acting with integrity, are said to have gravitas, or as the British put it, "stability"—meaning that they are seated firmly enough in their convictions that they are not easily swayed. Thus, those who have integrity have a sure sense of right from wrong; they know what their core beliefs are and what they will or will not do, no matter what the pressure.

Regime Values

Administrators with integrity understand that they have a special moral obligation to the people they serve. They take seriously what John Rohr calls the "regime values" of their jurisdiction. In constitutional systems these values are established by the constitution, whether written, as in the United States, or unwritten, as in the United Kingdom. To a person of honor, an oath to "defend the Constitution of the United States against all enemies, foreign and domestic" is a serious matter. Thus, according to Rohr, the Constitution "is the moral foundation of ethics for bureaucrats" (Rohr, 1986, p. 70). Those senior administrators who gain reputations for being ethical and honorable abide by a new-fashioned *noblesse oblige*. Originally the "nobility obliged" by leading in war and demonstrated their honor and valor by taking physical risks to prove their courage—to demonstrate on the field of honor (a battlefield) just how honorable they were.

Lacking a traditional nobility, republican governments give leadership roles to senior bureaucrats and elected officials. Once in office, their fellow citizens rightly

expect them to take moral and career risks, parallel to the traditional risks of combat, to protect their fellow citizens, the regime, and their constitution. And they must be heroic enough to risk not just their lives but their livelihoods as well. Louis Brandeis, later to be an associate justice of the US Supreme Court, argued in the 1910 *Glavis-Ballinger* case that public administrators

> cannot be worthy of the respect and admiration of the people unless they add to the virtue of obedience some other virtues—virtues of manliness, of truth, of courage, of willingness to risk position, of the willingness to risk criticism, of the willingness to risk the misunderstanding that so often comes when people do the heroic thing.
>
> (McCulloch, 1952, p. 2)

It is often said that managers are paid more than workers because they are paid to take risks, to make decisions that can cost them their jobs. Public managers live in an even riskier environment. Not only must they take normal management risks, but they must also risk their careers, their reputations, sometimes even their lives, to protect the values of the regime. It is simply a matter of honor. Some managers and employees fall from honor—lapses take many forms. The two most common lapses of honor and honesty are corruption and lying.

But first, some context is needed. How many government officials are actually indicted or prosecuted for what is termed public corruption? The Department of Justice actually has a Public Integrity Section that processes cases involving what they define rather broadly as "crimes involving abuses of the public trust by government officials." Given the media attention devoted to almost any case where a public official is charged with a crime—one might think such crimes abound—in fact, as Table 6.1 shows, the number of actual cases is relatively small and actually in decline. But they still command considerable attention, as the DOJ notes in their 2018 forward to their annual report:

> Public corruption cases tend to raise unique problems of public perception that are generally absent in more routine criminal cases. An investigation of alleged corruption by a government official, whether at the federal, state, or local level, or someone associated with such an official, always has the potential of becoming a high-profile case simply because its focus is on the conduct of a public official. In addition, these cases are often politically sensitive because their ultimate targets tend to be politicians or government officials appointed by politicians.
>
> (DOJ Public Integrity Section, 2013, p. 1)

CORRUPTION IN GOVERNMENT

Recurrent **scandals** and instances of official mischief in government, no matter how much they threaten to cost, pose a great threat to the democratic notions of the rule of law. When a public official misuses his or her office for self-gain, then the rule of law no longer prevails and there is, in effect, a return to tyranny. By engaging in such self-aggrandizement, corrupt representatives of the people illegally put themselves above the law. Moreover, a public official's act of wrongdoing is destructive of the claim that in a democracy all individuals are equal. Corruption also undermines economic rights. Consider **bribery** when it occurs within the competitive process of governmental purchasing. When contracts are awarded illegally by means of bribes, the losing competitors can be said to have had their rights to a fair and impartial

TABLE 6.1

American Government Officials Charged/Convicted of Public Corruption Under Federal Law (1993–2018)

	1993	2001	2009	2014	2018
Federal Officials					
Charged	627	502	425	364	275
Convicted	595	414	426	364	250
Awaiting Trial			107	131	165
State Officials					
Charged	113	95	93	80	55
Convicted	133	61	102	109	72
Awaiting Trial			57	33	59
Local Officials					
Charged	309	224	270	231	171
Convicted	272	184	257	252	175
Awaiting Trial			148	100	110
Private Citizens Involved					
Charged	322	266	294	330	234
Convicted	362	261	276	300	198

Source: *Reports on the Activities and Operations of the Public Integrity Section for 2014, 2018*, Public Integrity Section, Criminal Division, United States Department of Justice

bidding process abridged. The public's right to have purchases made in the most efficient and least costly fashion is also subverted. This kind of corruption makes a mockery of economic considerations. The few that greedily feed at the public trough deny the rights of others to enter a fair system of economic competition.

Of course, viewed systemically, bribery is an important element in any political system. It supplements the salaries of various public officials. This is especially true in societies where public sector salaries are unreasonably low. Some police officers, customs agents, and building inspectors, for example, would be unable to maintain their standard of living if it were not for such informal salary increments. Additionally, such income supplement programs forestall the need for politically unpopular, precipitous tax hikes that would bring the legal wages of such officers up to reasonable levels. Systematic bribery allows business operators, dependent on the discretionary powers of public officials for their livelihood, to stabilize the relationships essential for the smooth functioning of their businesses. After all, many regulations that govern safety or conditions of business operation may not be universally applicable, reasonably enforceable, or economically feasible.

Bribery's occasional exposure by the press serves to foster the political alienation of the electorate, which in turn encourages cynicism and reduces support for the democratic processes of government. While it is possible to quibble over the particulars of any given instance or non-instance of bribery, its pervasiveness in too many communities is generally not contested except by the most naive or the most corrupt. Bribery is even an important and time-honored tool of foreign policy. Of course, the United States does not have to bribe a foreign government to influence

its support on some international issue. It can achieve the same effect by granting or withholding military or economic aid.

A society's humor is a good indicator of its political corruption. For example, many analysts predicted that President Nixon would eventually be forced from office because of the Watergate scandal once Johnny Carson, the most popular, most mainstream, and most middle-of-the-road of American comedians, started telling jokes on his *Tonight Show* that were premised on the belief that the president of the United States was dishonest. The jokes were a bellwether because most of the audience—that is, most of mainstream America—accepted the premise. Comedians do not lead public opinion, but they certainly reflect it.

LYING FOR YOUR COUNTRY

The public officials who have the greatest reputation for lying are ambassadors—the highest ranking of all diplomats, sent as the personal representatives of one head of state to another. Sir Henry Wotton (1568–1639), Queen Elizabeth I's ambassador to Venice, was the first of many wits to write, "an ambassador is an honest man sent to lie abroad for the commonwealth" (Lee, p. 307). Often ambassadors are not trusted to lie well enough, so their governments purposely misinform them to ensure that their false representations will seem all the more sincere. Thus, the Japanese ambassador to the United States in 1941 did not know of the impending Pearl Harbor attack, the German ambassador to the Soviet Union in 1941 was not told of the coming invasion, and the US ambassador to the United Nations in 1961, Adlai Stevenson, was not told of the Bay of Pigs landing.

Niccolò Machiavelli wrote in *The Prince* (1532) that it may be necessary for the prince to be a "hypocrite" and a "dissembler." This was the kind of thing that made people suspect that Machiavelli was not a gentleman. A true gentleman had to absolutely keep his word. Not to do so would "prove" that he was not a gentleman—and that he was without honor. Thus lying became as unforgivable an act of moral courage as cowardice was of physical courage. Of course, that was only if you got caught!

When do desirable public ends justify the lying means? When is doing wrong acceptable to produce a greater political good? The "dirty hands dilemma" is a graphic phrase for this problem. Public officials dirty their hands when they commit an act generally considered to be a wrong to further the common good. This is a dilemma in the sense that doing bad seems to lead to something good. Thus, public officials need to decide if they are willing to engage in wrongdoing for the sake of a perceived good deed. Of course, as a general rule they are prohibited from engaging in wrongdoing. Thus, the dirty hands dilemma is the product of a tension between perceived professional obligations and long-standing moral obligations that are the standards of everyday life.

BOX 6.1 The Difference Between Honest Graft and Dishonest Graft

"Everybody is talkin' these days about Tammany men growin' rich on graft, but nobody thinks of drawin' the distinction between honest graft and dishonest graft. There's all the difference in the world between the two. Yes, many of our men have grown rich in politics. I have myself. I've made a big fortune out of the game, and I'm gettin' richer every day, but I've not gone in for dishonest

graft—blackmailin' gamblers, saloonkeepers, disorderly people, etc.—and neither has any of the men who have made big fortunes in politics.

There's an honest graft, and I'm an example of how it works. I might sum up the whole thing by sayin': "I seen my opportunities and I took 'em."

Just let me explain by examples. My party's in power in the city, and its goin' to undertake a lot of public improvements. Well, I'm tipped off, say, that they're goin' to lay out a new park at a certain place.

I see my opportunity and I take it, I go to that place and I buy up all the land I can in the neighborhood. Then the board of this or that makes its plan public, and there is a rush to get my land, which nobody cared particular for before.

Ain't it perfectly honest to charge a good price and make a profit on my investment and foresight? Of course, it is. Well, that's honest graft."

Source: William Riordon, *Plunkitt of Tammany Hall* (New York: McClure, Phillips, 1905)

Machiavelli did not see this as a problem at all. He held that the rules of morality in everyday life should not be applied to the acts of public officials when they are carrying out their professional roles and responsibilities to further the common good. As Machiavelli expressed it in *The Discourses*, "When the act accuses, the result excuses." But can we divorce the person from his or her administrative role? If any moral judgment is to be made, it must be made about the office or the governmental unit in which the official is housed. We should not apply the ordinary standards of right and wrong to the extraordinary situation of a person who is acting only as a bureaucratic functionary. Others argue that it is a mistake to confuse the role of public official with the person who temporarily holds that role; moral rules are still applicable to the acts of the person who commits wrongs, whether that person be a public official or not.

There can be little doubt that the most common form of the dirty hands dilemma in public administration is lying. Lying can take many forms: direct falsehoods, exaggerations, omissions, evasions, deceptions, duplicity, and so on.

Do public officials have a special obligation to tell the truth? Do their offices permit them special excuses to depart from truth telling? It can be argued that because knowledge is the cornerstone of democracy, an informed public is a prerequisite for a democratic government. Hence, citizens have an inherent right to know the truth of public issues so that they can make intelligent decisions as voters and constituents. When public officials decide to dirty their hands, whether by direct falsehood or by omission, evasion, or whatever, they are abridging the public's right to know. There is, on this account, then, a special obligation for public officials to tell the truth based on this inherent need of democracy.

On the other hand, it also can be argued that public officials in a democracy may be excused at times from the general obligation of truth telling. There may be dire situations or times of crises that threaten the government and its people. Under such conditions it may be permissible for a public official to deceive the public for its own good. In other words, when public officials take their oaths of office, they are sworn to do everything in their power to ensure the survival of the government and the safety of the public. It is the very nature of public office, then, that excuses the public official who lies for the public good because the public good is essentially what the official is required to protect. If such protection in times of war or crises entails that officials engage in deception, then so be it. They are only fulfilling

the responsibilities of their office. The argument for excusing lies by officials has a long history. The first instance of it appears in Plato's *Republic*, in which the term "royal lie"—referring to lies for the public good—was first coined.

BOX 6.2 The "Banality of Evil" Concept

Otto Eichmann was a German-Austrian SS-Obersturmbannführer and one of the major organizers of the Holocaust—the "Final Solution to the Jewish Question" in Nazi terminology. He was tasked by SS-Obergruppenführer Reinhard Heydrich with facilitating and managing the logistics involved in the mass deportation of Jews to ghettos and extermination camps in Nazi-occupied Eastern Europe during World War II. Eichmann was captured by the Mossad in Argentina on May 11, 1960, and subsequently found guilty of war crimes in a widely publicized trial in Jerusalem, where he was executed by hanging in 1962.

Eichmann was charged most famously with "crimes against humanity." This was the post–World War II phrase for the murder and ill treatment of civilians. According to the 1945 charter of the International Military Tribunal (the legal framework for the postwar Nuremberg Trials in Germany), crimes against humanity consisted of "murder, extermination, enslavement, deportation and other inhumane acts against any civilian population before or during war; or persecution on political, racial or religious grounds in execution of or in connection with any crime within the jurisdiction of the domestic law of the country where perpetrated."

Consequently, Eichmann's basic defense that he was "only following orders" would not have been acceptable, in theory, even in a contemporary German court. It has long been and remains a maxim in the military services of major industrial states that clearly illegal orders are not to be obeyed. Thus, Eichmann had no viable courtroom defense under German or international law.

The trial, one of the first to be broadcast on live television, generated a lot of journalism and one very important book. In the provocative *Eichmann in Jerusalem: A Report on the Banality of Evil* (1963), based on a series of *New Yorker* magazine articles on the trial, Hannah Arendt, herself a Jewish refugee from Nazi persecution, looked at the murderer of millions of innocent civilians and found him to be merely a banal bureaucrat, a functionary who might otherwise have been perfectly harmless and led a normal life. This highly controversial analysis implied that too many other "normal" people might have done the same under the circumstances; that too many otherwise normal people were just waiting to do the same when circumstances permitted.

Arendt was both a serious academic political theorist and a public intellectual seemingly defending this mass murderer by saying that he was just someone with a job that just happened to involve the large-scale murder of men, women, and children. But she never defended Eichmann. She merely offered an explanation of how he, or anyone, could do what he did. She completely agreed that he fully deserved the death penalty for his crimes. Nevertheless, outrage followed. For example, in a stinging rebuttal to Arendt's contention, historian Barbara W. Tuchman wrote in *The New York Review of Books* (May 29, 1966), "Eichmann was an extraordinary, not an ordinary man, whose record is hardly one of the 'banality' of evil. For the author of that ineffable phrase—as applied to the murder of six million—to have been so taken in by Eichmann's version of himself as just a routine civil servant obeying orders is one of the puzzles of modern journalism. From a presumed historian it is inexplicable."

Arendt's concept of the "banality of evil" was heavily criticized at the time because it seemed to offer justification for horrendous crimes. (However, subsequent social science research, historical analysis, and recent events have supported her

analysis. She has been vindicated. The initial criticism of her has been effectively forgotten.)

The Holocaust is a word now uniquely associated with the German effort to kill off the Jews. Subsequent but loosely parallel efforts to murder an entire religious or social group is now referred to as ethnic cleansing, which is an antiseptic and hygienic phrase for the mass murder of innocent civilians. Since World War II, major instances of such "cleansing" have occurred in Cambodia in southeast Asia, in Rwanda in the middle of tropical Africa, in the Sudan in central Africa, in Bosnia and Croatia in southeast Europe, and continues today. You need only go to Wikipedia to get an update on the five major ethnic cleansing campaigns all under different labels—occurring in the 2020 decade (Ethiopia's "war" in Tigray, Turkey's "occupation" in Northern Syria against the Kurds, Myanmar's "eradication" of the Rohingya Muslims, Sudan's "South Sudan conflict" or China's "displacement" of a million Muslims in Uyghur. All involve government, military, or militia support.

In these and past instances of genocide or ethnic cleansing, the murderers were so numerous, and for the most part such ordinary people, that it has been virtually impossible to bring even a small fraction of them to justice. Instead, as the violence died down because of changing circumstances, the "evildoers" just went back to their regular jobs. While some high-profile killers were prosecuted, the banal ones just got on with their banal existence—not knowing that, in so doing, they were reinforcing the thesis of a refugee professor from the Holocaust now best known for explaining the banality of their evil acts to the world.

Thirty-five years after Arendt's "banality of evil" first shocked the world, a two public administration academics took the concept to its logical conclusion. In *Unmasking Administrative Evil*, Guy B. Adams and Danny L. Balfour bemoan the fact that public administration as an activity has no clear values, no ethical standards adequate enough to prevent administrative evil, the using of existing bureaucratic organizations following specific, preset rules and procedures to achieve reprehensible public policies. All the advantages of bureaucratic impersonality so praised by sociologist Max Weber in his classic analysis of bureaucracy suddenly seems far less advantageous when it is realized that such impersonality can be used for evil as well as good. And the individuals themselves within the bureaucratic structures, such as the German railway workers during World War II, may not even realize or admit to themselves that they are participating in an evil enterprise. Thus, the evil is "masked," as the title of their book suggests.

According to Adams and Balfour, "The significance of the connections between the Holocaust and the civil service in Germany is such that responsibility for the event shifts to include not only those who planned and committed overt acts of killing innocent human beings but also routine and seemingly neutral acts of state." Furthermore, "without the full complicity of professional civil servants (and myriad other professionals), it is virtually inconceivable that the mass murder of Europe's Jews could have been accomplished." They concluded, as we must also, that the history of the Holocaust and state-sponsored evils in the decades since World War II "seriously call into question the adequacy of the ethical foundations of modern public administration" (Adams and Balfour, 1998).

The problem is that public administration merely reflects the cultural norms, beliefs, and power realities of its society. Local laws may sanction innocuous acts of administration by otherwise well-meaning bureaucrats that yield evil results. But what about ethics? Ethics are for philosophers and academics. In the real world there is only power and law tinged by compassionate corruption—violating the organizational rules or the law of the state to prevent administrative evil. Fortunately, there are always some bureaucratic heroes who see such a higher duty. Still, there is often a thin line between a thwarter of evil for the greater good and a disloyal subordinate who takes it upon himself to subvert government policy.

THE FOUR LEVELS OF ETHICS

In public administration, there is a hierarchy of levels of ethics, each of which has its own set of responsibilities. First, there is personal morality—the basic sense of right and wrong. This is a function of our past and is dependent on factors such as parental influences, religious beliefs, cultural and social mores, and one's own personal experiences.

Second in the hierarchy is professional ethics. Public administrators increasingly recognize a set of professional norms and rules that obligate them to act in certain "professional" ways. Such guidelines are codified by professional associations such as the American Society for Public Administration and the International City Management Association. However, occupations such as law and medicine, while operating within public administration, also have their own independent professional codes.

A third level of ethics is organizational. Every organization has an environment or culture that includes both formal and informal rules of ethical conduct. Public organizations typically have many such rules. Public laws, executive orders, and agency rules and regulations all can be taken as formal organizational norms for ethical behavior.

Finally, there are social ethics. The requirements of social ethics oblige members of a given society to act in ways that both protect individuals and further the progress of the group as a whole. Social ethics are formal to the extent that they can be found in the laws of a given society and informal to the extent that they are part of an individual's social conscience.

However, seeing the distinctions between levels of ethics doesn't mean that these different levels can be involved in the complexity of situations that can arise in government when organizational wrongdoing—if not outright illegal action—occurs. A good example from the Reagan administration is the Iran-Contra affair.

The Iran-Contra Affair

The Iran-Contra scandal arose in the fall of 1986, when it was revealed that the Reagan administration had secretly sold arms to the government of Iran (so Iran would use its good offices to gain the release of American hostages in Lebanon) at higher than normal prices and used the "profits" to fund the Contras, a group of rebels seeking to overthrow the anti-US regime in Nicaragua. The controversy grew into a scandal because it was illegal to sell arms to Iran, illegal to fund the Contras beyond limits set by Congress, and against the expressed policy of the United States to negotiate for, let alone trade arms for, the release of hostages. Because the Iran-Contra operation was undertaken primarily by the National Security Council without the formal approval of the Departments of Defense and State, the affair called into question the coherence of the Reagan administration's foreign policy.

As the major operative in the scheme, Lieutenant Colonel Oliver North of the US Marine Corps, assigned to the White House National Security Council, serves as a case study in the conflict of responsibility. North has admitted that he found it necessary to lie to Congress about the Iran-Contra arms deal in order to further what he called national security goals. Thus, by overseeing the illegal sales of arms to Iran and channeling profits from the transactions to the Contras in violation of the law, North reached a decision that one set of responsibilities was higher than another. He justified his lies to Congress as necessary for national security. North violated the formal rules of organizational ethics and social ethics in illegally supplying military aid to the Contras and in lying to Congress to cover it up.

However, he argued that he upheld his own personal morality and sense of duty to the country by acting as he did. Caught between his own interpretation of what is right and wrong on the personal level and that which his organization and society had deemed to be right and wrong, North chose the former over the latter. For many, he was a hero for doing so. Yet for many others, his actions were criminal and unconstitutional.

When North's secretary, Fawn Hall, was called to testify during the 1987 congressional hearings on the scandal, she asserted, "I felt uneasy but sometimes, like I said before, I believed in Colonel North, and there was a very solid and very valid reason he must have been doing this for and sometimes you have to go above the written law, I believe" (Morgan and Pincus, p. A1). In her pedestrian way, Ms. Hall defended North by asserting the ancient idea of a higher law: the notion that no matter what the laws of a state are, there remains a higher law to which a person has an even greater obligation.

A higher law is often appealed to by those who wish to attack an existing law or practice that courts or legislators are unlikely or unwilling to change. In a famous speech in the Senate on March 11, 1850, William Henry Seward of New York argued against slavery by asserting that there is a higher law (even above the Constitution), which "regulates our authority." Martyrs throughout the ages have asserted a higher law in defiance of the state, thus earning their martyrdom. The classic presentation of this concept is in Sophocles's fourth-century bc play *Antigone*, in which the heroine defies the king, asserts a higher law as her justification, and "forces" the king to have her killed. Because the courts of any state will only enforce the law of the land, appealing to a higher law is always chancy business. Examples of Americans who have appealed to a higher law and wound up in jail as a result are Henry David Thoreau, Martin Luther King Jr., and Vietnam War resisters. Oliver North was convicted and would have gone to jail except that his conviction was overturned on a legal technicality.

As the North case suggests, responsibilities can conflict because there are multiple levels of ethics and morality, each with its own set of obligations and duties. One of the most difficult aspects of being a public administrator is managing the conflict of responsibilities between the competing claims of stakeholders and the varying levels of ethics.

BOX 6.3 | Thomas Jefferson on Higher Law

A strict observance of the written laws is doubtless one of the high duties of a good citizen, but it is not the highest. The laws of necessity, of self-preservation, of saving our country when in danger, are of higher obligation. To lose our country by a scrupulous adherence to written law, would be to lose the law itself, with life, liberty, property and all those who are enjoying them with us; thus absurdly sacrificing the end to the means.

Source: Thomas Jefferson, letter to John B. Colvin, September 20, 1810

CODES OF HONOR, CONDUCT, AND ETHICS

Codes of honor have their origins in ancient precepts about how a person should behave in the face of danger, when confronted with temptation, or before authority

figures. Much of what are still considered important elements of honorable behavior is contained in the Bible's 10 Commandments. Thus, it is still honorable behavior not to kill, steal, bear false witness, or covet thy neighbor's wife. As life grew more complicated, codes evolved for occupations as varied as clerics, masons, and warriors. The latter is both the most famous and most important, because those who feel a sense of traditional honor in their breasts today ultimately derive these emotions from medieval knights, 18th-century military and naval officers, and 19th-century British gentlemen.

But the honor of knights and gentlemen was highly stratified. Remember, they were gentlemen in the first place not because they were "gentle" but because of their genetic origin (Latin *gentilis*, "of a clan"), their breeding! Gentlemen were bound to act honorably only toward others of their own class. Consequently, if an ordinary citizen, having taken a dislike to Alexander Hamilton's face, had challenged him to a duel, he would not have been obligated to accept. There would have been no dishonor in declining. But a gentleman had always to defend his name, his reputation, his honor before members of his own class. According to historian Robin Gilmour, traditional honor to a gentleman:

> meant paying one's gambling debts, but not the tradesman's bill; deceiving a husband, if need be, but not cheating him at cards; insulting a servant with impunity, but one's equals only at the risk of a duel. The testing ground for one's courage, and therefore the justification for the whole bizarre code, was the gentleman's readiness to defend his honor with his life.
>
> (Gilmour, 1981, p. 28)

Was "Deep Throat's" Behavior Honorable?

Honorable behavior and ethical actions can sometimes seem at odds with one another. With the 2005 disclosure of Mark Felt as the informant "Deep Throat" in the **Watergate** scandal, the conflict between maintaining honor and acting ethically received increased public attention. During the investigation of the Watergate break-in, Felt, an FBI deputy director, provided *Washington Post* reporters Bob Woodward and Carl Bernstein with detailed information about the Nixon administration's efforts to cover up its involvement in illegal activities. The information Felt supplied proved essential in helping Woodward and Bernstein to expose the details of the White House's role in Watergate and helped lead to Nixon's unprecedented resignation from the presidency.

While many might think that Felt's role in this historic event was courageous and served the greater interest of the nation, Felt himself harbored misgivings about the honor of his actions. In the process of revealing his long-sought identity to the public, Felt expressed serious concern about how the FBI would regard his role in the Watergate episode. In the *Vanity Fair* article in which the identity of "Deep Throat" was revealed, author John D. O'Connor wrote that Felt "seemed to be struggling inside with whether he would be seen as a decent man or turncoat." He continued, "Deep in his psyche, it is clear to me, he still has qualms about his actions, but he also knows that historic events compelled him to behave as he did: standing up to an executive intent on obstructing his agencies' pursuit of the truth" (O'Connor, 2005, p. 86).

Judging from the reaction of many of Felt's contemporaries to his revelation, his concern about being perceived as a "turncoat" was quite warranted. Former Nixon speechwriter and TV pundit Pat Buchanan stated, "I don't think he is a hero

at all. . . . Here's a man who has been entrusted with a high honor, deputy chief of the FBI, sneaking around at night, handing out materials he got from a legitimate investigation to the *Washington Post*." Conversely, Terry Lenzner, a senior counsel on the Senate Watergate committee, said, "The reason Felt turned into Deep Throat was that he had a sense that [FBI Director L. Patrick] Gray was participating in the cover-up and that it would destroy the reputation of the FBI. He was a classic FBI guy. His motives were that he had to protect the FBI. And he did." Clearly, one man's traitor is another's hero.

Standards of Conduct

Many civilian government agencies now have **standards of conduct**, formal guidelines, for ethical behavior. Their objective is to ensure that employees refrain from using their official positions for private gain. Typically, a variety of prohibited activities seek to ensure that employees conduct themselves in a manner that would not offer the slightest suggestion that they will extract private advantage from public employment. All too frequently, standards of conduct are used to say the obvious. For example, the British Cabinet Office created a document meant to be helpful to new cabinet ministers. Paragraph 55 of "Questions of Procedure for Ministers" offers the unsurprising advice that ministers "have a duty to refrain from asking or instructing civil servants to do things they should not do." Standards are often part of a state's formal legal code; thus, violations can carry severe penalties—though never as draconian as articles of war. For example, the honest graft described by George Washington Plunkitt earlier in this chapter is now illegal in most jurisdictions in the United States. But because it was once both legal and quite common, we can surmise that ethical progress is being made.

While standards of conduct are always related to a specific organization, codes of ethics are wide in scope and encompass a whole profession or occupational category. A **code of ethics** is a statement of professional standards of conduct to which the practitioners of a profession say they subscribe. Codes of ethics are usually not legally binding, so they may not be taken too seriously as constraints on behavior. They sometimes become significant factors in political campaigns when questionable behavior by one side or the other is attacked or defended as being within or without a professional code. Professional groups also hide behind codes as a way of protecting (or criticizing) a member subject to public attack.

A comparison of both follows.

Standards	Codes
Created by government	Created by professional societies
More specific to operations and job responsibilities	More general—often includes goals about values and professional conduct
Applicable to government employees (and sometimes contract employees)	Applicable to members of a profession
Often enforced—legal or disciplinary action taken and individual afforded due process	Seldom enforced, hard to apply
Legal penalties for violation	Professional sanctions may apply (as in some associations' ability to disbar lawyers)

President Ronald Reagan took the attitude "that people should not require a code of ethics if they're going to be in government. They should determine, themselves, that their conduct is going to be beyond reproach." Nevertheless, the problem remains that some people need help in determining just what constitutes ethical behavior. So codes are useful, but standards of conduct tied to terms of employment have the kind of teeth that can lead to termination and may even put the offender in jail.

BOX 6.4 Organizational Wrongdoing: A Contemporary Business Management Perspective

If someone suspects that they have become increasingly committed, through a succession of small steps and subsequent rationalizations, to a wrongful course of action, they should take a moment to ask themselves the following question, "Would I have initiated this course of action if at the time I commenced it I knew what I know now." The normal organizational wrongdoing perspective also holds three more fundamental general implications for managers.

First, it offers a more sobering assessment of the magnitude of the problem. The normal organizational wrongdoing perspective holds that organizational participants often do not have to travel far to cross the line separating right from wrong. Further, it suggests that managers and employees are exposed to a large number of forces that can push them from the right side of the line over to the wrong side. Finally, partly for these reasons, it suggests that one does not have to have outsized desires, perverted values, or be unusual in any way to make the trip across the line separating right from wrong.

Second, the normal organizational wrongdoing perspective offers a less sanguine assessment of the ease with which the problem of organizational wrongdoing can be solved. It holds that people are boundedly rational and organizational environments are complex. It contends that organizations have evolved multiple structures, systems, and processes to help their members navigate their complex terrain. However, each of these systems can give rise to wrongdoing and thus must be monitored for integrity. Further, because all of these structures, systems, and processes are integrally related to the smooth functioning of organizations, it is often hard to modify them so as to reduce the likelihood of wrongdoing without inhibiting organizational efficiency and effectiveness.

Finally, because the normal organizational wrongdoing perspective holds that anyone is capable of engaging in wrongdoing, it implies that each of us is at risk of engaging in misconduct. That is, we are as much the problem as are our subordinates, peers, and superiors. Thus, it is important for managers to develop a better understanding of the forces that operate on all organizational participants, including themselves, that can cause them to cross the line separating right from wrong.

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WHISTLEBLOWING: PROTECTING THE PUBLIC'S RIGHT TO KNOW

Whistleblowing refers to what happens when an employee decides that obligations to society come before obligations to an organization. Thus, a whistleblower is an individual who believes the public interest overrides the interests of his or her

organization and publicly blows the whistle on—exposes—corrupt, illegal, fraudulent, or harmful activity. Whistleblowers in our society are not well received. Children have long been taught not to be a "squealer." Whistleblowers run the risk of being ostracized by their co-workers, losing their job, and being blacklisted in their field. Two famous early whistle-blowers were A. Ernest Fitzgerald and Daniel Ellsberg.

Fitzgerald was a senior career executive who was the deputy for management systems in the Office of the Assistant Secretary of the Air Force, who in 1968 testified before a congressional committee about cost overruns on the Air Force's giant C-5A military cargo plane. The Air Force, which had not acknowledged the cost overruns, stripped him of his primary duties of overseeing cost reports on the major weapon systems and assigned him to essentially clerical tasks. A year later, the Air Force reorganized Fitzgerald's office and abolished his job. Fitzgerald appealed the Air Force action. After almost four years of litigation, Fitzgerald was reinstated to his original civil service position and given back pay.

In the case of Daniel Ellsberg, even greater stakes were involved. Ellsberg was a former Defense Department employee who leaked the Pentagon Papers to the media. The Pentagon Papers were an unedited and unexpurgated record of the step-by-step judgments that brought American involvement in Vietnam to its peak point by the end of the Johnson administration. A historian's dream because of the raw data involved, this essentially shapeless body of material was destined to become a cause célèbre when Ellsberg turned over 47 volumes of these officially classified documents to the *New York Times* and the *Washington Post* in 1971.

The Nixon administration got an injunction to prevent their publication, but the US Supreme Court would later dissolve the injunction in its ruling (*New York Times v. United States* [1971]) allowing the papers to be published. Ellsberg was then charged with espionage, but the case was dismissed when it was shown that the Nixon administration authorized a burglary to steal Ellsberg's medical records from his psychiatrist's office. The then chairman of the Senate Foreign Relations Committee, J. William Fulbright said of the papers:

> Most of the material should not have been secret in the first place . . . I still do not see the harm that came from it, other than the fact that there is a violation of the law . . . I can disapprove of the leaking of the documents, but at the same time I disapprove just as heartily of the abuse of the classification power.

Ellsberg wanted the truth about US policy in Vietnam to be revealed to the American public. Thus, he was willing to risk jail to expose the incompetence (and deception) he believed existed at the highest levels.

The Fitzgerald and Ellsberg affairs triggered a great deal of discussion in the media and government about the need to protect whistleblowers. When the Civil Service Reform Act was passed in 1978, it included provisions to protect whistleblowers—primarily employer retaliation—among its list of prohibited personnel actions. The Civil Service Reform Act defined whistleblowing as revealing illegal actions, mismanagement, waste of funds, abuse of authority, or danger to the public's health or safety.

These provisions were the culmination of a 20-year history of encouraging and safeguarding public disclosure. In 1958, Congress had passed a Code of Ethics of Government Service, which exhorted federal employees to expose corruption and to place loyalty to the highest moral principles above loyalty to their agencies. The impact of this was negligible.

Another step forward involved the Freedom of Information Act of 1966, which provided for the public availability of information, unless the information

falls within one of the specific categories exempt from public disclosure. Exempt records are those whose disclosure would impair rights of privacy or national security. Virtually all agencies of the executive branch of the federal government have issued regulations to implement the Freedom of Information Act. These regulations inform the public where certain types of information may be readily obtained, how other information may be obtained on request, and what internal agency appeals are available. The Freedom of Information Act provided would-be whistleblowers with a statutory justification for exposing misconduct. After all, such disclosures were vindications of the public's right to know.

Two years later, in 1968, the US Supreme Court gave whistleblowers some constitutional support. The Court held in *Pickering v. Board of Education* that when public employees' right to freedom of speech are in question, the special duties and obligations of public employees cannot be ignored; the proper test is whether the government's interest in limiting public employees' "opportunities to contribute to public debate is . . . significantly greater than its interest in limiting a similar contribution by any member of the general public." But in 2006, the Supreme Court narrowed the freedom of speech principle for public employees in *Garcetti v. Ceballos*, ruling that when they made statements as part of their work duties, their speech did not exempt them from disciplinary action or even dismissal.

In 2014, the Court ruled again on the matter of freedom of speech for public employees. In *Lane v. Franks*, the court protected an employee who had testified in a criminal prosecution case where a legislator had set up a ghost job position for herself. The state legislator was ultimately convicted, but the public employee was terminated from his employment. The Court's newest member, Justice Sotomayor, wrote the short unanimous opinion that "the First Amendment protects a public employee who provided truthful sworn testimony, compelled by subpoena, outside the course of their ordinary job duties."

Protecting Whistleblowers

But Congress has long recognized that there is more to protecting the public's right to know than simply guaranteeing freedom of speech. There has always been a special interest in encouraging employees to disclose information about illegal and wasteful activities—something more would have to be done to make employees feel safe from retaliation. There were only a few anti-retaliation statutes in effect—basically limited laws that made it illegal to take punitive actions against employees for such things as testifying before Congress or for assisting in civil rights investigations. To provide comparable protection to whistleblowers for federal employees, the Civil Service Reform Act empowered the newly created Merit System Protection Board with authority to reverse the removal, demotion, or suspension of employees who had been the victim of retaliation. Even more importantly, the act authorized an Office of Special Counsel to prosecute any official responsible for acts of unlawful retaliation.

Since 1978, whistleblowing protections have grown considerably. Following the federal model, at least 35 states have enacted their own statutes with various provisions protecting employees. And state courts often have found it unlawful, even without the existence of statutory protections, for an employer to terminate someone's contract who has made a disclosure that serves the public interest. Congress has also enacted additional laws that provide whistleblowing protections—regardless of whether the employee is in the private or public sector, to protect specific disclosures of violations in health care, work safety, environment, transportation, finance, and so on.

For federal workers, Congress has now acted twice to strengthen and improve the safeguards included in the Civil Service Reform Act (CSRA) of 1979. In 1989, it enacted the Whistleblower Protection Act, which first created and entrusted a separate US Office of Special Council (outside of the US Merit Systems Protection Board) to enforce whistleblowing protection laws. The act allowed federal employees to appeal to the MSPB to seek redress for alleged acts of retaliation involving previously non-appealable personnel actions, such as undesirable reassignments and poor performance ratings. Whereas the CSRA listed protections for whistleblowing by enumerating various prohibited personnel actions, the new act gave whistleblowers special rights of action or appeals, allowed them to seek injunctions against what they felt were punitive actions, and lowered the burden of proof to the personnel action taken against whistleblowers, as opposed to having to demonstrate intent to retaliate.

In 2012, the Whistle Blower Protection Enhancement Act was passed that strengthened some of the 1989 protections. The law simplified taking punitive actions against supervisors who were found to engage in retaliation and shifted the burden of proof to the organization to show it hadn't retaliated in personnel actions taken against whistleblowers. The right to contact and communicate with Congress was strengthened. Another provision eliminated the "first whistleblower loophole," which had limited protections to just the employee who first disclosed the issue—and extended them to other employees who reported misconduct after the first reported instance.

But despite the existence of these many whistleblowing laws, whistleblowing is not primarily a legal matter. The existence of legal protections alone will not encourage employees to disclose information. Surveys by the MSPB have shown that employees' primary concern in confronting fraud, waste, or abuse is whether there is someone somewhere who will be willing to receive this information—which is inherently "bad news"—and be prepared to help correct the problem.

The MSPB revisited the state of whistleblowing in the federal government in a 2011 report and noted that not much has really changed in terms of employee perceptions. While perceptions among employees (comparing surveys from 1992 to 2010) show a decrease in "perceived wrongdoing," there was no change in the percent of employees (about one-third of employees) who "believed that they had been identified as the reporter of wrongdoing indicated that they subsequently experienced or been threatened with reprisal." The MSPB surveys showed the following reasons that employees considered in making a decision to blow the whistle on their employer as listed in Table 6.2.

The need for more protections for whistleblowers is coming under new scrutiny in the wake of first impeachment trial of former president Trump. The general narrative of how an intelligence community whistleblower's complaint led House Democrats into an impeachment inquiry concerning the details of a phone conversation revealing an improper quid pro quo exchange between President Donald Trump and President Volodymyr Zelensky of Ukraine isn't what is significant here. Indeed, there was a second whistleblower report corroborating the original complaint.

But the administration's attempts to silence and retaliate are. Trump denounced the whistleblower, demanding they be identified so they could be investigated—or dealt with the way spies used to be dealt with, as he said at a later press conference at the United Nations. Later, speaking on the Senate floor, a member of Congress named the supposed whistleblower. [Senator Paul was obviously undeterred by Chief Justice John Roberts's refusal to read his question containing the name of an individual rumored by agents of retaliation to be the whistleblower, during the impeachment trial as reported by Brittany Gibson in *Prospect* (All the President's Whistleblowers, Gibson, 2019)].

TABLE 6.2

Factors in Deciding Whether to Report Wrongdoing Survey Findings

Factors in Deciding Whether to Report Wrongdoing	Percentage agreeing
Activity might endanger people's lives	97%
Activity was serious in terms of costs to government	92%
Something would be done to correct the activity	90%
Protection from any sort of reprisal	85%
Activity was serious ethical violation, although the associated monetary costs were small	82%
Identity would be kept confidential	80%
The wrongdoers would be punished	71%
Positive recognition by management for a good deed	34%
Eligible to receive a cash award for making report	16%

Source: US MSPB Report: Research Highlights 2013, www.mspb.gov/studies

In an editorial written for the *Washington Post*, Walter Schaub, a former director of the US Office of Government Ethics, summarized the impact this way:

> The handling of the Ukraine whistleblower's report may already have inflicted irreparable harm. Trump appointees in the Justice Department effectively overruled a determination by the intelligence community inspector general that the whistleblower had lodged a credible complaint of "urgent concern." In response, about 70 of the government's inspectors general signed a letter warning the Justice Department that its actions "could seriously undermine the critical role whistleblowers play in coming forward to report waste, fraud, abuse, and misconduct across the federal government." The inspectors general stressed that "the effectiveness of our oversight work depends on the willingness of government employees, contractors, and grantees to come forward to us with their concerns." It doesn't even matter whether the whistleblower's concerns were valid. Even if the allegations hadn't been borne out by the impeachment hearings as thoroughly as they were, the whistleblower would have deserved protection. Witnesses to hidden wrongdoing almost always possess only incomplete information, and they will be afraid to report whatever part of the story they know if they can be subjected to retaliation for any reports that don't pan out.
>
> (Schaub, 2020)

THE CHALLENGE OF ACCOUNTABILITY

Accountability is the extent to which one must answer to higher authority—legal or organizational—for one's actions in society at large, or within one's particular organizational position. Elected public officials are theoretically accountable to the political sovereignty of the voters. In this sense, appointed officials—from file clerks to cabinet secretaries—are less accountable than elected officials are. The

former are accountable mainly to their organizational supervisors, while the latter must answer to the people of their jurisdiction.

Administrative accountability is that aspect of administrative responsibility by which officials are held answerable for general notions of democracy and morality as well as for specific legal mandates. The two basic approaches to administrative accountability were first delineated by political scientists in the 1940s by Carl J. Friedrich and Herman Finer. Friedrich argued that administrative responsibility can be ensured only internally, through professionalism or professional standards or codes, because the increasing complexities of modern policies require extensive policy expertise and specialized abilities on the part of bureaucrats (Friedrich, 1941).

Finer, on the other hand, argued that administrative responsibility could be maintained only externally, through legislative or popular controls, because internal power or control would ultimately lead to corruption. The tension between these two approaches continues today. Thus the challenge of accountability is to find a balance between completely trusting government officials to use their best professional judgment in the public's interest and watching them so closely through legislative committees or executive review agencies that it inhibits their ability to function (Finer, 1941).

Because we aspire to a democratic form of government, we need to consider how the links between democratic government and public administration work. What are the things we do, must do, and indeed must avoid if we are to be public administrators in a democracy rather than cogs in a despotic mechanism? Under the totalitarian communism of the former Soviet Union, the Russians had a word for people who served the apparatus of state without question. They were called *apparatchiks*—a term implying that the individual mindlessly follows orders. What stops us from being apparatchiks in all but name?

The answer to this question is that public administrators in a democracy work within the **rule of law**—a governing system in which the highest authority is a body of law that applies equally to all (as opposed to the rule of men, in which the personal whim of those in power can decide any issue). The idea of the desirability of a "government of laws, and not of men" can be traced back to Aristotle. The earliest American reference is in the 1779 Massachusetts Constitution. John Marshall also used this succinct legal description in *Marbury v. Madison* (1803): "The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for the violation of a vested legal right." The rule of law and the concomitant notion that no one is above the law have been continuously critical concepts. When Ford succeeded Nixon (who was forced to resign because of his illegal activities during the Watergate scandal), he told the nation right after taking the oath of office (August 9, 1974), "My fellow Americans, our long national nightmare is over. Our Constitution works; our great Republic is a government of laws and not of men" (Ford, 1987, pp. 40–41). This was difficult for many citizens to reconcile with his **pardon** of Nixon one month later and was viewed as a major factor in Ford not being elected in the 1976 presidential race.

In democratic societies, we require our administrators to work within a system of democratic accountability, respond to a complex system of checks and balances, and be subject to scrutiny by official auditors, by the media, and by community watchdogs and whistleblowers (as Finer advocated). But in the end, they are individually responsible for their own ethical and honorable behavior (as Friedrich believed). We often (but not always) remove from office those public administrators who seek to ignore their responsibilities to democracy. Occasionally, as in the case of J. Edgar Hoover of the FBI, there will be public administrators in democratic societies who seem to be above the law. But they, too, will fall from power in the end.

Sometimes we purposely create public institutions that seem to have an "above the law" status. Intelligence agencies have always had a certain mystical quality—perhaps because they are so associated with fictional exploits. This even affects presidents. Arthur M. Schlesinger Jr., in *A Thousand Days* (1965), quoted President John F. Kennedy: "If someone comes in to tell me this or that about the minimum wage bill, I have no hesitation in overruling them. But you always assume that the military and intelligence people have some secret skill not available to ordinary mortals" (Schlesinger, 1965, pp. 258–259). The review of the policies and activities of US intelligence agencies by appropriate legislative review committees was not formally done by the Congress until the 1970s, when reports of FBI and CIA abuses of their operating mandates encouraged both houses of Congress to create committees that would systematically and formally watch over the intelligence operations of the executive branch. Parliamentary systems, which are used in most of the world, have far less opportunity for comparable oversight because prime ministers, who ultimately direct intelligence agencies, lead both the executive and the legislative branches of government.

More generally, however, abuse of authority in public administration is a central target for condemnation in democratic societies and a likely route to disgrace and dismissal. Yet, in many societies around the world, to hold official office, to be a public administrator, is to be able to take arbitrary decisions, to confer benefits on family and friends, and to be open to corrupt, unethical—even inhuman—behavior. So we must ask, what legal and institutional arrangements, conventions, and ethical values essentially distinguish democratic from despotic public administration? In truly democratic societies—as opposed to those that are democratic in name only—there is a framework of constitutional, legal, and procedural requirements that subjects public administrators to rigorous monitoring and oversight by a democratic legislature, independent courts, and other institutions at arm's length from the government. This leads to the expectation on the part of public administrators that, for the most part, they must work in the open, not only expecting, but also welcoming the scrutiny of elected representatives and the others whose task it is to make public accountability work.

Constitutional and Legal Constraints

Like it or not, public administrators always work within some kind of legal framework. In Europe, particularly in Germany, the legal setting of public administration is so all-encompassing that a senior official normally cannot be appointed without a formal law degree. In other parts of the world, a law degree is usually not required, but some understanding of constitutional and administrative law is. For American public administrators, the Constitution serves as an invisible fence surrounding their field of operation. Specific laws deriving from it delineate and regulate in finer and finer detail what public administrators can do to whom, and when and how they can do it.

David H. Rosenbloom states that there are three reasons why public administrators should understand the Constitution:

1. Public administration must have democratic policy very much at heart so that managerial and political approaches are taken that are compatible with constitutional principles and values.
2. Many public administrators in America take an oath to support the Constitution, and this may be more important than routine administrative functions.

3. Public administrators may be personally liable for civil damages if they act in contravention to the Constitution.

(Rosenbloom, 1993)

As Rosenbloom emphasizes, it is no easy task to achieve the necessary understanding of the Constitution, because its contemporary meaning extends not only to the letter of the document, but also to **case law** and extensive interpretation, derived from legal, philosophical, moral, and political considerations as to how the law should be applied.

Public administrators in each policy domain—health, civil defense, education, or whatever it may be—need to maintain an awareness that the Constitution impacts what they can do by virtue of specific judgments and case law in the past, or alternatively because in a general sense what they propose to do may be seen to conflict with the Bill of Rights or some other fundamental constitutional precept. For example, in *Wood v. Strickland* (1975), the US Supreme Court held that a school board member (and by implication other public employees) is not immune from liability for damages

> if he knew or reasonably should have known that the action he took within his sphere of official responsibility would violate the constitutional rights of the students affected, or if he took the action with the malicious intention to cause a deprivation of constitutional rights or other injury to the student.

Obsessive Accountability

It was Napoleon's foreign minister Charles-Maurice de Talleyrand who is usually credited with first warning of "too much zeal" in matters of administrative affairs. Yet it is an excess of zeal, in the form of obsessive attention to minor details, that so often leads to incompetence in modern organizations. Some of this dysfunctional zeal is caused by aberrant personalities, but the real culprit is the formally mandated zeal of governing rules and regulations. Much required zeal is good. No one can argue with requirements for punctuality. But once organization-wide standard procedures are established for major functions, there is an inevitable tendency for minutiae to be covered as well. These minutiae then, quite literally, may result in taking more time than they are worth.

For example, in 1993 the US GAO (now the Government Accountability Office) reported, "each year the military spends some $20 million moving and storing a half-million items worth less than the cost of processing." Thus, a US base in Europe returns a few dollars' worth of metal bolts or nylon cord to a Defense Department warehouse in Ohio. But because it costs $40 to process these small items, it would have been far less expensive to give or throw away the stuff. However, there is no provision in the rules for disposing of unneeded items in this way. Such practices would give too much discretion to individual employees. The formal organization, in its zeal to prevent theft, may end up creating many such wasteful practices.

Peter Drucker maintained that organizations, most typically governments, that are obsessed with accountability are inherently less competent than they might be. New procedures are created in response to possible or previous abuses. Because individuals once showed themselves incapable of being responsible for specified organizational assets, discretion over them was taken out of their hands and given to unemotional, unbending, and, in some circumstances, irrational procedures. Accountability was placed in procedures rather than in individuals, the rationale being that the honest administration was too important a matter to leave to an

individual's discretion. It is precisely because of governments' attempts to assign accountability for everything they control that public management operations grow to be outrageously expensive when compared to similar functions in private industry. According to Drucker (1969), government must always tolerate this extra expense—not out of some unwarranted affection for red tape but because a "little dishonesty" in government is a corrosive disease that rapidly spreads to infect the entire polity. To fear such corruption is quite rational. Consequently, government "bureaucracy" and its attendant high costs cannot and should not be eliminated.

While the high costs of accountability can never be totally eliminated, some of the dysfunction of its associated procedures can be mitigated. Such mitigation frequently has organizations bending, ignoring, and subverting regulations in the interests of good management. The discretion that the regulations deny to the executive may be restored by the machinations of administrative operatives. When the flexibility deemed essential for mission accomplishment is formally denied to line managers, it is almost invariably obtained informally through administrative finesse. This is an idea that has not only been demonstrated in countless empirical studies, but also sanctioned and revered in American popular culture. The nation has a tremendous appetite for movies and television programs about war and other violent escapades. As any aficionado with sufficient exposure to this genre of entertainment can explain, you cannot have a successful military operation without a scrounger in your unit—at least not according to Hollywood's version of World War II. A scrounger was that member of the team who was assigned to obtain all the essential requirements of the mission that could not be obtained through official channels. It hardly mattered what methods the scroungers used to secure the needed supplies as long as they succeeded—and there were no official complaints.

When mandates from on high reflect neither administrative wisdom nor experience, they are viewed as barriers to managerial effectiveness—which must be overcome. There is even significant evidence that organizational superiors discourage subordinates from reporting fully just how they have accomplished their missions because of concerns for formal or legal culpability. According to public administration scholar Herbert Kaufman, executives "may resort to the strategy of discouraging feedback about administrative behavior because they privately *approve* of the behavior they know they should, according to law and morality, prevent" (Kaufman, 1975, p. 65). Thus, rookie police officers are told by their more experienced associates that they will have to forget what they learned at the police academy before they can operate effectively—and survive—in a real-world situation. Any new public manager must suffer through an on-the-job acquisition of administrative realpolitik. They learn by the unfortunate consequences of violating norms that are discovered only when they are breached.

Avoiding Accountability

The public rightly expects an executive to be accountable for the actions of the subordinates he or she has selected, whether or not the executive had actual knowledge of the actions. It is based on the belief that the selection of subordinates and the monitoring of their behavior is an executive responsibility. Nowhere is primitive ritual or Machiavellian feigning more apparent than in the periodic assumption of full responsibility by an organization's chief executive. Although one of the advantages of delegating a problem is the ease with which the cunning leader can shift the blame for the situation if it sours, modern executives are seldom so crude as to lay blame. The appropriate tactic is to assume full responsibility for the situation.

Paradoxically, in assuming full responsibility, the executive is seemingly relieved of it. Political scientist Murray Edelman observed that whenever this ritual is enacted, all of the participants tend to experience "a warm glow of satisfaction and relief that responsibility has been assumed and can be pinpointed. It once again conveys the message that the incumbent is the leader, that he knows he is able to cope, and that he should be followed" (Edelman, 1967, p. 79). In reality, however, this ritual proves to have no substance. It "emphatically does not mean that the chief executive will be penalized for the mistakes of subordinates or that the latter will not be penalized."

This is the tactic that President Richard M. Nixon employed when he first addressed the nation concerning the Watergate scandal in the spring of 1973. He boldly proclaimed that all of the possibly illegal actions of the White House officials were his responsibility and that he fully accepted that responsibility. Certainly, Nixon did not mean to imply—at that point in time—that he should be punished for the transgressions of his underlings. Nor did Ronald Reagan in 1987 when he took full responsibility for the Iran-Contra affair. Bill Clinton, during an August 17, 1998, television address to the nation, took full responsibility for lying to his wife, his cabinet, his staff, and his nation about his affair with White House intern Monica Lewinsky. But his hopes that this would be enough to stop an impeachment inquiry were short-lived. Government officials of lesser rank are no less sophisticated with their manipulations of the ritualistic and symbolic aspects of their offices. Of course, the risk they take is that the legislature will investigate the situation thoroughly enough to expose any wrongdoing.

LEGISLATIVE OVERSIGHT AND HEARINGS

While constitutional and legal frameworks themselves amount to a passive exercise of democratic control over the discretion of public administrators, there is no substitute for active control through energetic elected representatives. The main reason the US Congress (or a state legislature or a city council) monitors the activities of executive branch agencies is to determine if the laws are being faithfully executed. After all, the president has the constitutional obligation (given in Article 2, Section 3) to "take care that the laws be faithfully executed." **Congressional oversight** is designed in our system of "checks and balances" to check that he or she does.

Oversight takes many forms. The most obvious are the annual congressional **hearings** on agency budget requests, in which agency activities have to be justified to the satisfaction of the Congress. Both the House and the Senate hold budget hearings. But only the Senate holds hearings on the confirmation of major appointees such as cabinet secretaries and Supreme Court nominees.

Any member of Congress can instigate an investigation. Many of these investigations are small matters concerning the interests of a single constituent. But if something significant turns up worthy of a larger inquiry, an appropriate committee or subcommittee always has the right to initiate a further examination. The oversight function is primarily implemented through the process of hearings that often call for sworn testimony from officials, through consultancy reports, and through the publication of findings. Committees that have investigated scandals such as Watergate and the Iran-Contra affair, and issues such as whether gay people should be permitted to serve in the military, illustrate how important and central a role this aspect of democratic government can be.

The entire Congress is in effect a permanently sitting **grand jury** always waiting to hear of improper acts by executive branch agencies so that hearings can be launched and witnesses called. Some members of Congress are so zealous in their oversight

concerns that they will go to the trouble of traveling all over the world (at government expense) to see how federal programs and policies are operating. These visits are derisively called junkets, but they are an important part of the oversight process.

Of course, the oversight function may be abused, especially when it is done for partisan advantage. Such political oversight often happens when the executive and legislative branches of a government are controlled by opposing parties; then its purpose may be to embarrass the administration. Two famous examples of this are the Democratic Party–sponsored Watergate hearings of 1973–1974, which helped force Republican President Richard Nixon to resign in 1974, and the Republican Party–sponsored Whitewater hearings of 1995–1996, which were designed to embarrass the Democratic President Bill Clinton. A contemporary example is the US House Select Committee established to investigate the January 6th attack on the United States Capitol. Failing to obtain senate approval for a full commission review—the House of Representatives set up a select committee of the United States House of Representatives formed through a largely party-line vote, on July 1, 2021, to investigate the attack on the US Capitol on January 6 earlier that year by supporters of the former president in an attempt to overturn the 2020 United States presidential election.

Of course, whether an oversight action is simply in the interest of good government or protecting democracy or whether it is a play in a game of partisan one-upmanship is in the eye of the beholder.

CASE STUDY The City of Flint's Water Crises: Organizational Wrongdoing and Racial Injustice?

Flint, Michigan, is a city of just under 100,000 located along the Flint River, just 66 miles northwest of Detroit. Once the site of one of the largest automobile manufacturing facilities in the Midwest, its population had declined by half and fallen on hard times. Just under 60% of its population is African American. Over 40% of the population fall below national poverty threshold levels of $12,760 individual/$26,200 for a family of four.

The city, confronting severe fiscal stress in its finances ($30 million deficit compared to general fund revenues of $70 million in 2002) was declared a "financial emergency" by the state and put under state oversight. Emerging from that in 2004, its finances collapsed further during the Great Recession and was put under state control again in 2011 under direction of a state-appointed emergency manager.

Under the auspices of an emergency manager, Flint looked to new cost-saving measures, including exiting from under the City of Detroit's water system (it should be noted that the City of Detroit would file for bankruptcy in the fall of 2013 and itself placed under an emergency manager). So it was that on April 25, 2014, Flint took the step of changing its water supplier. Within weeks, complaints about the quality of the water began to accumulate. Within this case discussion is a detailed chronology of event and steps taken and not taken by various government actors in the Flint Water Crisis. The map of Flint in Figure 6.1 shows where the effects were most felt. That no one anticipated that this new water supply would inject water with

Can't get the lead out

Federal standards prohibit lead in drinking water from exceeding 15 parts per billion. Last year every ward in Flint, Michigan, exceeded that limit, ranging from 6 to 32 percent of water samples.

Share of water samples with lead above 15 ppb, 2015

6-15% 16-25% 26-32%

Elevated blood-lead levels in children before and after the water source changed from Lake Huron to the Flint River in April 2014

ANDREW UMENTUM & DANIELA SANTAMARINA, NG STAFF

SOURCES: MONA HANNA-ATTISHA AND OTHERS, *AMERICAN JOURNAL OF PUBLIC HEALTH*, 2016; MICHIGAN CENTER FOR GEOGRAPHIC INFORMATION

FIGURE 6.1
A different kind of precinct map—Flint, Michigan, 2015

a corrosive force that uncorrected would react within the lengths of mostly lead pipes connecting water mains to Flint's houses was a technical error that should have been caught by testing and quality inspections. But that the citizens of Flint's calls of concern, complaints, and criticism went unheeded, disbelieved, and unresponded to for over a year was horrific.

(*continued*)

CASE STUDY *Continued*

And make no mistake about it—this was indeed a case of government failure and wrongdoing. Even labeling it a case of government failure may not be strong enough to reflect what occurred in Flint. The report of the Michigan Civil Rights Commission (2017) investigation put it more bluntly:

> The people of Flint were poisoned with lead. That sentence alone establishes that this is a crisis. But labeling it a crisis has political and social overtones. It is also a disaster, but unfortunately for the people of Flint, it does not fit the definition of disaster that enables the city to receive federal disaster relief. It is a catastrophe, a horror, and a tragedy of unfathomable dimensions. Perhaps most accurately what happened in Flint was a fiasco, "a complete failure" of government.

The Flint Water Crisis Systemic Racism Through the Lens of Flint

It was also a failure on several levels, beginning first with the responsibilities of almost all the government entities who had roles. The Governor's Task Force convened in October 2015 after the city had switched back to the Detroit water system and leveled charges on every agency involved at the municipal, county, state, and, yes, federal level. Quoting the Flint Water Advisory Task Force (2016):

The Flint water crisis is a story of government failure, intransigence, unpreparedness, delay, inaction, and environmental injustice.

- The Michigan Department of Environmental Quality (MDEQ) failed in its fundamental responsibility to effectively enforce drinking water regulations. MDEQ had primacy authority to enforce federal law.
- The Michigan Department of Health and Human Services (MDHHS) failed to adequately and promptly act to protect public health. Both agencies, but principally the MDEQ, stubbornly worked to discredit and dismiss others' attempts to bring the issues of unsafe water, lead contamination, and increased cases of Legionellosis (Legionnaires' disease) to light.
- With the City of Flint under emergency management, the Flint Water Department rushed unprepared into fulltime operation of the Flint Water Treatment Plant, drawing water from a highly corrosive source without the use of corrosion control.
- Neither the Governor nor the Governor's office took steps to reverse poor decisions by MDEQ and state-appointed emergency managers until October 2015, in spite of mounting problems and suggestions to do so by senior staff members in the Governor's office, in part because of continued reassurances from MDEQ that the water was safe.
- United States Environmental Protection Agency (EPA) delayed enforcement of the Safe Drinking Water Act (SDWA) and Lead and Copper Rule (LCR), thereby prolonging the calamity.

Flint Water Advisory Task Force *Final Report* (2016)

Only the governor's offices were provided with an excuse that they were given contradicting information about the state of the problem. The Governor's Task Force also pointed to the special instance of having state-appointed emergency managers in charge, displacing the citizens' own elected representatives. Per the task force report: the Flint water crisis occurred when state-appointed emergency managers replaced local representative decision-making in Flint, removing the checks and balances and public accountability that come with public decision-making. Emergency managers made key decisions that contributed to the crisis, from the use of the Flint River to delays in reconnecting to DWSD once water quality problems were encountered.

As a case of organizational wrongdoing (or, if you will, failing to do right), the crisis was also attributable to the actions and inactions of government officials and public servants. In the aftermath of investigations, to date several high-ranking government officials resigned (one from the city of Flint, two from the Michigan Department of Environmental Quality [MDEQ], and the regional director of the US EPA).

According to various media accounts, 15 criminal cases were leveled against state and local officials. Then, in 2021, the former governor of Michigan and eight others were also charged with various felony and misdemeanor counts—including two who were charged with involuntary manslaughter. However, actual convictions to date number only one—although several lower officials pleaded "no contest" in plea deals with prosecutors.

Finally, there is another level of failure. Can government failure in Flint be assessed as a form of systematic racism? The Governor's Task Force addressed this directly in their report:

> "Was race a factor in the Flint Water Crisis?" Our answer is an unreserved and undeniable—"yes." . . . "Systemic racism" then played a large part in the sluggish response to the crisis and officials' attempts to delegitimize Flint residents' concerns that problems with the water supply existed long before Snyder's administration acknowledged an issue.

Adding to this assessment, the state's Civil Rights Commission in their 2017 investigation took this to a higher level, defining this instance of racism as environmental injustice. Again, the summary from their report makes their case clearly:

> Environmental justice embraces two fundamental principles: (1) the fair, non-discriminatory treatment of all people; and (2) the provision for meaningful public involvement of all people—regardless of race, color, national origin or income—in government decision-making regarding environmental laws, regulations and polices.
>
> Environmental justice or injustice, therefore, is not about intent. Rather, it is about process and results—fair treatment, equal protection, and meaningful participation in neutral forums that honor human dignity. Environmental injustice is not about malevolent intent or deliberate attacks on specific populations,

(*continued*)

CASE STUDY *Continued*

nor does it come in measures that overtly violate civil rights. Environmental injustices as often occur when parties charged with the responsibility to protect public health fail to do so in the context of environmental considerations.

The facts of the Flint water crisis lead us to the inescapable conclusion that this is a case of environmental injustice. Flint residents, who are majority Black or African American and among the most impoverished of any metropolitan area in the United States, did not enjoy the same degree of protection from environmental and health hazards as that provided to other communities. Moreover, by virtue of their being subject to emergency management, Flint residents were not provided equal access to, and meaningful involvement in, the government decision-making process.

Aftermath

Following the Emergency Orders of early 2016, all levels of government in and surrounding Flint rush into action. The state hands back first political and then financial control to the city's elected officials. All told over $400 million in state and federal spending over three years provides Flint with clean water, modern water pipes, and filters to every residence in the city. Tests show that Flint's water meets all standards. A major lawsuit is settled in 2020, with the state paying $640 million to the city's residents. Well, not quite that much. According to the *Detroit Free Press*, after the lawyers working on a contingency basis get their roughly one-third cut of the award—

> The proposed fees and costs would leave about $431.3 million to be distributed to roughly 100,000 Flint residents. That's about $4,300 per person, on average, but the settlement is designed to ensure the brunt of the settlement money—and higher average payments—would go to Flint residents who were children at the time the city's water supply was poisoned with lead, starting in 2014.

Case Discussion Questions

1. To what extent is the replacement of normal democratically represented municipal officials by higher government appointed professional managers a factor in the crises?
2. Choose any of the directors or executives of any of the government entities and apply Palmer's test for assessing professional responsibility for organizational wrongdoing:

   > *if someone suspects that they have become increasingly committed, through a succession of small steps and subsequent rationalizations, to a wrongful course of action, they should take a moment to ask themselves the following question, Would I have initiated this course of action if at the time I commenced it I knew what I know now.*

3. Both the Governor's Task Force and the Michigan Civil Rights Commission make the assessment that the Flint Water Crisis was a prime example of

environmental injustice (Task Force) or systematic racism (MCRC). Discuss what this means for public administration in its quest for making social equity and ensuring fair treatment for all citizens.

April 25, 2014	The *city* changes its water supply from the City of Detroit's system to the Flint River as a "cost-saving measure" under the direction of a state-appointed emergency manager.
Within weeks, City residents begin to complain about the water's color, taste, and odor, and to report rashes and concerns about bacteria.	
Summer 2014	Genesee County issues boil-water advisories after coliform bacteria are detected in tap water.
October 2014	A General Motors plant in Flint stops using municipal water, saying it corrodes car parts. Senior staff from the governor's office urged a return to the Detroit water system.
January 2015	*The city warns residents the water contains by products of disinfectants that may cause health issues including an increased risk for cancer over time.* The water is deemed safe for the general population, but the elderly and parents of young children are cautioned to consult with their doctors.
January 2015	Detroit's water system offers to reconnect to Flint, waiving a $4 million connection fee. Three weeks later, Flint's state-appointed emergency manager, declines the offer.
That month, the State of Michigan provided water coolers and bottled water to its employees in Flint.	
February 2015	**February 2015 -** The MDEQ notes some "hiccups" in the transition, including a buildup of TTHM, a cancer-causing byproduct of chlorine and organic matter. In a background paper submitted to Governor Rick Snyder, the MDEQ states that elevated TTHM levels are not an immediate health emergency because the risk of disease increases only after years of consumption. A Flint resident contacted the Environmental Protection Agency (EPA) regarding the extremely high levels of lead in her water. That week, EPA tells water personnel that a corrosion program should be in place.
March 2015	Veolia, a consultant group hired by Flint, reports that the city's water meets state and federal standards; it does not report specifically on lead levels.
June 5, 2015	*A group of clergymen and activists files a lawsuit against the city, charging that the river water is a health risk. The city attorney later says the lawsuit is baseless. (The case is dismissed in September.)*
June 24, 2015	EPA confirms "High Lead Levels in Flint, Michigan."
Summer - the governor's chief of staff notes that Flint residents did not believe their complaints were being heard.	
September	*A team from Virginia Tech that conducted a water quality study issues a preliminary report indicating 40% of Flint homes have elevated lead levels.*

(*continued*)

CASE STUDY *Continued*

	Dr. Mona Hanna-Attica of Hurley Hospital finds very high lead levels in children.
October 16, 2015	*The city switches back to Detroit water.* Residents are cautioned that it will take weeks for the system to be properly flushed out and there may be lingering issues. *The EPA establishes a Flint Safe Drinking Water Task Force.*
October - the governor establishes the Flint Water Advisory Task Force to review state, federal, and municipal actions and to offer recommendations.	
December 2015	December 14, 2015, Flint emergency declaration. January 4, 2016, Genesee County emergency declaration. January 5, 2016, State of Michigan emergency declaration. January 16, 2016, US federal emergency declaration. **January 12, 2016 -** The *Michigan National Guard is mobilized to help distribute bottled water.*
March 2016 **Flint Water Advisory Task Force FINAL REPORT** Commissioned by the Office of Governor Rick Snyder State of Michigan **March 2016** House Committee on Oversight and Government Reform. **Hearings on "Examining Federal Administration of the Safe Drinking Water Act in Flint"** **February 2017 -** The Michigan Civil Rights Commission issues a report: "The Flint Water Crisis: Systemic Racism Through the Lens of Flint." **July 2018 -** *The EPA inspector general* publishes a report that strongly *criticizes the local, state, and federal government's delayed response to the water crisis.*	

FIGURE 6.2
Timeline for Flint Water Crisis 2014–2015

Sources: Office of Governor State of Michigan, the Michigan Auditor General's Office, The United States Environmental Protection Agency, Michigan Civil Rights Commission

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Accountability The extent to which one must answer to higher authority—legal or organizational—for one's actions in society at large or within one's particular organizational position.

Bribery The giving or offering of anything of value with intent to unlawfully influence an official in the discharge of duties; a public official's receiving or asking for anything of value with the intent to be unlawfully influenced.

Code of ethics A statement of professional standards of conduct to which the practitioners of a profession say they subscribe. Codes of ethics are usually not legally binding, so they may not be taken too seriously as constraints on behavior.

Congressional oversight The total means by which the US Congress monitors the activities of executive branch agencies to determine if the laws are being faithfully executed.

Grand jury A group of citizens selected to review evidence against accused persons to determine whether there is sufficient evidence to bring the accused to trial—to indict or not to indict. A grand jury usually has from 12 to 23 members and operates in secrecy to protect the reputation of those not indicted. Grand juries have been both criticized for being easily manipulated tools in the hands of prosecutors and praised for protecting the rights of those falsely accused.

Hearings A legislative committee session for hearing witnesses. At hearings on legislation, witnesses usually include specialists, government officials, and representatives of those affected by the bills under study. Subpoena power may be used to summon reluctant witnesses. The public and press may attend open hearings but are barred from closed (executive) hearings.

Honor The internalized moral compass by which individuals ascertain correct behavior in public and private life; the perception by others of one's reputation for integrity.

Integrity The core of honor. Those who have integrity live up to their stated principles, values, and, most importantly, their word. A person whose word is his or her bond gives the full faith and credit of his or her whole being to keeping commitments.

Machiavellianism Referring to Niccolò Machiavelli (1469–1527), the Italian Renaissance political philosopher whose book of advice to would-be leaders, *The Prince* (1532), is the progenitor of all "how-to-succeed" books. Its exploration of how political power is grasped, used, and kept is the benchmark against which all subsequent analyses are judged. Machiavelli's amoral tone and detached analysis have caused him to be both soundly denounced as well as greatly imitated. While his name has become synonymous with political deception, no other writer has given the world such a brilliant lesson in how to think in terms of cold political power.

Pardon An executive's granting of a release from the legal consequences of a criminal act. This may occur before or after indictment or conviction. The US president's power to pardon people for federal offenses is absolute except for convictions in impeachment cases. A pardon prior to indictment stops all criminal proceedings. This is what happened when President Gerald Ford pardoned Richard M. Nixon in 1974 for all offenses that he "has committed or may have committed or taken part in while president."

Rule of law A governing system in which the highest authority is a body of law that applies equally to all (as opposed to the traditional "rule of men," in which the personal whim of those in power can decide any issue).

Scandal In religion, an offense committed by a holder of high office. The term has been popularized to cover the commission of any action considered a demeaning of the responsibilities of office by the holder of that office.

Standards of conduct A compendium of ethical norms promulgated by an organization to guide the behavior of its members. Many government agencies have formal codes (or standards) of conduct for their employees.

Watergate The scandal that led to the resignation of President Richard M. Nixon. Watergate itself is a hotel-office-apartment complex in Washington, DC. When individuals associated with the Committee to Reelect the President were caught breaking into the Democratic National Committee Headquarters (then located in the Watergate complex) in 1972, the resulting cover-up and national trauma was condensed into one word: Watergate. The term has grown to refer to any political crime or instance of bureaucratic corruption that undermines confidence in governing institutions.

Whistleblowing Federal statutes protect the actions of "whistleblowers" who disclose information that they reasonably believe is evidence of illegality, gross waste or fraud, mismanagement, abuse of power, general wrongdoing, or a substantial and specific danger to public health and safety. The Civil Service Reform Act of 1978 provided specific protection for whistleblowers at the federal level.

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Dobel, Patrick (1999) *Public Integrity*. Baltimore: Johns Hopkins Press. A reflective and somewhat provocative assessment—see especially his Chapter 6 "Getting Out—The Ethics of Resigning from Office."

Hankins, James (2019) *Virtue Politics: Soulcraft and Statecraft in Renaissance Italy.* Cambridge MA: Harvard University Press. Read this for a further exploration of Machiavelli and humanist political thought and its intriguing chapter dedicated to the question: can a good person participate in a corrupt government?

O'Leary, Rosemary (2020*) The Ethics of Dissent: Managing Guerilla Government*. Washington, DC: Sage: CQ Press. Now in its third edition, this is partly a case book, but more an inside look using real public administrators' experiences confronting ethical situations involving public policy dissents and professional political disagreements over policy ends and means.

Rohr, John A. (1989) *Ethics for Bureaucrats: An Essay on Law and Values*. New York: Marcel Dekker. The original presentation of the concept of regime values, which holds that the most fundamental principles of a polity—such as its constitution—should be the primary guide to ethical behavior.

CHAPTER 7

Public Administration and Organization Theory

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KEYNOTE: Seven Questions for Organization Theory in the Postpandemic Future

The major premise, if not basic rationale, for organizations is to direct, coordinate, and control the work performed by its employees and support personnel. This premise is as old as Adam Smith's treatise on the optimal organization of a pin factory in 1776 in *Wealth of Nations* espousing the economic, that is, management

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assumptions of the factory system and the division of labor. We need only fast forward to any of the early works of public administration to see this critical linkage. Leonard White's third chapter in his textbook, entitled "Some General Aspects of Organization," states this quite directly:

> A sound organization is intimately related to the effectiveness with which people can work. Poor organization, i.e., one in which the parts are not well laid out, in which there is duplication of work, lack of clear responsibility, poor coordination, loose supervision, ineffective delegation, leads directly to loss of human effort, confusion of purpose, conflict of wills, and at times near paralysis of movement. Good organization and smooth operation are inseparably connected. Even though competent personnel may make any organization work there is no sense in requiring them to work within a poor one.
>
> (White, 1939, p. 37)

This chapter aims to provide a guide to how organizational theory evolved as the size, scope, and scale of public sector organizations grew in the 20th century. Organization theory, along with the development of the executive budget system (see Chapter 12) were foundational elements in the development of public administration, but sometimes change comes in such an unexpected fashion and is so dramatic that it can shake even the core tenets of foundational thinking about how organizations should operate.

Certainly, that was the case in the early spring of 2020 when many offices and workplaces were abruptly closed as part of state-ordered lockdowns. The daily commute to the "office" for millions of American workers was replaced by remote work. While estimates vary, there's some consensus that prior to the COVID pandemic only about 6% of the US workforce were working remotely and over 75% of the US workforce had never worked remotely. Within three months, over one-third of those still working were doing so remotely. Professional and office-based occupations had 75% working remotely. This trend has extended into a statistic and has persisted, according to a spring 2021 Gallup poll which found, "On average during this period, 52% of all workers, including 72% of those in white-collar occupations and 14% in blue-collar occupations, have performed their job all or part of the time from home" (Gallup, 2021).

These remote work statistics, however, don't apply to many public sector organizations—certainly not public safety agencies like police, fire, and corrections and other essential occupations like health care, transit and public works, nor do they apply to the workers who staff nursing homes or homeless shelters or to the half million employees of the Postal Service. But they did apply to education, which is the largest public sector occupation.

There were science-based calculations which determined if the work is essential, how much risk was involved, and what was necessary to protect employees from harm. A good combination of applied organizational theory and occupational safety now provides assessments of different work settings based on whether a job requires a high or low degree of contact with others; physical proximity to others; and exposure to diseases or infections. So, schools were closed and educators worked remotely, while libraries, parks, and even Department of Motor Vehicles Offices at times were closed.

So, in 2022, after a massive though still continuing national and state effort to provide vaccines for the nation, schools are open and organizations are eager to return to the old normal. Public sector organizations are also anxious to return employees to the office. While it's too soon to tell whether the nation really is at the end of the last COVID wave, the return to the workplace has begun. This means it is appropriate to ask organizational theorists what was learned about how

organizations fared during COVID and what lies ahead. To that end, this keynote posits seven questions for starters:

1. Will the shift to remote work persist in the future?
2. How did remote work affect morale and engagement?
3. What about supervisors—do they want their workers back in their cubicles?
4. What about **productivity**—did it increase?
5. What about innovation—was there more or less without those cherished "chance meetings" that come out of face-to-face encounters in the office?
6. Is there a new model for the postpandemic organization?
7. And what about meetings—more or fewer? better or worse?

Answers are easy, as oftentimes they are based on surveys or anecdotes served up as evidence. What is provided here are examples of media and consulting reports that hint at a direction. Time will tell more, we hope, when we truly reach the beginning of the postpandemic future.

Question 1—Will organizations return to the old model—or does the shift to remote mean a new era is here?

No matter what organizations prefer, survey results show that those essential cogs in the machine—the workers—*would prefer not*. According to a 2020 Pew Research Center survey, there is a high likelihood of a significant shift in the way a large segment of the workforce operates in the future. Most workers who say their job responsibilities can mainly be done from home say that, before the pandemic, they rarely or never teleworked. Remember, 71% of those workers were doing their job from home all or most of the time. More than half, or 52%, want to keep working from home even after the pandemic (Pew, 2020).

Backing this up is a comprehensive research study titled "Why Working From Home Will Stick" that cites "evidence [of] five mechanisms behind this persistent shift to working from home: diminished stigma, better-than-expected experiences working from home, investments in physical and human capital enabling working from home, reluctance to return to pre-pandemic activities, and innovation supporting working from home" (Barrero et al., 2020).

Question 2—How did remote work affect morale and engagement overall?

It's best to keep morale and engagement separate. Given the sharp recession caused by COVID-19 in the spring of 2020 and the millions who were put on unemployment, simply keeping one's job could moderate one's morale score. Modern organization theory emphasizes engagement as the better metric, and here there are good survey tools that show that engagement among public sector workers increased during COVID. The Federal News Network reported the results of the latest scores under the title "In Spite of It All, Federal Employee Engagement Rises in 2020":

> In a year where a global pandemic completely upended operations for most agencies, the federal government saw employee engagement rise by nearly 4% in 2020 over the good overall, governmentwide employee engagement score improved to 72% in 2020, according to the latest results of the Federal Employee Viewpoint Survey, which the Office of Personnel Management released Monday. The 2020 FEVS shows improvements across all three conditions that OPM uses as a measure of employee engagement. The surveys are designed to take the pulse of

> the organizational climate within individual agencies, and they measure employee satisfaction with policies, programs and agency leadership.
>
> (Federal News Network, April 26, 2021)

Question 3—So what about supervisors—do they want their workers back in their cubicles?

Absolutely. The survey results do not show a pool of middle managers in organizations who prefer having their charges work remotely instead of in the office. Indeed, a 2021 survey by one of the leading professional human resources management associations revealed the following from the supervisors surveyed (Society for Human Resources Management, 2021)

- 67% admit to considering remote workers more easily replaceable;
- 62% believe full-time remote work is detrimental to employees' career objectives;
- 72% would prefer all subordinates work in the office.

While many supervisors and managers are supportive of remote work, most are opposed or skeptical at best. Oleg Khazan interviewed a number of executives to get their views and found the majority agree with the notion that the most "engaged" workers are those who want to work from the office most of the time and that employees are happier when they come to work (Khazan, What Bosses Really Think of Remote Workers, 2021). Obviously, this points to a growing clash between bosses who want to see their charges and employees who prefer not to come to the office or wherever. Khazan sees supervisors changing their minds in the future, however, quoting one chief development officer at a training and organization-development company who flipped his opinion on that, saying,

> Co-location was just the coercion strategy of the 19th century. We forced people into offices; we forced them to arrive at the same time and have lunch at the same time. . . . Managing remote work . . . takes effort, though, and not all bosses are willing to do it . . . Having a building really enables lazy leaders.
>
> (Khazan, 2021)

Question 4—What's the bottom line—did productivity increase under remote work?

Finally, there's a mixed answer. It depends on whom you ask. If you survey the employees who work remotely—the consensus among them is that they are more productive. They cite more time to do their work (less meetings, etc.) and time and energy saved by not having to commute to work. In the economics study cited earlier, the research concluded:

> Our data on employer plans and the relative productivity of WFH imply a 5% productivity boost in the post-pandemic economy due to reoptimized working arrangements, Only one-fifth of this productivity gain will show up in conventional productivity measures, because they do not capture the time savings from less commuting.
>
> (Barrero et al., 2020)

That's a positive, including coming up with a new term for the overused label of working remotely. But another major study shows a different result.

> Across a variety of measures, we find that hours worked increased, including a rise of 18% in working after normal business hours. Average output did not

> significantly change. Therefore, productivity fell by 10–25%. Time spent on coordination activities and meetings increased, but uninterrupted work hours shrank considerably. Employees also spent less time networking, and received less coaching and 1:1 meeting with supervisors. These findings suggest that communication and coordination costs increased substantially during WFH, and constituted an important source of the decline in productivity.
>
> (Gibbs, Mengel, & Siemroth, May 13, 2021)

Note that their preferred term—WFH (work from home)—differs from the other study's reoptimized working arrangements.

Question 5—There's also innovation—how did that fare?

There aren't many assessments of this dimension thus far. But there needs to be. Claire Cain Miller reviewed the idea in a *NYT* article entitled "Do Chance Meetings at the Office Boost Innovation? There's No Evidence of It." Sifting through most observations made by CEOs of business corporations (for whom innovation is paramount), she concluded that remote work may or may not lead to innovation, but there's little to suggest that being in the office 10 hours a day leads to it either.

She cites a Harvard Business School expert who dismisses the whole comparison;

> "There's credibility behind the argument that if you put people in spaces where they are likely to collide with one another, they are likely to have a conversation," said Ethan S. Bernstein, who teaches at Harvard Business School and studies the topic. "But is that conversation likely to be helpful for innovation, creativity, useful at all for what an organization hopes people would talk about? There, there is almost no data whatsoever. . . . All of this suggests to me that the idea of random serendipity being productive is more fairy tale than reality," he said.
>
> (Miller, *New York Times*, June 23, 2021)

Question 6—Is there a new model (yet) for the postpandemic organization?

Of course there is. As long as there are consulting firms there will be pronouncements of what the new organizational model needs to be for the next normal. We don't mean to make fun—such strategic thinking pieces are valuable for public administrators as well as organizational theorists. Even if you don't agree with the outline or the objectives of their designs, it gives us something to be thinking about.

FIGURE 7.1

Reinventing the organization à la McKinsey

Source: McKinsey Consulting (2020) Ready, Set, Go: Reinventing the Organization for Speed in the Post-COVID-19 era (p. 4)

McKinsey Consulting provides an interesting example of what they see as the hallmarks of the next new organizational design for the postpandemic future. Figure 7.1 shows their nine steps for increasing organizational speed—in a simple exhibit.

Question 7—What about meetings?

Of course, there will be meetings. There will always be meetings.

And no matter what your viewpoint on the value of meetings is, there clearly has been one major change led by technology. During 2020, as one business media source Market Watch (2021) noted, "Zoom earnings roared to nearly $1 billion in 2020, during a year of pandemic-influenced gains that made it a household name for users and investors—adjusted earnings grew by almost 10x, while adding $2 billion in revenue."

But whether meetings will be better or worse is another question.

THE ORIGINS OF ADMINISTRATION AND ORGANIZATIONAL MANAGEMENT

Civilization and administration have always gone hand in hand. Since ancient times, a city was defined by the walls created for its defense. Even today, many municipalities will award someone a key to the city in symbolic remembrance of a time when the only way into a city was through a locked gate in the wall. This meant that once primitive tribes gathered in cities—when they literally became *civilized* (meaning *to live in cities*)—they had to be sufficiently organized for war to build their stronghold and defend it from attackers. This necessitated a sophisticated system of administration. Cities without walls only became possible in relatively recent times, when an overarching state authority was able to impose peace over a large area.

Thus, the profession of management began and developed as the profession of arms. To the extent that the history of the world is the history of warfare, it is also the history of public administration—because war at the state level is literally impossible without an effective system of public administration behind it. Military officers are considered one of the first public administrators. Societies beyond the extended family only became possible with the rise of an officer class.

However, only gradually did these mob managers develop the organizational skills to command large armies and rule large areas. These early skills designed to organize logistics and command individuals constitute the most basic elements of all administrative processes. Hierarchy, line and staff personnel, logistics, and communications were all highly developed by ancient armies. Even *reform* is of military origin. After all, it means to once again ("re") organize the ranks ("form") for an additional assault—whether on another army or on a difficult management problem. And there is hardly any core concept in modern strategic thought that had not been anticipated by **Sun-Tzu** in ancient China. The word *strategy* itself comes from the ancient Greek, meaning "the art of the general."

In his landmark 1941 book *The Managerial Revolution*, James Burnham contended that as the control of large corporations passes from the hands of the owners into the hands of professional administrators, the society's new governing class would be the possessors not of wealth but of technical expertise. But Burnham should have also noted that his managerial revolution had deep roots and was in part present in the ancient Roman army. According to military historian John Keegan, "The Roman centurions, long-service unit leaders drawn from the best of the enlisted ranks, formed the first body of professional fighting officers known to

history" (Keegan, 1993, p. 263). This middle-management class transmitted from generation to generation the technical skills and discipline by which Rome dominated the world for five centuries. They were the managers who allowed the patrician governing class to exercise actual command. They were motivated by loyalty to their legion, pride in their profession, regular pay, and retirement payments that were an additional inducement to good behavior. Here is the beginning of the modern merit system. The West would not see its like again until Napoleon, espousing the best in French revolutionary idealism, announced, "careers open to talent" in both the civilian and military spheres.

The regulating of pay and pensions in ancient Rome was the key to maintaining the army—and to this end one of the first civil services was created by Emperor Augustus Caesar to raise the taxes necessary to support the legions. Thus, out of military necessity was born civilian public administration. The same Augustus would boast, "I found Rome a city of bricks and left it a city of marble." While spoken by an emperor, these are also the words of a proud municipal public works administrator.

While other "ancient kingdoms," such as Egypt and China, had sophisticated administrative institutions, the core features of modern public administration in the Western world are best seen in the Roman Empire. The Roman state was depersonalized. It existed independent of any political leader or king; it was not "owned" by anyone. Significantly, the state's public finances were separate from the private funds of its leadership. Second, it made use of a centralized hierarchical structure. At the top was the central government, then the province, and finally the diocese and further subdivisions. We think of a diocese as a unit or area under the command of a bishop or church official. But diocese originally referred to a governmental area in the Roman Empire, governed by an imperial vicar. The secular diocese was subdivided into provinces, each with its own governor; but, in the ecclesiastical adaptation of the system, the province became the larger territorial unit, administered by a metropolitan bishop and subdivided into dioceses.

These structures are still familiar, still in use. Finally, the Romans introduced several units of functional specialization that form the heart of most modern public administrative systems. They had organizational units for military affairs, finance, justice, and police. This last function was so broadly conceived that it included transportation, health, education, agriculture, and commerce.

Ever since the time of ancient Rome, young men have viewed a stint of service as a military officer as a logical prelude to larger public service or to greater political office. Indeed, during the days of the Roman Republic it was a condition of elective office that a candidate have a decade of military service. Not only was this a seasoning period for youths, it also was the only social institution that offered systematic training in administration. It was thought reasonable that those who could demonstrate the ability to command and administer should be considered legitimate candidates. This was also true throughout the 20th century. Most US presidents and countless lesser politicians have used their military experience as a springboard for their political careers. But the numbers of congressional representatives with military experience have dropped significantly over the past 30 years. In 1977, 80% of the Congress had served in the military, in 2020 only 17% have served (in the 117th Congress there were 91 total veterans: 17 in the Senate and 74 in the House; 28 were Democrats and 63 were Republicans).

Historians have long been in agreement that the history of the world can be viewed as the rise and fall of public administrative institutions. Those ancient empires that rose and prevailed for a while were those with better administrative institutions than their competitors. Brave soldiers have been plentiful in every

society, but they are ultimately wasted if not backed up by administrators who can feed and pay them. Marcus Tullius Cicero, the ancient Roman orator, is usually credited with first saying, "the sinews of war are infinite money" (Cicero, p. 116).

The Roman Empire fell when its legions degenerated into corps of mercenaries and when its supply and tax bases were corrupted. Napoleon was wrong. Armies do not "march on their stomachs," as he said; they march on the proverbial backs of the tax collectors and on the roads built by administrators. Regular pay allows for discipline. Strict discipline is what makes a mob an army. And a disciplined military, obedient to the leaders of the state, is a precondition for civilization. But that military also has to be cared for by its administrators. Those who look at the unexpected fall of Afghanistan to the Taliban in 2021 and question the willingness of the Afghan military units that had been trained by the West to defend the nation should also look at the claim that military and police units in the provinces hadn't been paid in months.

THE EVOLUTION OF ADMINISTRATIVE MANAGEMENT PRINCIPLES

Comparing Military and Civilian Principles

Authoritarian or traditional management is the classic model of military governance applied to civilian purposes. Managers under an authoritarian doctrine value order, precision, consistency, and obedience. To them, the power that flows from structure is supreme. Relationships are hierarchical, based on dominance and dependence. This authoritarian style has gradually given way to less centralized, more participative management styles—not because management developed an altruistic desire to be nice to the workers but because participation has proved to be more competent than authoritarianism when dealing with sophisticated workers. This change takes nothing away from the fact that at earlier times authoritarianism was the most competent management posture.

Since antiquity, the military has evolved principles about how its authoritarian organizations are best managed. While there are many versions of the principles of war that reflect local conditions, they all contain the same basic elements. Those elements having civilian applications have been incorporated into principles of management. Thus, concepts once military—such as **span of control** and **unity of command**—are now thoroughly civilian as well.

There is no royal road to administrative wisdom. There are no generally accepted principles of management, no one list on which there is general agreement. However, there is a principles approach that has its origins in the principles of war. While these precepts can be traced back to ancient times, for comparison's sake it is convenient to use the nine principles of war currently used by the US Army:

1. *Objective:* Direct every military operation toward a clearly defined, decisive, and attainable objective.
2. *Offensive:* Seize, retain, and exploit the initiative.
3. *Mass:* Concentrate combat power at the decisive place and time.
4. *Economy of force:* Allocate minimum essential combat power to secondary efforts.
5. *Maneuver:* Place the enemy in a position of disadvantage through the flexible application of combat power.
6. *Unity of command:* For every objective, ensure unity of effort under one responsible commander.

7. *Security:* Never permit the enemy to acquire an advantage.
8. *Surprise:* Strike the enemy at a time and/or place and in a manner for which he is unprepared.
9. *Simplicity:* Prepare clear, uncomplicated plans and clear, concise orders to ensure thorough understanding.

(*US Army Field Manual 100–5*, 1998)

All nine principles are not always important. But in any large-scale operation (especially successful ones), they are evident. Which ones dominate at any given time is a function of context, of the evolving situation. These principles are inherently interrelating and reinforcing. They represent the distilled science of war as it has evolved over thousands of years. If he or she is artful in execution, then victory, promotion, and acclaim will follow. If clumsy, then removal by death or disgrace will. Note that the principles of war (and management) are not really designed for experienced officers. These are instructions for the inexperienced. Military historian John Keegan even called them "words to the unwise."

For comparison—there are a large number of formulations of the principles of management from which to choose. The following are from **Catheryn Seckler-Hudson**, who wrote them in 1955 when she was dean of the School of Government and Public Administration at the American University. Her 12 principles, distilled from the literature of business and public administration and presented in her book *Organization and Management*, came with a warning label: "It should never be assumed that principles of organization are immutable laws to be applied automatically" (p. 42).

1. Policy should be defined and imparted to those who are responsible for its achievement.
2. Work should be subdivided, systematically planned, and programmed.
3. Tasks and responsibilities should be specifically assigned and understood.
4. Appropriate methods and procedures should be developed and utilized by those responsible for policy achievement.
5. Appropriate resources (men, money, material) in terms of availability and priority should be equitably allocated.
6. Authority commensurate with responsibility should be delegated and located as close as possible to the point where operations occur and decisions need to be made.
7. Adequate structural relationships through which to operate should be established.
8. Effective and qualified leadership should head each organization and each subdivision of the organization.
9. Unity of command and purpose should permeate the organization.
10. Continuous accountabilities for utilization of resources and for the production of results should be required.
11. Effective coordination of all individual and group efforts within the organization should be achieved.
12. Continuous reconsiderations of all matters pertaining to the organization should be a part of regular operations.

What is striking about the two lists is how the military list is more policy oriented, more leadership directed, than the civilian list. The latter seems more concerned with the routines of administration—as opposed to breaking new ground with innovation. The military principles seem more proactive or more appropriately aggressive. When used with common sense and attention to experience, the

principles of war can be useful for those public sector organizations forced to compete with private sector competitors.

The principles approach to management, whether of the civilian or military variety, was a pivotal development in the advancement of management as a profession. By the time business administration emerged as an academic field toward the end of the 19th century, it seemed only natural to take a principles approach to teaching management. But these early efforts at developing and teaching principles were authoritarian in that they were premised on the notion that all direction and innovation came from the top—that the people in power, while not necessarily having a monopoly on brains in the organization, had the only brains that mattered. Thus, success or failure was too often a function of how smart the boss was. As management and organization evolved, it focused on how to shape and structure an apparatus to implement the best ideas and plans of not just whomever the boss was but to carry out the larger mission and purpose of the entire organization.

WHAT IS ORGANIZATION THEORY?

An "organization" is a group of people who jointly work to achieve at least one common goal. A "theory" is a proposition or set of propositions that seeks to explain or predict something. The something in the case of organization theory is how groups and individuals behave in differing organizational arrangements. This is critically important information for any manager or leader. It is not an exaggeration to say that the world is ruled by the underlying premises of organization theory. This has been true ever since humankind first organized itself for hunting, war, and even family life. Indeed, the newest thing about organization theory is the study of it.

Only since the 20th century has intellectual substance and tradition been given to a field that was the instinctual artistic domain of adventuresome entrepreneurs and cunning politicos. It was artistic in the sense that it was done naturally without formal learning. Leaders in every field during every age used organization theory as naturally as they used their oratorical powers. In neither case did they need to intellectualize about it. Thus, the pirate captain in the 17th-century Caribbean, the revolutionary leader in 18th-century colonial America, and the suffragist leader in late-19th-century America were all organization theorists—because none of them could have made it as leaders without understanding, if only subliminally, how to structure and motivate a group.

Organization theory was always there in the authoritarian model offered by the military. While many of its premises were understood by the ancients, it did not coalesce as a self-conscious field of knowledge until society found a practical use for it—to help manage the ever-burgeoning national (as opposed to local) industries and institutions brought about by the industrial revolution. When the problems of managing an organization grew to be more than one head could cope with, the search for guidance on how to manage and arrange large-scale organizations became as noble a quest as the secular world of business could offer. If a commercial society ever had prophets, it was those pioneers of industrial engineering who claimed that the path to ever-greater prosperity was to be found in the relentless search for the "one best way." They were offering society a theory—abstract guidance for those who knew where they wanted to go but did not quite know how to get there. They already knew what social psychologist Kurt Lewin would assert years later: "There is nothing so practical as a good theory" (1951, p. 169).

What was once said of the first atomic bomb has also been said of the first US voyage to the moon: it was as much an achievement of organization as it was of

engineering and science. Have our more recent theories of organization kept pace with our industrial and technical achievements? Maybe. But certainly, yes, when they are compared with the "primitive" authoritarian management. Yet many of the basics remain the same—remain as givens. The laws of physics and gravity do not change with intellectual fashions or technological advances, nor do the basic social and physical characteristics of people. Just as those who would build spaceships begin by studying the physics of Isaac Newton, those who would design and manage organizations start with Frederick Taylor, Scottish economist Adam Smith, and French executive engineer Henri Fayol.

Most analysts of the origins of organization theory view the beginnings of the factory system in Great Britain in the 18th century as the birth point of complex economic organizations and, consequently, of the field of organization theory.

Classical Organization Theory

Classical organization theory, as its name implies, was the first theory of its kind, is considered traditional, and continues to be the base on which other schools of organization theory have been built. Its basic tenets and assumptions, however, which were rooted in the industrial revolution of the 1700s and the professions of mechanical engineering, industrial engineering, and economics, have never changed. They were only expanded on, refined, and made more sophisticated. Thus, an understanding of classical organization theory is essential not only because of its historical interest, but also, more importantly, because subsequent analyses and theories presume a knowledge of it.

The fundamental tenets of organization theory can be summarized as follows:

1. Organizations exist to accomplish production-related and economic goals.
2. There is one best way to organize for production, and that way can be found through systematic, scientific inquiry.
3. Production is maximized through specialization and division of labor.
4. People and organizations act in accordance with rational economic principles.

The evolution of any theory must be viewed in context. The beliefs of early management theorists about how organizations worked or should work were a direct reflection of the societal values of their times. And the times were harsh. It was well into the 20th century before the industrial workers of the United States and Europe began to enjoy even limited "rights" as organizational citizens. Workers were not viewed as individuals but as the interchangeable parts in an industrial machine whose parts were made of flesh only when it was impractical to make them of steel.

The advent of power-driven machinery and hence the modern factory system spawned our current concepts of economic organizations and organization for production. Power-driven equipment was expensive. Production workers could not purchase and use their own equipment as they once had their own tools. The memorable phrase for being fired—"get the sack"—comes from the earliest days of the industrial revolution, when a dismissed worker literally was given a sack in which to gather up his tools. Increasingly, workers without their own tools and often without any special skills had to gather for work where the equipment was—in factories. Expensive equipment had to produce enough output to justify its acquisition and maintenance costs.

Under the factory system, organizational success resulted from well-organized production systems that kept machines busy and costs under control. Industrial and mechanical engineers—and their machines—were the keys to production. Organizational structures and production systems were needed to take best advantage of the machines. Organizations, it was thought, should work like machines, using people, capital, and machines as their parts. Just as industrial engineers sought to design "the best" machines to keep factories productive, industrial and mechanical engineering-type thinking dominated theories about "the best way" to organize for production. Thus, the first theories of organizations were concerned primarily with the anatomy or structure of formal organizations. This was the milieu, or the environment, the mode of thinking, that shaped and influenced the tenets of classical organization theory.

Adam Smith and the Pin Factory

Centralization of equipment and labor in factories, division of specialized labor, management of specialization, and economic paybacks on factory equipment all were concerns identified by the Scottish economist Adam Smith (1723–1790) in his work *An Inquiry Into the Nature and Causes of the Wealth of Nations*. Smith and James Watt (1736–1819), the inventor of the steam engine, are the two people who are most often named as being responsible for pushing the world into industrialization.

BOX 7.1 Adam Smith on the "Division of Labour": The Invisible Hand

Every individual endeavours to employ his capital so that its produce may be of greatest value. He generally neither intends to promote the public interest, nor knows how much he is promoting it. He intends only his own gain. And he is in this led by an invisible hand to promote an end which was no part of his intention. By pursuing his own interest, he frequently promotes that of society more effectually than when he really intends it.

The way in which this business [pin making] is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches. . . . One man draws out the wire, another straights it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about 18 distinct operations. . . .

I have seen a small manufactory of this kind where ten men only were employed, and where some of them consequently performed two or three distinct operations. But though they were very poor, and therefore but indifferently accommodated with the necessary machine, they could, when they exerted themselves, make among them about 12 pounds of pins in a day. There are in a pound upwards of 4,000 pins of a middling size. Those ten persons, therefore, could make among them upwards of 48,000 pins in a day. Each person, therefore, making a tenth part of 48,000 pins, might be considered as making 4,800 pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made 20, perhaps not one pin in a day. . . . In every other art and manufacture, the effects of the division of labour are similar to what they are in this very trifling one.

Source: Adam Smith, *The Wealth of Nations* (1776)

Smith, considered the "father" of the academic discipline of economics, provided the intellectual foundation for laissez-faire capitalism. But Smith's *The Wealth of Nations* devotes its first chapter, "Of the Division of Labour," to a discussion of the optimum organization of a pin factory. Why? Because specialization of labor was one of the pillars of Smith's "invisible hand" market mechanism in which the greatest rewards would go to those who were the most efficient in the competitive marketplace.

Traditional pin makers could produce only a few dozen pins a day. When organized in a factory with each worker performing a limited operation, they could produce tens of thousands a day. Smith's chapter, coming as it did at the dawn of the industrial revolution, is the most famous and influential statement on the economic rationale of the factory system, even though factory systems had been known since ancient times. For example, in 370 bc, Xenophon described the division of labor in a shoe factory (Finley, 1999). But it was not until centuries later that the popularity of Smith's 1776 book revolutionized thinking about economics and organizations. Hence, 1776 is the year that is traditionally considered the starting point of organization theory as an applied science and academic discipline.

All formal organizations, whether Smith's 18th-century factory or the most sophisticated modern corporation, are *force multipliers* in the sense that they allow the combined individual efforts to be far greater than the sum of their parts. Smith's pin makers acting individually could make a few dozen pins a day at best; as a team, they could make many thousands. Proper organization thus means that two plus two does not equal four; it can "equal" many thousands.

THE ORIGINS AND DEVELOPMENT OF SCIENTIFIC MANAGEMENT

The basic problem with the traditional hierarchical organization was that it was dependent on the proper enculturation of individual supervisors at every level for its success. Under stable conditions, properly trained military officers and factory supervisors performed well. But as military affairs and factory production became increasingly unstable during the French Revolution, the Age of Napoleon, and the industrial revolution, mechanisms had to evolve to compensate for the inherent rigidity of the traditional hierarchy. Individual officers and supervisors, competent enough under stable conditions, became less competent under revolutionary conditions. Whether on the "field of honor" or the factory floor, they could not cope with the competition—organizations that adopted the major structural innovation of that era, the staff concept.

While traditional hierarchical organizations allowed leaders to extend their reach, the organization was still dependent on the necessarily limited intellectual energy at the top. But even the greatest mind with the best advisers has limits. The staff concept evolved to overcome the inherent limitations of a single mind and ever-fleeting time.

The Staff Concept

"Staff" refers to two mutually supporting ideas that gradually evolved in both military and civilian contexts. As the management function became increasingly complex and differentiated, managers started using assistants—secretaries and clerks at first, later personnel and purchasing specialists. This traditional use of staff was followed by the staff principle (or staff concept), which created a specific unit in the larger organization whose primary responsibility was to think and plan, to ponder

over innovations and plan for their implementation. Under the factory system that emerged from the industrial revolution, business success resulted from well-organized production systems that kept machines busy and costs under control. Industrial and mechanical engineers—and their machines—were the keys to production. Organizational structures and production systems needed constant tinkering and refining to take best advantage of ever-evolving technology. Organizations, it was thought, should work like machines, using people as their parts. Just as industrial engineers sought to design "the best" machines to keep factories productive, industrial and mechanical engineering-type thinking dominated theories about "the best way" to organize people for their role as part of the overall industrial machine.

Beginning with the industrial revolution (and Napoleonic-era military organizations), the staff concept has made ever-increasing inroads into the public and private sectors. Again, the concept was first formally instituted in the military, and it can be traced back to the ancient Greek armies of Alexander the Great. Generals have always had aides-de-camp—indeed, it's worth noting that Alexander Hamilton was Washington's aide-de-camp during the Revolutionary War. But the real modern military general staff principally originates from the Prussian military reforms that transformed an inefficient army into the foremost military machine in Europe by the middle of the 19th century. The Prussian, later German, general staff has been admired, though seldom fully imitated, for its efficiency by military analysts ever since. It consisted of a small group of the most intellectually able officers, drawn from the main officer corps relatively early in their careers, who then spent their professional lives in the central planning unit known as the general staff. This general staff then developed the strategies and tactics that Germany would use in future wars. By the end of the 19th century, all of the major military powers, including the United States and Japan, had adopted a variant of the German general staff for their militaries.

The general staff concept, modified to reflect local conditions, was increasingly adopted by burgeoning industrial and governmental organizations. In the latter part of the 19th century, American industrial engineers began asserting that factory workers could be much more productive if their work was designed scientifically. And who would these designers be? They would be the civilian counterparts of the military general staff. Their job was to conduct the research and do the planning that would make the organization more competitive relative to other organizations. Thus, **scientific management** grew out of engineering. The professional paper that many management historians considered to be the first call for scientific management was entitled "The Engineer as an Economist," and it was presented by **Henry R. Towne** at the 1886 meeting of the American Society of Mechanical Engineers. Those 19th-century engineers, whether educated at West Point or not, tended to know good principles when they saw them.

However, there were others working toward the larger objective of postulating a new theory for management. Some credit should be given to Charles Babbage, who in 1832 in his work *On the Economy of Machinery and Manufactures* anticipated many of the notions of the scientific management movement, including "basic principles of management" such as the division of labor. (Fortunately, Babbage need not feel unappreciated by history, as this mathematician, philosopher, inventor, and mechanical engineer originated the concept of a digital programmable computer and is considered by many to be "father of the computer.")

Others made notable contributions. In 1855 Daniel C. McCallum, in his annual report as superintendent of the New York and Erie Railroad Company, stated his version of six basic principles of general administration. They are listed as follows, although slightly abridged from management historian Alfred Chandler's account (1977, p. 102):

(1) A proper division of responsibilities.
(2) Sufficient power conferred to enable the same to be carried out.
(3) The means of knowing whether such responsibilities are faithfully executed.
(4) Great promptness in the report of all derelictions of duty.
(5) Such information to be obtained through a daily system of reports and checks.
(6) The adoption of a system as a whole, which will not only enable the General Superintendent to detect errors immediately but also point out the delinquent.

One can see the direction the principles were heading in. Thirty years later, Captain Henry Metcalfe, the manager of an army arsenal, publishes *The Cost of Manufactures and the Administration of Workshops, Public and Private*, which asserted that there is a "science of administration" that is based on principles discoverable by diligent observation.

Frederick W. Taylor and Scientific Management

The name most associated with scientific management was Frederick Winslow Taylor, who pioneered the development of **time-and-motion studies**, originally under the name "Taylorism" or "the Taylor system." Taylorism, or its successor, scientific management, was not a single invention but rather a series of methods and organizational arrangements designed by Taylor and his associates to increase the efficiency and speed of machine shop production. Premised on the notion that there was "one best way" of accomplishing any given task, Taylor's scientific management sought to increase output by using special staff to discover the fastest, most efficient, and least-fatiguing production methods.

Scientific management emerged as a national movement in the United States during a series of events in 1910. Some eastern railroads filed for increased freight rates with the Interstate Commerce Commission (ICC)—the then federal regulatory agency that oversaw interstate surface transportation. Louis D. Brandeis, the populist lawyer who would later be a Supreme Court justice, took the case against the railroads. He called in Harrington Emerson, a consultant who had "systematized" the Santa Fe Railroad, to testify that the railroads did not need increased rates: they could "save a million dollars a day" by using what Brandeis initially called "scientific management" methods. According to historians Harold Smiddy and Lionel Naum, this "sudden realization among business leaders everywhere that the then proudest industrial achievement, the system of railroads, was actually something less than the flawless gem of American enterprise, brought at last the needed widespread attention and support the management movement had lacked." It was a managerial epiphany similar to, but less nationwide in effect than, the shock of Sputnik in 1957. It was, as the saying went, "a hell of a way to run a railroad!" (Smiddy and Naum, 1954, p. 131).

At first Taylor was reluctant to use the phrase "scientific management" because it sounded too academic. But the ICC hearings meant that the national scientific management boom was under way, and Taylor was its leader. Taylor had a profound—indeed revolutionary—effect on the fields of business and public administration. His work and fame gave ever-increasing credence to the notion that organizational operations could be planned and controlled systematically by staff experts using scientific principles.

Taylor asserted, "the remedy for . . . inefficiency lies in systematic management, rather than in searching for some unusual or extraordinary man." Taylor sought "to prove that the best management is a true science, resting upon clearly defined laws, rules, and principles, as a foundation" (p. 8).

Frederick W. Taylor Born to wealth, he graduated from Phillips Exeter Academy in Exeter, New Hampshire, and passed the entrance exam to Harvard with honors but declined to go. Instead, he had family friends arrange a job for him as an apprentice pattern maker and machinist at the Enterprise Hydraulic Works of Philadelphia. In the following years he led a double life: a genuine member of the working class by day, who, on any night he wished, could be found in Philadelphia's most exclusive clubs. Indeed, in 1881 he won (with his brother-in-law) the first US Lawn Tennis Association doubles championship—at a time when tennis was the most upper class of sports. Meanwhile, he earned an engineering degree through correspondence at the Stevens Institute of Technology of Hoboken, New Jersey. As he advanced into management jobs, he never lost his understanding of workers, his hostility to poor supervision, and his profound belief that labor should be paid for performance, not mere attendance. Thus was formed his religious zeal to measure output as a means toward greater productivity and more equitable pay.

Source: Corbis

Taylor went further though and put his prescriptions into publication, beginning with a book entitled *Shop Management* in 1903. But what was to be a classic was his *Principles of Scientific Management*, which was an instant success when it was published in 1911 and has been in print ever since. Taylor's greatest public sector popularity came in 1912 after he presented his ideas to a Special Committee of the House of Representatives to Investigate the Taylor and Other Systems of Shop Management. Taylor's comprehensive statement of scientific management principles was focused on what he called the "duties of management":

1. Replacing traditional, rule-of-thumb methods of work accomplishment with systematic, more scientific methods of measuring and managing individual work elements.
2. The scientific study of the selection and sequential development of workers to ensure optimal placement of workers into work roles.
3. Obtaining the cooperation of workers to ensure full application of scientific principles.

4. Establishing logical divisions within work roles and responsibilities between workers and management.

Taylor's duties seem so obvious today, but they were revolutionary in 1912. Taylor himself even insisted in his *Principles of Scientific Management*, "scientific management does not necessarily involve any great invention, nor the discovery of new or startling facts." Nevertheless, it did "involve a certain combination of elements which have not existed in the past, namely, old knowledge so collected, analysed, grouped and classified into laws and rules that it constitutes a science" (pp. 139–140). Before leaving Taylor, however, the work of two of his associates should be noted. Although better known through movies based on their lives and their application of scientific management to the raising of their 12 children, Frank B. and Lillian M. Gilbreth produced many of the pioneering works on time-and-motion study, scientific management, and applied psychology,

Fayol's General Theory of Management

While the ideas of Adam Smith, Frederick Winslow Taylor, and the Gilbreths and others are still dominant influences on the design and management of organizations, it was Henri Fayol (1841–1925), a French executive engineer, who developed the first comprehensive theory of management. While Taylor was tinkering with the technology employed by the individual worker, Fayol was theorizing about all of the elements necessary to organize and manage a major corporation. Fayol's major work, *Administration Industrielle et Générale* (published in France in 1916), was relatively ignored in the United States until Constance Storr's English translation, *General and Industrial Management*, appeared in 1949. But Fayol's work was read by Luther Gulick and Lyndall Urwick and a section included in their classic 1937 collection *Papers on the Science of Administration*. Fayol's theoretical contributions have been widely recognized, and his work is considered fully as significant as that of Taylor.

Fayol believed that the concept of management was universally applicable to every type of organization. While he had six principles—(1) technical (production of goods); (2) commercial (buying, selling, and exchange activities); (3) financial (raising and using capital); (4) security (protection of property and people); (5) accounting; and (6) managerial (coordination, control, organization, planning, and command of people)—Fayol's primary interest and emphasis was on his final principle: managerial. The essence of modernizing management, Fayol pointed out, or how an enterprise "operates successfully," was dependent on organization as a core task of the "administrative function."

Here he specifically explained that organization entailed establishing a general program of activities, coordinating and harmonizing all other activities, and creating a social structure. His managerial principles on organization (14 in all) addressed such variables as division of work, authority and responsibility, discipline, unity of command, unity of direction, subordination of individual interest to general interest, remuneration of personnel, centralization, **scalar chain**s, order, equity, stability of personnel tenure, initiative, and esprit de corps or group morale.

Luther Gulick's POSDCORB and the Pursuit of a Science of Administration

Taylor's scientific management sought to increase output by discovering the fastest, most efficient, and least-fatiguing production methods. The job of the scientific

manager, once the "one best way" was found, was to impose this procedure on his or her organization. Classical organization theory derives from a corollary of this proposition. If there was one best way to accomplish any given production task, then correspondingly, there must also be one best way to accomplish any task of social organization—including organizing firms. Such principles of social organization were assumed to exist and to be waiting to be discovered by diligent scientific observation and analysis. Thus, the methodology used to divine the "one best way" to accomplish physical tasks was increasingly applied to the problem of social organization.

Luther Gulick's *Notes on the Theory of Organization* is without doubt the best-known statement of this "principles" approach to managing organizations. In 1937, he and Lyndall Urwick edited a collection entitled *Papers on the Science of Administration*. Originally this was intended to be a staff report for the Brownlow Committee. Overall, these *Papers* were a statement of the "state of the art" of organization theory. It was here that Gulick introduced his famous mnemonic, **POSDCORB**, which stands for the seven major functions of management:

- **Planning**, which is working out in broad outline the things that need to be done and the methods for doing them to accomplish the purpose set for the enterprise.
- **Organizing**, which is the establishment of the formal structure of authority through which work subdivisions are arranged, defined, and coordinated for the defined objective.
- **Staffing**, which is the whole personnel function of bringing in and training the staff and maintaining favorable conditions of work.
- **Directing**, which is the continuous task of making decisions and embodying them in specific and general orders and instructions and serving as the leader of the enterprise.
- **Coordinating**, which is the all-important duty of interrelating the various parts of the work.
- **Reporting**, which is keeping those to whom the executive is responsible informed as to what is going on, which thus includes keeping him- or herself and his or her subordinates informed through records, research, and inspection.
- **Budgeting**, with all that goes with budgeting in the form of fiscal planning, accounting, and control.

Gulick helped shape a critical distinction for public administration: that the study of management and administration was to be focused on the role of upper-level management and this guided by professionals. For readers of Fayol, POSDCORB will look somewhat familiar. Fayol posited in his work that there were five core functions or skill sets for professionals to manage through organization: planning, organizing, command, coordination, and control. These were essential to establish order, logic, clarity, and simplicity. Rather than argue who came first or what was lost or gained in translation, we might simply say that both of these pursuits of principles or precepts for management were on the same track.

But what does a principle of organization look like? These first took the shape of statements of purpose—definitions, if you will. They were then followed by rules and boundaries. An excerpt in the following box 7.2 from Lyndall Urwick illustrates 10 principles of organization. Principle 8 provides a good (if not very outmoded) example: *The principle of span of control—No person should supervise more than five, or at most, six direct subordinates whose work interlocks*.

(Do remember this is the 1950s before computers, email, and cubicles were invented.)

BOX 7.2 The 10 Principles of Organization by Lyndall Urwick (1952)

- *The principle of the objective—Every organization and every part of the organization must be an expression of the purpose of the undertaking concerned, if not therefore redundant.*
- *The principle of specialization—The activities of every member of any organized group should be confined, as far as possible, to the performance of a single function.*
- *The principle of co-ordination—The purpose of organizing per se, as distinguished from the purpose of the undertaking, is to facilitate co-ordination: unity of effort.*
- *The principle of authority—In every organized group the supreme authority must rest somewhere. There should be a clear line of authority to every individual in the group.*
- *The principle of responsibility—The responsibility of the superior for the acts of the subordinate is absolute.*
- *The principle of definition—The content of each position, both the duties involved, the authority and responsibility contemplated and the relationships with other positions should be clearly defined in writing and published to all concerned.*
- *The principle of correspondence—In every position, the responsibility and the authority should correspond.*
- *The principle of span of control—No person should supervise more than five, or at most, six direct subordinates whose work interlocks.*
- *The principle of balance—It is essential that the various units of an organization should be kept in balance.*
- *The principle of continuity—Re-organization is a continuous process: in every undertaking specific provision should be made for it.*

Urwick, *Notes on the Theory of Organization*, 1952

Even as Gulick wrote his "scientific" approach to management, it was being confronted by the more humanistic focus that would increasingly challenge it. On one front, the question was being posed—can a science of administration even prove the value of organizational principles? Alongside this emerging research were the theoreticians of the human relations and **behavioral science** approaches to management, who were very much contemporaries of Gulick. But probably the most devastating critique to the principles of classical organization theory came from Herbert Simon.

Herbert A. Simon's Influence

Herbert A. Simon was the first to seriously challenge the principles approach proposed by Fayol, Gulick, and others. Herbert Simon gained much of his early reputation by attacking the principles approach in his 1946 article condescendingly titled "The Proverbs of Administration." He denounced the whole principles approach to public administration that then dominated administrative thinking. He found the management principles of his era inconsistent, conflicting, and inapplicable to too many of the administrative situations facing managers. He concluded that they were little more than proverbs. Simon would later write in his memoirs that this article, which "secured my instant and permanent visibility in public administration," came "almost purely from the logical structure and internal inconsistency of the principles themselves. No experience of organization was required to detect it" (1946, p. 87).

Simon was also a firm believer that decision-making should be the focus of a new "administrative science." He wrote that organization theory is, in fact, the theory of the **bounded rationality** of human beings who **satisfice** because they do not

have the intellectual capacity to maximize. He was also the first analyst to draw a distinction between "programmed" and "unprogrammed" organizational decisions; he highlighted the importance of the distinction for management information systems. His work on administrative science and decision-making went in two major directions: first, he was a pioneer in developing the "science" of improved organizational decision-making through quantitative methods such as operations research and computer technology. Second, and perhaps even more important, he was a leader in studying the processes by which administrative organizations make decisions.

Herbert A. Simon (left) receiving the Nobel Prize in Economics from King Gustaf of Sweden on December 10, 1978. Simon is the only major public administration scholar and the first non-economist to be so honored.

Source: Corbis.

Neoclassical Organization Theory

Simon's direct attack on the principles approach was accompanied by others in the **human relations school**, who essentially argued that it is human motivation that is critical and that organizations are less about rationality and more about social accommodation of individuals. Their work—led by pathbreaking studies by Maslow, Mayo, and others will be discussed in depth in Chapter 8 focusing on organizational behavior. But out of this emerged a reformulation, if you will, of thinking about organizations—from means to ends—which is often labeled neoclassical organization theory.

There is no precise definition for *neoclassical* in the context of organization theory. The general connotation is that of a theoretical perspective that revises and/or is critical of classical organization theory—particularly for minimizing issues related to the humanness of organizational members, coordination needs among administrative units, internal-external organizational relations, and organizational decision processes. The major writers of the classical school did their most significant work before World War II. The neoclassical writers gained their reputations as organization theorists by attacking the classical writers after the end of the war. They sought to "save" classical theory by introducing modifications based on research findings in the behavioral sciences.

The neoclassical school was important first because it initiated the theoretical movement away from the oversimplistic mechanistic views of the classical school. The neoclassicists challenged some of the basic tenets of the classical school head-on—and they did so when the classical school was the only school. Organization theory and classical organization theory were effectively synonymous. Second, in the process of challenging the classical school, the neoclassicists raised issues and initiated theories that became central to the foundations of most of the schools or approaches to organization theory that have followed.

The Impact of Sociology

One of the major themes of the neoclassical organization theorists was that organizations did not—indeed, could not—exist as self-contained islands isolated from their environments. As might be expected, the first significant efforts to "open up" organizations (theoretically speaking) came from analysts whose professional identity required them to take a broad view of things—from sociologists. One such analyst was Philip Selznick, who in his 1948 *American Sociological Review* article, "Foundations of the Theory of Organization," asserted that while it is possible to describe and design organizations in a purely rational manner, such efforts can never hope to cope with the nonrational aspects of organizational behavior. In contrast with the classical theorists, Selznick maintained that organizations were made up of individuals whose goals and aspirations might not necessarily coincide with the formal goals of the organization—as opposed to consisting of just a number of positions for management to control. Neoclassical writers such as Simon and Selznick opened up the field of organization theory. Thereafter, it would be inherently interdisciplinary and open to the perspectives of sociology, cultural anthropology, political science, business administration, economics and, of course, public administration.

The other "attack" on classical organizational thought came from what might be called the **anti-bureaucracy school**. These critics argued that all those classical principles of organization are both counterproductive and harmful to the inhabitants

(too rigid, too many rules, too much hierarchy). Using as their source the characteristics of Max Weber's legal-rationalist model of bureaucracy, they attacked classical as "toxic" for organizational employees and nonresponsive to clients. The bureaucratic institutions of the modern state with their hierarchies of officials have their origins in ancient times; ever since, most large organizations, both in the public and private sectors, have been hierarchical structures. Thus, bureaucracy has always been one of the central concerns of organization theory. But before we can deal with the criticisms, we must explore the many meanings of the word itself.

THE MANY MEANINGS OF BUREAUCRACY

First, "the bureaucracy" is the totality of government offices or *bureaus* (a French word meaning "office") that constitute the permanent government of a state—that is, those public functions that continue irrespective of changes in political leadership. Modern Western-style bureaucracies originated in Europe when the governing affairs of centralized autocratic regimes became so complicated that it became necessary to delegate the king's authority to his representatives. American bureaucracy has never fully recovered from its nondemocratic European origins. This has allowed politicians to continually rejoice in attacking the "unresponsive" bureaucracy. At the same time, "good government" groups often contend that, once in office, politicians make the bureaucracy all too responsive to **special interests** instead of leaving it alone to impartially administer the programs for which it was originally established.

Second, "the bureaucracy" refers to all of the public officials of a government—both high and low, elected and appointed. Thus, the secretary of the treasury is a bureaucrat, but so is a lowly secretary in the Treasury Department. We typically think of a bureaucrat sitting at a desk shuffling papers on behalf of the citizenry. But most bureaucrats lead far more active lives. They are police officers, teachers, firefighters, scientists, and astronauts. While many fit the image and do sit behind a desk all day—somebody has to shuffle the papers—they are no more representative of bureaucrats as a whole than are other major categories such as trash collectors and street maintenance workers.

Third, bureaucracy is often used as a general invective to refer to any inefficient organization encumbered by red tape. The jokes made are seemingly endless. This does not mean that whatever government organization involved is always inefficient. Further, as legal scholar David Rosenbloom often points out, red tape for one person is another's due process.

Many government agencies have long-standing reputations for efficient operations. We do not hear much about them because normal everyday efficiency does not generate much publicity—and bad publicity is a long-lasting stain. For example, NASA has an extraordinary reputation for efficient operations. But the space shuttle disasters of 1986 and 2003 have been long-lasting stains. Nevertheless, efficient operations, whether in NASA, the Postal Service, or your municipality, are the norm in government. But widespread perceptions of inefficiency have given an additional meaning to the word *bureaucracy*.

Max Weber's Structural Arrangements as Foil

Bureaucracy refers to a specific set of structural arrangements. The dominant structural definition of bureaucracy—indeed, the point of departure for all further analyses on the subject—is that of the German sociologist **Max Weber**, who used an "ideal type" approach to extrapolate from the real world the central core of

features that would characterize the most fully developed bureaucratic form of organization. This ideal type is neither a description of reality nor a statement of normative preference; it is merely an identification of the major variables or features that characterize bureaucracy. The fact that such features might not be fully present in a given organization does not necessarily imply that the organization is not bureaucratic. It may be an immature rather than a fully developed bureaucracy. At some point, however, it may be necessary to conclude that the characteristics of bureaucracy are so lacking in an organization that it could neither reasonably be termed bureaucratic nor be expected to produce patterns of bureaucratic behavior.

Weber's ideal type of bureaucracy possesses the following characteristics:

1. The bureaucrats must be free as individuals; they can only be bossed around with respect to the impersonal duties of their offices.
2. The bureaucrats are arranged in a clearly defined hierarchy of offices, the traditional scalar chain wherein every bureaucrat has an unambiguous place—and knows his or her place!
3. The functions of each office are clearly specified in writing.
4. The bureaucrats accept and maintain their appointments freely—without duress. Slave bureaucrats, while once fashionable in the Ottoman Empire and Imperial China, are an inherent contradiction except within military or prison organizations.
5. Appointments to office are made on the basis of technical qualifications, which ideally are substantiated by examinations administered by the appointing authority, a university, or both.
6. The bureaucrats receive money salaries and pension rights, which reflect the varying levels of the hierarchy. While the bureaucrats are free to leave the organization, they can be removed from their offices only under previously stated, specific circumstances.
7. The office must be the bureaucrat's sole or at least major occupation.
8. A career system is essential; while promotion may be the result of either seniority or merit, it must be premised on the judgment of hierarchical superiors.
9. The bureaucrats do not have property rights to their office nor any personal claim to the resources that go with it.
10. The bureaucrat's conduct must be subject to systematic control and strict discipline.

While Weber's structural identification of bureaucratic organization (first published in 1922) is perhaps the most comprehensive statement on the subject in the literature of the social sciences, it is not always considered satisfactory as an intellectual construct. For example, Anthony Downs (1967, p. 25), in *Inside Bureaucracy*, argued that at least two elements should be added to Weber's definition. First, the organization must be large. According to Downs, "Any organization in which the highest-ranking members know less than half of the other members can be considered large." Second, most of the organization's output cannot be "directly or indirectly evaluated in any markets external to the organization by means of voluntary quid pro quo transactions." This latter element is what economist Ludwig von Mises meant when he said that the work of a government bureaucracy had "no cash value." It is not that the "successful handling of public affairs has no value, but that it has no price on the market, that its value cannot be realized in a market transaction and consequently cannot be expressed in terms of money" (Mises, 1944, pp. 24–25).

Definitions of bureaucracy apply equally to organizations in the public as well as the private sector. However, public sector bureaucracies tend to operate in a somewhat different climate from those in the private sector. What has come to be known as the "third sector"—nonprofit organizations such as hospitals, universities, and foundations—would analytically be classed with public organizations because of the lack of free market forces on them. In short, bureaucracy is best conceptualized as a specific form of organization, and public bureaucracy should be considered a special variant of bureaucratic organization. Yet in the popular imagination, a bureaucracy is any organization in which people arranged in hierarchical ranks have to obey lots of rules.

"MODERN" STRUCTURAL ORGANIZATION THEORY

Usually when someone refers to the structure of an organization, that person is talking about the relatively stable relationships among the positions and groups of positions (units) that comprise the organization. Structural organization theory is concerned with vertical differentiations—hierarchical levels of organizational authority and coordination, and horizontal differentiations between organizational units—for example, between product or service lines, geographical areas, or skills. The organizational chart is the ever-present "tool" of a structural organization theorist.

The label "modern" is used to distinguish the more recent writers of structural organization theory from the pre–World War II classical theorists such as Taylor and Weber. Management analysts Lee Bolman and Terrence Deal identified the basic assumptions of the "modern" structural school:

1. Organizations are rational institutions whose primary purpose is to accomplish established objectives; rational organizational behavior is achieved best through systems of defined rules and formal authority. Organizational control and coordination are key for maintaining organizational rationality.
2. There is a "best" structure for any organization—or at least a most appropriate structure—in light of its given objectives, the environmental conditions surrounding it (for example, its markets, the competition, and the extent of government regulation), the nature of its products and/or services (the "best" structure for a management consulting firm probably is substantially different from that for a certified public accounting firm), and the technology of the production processes (a coal mining company has a different "best structure" than the manufacturer of computer microcomponents).
3. Specialization and the division of labor increase the quality and quantity of production—particularly in highly skilled operations and professions.
4. Most problems in an organization result from structural flaws and can be solved by changing the structure.

Mechanistic and Organic Systems

The most immediate issue in the design of any organization is the question of structure. What should it look like? How should it work? How will it deal with the most common structural questions of specialization, departmentalization, span of control, and the coordination and control of specialized units? A famous example of structural organization theory in action was provided by two British researchers: Tom Burns and G.M. Stalker of the Tavistock Institute in London. They developed

a widely cited theory of "mechanistic" and "organic systems" of organization, while examining rapid technological change in the British and Scottish electronics industry.

Burns and Stalker found that stable conditions might suggest the use of a mechanistic form of organization, where a traditional pattern of hierarchy, reliance on formal rules and regulations, vertical communications, and structured decision-making is possible. However, more dynamic conditions—situations in which the environment changes rapidly—require the use of an organic form of organization where there is less rigidity, more participation, and more reliance on workers to define and redefine their positions and relationships. For example, technological creativity, an essential ingredient in an organic system, requires an organizational climate and management systems that are supportive of innovation. The impacts of these two organizational forms on individuals are substantially different. Supervisors and managers find that the mechanistic form provides them with a greater sense of security in dealing with their environment than the organic form, which introduces much greater uncertainty. Thus, either form may be appropriate in particular situations.

SYSTEMS THEORY

By the end of the 20th century, the social sciences have increasingly used systems analysis to examine their assertions about human behavior. The field of management, which to the extent that it deals with human resources can be said to be a social science, has been no exception.

Systems theory views an organization as a complex set of dynamically intertwined and interconnected elements, including its inputs, processes, outputs, feedback loops, and the environment in which it operates and with which it continuously interacts. Any change in any element of the system causes changes in other elements. The interconnections tend to be complex, dynamic (constantly changing), and often unknown. Thus, when management makes decisions involving one organizational element, unanticipated impacts usually occur throughout the organizational system. Systems theorists study these interconnections, frequently using organizational decision processes and information and control systems as their focal points for analysis.

Whereas classical organization theory tends to be one-dimensional and somewhat simplistic, systems theories tend to be multidimensional and complex in their assumptions about organizational cause-and-effect relationships. The classicalists viewed organizations as static (unchanging) structures; systems theorists see organizations as continually changing processes of interactions among organizational and environmental elements. Organizations, not being static, are in constantly shifting states of dynamic equilibrium. The maintenance of this dynamic equilibrium was the task referred to in the title of the 1938 classic *The Functions of the Executive*, by **Chester I. Barnard**. Barnard viewed organizations as cooperative systems where "the function of the executive" was to maintain the dynamic equilibrium between the needs of the organization and the needs of its employees. In order to do this, management had to be aware of the interdependent nature of the formal and informal organization. Barnard's analysis of the significance and role of informal organizations provided the theoretical foundations for a whole generation of empirical research.

Cybernetics and Complex Adaptive Systems

Because organizations are adaptive systems that are integral parts of their environments, they must adjust to changes in their environment if they are to survive; in turn, virtually all of their decisions and actions affect their environment.

FIGURE 7.2
Norbert Wiener's model of an organization as an adaptive system, from *Cybernetics*

Norbert Wiener's model of an organization as an adaptive system, from his 1948 book *Cybernetics*, epitomizes the basic theoretical perspectives of the systems perspective. *Cybernetics*, from a Greek word meaning "steersman," was used by Wiener to mean the multidisciplinary study of the structures and functions of control and information processing systems in animals and machines. The basic concept behind cybernetics is self-regulation—biological, social, or technological systems that can identify problems, do something about them, and then receive feedback to adjust themselves automatically. Wiener, a mathematician, developed the concept of cybernetics while working on antiaircraft systems during World War II. Variations on this simple model of a system have been used extensively by systems theorists for many years—particularly around the development and use of management information systems. Figure 7.2 illustrates the model.

The systems approach is strongly cause-and-effect oriented (logical-positivist) in its philosophy and methods. In these respects, systems theories have close ties to Taylor's scientific management approach. Whereas Taylor used quantitative scientific methods to find "the one best way," the systems theorist uses quantitative scientific methods to identify cause-effect relationships and to find optimal solutions. In this sense, the conceptual approaches and purposes between the two perspectives are strikingly similar. Thus, systems approaches are often called management sciences or administrative sciences. (However, one should never make the unpardonable error of calling them scientific management!) Contemporary public administrators have increasingly turned to the study of complex adaptive systems and have become increasingly interested in thinking about organizations as networks or systems capable of reacting to very quickly changing circumstances and threats.

Collaborative Management

This has led to another major change in thinking about management and organizations is understanding what happens on the boundaries—when organizations act in concert with each other—or in some form of networked relationship. This goes

beyond simply extending the logic of intergovernmental relations. Traditional management functions à la POSDCORB—planning, organizing, personnel, finance, work procedures, and control—are internally and institutionally focused. A new model for organization and management has emerged that focuses on how managers should operate in multi-organizational arrangements—that is, on and around their boundaries. Often these multi-organizational arrangements include private and nonprofit sector entities, networks, alliances, consortiums, partnerships, and other hybrid organizations.

Robert Agranoff's work *Collaborating to Manage* (2012) takes the model one step further, demanding that

> Public bureaucracies gear their structures and operations to external as well as internal work . . . and as a result become more a "conducive agency" that . . . dismantle[s] the boundaries of its structure and functions by connecting with a variety of external organizations and interests to strategically and operationally enhance its performance.
>
> (2012, p. 2)

As Figure 7.3 illustrates, this necessitates a shift from viewing organizations as pyramids and more as orbiting constellations.

Joseph Nye made this argument for a new model for framing organizations a decade earlier when he argued that the pressures of globalization, technology, and marketization were forcing organizations to abandon centralization as the defining approach to management for diffusion. Recall Daniel Bell's quote, "the nation-state has become too small for the big problems of life and too big for the small problems" (Nye, 2002, p. 4), government action will give way to governance. Organizations, if they wish to be relevant, must follow suit and abandon command, control, and coordination for cooperation, collaboration, and engagement.

FIGURE 7.3
Changing the focus of organizations

Source: Adapted from Agranoff, 2012

RETHINKING THE ORGANIZATION OF THE FUTURE

A half century ago, one of public administration's leading-edge thinkers, Warren Bennis, wrote an article for one of the Personnel Management journal predicting "the end of bureaucracy" and the rise of new structures and social systems better suited to the demands of society. Numerous organizational theorists writing in the 1960s made the case that a "new environment" with different social economic and technological forces was changing the prerequisites for successful organizational performance. While this was a different critique from that of the human relations school, or the psychologists who criticized classical organizations for not understanding the true nature of motivation or an individual personality theory, it supplemented the case that bureaucracy was poorly suited to dynamic change.

Warren Bennis, an influential university president, wrote to a larger audience—especially for people in government—explaining the arrival of these new forces and the conflicts they would create for organizations that persisted in following bureaucracy precepts. Ironically, many examples of more dynamic organizations that he touted as new models would soon themselves be largely failures. But in terms of understanding the larger forces in the environment and how organizations needed to be redesigned to adapt to the future, Bennis was wrong enough to be dangerously right.

He raised a number of issues—what he called tensions or human problems confronting contemporary organizations (1967). He enumerated five problems that bureaucracy could not then (or ever) adequately solve:

- integration: how to integrate individual needs and organizational goals
- social influence: how to distribute power and sources of power and authority
- collaboration: how to produce mechanisms for the control of conflict
- adaptation: how to respond appropriately to changes induced by the environment
- revitalization: how to respond to the problems of growth and decay

(Bennis, 1967)

And, of course, Bennis was wrong in his prediction about the end of bureaucracy. But his questions were just as right then as they are now in a new era dominated by networks and new forms and mediums of communication and public interrelations (social media), not to mention the challenge of remote work.

Bennis might better have made use of Winston Churchill's (1942) words on predicting change in how organizational theory has shaped thinking in public administration and how bureaucracy behavior affects modern organizational performance: "Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning."

CASE STUDY A New Organizational Chart for the County of Los Angeles?

Some Quick Facts about Los Angeles County

- In terms of population, Los Angeles County at 10.1 million people (2018 US Census) would rank 10th behind only the states of California, Texas, Florida, New York, Illinois, Pennsylvania, Ohio, Georgia,

and North Carolina. Its population exceeds the District of Columbia 15 times and the Commonwealth of Puerto Rico between three to four times (the next two candidates for statehood).

- Its land area (4,058 square miles) is nearly four times bigger than Rhode Island and almost twice the size of Delaware.
- Los Angeles County's economic GDP exceeds all but nine US states.
- The county government has 36 departments, with a workforce of nearly 100,000 and total annual budget expenditures over $35 billion.

It's not often that a government organizational chart makes the front page of a national newspaper, but there it was in the July 7th edition of the *LA Times* (above the fold, no less) announcing a reorganization of county government. An excerpt appears in Figure 7.4.

FIGURE 7.4
Changing Organizational Reporting Structure for Los Angeles County

Source: *LA Times*, July 7, 2015, p. 1)

Calling the five supervisors "The Five Kings," the *LA Times* explained:

> On Tuesday, the Los Angeles County Board of Supervisors decided to grant themselves even more power over the working of the vast bureaucracy. The board unanimously approved a plan that would weaken the role of the county's chief executive officer and give the five board members the authority to hire and fire department heads and work more directly within county government's myriad agencies.
>
> (*LA Times*, July 7, 2015)

As the before and after chain of command figures displayed in Figure 7.4 show, department heads would now deal directly with the board of supervisors while the chief executive officer would be reduced to exercising

(*continued*)

CASE STUDY *Continued*

some administrative oversight functions. Further, once the board of supervisors affirmed their decision to change from a strong CEO model to a decentralized organization structure, the board quickly eliminated five deputy CEO positions that presided over program groupings of agencies by issue areas (e.g., public safety, health and family issues, municipal services, etc.). To get a better sense of how the board would now manage its nearly 100,000 county workforce, a one-page organizational chart follows. It should be noted that some departments—headed by the sheriff, the district attorney, and the assessor, which are elected positions—do not report to the board.

It should also be noted that while the rejection of the strong county CEO model was tied to bitter disagreements and feuds between some of the supervisors and the CEO at the time, the model itself had only been in existence for eight years. The board of supervisors heralded the merits of their decision as a means to facilitate "increased communication and collaboration, streamlines governance and eliminates unnecessary layers of management, and allows the Board of Supervisors to concentrate on establishing policy and ensuring effective service delivery."

In response, perhaps to some surprise, the grand jury for LA County decided in 2015 to pursue its own examination of the board's reversal decision. (Yes, in California, each county can organize a civil grand jury to investigate the operations of different functions and agencies of local government. Each civil grand jury makes its own decision as to what it will investigate during its term.)

The grand jury report—under the interesting title "Politics 101: Observations on Los Angeles County Governance"—lambasted the board's decision and offered the following recommendations. Per their executive summary:

- The County Grand Jury (CGJ) found that while it may be premature to determine the long-term impact of the change in governance structure, the structure's short-term impact is to displace long-term goals.
- The CGJ found that, under the present system enacted in July 2015, BOS intended that the direct communication between it and county departments would lead to more efficient conduct of public business. BOS motions proliferate, however, and departments find it difficult to adjust to BOS's constantly changing priorities.
- The CGJ found that the CEO no longer tempers the heat of the BOS—say no—or to advocate on behalf of departments.
- The CGJ found that there is no structured form of communication between BOS and department heads, nor does BOS meet with all departments on a regular basis.

They further noted their concern that the "impact of term limits has not been felt yet, each Supervisor's emphasis on parochial interests will only increase as their term in office is limited." Rather than accuse the board

directly, they concluded with a blistering editorial comment from the *LA Times*:

> county government is not a game. It's the chief provider of human services and vital infrastructure to a region of 10 million people. Who's in charge? With the five-member committee that is the Board of Supervisors, who knows? The members make up a sort of legislature with no executive, yet at the same time they are a kind of five-headed executive with no legislative oversight. They are a family of squabbling brothers and sisters trying to manage the house in the absence of their parents, each sibling sniping about the others while forming, breaking and re-forming alliances in order to move their various agendas. They are a comically constituted group with deadly serious business to perform for their constituents.
>
> (Editorial Board, "Grading L.A. County," *Los Angeles Times*, March 12, 2016. http://graphics.latimes.com/grading-la-county-2016/)

The grand jury then asked for a reply within 90 days—and received a polite "thanks but no thanks" to their recommendations. Perhaps the grand jury didn't help their case when toward the end of their recommendations list, they added that given the growth of the county, the composition of the board should be increased to 10 or 11 supervisors. And being good stewards of the public purse, they calculated that the cost of additional Supervisors should be a zero-sum game by taking the current budgeted amount for the Supervisors and their staff, and dividing that by 11. Currently each Supervisor's office budget is $3.4 million or $17 million for all five.

Note that supervisors salaries are $214,601 annually (same as that set by the State Legislature for Superior Court judges).

Case Discussion Questions

1. What is the "political" case for making the county's top management executive basically an administrative position and having the majority of the county's departments report directly to the board of supervisors? (The current county organization chart can be found in Figure 7.5).
2. In reviewing the grand jury's report and recommendation, what is the "management" case for reinstating the county CEO position either as an appointed or, as in other major urban counties, an elected official to the public and having the county's departments report to the CEO?
3. Which case do you find the more persuasive? Why?
4. In light of the subsequent decision by the board of supervisors to reject the grand jury's recommendations, do you think the CEO position should be renamed chief administrative officer? (For the record, the current annual salary for the county CEO position is just under $500,000.)

(*continued*)

CASE STUDY *Continued*

FIGURE 7.5

Government organization for the County of Los Angeles

Source: Departments, Commissions & Related Agencies—County of Los Angeles (lacounty.gov)

CASE STUDY REFERENCES

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Barnard, Chester I. (1886–1961) The Bell System executive closely associated with the Harvard Business School, best known for his sociological analyses of organizations that encouraged and foreshadowed the post–World War II behavioral revolution.

Behavioral science A general term for all of the academic disciplines that study human and animal behavior by means of experimental research. The phrase was first put into wide use in the early 1950s by the Ford Foundation to describe its funding for interdisciplinary research in the social sciences and by faculty at the University of Chicago seeking federal funding for research—and concerned in an era of McCarthyism that their social science research might be confused with socialism.

Bounded rationality The "bounds" that people put on their decisions. Because truly rational research on any problem can never be complete, humans make decisions on satisfactory as opposed to optimal information (from Herbert Simon).

Gulick, Luther (1892–1993) Often called the dean of American public administration, Gulick was intimately involved with the pioneering development and installation of new budget, personnel, and management systems at all levels of government. He was a founder of the Institute of Public Administration, the American Society for Public Administration, and the National Academy of Public Administration.

POSDCORB The mnemonic device invented by Luther Gulick in 1937 to call attention to the various functional elements of the work of a chief executive. The acronym stands for planning, organizing, staffing, directing, coordination, reporting, and budgeting.

Productivity The measured relationship between the quantity (and quality) of results produced and the quantity of resources required for production. Productivity is, in essence, a measure of the work efficiency of an individual, a work unit, or a whole organization.

Satisfice Accept a satisfactory and sufficient amount of information on which to base a decision. Herbert Simon invented this word to help explain his theory of bounded rationality.

Scalar chain The chain of supervisors from the top of an organization to the bottom.

Scientific management A systematic approach to managing that seeks the "one best way" of accomplishing any given task by discovering the fastest, most efficient, and least fatiguing production methods.

Seckler-Hudson, Catheryn (1902–1963) A pioneer in developing the "nuts and bolts" of public management technology, she was the author of many groundbreaking works on public sector planning, budgeting, and organization.

Simon, Herbert A. (1916–2001) The winner of the 1978 Nobel Prize in economics for his pioneering work in management decision-making.

Span of control The extent of an administrator's or agency's responsibility. The span of control has usually been expressed as the number of subordinates that a manager should supervise.

Sun-Tzu (4th century bc) The ancient Chinese writer whose essays, traditionally published as *The Art of War*, have influenced all Western military analysts since they were first available in European editions in the late 18th century.

Systems theory A view of an organization as a complex set of dynamically intertwined and interconnected elements, including its inputs, processes, outputs, feedback loops, and the environment in which it operates and with which it continuously interacts.

Taylor, Fredrick (1856–1915) Taylor, often known as the founder of scientific management, had a great influence on developing methods to improve the efficiency of administration and public policy. A website at < https://library.stevens.edu/archives/special-collections/fwtaylorcollection> maintains his archives, which consist largely of Taylor's personal and work-related correspondence, including his communications with companies interested in implementing scientific management.

Time-and-motion studies Various techniques for establishing time standards for the performance of manual work.

Towne, Henry R. (1844–1924) An early scientific management advocate whose efforts predated and influenced Frederick W. Taylor.

Unity of command The concept that each individual in an organization should be accountable to a single superior.

Weber, Max (1864–1920) The German sociologist who produced an analysis of an ideal-type bureaucracy that is still the most influential statement—the point of departure for all further analyses—on the subject. Weber also pioneered the concepts of the Protestant ethic, charismatic authority, and a value-free approach to social research.

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Agranoff, Robert (2012) *Collaborating to Manage*. Washington, DC: Georgetown University Press. An in-depth look at collaborative management and the requirements that the core tenets of organizational theory shift from POSDCORB to managing across boundaries; effectively becoming conducive organizations.

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Fisman, Ray and Tim Sullivan (2013) *The Org: The Underlying Logic of the Office*. New Jersey: Princeton University Press. The counter book to all those who thought hierarchy and rules are outmoded—and why the underlying logic of old organizations will not only prevail but become appreciated.

Lipsky, Michael J. *Street-Level Bureaucracy: Dilemmas of the Individual in the Public Services* (30th Anniversary Edition). Still the classic assessment of how bureaucracy works and how public servants work bureaucracy—to be read after brushing up on Max Weber.

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CHAPTER 8

Organizational Behavior

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KEYNOTE: The Dangers of Groupthink

In a classic 1951 article "Effects of Group Pressure Upon the Modification and Distortion of Judgments," social psychologist Solomon Asch described his investigations into the ways individuals cope when a group's majority opinion is contrary to the facts of a situation. Asch put lone experimental subjects in rooms with people who had been instructed to give blatantly wrong answers to factual questions—for example, saying a chair was green when it was obviously blue. Only the experimental subjects did not know what was going on. Although a slim majority of subjects

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retained their independence and reported the facts accurately, a sizable minority of them altered their judgment to match that of the majority. When faced with a group opinion that was obviously wrong, they were not willing to report what they saw. They changed their minds.

Asch's experiments provided dramatic evidence of group impacts on people in organizations. From a managerial perspective, they showed why it is extremely important to focus attention on a work group's beliefs, values, and composition. But for the most part, informal groups are outside of the formal organization's direct sphere of influence.

Twenty years after Asch's experiments, psychologist Irving Janis published what became the benchmark study on "groupthink." Like Asch, Janis (1972) explored pressures for conformance—the reason that social conformity is encountered frequently in groups. But unlike Asch's experimental use of college students, Janis looked at high-level decision makers at the time of the following major fiascos:

- The 1941 failure to prepare for the Japanese attack on Pearl Harbor. This brought the United States into World War II.
- The 1950 decision during the Korean War to send General Douglas MacArthur to the Yalu River, the boundary between North Korea and China. This provoked Chinese intervention and expanded the war.
- The 1961 decision to allow an American-sponsored invasion of Cuba by expatriate Cubans trained by the CIA to overthrow the government of Fidel Castro. The landing at the Bay of Pigs was a total failure and a major embarrassment to the Kennedy administration.

According to Janis, groupthink is "the mode of thinking that persons engage in when concurrence seeking becomes so dominant in a cohesive in-group that it tends to override realistic appraisal of alternative courses of action." Thus, a "desperate drive for consensus at any cost . . . suppresses dissent"—and information that might encourage or support dissent as well. The organizational culture that allows groupthink also stifles information. Janis identified eight easily observable symptoms of groupthink that lead to incompetent—and sometimes disastrous—decisions:

1. An illusion of invulnerability.
2. Collective construction of rationalizations that permit group members to ignore warnings or other forms of negative feedback.
3. Unquestioning beliefs in the morality of the in-group.
4. Strong, negative, stereotyped views about the leaders of enemy groups.
5. Rapid application of pressure against group members who express even momentary doubts about virtually any illusions the group shares.
6. Careful, conscious, personal avoidance of deviation from what appears to be a group consensus.
7. Shared illusions of unanimity of opinion.
8. Establishment of mind guards—people who "protect" the leader and fellow members from adverse information that might break the complacency they shared about the effectiveness and morality of past decisions.

Were it not so politically polarized, we could point to former president Trump's inability (perhaps unwillingness is the better term) to deal with his election loss in 2020 despite any legally defensible evidence to the contrary. Is the belief of a significant number of his supporters that the election was stolen another variation of groupthink?

The groupthink phenomenon is hardly limited to high-level decision makers in the government. Groupthink tends to occur when individuals value membership in a group and identify strongly with their colleagues. It may also occur because the group leader does not encourage dissent or because of stressful situations that make the group more cohesive. In essence, group members suppress doubts and criticisms about proposed courses of action, with the result that the group chooses riskier and more ill-advised policies than would otherwise have been the case. Groupthink, because it refers to a deterioration of mental efficiency and moral judgment due to in-group pressures, has now developed an invidious connotation. Janis concluded that groupthink has a negative influence on executive decision-making because it leads to an overestimation of the group's capabilities and a self-imposed isolation from new or opposing information and points of view.

Groupthink continues as a dimension of organizational behavior that needs to be continually reassessed. It was attributed to NASA's tragic decision to launch the *Challenger* on its 10th mission on January 28, 1986, when objections by technical personnel were dismissed and ignored. It also seems to have played a major role in the decision to go to war with Iraq in 2003. The major justification for the war was the fallacious assumption that Iraq had weapons of mass destruction. This was something that "everybody" believed. The few dissenting voices were ignored or dismissed as uninformed. Nevertheless, after it became evident that the dreaded weapons did not exist, the Bush administration simply took the view that while it was wrong on this point, the war was still more than justified on other grounds. This attitude, as well as the increasing number of American dead and wounded in the war, led to a steady decline in public support of the war as well as a concomitant decline in President Bush's personal popularity (as of summer 2021, the US Department of Defense's casualty website lists 4,431 total deaths [including both killed in action and non-hostile] and 31,994 wounded in action [WIA] as a result of the Iraq War).

Some group organizational theorists have looked at the lessons learned from leadership failures, where overconfidence and a rush to consensus were driving forces, and ask—is there a different path? Karl Weick and Kathleen Sutcliffe in a 2002 work entitled *Managing the Unexpected: Assuring High Performance in an Age of Complexity* looked at organizations that are more concerned about potential failure than the pursuit of success. Organizations that come to mind are the military, the wildland firefighting community, NASA, the nuclear power and utility sectors, the CDC, and public health agencies, among others. These agencies are examples of "high reliability" organizations and, unlike those with a proclivity to think, they champion certain characteristics—which they call mindfulness—that include the following:

- preoccupation with failure
- reluctance to simplify interpretations
- high sensitivity to operations
- commitment to resilience
- deference to expertise

More importantly, Weick and Sutcliffe argue that organizations that have "mindfulness" as a hallmark have much fewer accidents and significant failures, despite operating in environments with higher degrees of uncertainty. But their work is about more than a handful of organizations that operate in high-risk environments. Rather it is about being prepared and expecting surprises or unexpected or unanticipated events. Mindfulness is more than being in a constant state of high

awareness—it also includes adaptability, resiliency, and flexibility under pressure. Weick and Sutcliffe even develop a typology of surprises:

- a bolt from the blue
- an issue is recognized, but the direction of the expectation is wrong
- you know what will happen, when it will happen, but your timing is off
- expected duration of an event proves to be wrong
- problem is expected, but its amplitude is not

They explored how organizations should respond, and why that matters to organizational leaders. They cite as an example a reference to Winston Churchill, who was horrified to learn about the vulnerability of Singapore to a Japanese land invasion. Indeed, at the outset of World War II in Asia, the Japanese captured all of Malaya in little more than two months after taking the British garrison defending Singapore. In the first week, British Prime Minister Winston Churchill called the fall of Singapore "the worst disaster and largest capitulation in British history."

Churchill was as unsparing in his criticism of himself, and his organization constructed a four-part "self-audit" for leaders: why didn't I know, why didn't my advisers know, why wasn't I told, and most directly, why didn't I ask?

The point of this old but still valuable perspective is more than getting beyond the perils of groupthink. Successful organizations are ones that value high performance and high reliability. How leaders and managers think about events, how they make sense of what they see (or don't see), and how they reshape their own experience, reinvent context, and improve their foresight is vital. And nowhere is this more important than for organizations in the public sector.

WHAT IS ORGANIZATIONAL BEHAVIOR?

The study of organizational behavior includes those aspects of the behavioral sciences that focus on the understanding of human behavior in organizations. Students of public administration have always been interested in the behavior of people in government organizations. In these early days, there was also great concern about micro issues: how individuals within organizations operated and how decisions were made. **Mary Parker Follett** (1926) made significant contributions in public administration's quest to understand how organizations worked. Indeed, one might say that she was a major voice for what today would be called participatory management. She wrote about the advantages of exercising "power with" as opposed to "power over." Her "law of the situation" was contingency management in its humble origins. Follett was one of the first to focus on the theory of individuals within organizations, which of course is the crux of understanding organizational behavior. Her contributions will be discussed in greater depth in Chapter 14.

But fundamental assumptions about the behavior of such people at their work did not change dramatically from ancient efforts at organization until only a few decades ago. Using the traditional authoritarian, militaristic, and paternalistic set of attitudes toward work organizations, **Hugo Münsterberg** pioneered the application of psychological findings from laboratory experiments to practical matters. He sought to match the abilities of new hires with a company's work demands, to positively influence employee attitudes toward their work and their company, and to understand the impact of psychological conditions on employee productivity. Münsterberg's pre–World War I approach was typical of how the behavioral sciences tended to be applied in organizations well into the 1950s.

In contrast to Münsterberg's traditional perspective on organizational behavior, a new style of applied behavioral science emerged in the 1960s. It focused attention on seeking to answer questions such as how organizations could encourage their workers to grow and develop. The belief was that organizational creativity, flexibility, and prosperity would flow naturally from employee growth and development. The essence of the relationship between organization and people was redefined from dependency to co-dependency. In contrast, managers in Münsterberg's day did not believe (assume) that co-dependency was the "right" relationship between an organization and its employees.

There has long been considerable interest in the behavior of people inside bureaucracies. After all, the whole purpose of organization theory, as discussed in the previous chapter, is to create mechanisms for regulating the behavior of people in organizations. However, it was not until 1960, with the publication of Douglas McGregor's *The Human Side of Enterprise*, that our basic assumptions about the relationship between organizations and people truly began to change. This new approach to analyzing organizations focused on people, groups, and the relationships among them and the organizational environment. It was built around the following assumptions:

1. Organizations are created to serve human ends.
2. Organizations and people need each other (organizations need ideas, energy, and talent; people need careers, salaries, and work opportunities).
3. When the fit between the needs of the individual and the organization is poor, one or both will suffer: individuals may be exploited or may seek to exploit the organization, or both.
4. A good fit between individuals and organizations benefits both because people gain meaningful and satisfying work and organizations receive the talent and energy they need to thrive.

It is instructive to contrast these assumptions with the paternalistic authoritarian attitudes that preceded them. Previously, when new technology was to be introduced, new orders were given for its installation and operation. There was no concern about what the workers would think about such changes. They simply had no say. Once in a while some Luddites might surface, but they were quickly suppressed. Compare this "orders are orders" approach to how modern organizational behaviorists contemplate the introduction of a new technology. They immediately start thinking about and planning a specific approach:

1. Minimize fear of change by involving people at all levels in designing the introduction of the changes.
2. Minimize the negative impacts of the change on groups of workers at risk (such as older, less-skilled, or younger workers).
3. **Co-opt** informal and formal (usually union) leaders, especially those who might become antagonistic.
4. Find alternatives for employees who do not see the changes as consistent with their personal goals.

Because the modern perspective places a high value on the individual, employees are provided with maximum amounts of accurate information, so they can make informed decisions about their future.

The assumptions of the Münsterberg traditional perspective continue to be alive and well in many less-sophisticated organizations—where it is still assumed

that people should be fitted to the organization. With the classical organization theory of Frederick Taylor and others, the organizational role of the applied behavioral sciences largely consisted of helping organizations find and shape people to serve as human replacement parts for the organizational machine.

Yet, under the right circumstances, people and organizations will grow and prosper together. Individuals and organizations are not necessarily antagonists. Managers can learn to unleash previously stifled energies and creativities. Two of the most important "tools" for doing this are group dynamics and organization development.

Group Dynamics

Since the earliest days of the industrial revolution, workplace organizations have been constructed on the foundation principles of specialization and division of labor (remember Adam Smith's pin factory). In our complex organizations of today, few jobs can be done from start to finish by one person. Specialization allows an organization to use people's skills and efforts more systematically and to focus their knowledge and energy on a limited number of tasks. Employee learning curves are minimized.

Most employees who perform sets of specialized functions are organizationally clustered in work groups, which are organized into units, or branches, which are organized into divisions or departments, which are organized into agencies, and so forth. Work groups attract people with similar backgrounds—for example, professional training, socialization, and experience as accountants, teachers, engineers, or computer programmers. All such shared backgrounds involve the socialization of people into common value/belief/behavior systems.

Practically all groups, and particularly purposeful, specialized, organizational groups, develop their own sets of norms of behavioral assumptions about things such as the nature of their organizational environment and appropriate relations with other groups. All groups expect their members to conform to their norms, as Figure 8.1 illustrates. By rewarding activities the organization wants done and punishing counterproductive behavior, managers engineer the accomplishment of organizational goals. Virtually all organizations attempt to motivate employees through

FIGURE 8.1
Factors contributing to group cohesiveness

combinations of rewards and punishments. Reinforcement theories of motivation assume that people at work seek rewards and try to avoid punishments.

Acceptance of and adherence to group norms permits people to know what to expect from each other and to predict what other members will do in different circumstances. Norms cause people to behave in patterned and predictable ways. Thus, by institutionalizing common expectations, they stabilize the organization. Always remember, though, that too much adherence to norms causes excessive conformity. This can hurt or destroy individualism—and even lead to groupthink (see the section on groupthink in this chapter). The potential damage here is not limited to individuals who work in organizations. Excessive conformity may result in so much organizational rigidity that the organization's overall ability to achieve its mission is degraded.

When a group becomes institutionalized in an organization, such as a production unit or a branch office, these shared beliefs, values, and assumptions—these norms—become the essence of a cohesive group and of an organizational subculture. Most group subcultures have a resemblance to the overall organizational culture but also contain unique elements that form through the impacts of events, circumstances, and personalities. Considering the normal loyalties that groups demand and the affiliation needs they meet, it becomes easy to understand why in-groups and out-groups and feelings of we-and-they and we-versus-they are so characteristic of life in organizations.

Group dynamics is the subfield of organizational behavior concerned with the nature of groups, how they develop, and how they interrelate with individuals and other groups. Usually the term *group* refers to what is more technically known as a primary group—a group small enough to permit face-to-face interaction among its members that remains in existence long enough for some personal relations, sentiments, and feelings of identification or belonging to develop. There are two basic kinds of primary groups: formal and informal.

Formal groups are officially created by a larger organization, usually for the purpose of accomplishing tasks. Employees are assigned to formal groups based on their position in the organization. There are two basic types of formal groups. First, there are command groups that are specified in a formal organizational chart. These include both supervisors and the people who report directly to them. Groups of this type are the essential building blocks of organizational structure. They vary from mailroom staff to the employees of a small branch office to an entire headquarters staff. Second, there are task groups, formally sanctioned job-oriented units with short lives. Here you will find employees who work together to complete a particular project or task and then are disbanded. Any ad hoc task force or temporary committee is an example.

Informal groups are made up of individuals who have spontaneously developed relationships and patterns of interactions in work situations. Included here are employees who associate voluntarily, primarily to satisfy social needs. Although informal groups at work may have goals and tasks (for example, ethnic support groups, bowling clubs, and luncheon speaker groups), their primary reasons for existence are friendship, affiliation, and shared interests. Although informal groups seldom are formally sanctioned, they are extremely important to the working of organizations. Their norms, values, beliefs, and expectations have significant impacts on work-related behavior and attitudes. Chester I. Barnard in *The Functions of the Executive* provided the classic statement on the vital significance of informal groups:

> Informal organization, although comprising the processes of society which are unconscious as contrasted with those of formal organization which are conscious,

> has two important classes of effects: (a) it establishes certain attitudes, understandings, customs, habits, institutions; and (b) it creates the condition under which formal organization may arise.
>
> (Barnard, 1938, p. 114)

Groups in organizations of all types are of high importance and interest to students and practitioners of organizational behavior, both for what happens in them (and why) and what happens between them.

Organization Development

Organization development (OD) is planned organizational change. Organizations exist in a dynamic environment, both internally and externally, to which they must respond or become ineffectual. The responsibility of OD advisers, specialists on applied behavioral science, is to facilitate change—to use their knowledge of the behavioral sciences for organizational improvement. These advisers can be internal in that they already work for the organization or external independent consultants. A frequently desired change is the installation of a beneficent managerial philosophy. More modest goals might be the creation of an atmosphere of trust in order to facilitate communications or the development of participatory mechanisms that would stimulate productivity. Any organization that wishes to survive or simply to remain healthy must periodically divest itself of those parts or characteristics that contribute to its malaise.

OD itself is not a philosophy. It is an approach or strategy for increasing organizational effectiveness. As a process, it has no value biases, but it is usually associated with the idea that effectiveness is found by integrating the individual's desire for growth with organizational goals. There is no universal OD model that can easily be plugged into a troubled organization. The basic task of the OD adviser is to adapt appropriate portions of the generally available OD technology to the immediate demands of his or her organizational problem. This is why the OD adviser must be thoroughly conversant with the findings of the behavioral technology of modern management. Because no textbook will have a case study of the exact organizational problem to be remedied, these advisers must be prepared to draw on their backgrounds to improvise. OD advising, like much of the rest of public administration, contains a large element of art.

The OD process is made all the more difficult to implement in the public sector because top management, which must first be sold on the OD process, is fractured, consisting of political and career executives, legislative committees, client groups, and so on. Hostility can also be expected from line management. As an OD role for the personnel department implies a greater involvement with management's traditional line prerogatives, it may take some time before personnel's agitation in this regard is viewed as supportive instead of threatening.

A decision on the part of top management to suddenly replace a highly structured authoritarian organizational climate with an atmosphere of greater employee participation and collaboration probably would create a great sense of shock and suspicion among employees. All changes in organizational climate or culture must be well planned in advance and implemented gradually. OD is not something that can be accomplished in an afternoon. It is a slow process that extends, at the very least, over many months and requires the commitment and cooperation of all of the principal actors in the organizational drama. Figure 8.2 overviews the steps and stages. The first phase of almost all OD models is the education of top management

FIGURE 8.2
The organization development action research model

in basic OD objectives and strategies. OD as a process is one that must flow from the top down. As leadership sets the tone of organizational life, it is futile to seek to change the pace and quality of that life without uninhibited cooperation from the top down.

OD is concerned with deep, long-lasting organization-wide change or improvement—not in superficial changes in isolated organizational pockets. This concern for broad-based and long-term change led OD practitioners to an interest in the concept of organizational culture long before it became a fashionable management topic in the 1980s. OD advisers have developed numerous strategies and techniques for improving organizations: most of them utilize interventions facilitated by outsiders (often called change agents). Some of the most common strategies include organizational diagnosis, process consultation, team building (in many forms), action research, data feedback, **job enlargement**, **job enrichment**, and conflict management. But each adviser has his or her own preferred tactics.

The origins of the organization development movement can be generally traced to the Hawthorne studies (discussed later in this chapter). But the specific understandings of organizational behavior-oriented change processes came out of the sensitivity training (or **T-group**) movement that started in 1946 when Kurt Lewin and associates collaboratively conducted a training workshop to help improve

racial relations and community leadership in New Britain, Connecticut. During their evening staff meetings, they discussed the behavior of workshop participants and the dynamics of events. Several workshop participants asked to join the night discussions, and the results of the process eventually led to the initiation and institutionalization of T-group technology. Although the early T-groups focused primarily on individual growth and development, they quickly were adapted for organizational application. T-groups became the method by which organizational members learned how to communicate honestly and directly about facts and feelings. (From the human relations perspective, feelings are facts.) Thus, T-groups became a keystone strategy for increasing organizational effectiveness by improving interpersonal communications (e.g., feedback), reducing defensiveness (and thus rigidity), and otherwise helping organizations achieve greater effectiveness through the development of coping processes. The meaning of coping here is twofold: coping with the job and coping with fellow workers.

But the T-group needed to be part of a larger overarching methodology. Survey research methodology, when combined with feedback/communication (T-group) techniques and applied to planned organizational change, resulted in the development of the action research model of organizational change—the mainstay of OD practitioners and theorists. The action research model is a process for identifying needs for organizational improvement through the use of external consultation but also through fostering psychological ownership of problems and solutions by organizational members. Briefly, action research involves the following:

1. Collecting organizational diagnostic data (ascertaining the problem) usually either through written questionnaires or interviews.
2. Systematically feeding back information to the organization members who provided input.
3. Discussing what the information means to members and its implications for the organization in order to be certain if the "diagnosis" is accurate and to generate psychological ownership of the need for actions to improve the situation.
4. Jointly developing an improvement plan, using both the knowledge and skills of the consultant and the insider perspective of members.
5. Repeating all of the preceding as needed.

The key to long-term OD success is this very last step: repeat as needed. Lewis is well known for his assertion that social change must be viewed as a three-step process of unfreezing, change, and refreezing. If one focuses only on the change process per se, change will be short lived at best. The organization must put the change in place to see if it takes. The process is called action research because the thing being experimented on—the organization—is constantly in action. When Lewin says "unfreezing," he means opening up the organization to change. The "refreezing" process is installing the new change, then watching it to see if the "refreezing" is an improvement.

The ultimate question here is not whether organizations should change. They are constantly changing in response to the dynamic environments in which they all exist. So, the question for would-be managers of organizations is not change: yes or no, but unplanned change or planned change. OD as planned change is just a tool for managers to gain control of and give direction to the inevitable changes within their organizations.

TRACKING THREE REFORMATIONS IN ORGANIZATIONAL BEHAVIOR—HUMAN RELATIONS, THE BUREAUCRACY CRITIQUE, AND THE FEMINIST PERSPECTIVE

The Impact of Personality and Bureaucratic Structure on Behavior and Vice Versa

Chris Argyris, a preeminent analyst of organizational phenomena for more than four decades, first became noteworthy with the publication of his 1957 book *Personality and Organization*. In it he claimed that there was an inherent conflict between the mature adult personality and the needs of modern organizations. The problem, simply put, was that most organizations were treating adults like children. As the logic of this finding was made increasingly evident, ways of treating employees began to change. New thinking evolved that organizations should give their citizens all the responsibilities they could handle—and expect them in return to be self-motivated to fulfil their roles and responsibilities. Aryris's work was based on major studies conducted about the nature of motivation and how it applied to organizations, which was the hallmark of the human relations school of thought.

To Fredrick Taylor, motivation was primarily a matter of compensation. His principles revolved around the ideal of "a fair day's pay for a fair day's work." His workers on the shop floor in various industries would follow better working methods for greater productivity, which would mean more money earned. So it was that various tests of his theories were conducted in factory settings to determine which processes yielded the highest productivity.

The Hawthorne Experiments

Perhaps the most famous of these tests occurred during the late 1920s and early 1930s. They were dubbed the **Hawthorne experiments** because they were undertaken at the Hawthorne Works of the Western Electric Company near Chicago. The studies were conducted by Elton Mayo and his associates from the Harvard Business School and resulted in a decade-long series of experiments that started out as traditional scientific management examinations of the relationship between work environment and productivity. But the experimenters, because they were initially unable to explain the results of their findings, literally stumbled on a finding that today seems so obvious: that factories and other work situations are first of all social situations. The workers, as Follett had suggested a decade earlier, were more responsive to peer pressure than to management controls. The Hawthorne studies are generally considered to be the genesis of the human relations school of management thought, providing the first major empirical challenge to the scientific management notion that the worker was primarily an economic animal who would work solely for money.

It is important to note that the Mayo team began its work trying to fit into the mold of classical organizational theory thinking. The team phrased its questions in the language and concepts that industry was accustomed to using in order to see and explain certain problems, among them productivity in relationship to such factors as the amount of light, the rate of flow of materials, and alternative wage payment plans. The Mayo team succeeded in making significant breakthroughs in understanding only after it redefined the Hawthorne problems as social psychological problems—problems conceptualized in such terms as interpersonal relations in groups, group norms, control over one's own environment, and personal

recognition. It was only after the Mayo team achieved this breakthrough that it became the "grandfather"—the direct precursor—of the field of organizational behavior and human resource theory. The Hawthorne experiments were the emotional and intellectual wellspring of modern theories of motivation. They showed that complex, interactional variables make the difference in motivating people—things such as attention paid to workers as individuals, workers' control over their own work, differences between individuals' needs, management's willingness to listen, group norms, and direct feedback.

A particularly notable discovery that came out of the Hawthorne experiments was the Hawthorne effect: the discovery that production increases were due to the known presence of benign observers. The researchers' concern for and attention to the workers led the workers, who naturally wanted to be reciprocally nice, to increase production. This "effect" caused great confusion at first because the changing physical conditions (lighting, rest breaks, etc.) seemed to make no difference. Once they realized that the workers' perception of participation was the true "variable," the effects of the "effect" were understood.

While the Hawthorne effect remains a core concept in organizational behavior thinking, the actual experiment has been recently refuted. Two economists—Steven Levitt and John List (2011)—tracked down the original data sets and factory settings descriptions and discovered that the supposed increased productivity levels were actually explained by the fact that the changes were made in the lighting on Sunday after the workers' day off. They do conclude there are other indications of a Hawthorne effect, but not in the original data proving conclusively what has been a cornerstone of social science research on work motivation.

Maslow's Needs Hierarchy

Abraham H. Maslow, a psychologist, took the basic Hawthorne finding that workers are as much social as economic creatures a step further when he first proposed his famous "**needs hierarchy**" in his 1943 *Psychological Review* article, "A Theory of Human Motivation." Maslow asserted that humans had five sets of goals or basic needs arranged in a hierarchy of prepotency: (1) physiological needs (food, water, shelter, etc.), (2) safety needs, (3) love or affiliation needs, (4) esteem needs, and (5) self-actualization needs—all shown in Figure 8.3. After fulfilling these needs, an individual theoretically reaches self-fulfillment and becomes all that he or she is capable of becoming. Once the lower needs are satisfied, they cease to be motivators of behavior. Conversely, higher needs cannot motivate until lower needs are satisfied. Simply put—a person will risk being eaten by a hungry lion if that risk

FIGURE 8.3
Maslow's needs hierarchy

is the only way to get food and water. Only after the body is sustained can thoughts turn to safety and the other higher needs.

According to Maslow,

> It is quite true that man lives by bread alone—when there is no bread. But what happens to man's desires when there is plenty of bread and when his belly is chronically filled? At once other (and higher) needs emerge, and these, rather than physiological hungers, dominate the organism.
>
> (1943, p. 374)

When these in turn are satisfied, new, even higher needs will emerge. Maslow's psychological analysis of motivation proved to be the foundation for much subsequent research. While other researchers, such as Herzberg, McGregor, and Bennis (all discussed on the following pages), would take Maslow's concepts and develop them into more comprehensive theories of motivation and organizational behavior, Maslow's work remains the point of departure.

Herzberg's Motivation-Hygiene Theory

One of the first extensive empirical demonstrations of the primacy of internal worker motivation was the motivation-hygiene theory put forth by Frederick Herzberg, Bernard Mausner, and Barbara Snyderman in a landmark 1959 study entitled *The Motivation to Work*. Five factors were isolated as determiners of job satisfaction: (1) achievement, (2) recognition, (3) work itself, (4) responsibility, and (5) advancement. Five factors associated with job dissatisfaction were similarly realized: (1) company policy and administration, (2) supervision, (3) salary, (4) interpersonal relations, and (5) working conditions. The satisfying factors were all related to job content, the dissatisfying factors to the environmental context of the job. The factors that were associated with job satisfaction were quite separate from those factors associated with job dissatisfaction. Herzberg later made this observation in "The Motivation-Hygiene Concept" in *Personnel Administration*: since separate factors need to be considered depending on whether job satisfaction or job dissatisfaction was involved, it followed that these two feelings were not the obverse of each other. The opposite of job satisfaction would not be job dissatisfaction, but rather *no* job satisfaction; and similarly, the opposite of job dissatisfaction is *no* job dissatisfaction—not job satisfaction (1964, p. 3).

Because the environmental context of jobs, such as working conditions, interpersonal relations, and salary, served primarily as preventatives, they were termed hygiene factors, as an analogy to the medical use of hygiene meaning preventative and environmental. The job-content factors such as achievement, advancement, and responsibility were termed motivators because these are the things that motivate people to superior performance. Herzberg wrote in *Work and the Nature of Man*, "the hygiene or maintenance events led to job dissatisfaction because of a need to avoid unpleasantness; the motivator events led to job satisfaction because of a need for growth or self-actualization" (1964, p. 75).

Since its original presentation, a considerable number of empirical investigations by a wide variety of researchers has tended to confirm the motivation-hygiene theory. Its chief fault seems to be its rejection of the view that pay is a unique incentive: capable, in differing circumstances, of being a hygiene factor as well as a motivator. But the theory's main holding—that worker motivation is essentially internal—remains largely unchallenged.

McGregor's Theory X and Theory Y

Complementing these various studies and new theories about motivation and organizational behavior were works espousing how management behavior should adapt. The argument was simply that all managerial philosophies should be premised on a set of assumptions about human behavior. Douglas McGregor, through his 1960 book *The Human Side of Enterprise*, popularized the contending concepts of managerial philosophy with his now famous **Theory X** and **Theory Y** sets of assumptions. McGregor hypothesized that a manager's assumptions about human behavior predetermined his or her administrative style. Because of the dominance of traditional theory in managerial thought, many managers had long accepted and acted on a set of assumptions that are at best true of only a minority of the population. McGregor labeled as Theory X the following assumptions:

1. The average human being has an inherent dislike of work.
2. Most people must be coerced or threatened with punishment to get them to put forth adequate effort.
3. People prefer to be directed and wish to avoid responsibility.

Theory X sounds very much like a traditional military organization, which is in fact where it comes from. While McGregor's portrait of the modern industrial citizen can be criticized for implying greater pessimism concerning human nature on the part of managers than is perhaps warranted, Theory X is all the more valuable as a memorable theoretical construct because it serves as such a polar opposite of Theory Y, which assumes the following:

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. A person will exercise self-direction and self-control in the service of objectives to which he or she is committed.
3. Avoidance of responsibility, lack of ambition, and emphasis on security are generally consequences of experience, not inherent human characteristics.
4. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.

Of course, these differing philosophic orientations are extremes for purposes of example. Most work situations would require a mix rather than a simplistic acceptance of either construct.

Different philosophies are appropriate to differing organizational environments and work situations. The philosophy appropriate to a military combat unit would hardly be suitable for a research program in computer science. Unfortunately, the environment in which a public sector personnel program tends to operate frequently mitigates against the development of a coherent managerial philosophy. The most basic reason for this is external to the nature of the individuals comprising the organization. While private organizations typically exist in response to a specific goal, the objectives of public organizations are seldom as definite. It has frequently been shown that the professed objectives of a public organization are only vaguely related to its actual mission. For example, the goal of a correctional institution may be reform, but the organization's specific mission is more likely to be simply that of detention. The goal of a police department may be to

enforce all of the laws of the community, but its specific mission is more likely to be the maintenance of public order.

Still, what is important in terms of understanding organizational behavior is that the basic relationship between people and the organizations in which they work was being redefined from the old world of dependence to the new world of co-dependency. The whole focus of organizational management began to shift from executive control to executive nurturing of the people, groups, and relationships in the organizational environment. The new goal of management was moving from command-and-control leadership toward the unleashing of the previously stifled energies and creativities of the organization's essential resource—its people. At the beginning of the 21st century, the name for a workforce had become the organization's talent.

The application of human relations thinking with its new theories about motivation and the impact of personality was a major challenge to government institutions whose organizational premise was based on a different idea of the individual. On the other hand, the fascination with motivation is long standing as Box 8.1 alludes.

BOX 8.1 Tom Sawyer Anticipates Theory X and Theory Y

Tom went on whitewashing [the fence].

Ben said: "Hello, old chap, you got to work, hey?"

Tom wheeled suddenly and said. . . "What do you call work?"

"Why, ain't *that* work?"

Tom resumed his whitewashing, and answered carelessly:

"Well, maybe it is, and maybe it ain't. All I know is, it suits Tom Sawyer."

"Oh come, now, you don't mean to let on that you like it?"

The brush continued to move.

"Like it? Well, I don't see why I oughtn't to like it. Does a boy get a chance to whitewash a fence every day?"

That put the thing in a new light. . . . Tom swept his brush daintily back and forth—stepped back to note the effect—added a touch here and there—criticized the effect again—Ben watching every move and getting more and more interested, more and more absorbed. Presently he said:

"Say, Tom, let me whitewash a little."

Tom considered, was about to consent; but he altered his mind:

"No—no—I reckon it wouldn't hardly do, Ben. You see, Aunt Polly's awful particular about this fence—right here on the street, you know—but if it was the back fence I wouldn't mind and she wouldn't. Yes, she's awful particular about this fence; it's got to be done very careful; I reckon there ain't one boy in a thousand, maybe two thousand, that can do it the way it's got to be done."

"No—is that so? Oh come, now—lemme just try. Only just a little—I'd let you, if you was me, Tom . . ."

Tom gave up the brush with reluctance in his face, but alacrity in his heart. And . . . the retired artist sat on a barrel in the shade close by, dangled his legs, munched his apple, and planned the slaughter of more innocents. There was no lack of material; boys happened along every little while; they came to jeer, but remained to whitewash. . . .

Tom said to himself that it was not such a hollow world, after all. He had discovered a great law of human action, without knowing it—namely, that in order to make a man or boy covet a thing, it is only necessary to make the thing difficult to attain. If he had been a great and wise philosopher, like the writer of this book, he would now have comprehended that Work consists of whatever a body is obliged to do, and that Play consists of whatever a body is not obliged to do.

Source: Twain, *The Adventures of Tom Sawyer* (1876, pp. 30–33)

Organizational Behavior and Bureaucracy

Max Weber referred to bureaucracy's "special virtue" as "dehumanization." Hardly anyone would argue that bureaucracy does not have dehumanizing consequences for its employees and, to a lesser extent, for its clients as well. By dehumanization, Weber meant the elimination "from official business [of] love, hatred and all purely personal, irrational, and emotional elements." In Weber's view, formalization, hierarchy, and the other central features of bureaucracy render the individual bureaucrat "only a single cog in an ever-moving mechanism which prescribes to him an essentially fixed route of march" (Weber, 1978, p. 988).

Consequently, "the individual bureaucrat is forged to the community of all functionaries who are integrated into the mechanism." They cannot "squirm out of the apparatus in which they are harnessed." Today the term *impersonality* is generally used in referring to this aspect of bureaucratic behavior. Viewed against a historical background of administrative organizations characterized by such "irrational" elements as nepotism, personal subjugation, and capricious and uninformed judgment, impersonality can be seen as a step in the direction of greater rationality; a step further in the direction of Aristotle's ideal of "a **government of laws**; not of men."

Bureaucratic impersonality has three major advantages. First, it increases organizational effectiveness by enabling administrators to do things that are otherwise difficult for people to do. In the course of their normal functioning, organizations may create considerable hardships for individuals. This is especially true of public organizations, which are often engaged in punishment, taxation, and the withholding of benefits such as food stamps, unemployment compensation, or welfare funds. Impersonality creates a desirable moral insensitivity.

A second advantage of impersonality flows from the fact, as Peter Blau and Marshall Meyer observed in *Bureaucracy in Modern Society*, that when emotional or subjective personal aspects drive or shape administrative choices, efficiency or cost considerations will be sacrificed. If, for example, recruitment and promotions within an organization are based on personal preference, or ascriptive criteria (such as race or class), rather than competence, that organization's administrative processes will over time become less efficient.

Finally, impersonality tends to produce relatively even-handed rule application. Thus procedural, if not necessarily actual, justice is ensured. "By the book" behavior requires equal treatment of those in the same categories, regardless of their social status. While this attitude may cause hardship for some, there has long been great philosophic support for it. For example, 18th-century philosopher Jean Jacques Rousseau denied that it was an abridgment of anyone's freedom to do the general will. Rousseau defined freedom in this context as simply being treated the same as everyone else.

Although impersonality may further procedural justice, it may at the same time fail to provide substantive or actual justice. The decisions bureaucrats reach may fail to fit the individual cases in terms of providing a just resolution. These decisions may also result in patterns of discrimination against minorities or other groups. Many people fail to accept that their case is no different from those of others. They resent being treated on the basis of categories to which they do not feel they rightly belong. This tendency of bureaucracy has often aroused considerable hostility—sometimes even violence—on the part of clients. But the nature of impersonal organization is such that bureaucrats must apply established rules and procedures, even when they realize that these will not provide a reasonable or just resolution of a specific problem. Consequently, it has frequently been argued that a

characteristic pathology of bureaucracy is an inversion of ends and means whereby the rules become more important than the objectives underlying their creation.

Unfortunately, bureaucracies often have within them the seeds of their own ineffectiveness and were heavily criticized—but not just for difficult, slow (due process does take time) or insensitive decisions but also for impacts on the bureaucrats themselves.

Robert K. Merton, an influential sociologist, argued that bureaucracies have inherent dysfunctional and pathological elements that make them inefficient in operations. Merton found that bureaucracies have a "trained incapacity." This refers to a "state of affairs in which one's abilities function as inadequacies or blind spots. Actions based on training and skills that have been successfully applied in the past may result in inappropriate responses under changed conditions." According to Merton, bureaucracy exerts constant pressures on people to be methodical and disciplined, to conform to patterns of obligations. These pressures eventually cause people to adhere to rules as an end rather than a means—as a matter of blind conformance.

Bureaucratic structure also stresses depersonalized relations, and power and authority gained by virtue of organizational position rather than by thought or action. Thus, ideas and opinions are valued not according to their intrinsic merit but according to one's rank. This would be perfectly fine if the bosses truly were always smarter than the workers. Robert Merton sees bureaucratic structure as more than affecting organizational behavior and thinking: it also determines and controls. It determines that not all of the organization's brainpower will be used and that the objectively less deserving may remain in control.

Closer to home, Victor Thompson, a respected academic with extensive public sector service, took direct aim at negative behavioral consequences of bureaucratic structure. To illustrate this, he combined "bureaucracy" with "pathological" to describe the all-too-familiar "bureaupathic official." Such a person "usually exaggerates the official, nontechnical aspects of relationships and suppresses the technical and the informal." Being insecure, he or she "may be expected to insist on petty rights and prerogatives, on protocol, on procedure—in short, on those things least likely to affect directly the goal accomplishment of the organization" (1961, pp. 164–165).

Post-Bureaucratic Organizations?

In 1952, administrative historian Dwight Waldo prophesied a future society in which "bureaucracy in the Weberian sense would have been replaced by more democratic, more flexible, though more complex, forms of large-scale organization." Waldo called such a society "post bureaucratic" (1952, p. 103). However, it remained for Warren G. Bennis, in the 1960s, to make the term particularly his own with a series of articles and books predicting the "end of bureaucracy." In its place, Bennis (with co-author Slater) wrote in *The Temporary Society*, "There will be adaptive, rapidly changing temporary systems. These will be task forces composed of groups of relative strangers with diverse professional backgrounds and skills organized around problems to be solved" (1969, p. 98). The various task forces would "be arranged in an organic, rather than mechanical, model, meaning that they will evolve in response to a problem rather than to present programmed expectations." Thus, employees would "be evaluated not vertically according to rank and status, but flexibly according to competence. Organizational charts will consist of project groups rather than stratified functional groups."

Bennis wasn't a voice in the wilderness. Many other organizational analysts of the time (such as Leonard Sayles, George Berkley, and Victor Thompson) were

TABLE 8.1

Alternatives to the Bureaucratic Paradigm

The Bureaucratic Agency	The Customer-Driven Agency
Focuses on own needs	Focuses on customer needs
Defined by the resources it controls	Defined by results it achieves for customers
Controls costs	Creates value
Sticks to routine	Responds to changing customer demands
Fights for turf	Competes for business
Follows standard procedures	Builds choice into operating systems
Separates thinking from doing	Empowers all front-line employees

Source: Adapted from Barzelay and Armajani (1992)

making similar noises. But it remained for **future shock** theorist Alvin Toffler, in his 1970 worldwide bestseller *Future Shock*, to give the popular name to the post-bureaucratic lack of structure: "ad hocracy"—a contraction of ad hoc and bureaucracy—for "the fast-moving, information-rich, kinetic organization of the future, filled with transient cells and extremely mobile individuals" (p. 144).

Is the bureaucratic form of organization on an inevitable road to extinction? Is it being replaced by systems of temporary democratic networks or structures without hierarchical layers of authority, responsibility, and accountability? If so, that development is still unfolding. But like many fixtures of the classical, the announcement of bureaucracy's death seems premature—or at the very least, as in Mark Twain's case, "greatly exaggerated." Actually, bureaucracy appears to be holding its own quite well in practice—even if not in the mainstream literature of organization theory. Within the discipline of public administration, defenders (such as Kaufman, Krislov, and Goodsell) emerged who justify the bureaucratic form of organization both for its efficiency as well as for its "promotion" of equity and representativeness.

Elliott Jaques emerged as the foremost defender of the hierarchical-bureaucratic form of organization in the 1990s. Jaques contended that those who argue against hierarchy are "simply wrong, and all their proposals are based on an inadequate understanding of not only hierarchy but also human nature." Hierarchical layers add value to organizations by separating tasks into manageable series of steps: "What we need is not some new kind of organization. What we need is managerial hierarchy that understands its own nature and purpose." According to Jaques, hierarchy is the best alternative for large organizations: "We need to stop casting about fruitlessly for organizational Holy Grails and settle down to the hard work of putting our managerial hierarchies in order" (1990, p. 127).

But the critique moved forward nonetheless. In *Breaking Through Bureaucracy*, Michael Barzelay (1992) outlined what a new form (or style if you will) of government organization that would harness the best of employee actions and behaviors would resemble. Barzelay and his colleague pointed to a "responsive, user-friendly, dynamic, and competitive providers of valuable services" would be the alternative to traditional Weberian bureaucracy. Table 8.1 summarizes the comparison.

A Feminist Perspective

A third movement in the reformation that has shaped thinking on organizational theory and behavior arose from a different source entirely. (It might have occurred

TABLE 8.2

Women in Government and Management (2014–2020)

Sector	% Women in Workforce		% Women in Senior Management / Top Administrative Posts	
	(2014)	(2020)		
Federal	42%	43.3%	30%	(30%—2019)
State and Local	59%	60.2%	NA	36%
Non-Profit	N.A	73%	NA	45%
Private Sector	47.2%	46.7	36%	40%

Source: Women in Management 36% to 40% (2020 estimate)

after reading thus far into this chapter that, after Mary Parker Follett, all of the theorists and critics cited have been males. And that is true. As much progress as has been made in terms of women obtaining college degrees—the percent of women in US higher education universities has only risen by 5% over the past 75 years, from 27% to 32% [Kelly, 2019].)

But viewing organizational behavior from a feminist perspective was important for two reasons. First, even by the end of the 20th century, it was increasingly obvious that the demographics of those whose organizational behavior was being examined had changed. Women constituted 24% of all US public officials and administrators in 1970. Going into 2020, this percentage had about doubled—with 60% of all state and local positions and 43% of all federal positions occupied by women. In the nonprofit or social sector, it was almost 75%. Table 8.2 shows the breakdowns although not all the data is available.

Table 8.2 above compares current rates of employment and also the percentage of senior management positions held by women. While the high percentage of women in state and local government is skewed by the high rates of educators (remember over 75% of all teachers are women) in the labor force, women are no longer just in low-level administrative positions, but also in professional and administrative capacities. Fewer women are present at management levels—but their rates in senior positions still greatly exceed the private sector rate of about 20%. On the other hand, the percentage of women in ladder management and supervisory roles (not CEOs and CFOs, etc.) has reached similar levels in the public sector. In terms of education—at the university level—three out of every four public administration graduate students are women, an ongoing trend since the late 1990s.

But second, and more importantly, the feminist perspective was not just about numbers and representation. Feminist organizational analysts such as Joan Acker (1990, pp. 146–147f) argued that long-standing male control of organizations has been accompanied and maintained by male perspectives of organization theory. Thus, it has been mainly through male lenses that we saw and analyzed organizations. At least four sets of gendered processes perpetuate, she posited, a male reality of organizations:

1. Gender divisions that produce gender patterning of jobs.
2. Creation of masculine organizational symbols and images.
3. Interactions characterized by dominance and subordination.

4. "The Internal mental work of individuals as they consciously construct their understandings of the organization's gendered structure of work and opportunity and the demands for gender-appropriate behaviors and attitudes."

Acker and others argued that ordinary activities in organizations are not gender-neutral. They perpetuate the "gendered substructure within the organization itself and within the wider society"—as well as in organization theory.

Substantial research has also shown that women tend to have different management styles from men. Judy B. Rosener, an expert in the area of women and men at work, has shown women to be more cooperative and to share leadership; they are less apt to use the traditional authoritarian "command-and-control" militaristic style so favored by men. With women increasingly moving into the highest levels of organizational management and leadership in government, organizations are increasingly impacted by feminine management styles. While the change will seem gradual at times, change in operating styles to reflect ever-increasing female influences is occurring.

According to Camilla Stivers, in her book *Gender Images in Public Administration* (1993), "As long as we go on viewing the enterprise of administration as genderless, women will continue to face an ongoing dilemma, which is either to adopt a masculine administrative identity or accept marginalization in the bureaucratic hierarchy." For a point of reference on the role of gender in public administration, Stivers examines the effect of strict gender roles during the progressive era in her book *Bureau Men, Settlement Women: Constructing Public Administration in the Progressive Era* (2002). During the government reform movement of the early 20th century, the policy innovativeness of women social workers was not brought into the emerging field of public administration, thus making the field unnecessarily rigid. Stivers argued that the reliance on the scientific management approach that was part of the traditional male-dominated public administration limited the growth of the field and we should be careful not to let such situations repeat themselves.

TECHNOLOGY AND 21ST-CENTURY ORGANIZATIONS

Criticism, research, and new theories from the human relations school to feminism have reshaped our understanding of human behavior in organizations and made organizational behavior the multifaceted and interdisciplinary field of study it is today. These developments have been furthered accelerated by arrival in full of the information technology revolution. What will seem quite familiar to you, the student, reading this borders on the unthinkable to older generations who have fallen behind watching, in the space of less than a decade, the transformation from the first mainframes to personal computers, networks, the internet, digital phones, and social media. Just for purposes of comparison—science geeks calculate that the cell phone you carry around with you has more computer power and memory than the computer and guidance systems used to put the first astronauts on the moon.

> To put that into more concrete terms, the latest phones typically have 4GB of RAM. That is 34,359,738,368 bits. This is more than one million [1,048,576 to be exact] times more memory than the Apollo computer had in RAM. The iPhone also has up to 512GB of ROM memory. That is 4,398,046,511,104 bits, which is more seven million times more than that of the guidance computer.
>
> (*The Conversation*, 2019)

In looking at the technological advancement, it was obvious from the outset that information technology could and would extend human mental capability. Now we are debating just how far information technology can surpass human capabilities with the emergence of artificial intelligence (AI) and other aspects of quantum computing. Within organizations, there is no longer any debate about whether information technology will affect interpersonal relations, working teams, and thus organizations as we know them. The debate is how much and where. In just this last decade (2010–2019), it is accepted that technology, communications, and social media have expanded the shape of the organization. Information networks that tap into (and simultaneously update) real-time databases are providing empowered, self-managing work teams with the information they need to schedule and coordinate their own tasks as well as discipline their own members. Layers of supervisors and middle managers are disappearing as organizational structures flatten. The traditional hierarchy was created in the first place so that information could be efficiently communicated up and down the line (often, the line of battle). If all of the organization members now (because they are connected in the computer sense) instantly have the same information, the traditional communicators—the numbers of middle managers—are at risk. Thinking back to Gulick's span of control principle that no one should supervise more than five or six subordinates, is there a new number for interconnected team or project members: 15? 30? 50? 500?

Information technology also raises questions about the experience of people who work in—or around—organizations. Will Warren Bennis's prediction finally come true? Will bureaucratic organizations as we know them disappear because they are unable to adapt to rapidly changing environments? Will working at home and "telecommuting" become the norm for some public service occupations? While productivity and time at work can be easily monitored (there are even monitoring programs to count keystrokes), can trusting relations be established through interpersonal communications along the information highway in cyberspace?

In the agrarian revolution centuries ago, land was the dominant form of capital. In the industrial revolution of the last two centuries, money and buildings became more important. In the 21st century, information is the new capital. Organizational behavior theorists are now wrestling with what those changes will look like and how they will likely affect work, trust, and communications—the lifeblood of organizational behavior.

Social Network Analysis

Perhaps the best way to see how technology is extending the organization is to look at the research being done on social networks. Social networks are all about who really talks with whom in getting work done. We have organizational charts that lay out the formal structure of how the organization is supposed to communicate—but how close is that to reality? The key question social network analysis attempts to answer is, who does the person go to for information—whose knowledge do we rely on, whether it be an update, advice, or just checking up on—to complete a work assignment? With internet capabilities and the technical ability to reach people across the organization and time zones (boundaries no longer matter), the possibilities to engage other people in work projects is enormous. The Gartner Group—an information technology research and advisory company—projected that by 2015 only 10% of work would be done completely alone by an individual—all the rest would involve different people, different times, and increasingly different places in the boundaryless work world.

Work Styles	
Individual working alone	10%
Working with others—same time and same place	5%
Working with others—same time and different place	30%
Working with others—different time and different place	55%

The work would be accomplished through connected workers. They were based on organizational technology capabilities and the ability (willingness) of employees to work together. While some public sector work (public safety, transportation, utilities, etc.) won't lend themselves to the work styles, one lesson learned from COVID is that these predictions can be applied (if not enthusiastically) more readily to education and health care.

Gartner's predictions were developed a decade ago—their most recently announced projections should give organization theory and behavior researchers pause (see Box 8.2).

BOX 8.2 Gartner Predicts 69% of Routine Work Currently Done by Managers Will Be Fully Automated by 2024

As artificial intelligence (AI) and emerging technologies such as virtual personal assistants and chatbots are rapidly making headway into the workplace. By 2024, Gartner, Inc. predicts that these technologies will replace almost 69% of the manager's workload.

"The role of manager will see a complete overhaul in the next four years," said Helen Poitevin, research vice-president at Gartner. "Currently, managers often need to spend time filling in forms, updating information and approving workflows. By using AI to automate these tasks, they can spend less time managing transactions and can invest more time on learning, performance management and goal setting."

AI and emerging technologies will undeniably change the role of the manager and will allow employees to extend their degree of responsibility and influence, without taking on management tasks. Application leaders focused on innovation and AI are now accountable for improving worker experience, developing worker skills and building organizational competency in responsible use of AI.

"Application leaders will need to support a gradual transition to increased automation of management tasks as this functionality becomes increasingly available across more enterprise applications," said Ms. Poitevin.

Source: Analysts to explore AI and Automation |Strategies at Gartner Application Architecture, Development and Integration Summit, March 2–3, 2020, in Mumbai, India

www.gartner.com/en/newsroom/press-releases/2020-01-23-gartner-predicts-69-of-routine-work-currently-done

In a world of work dominated by social networks, formal structure is of declining value—informal (non-structure) linkages and contacts are what matter. The Figure 8.4 illustrates what social network analysis seeks to uncover: first, who the central person is at the center of the network—who is engaged by everyone in the organization? Second, who is out of the flow—who are the employees who have only one connection to anyone and are basically isolated?

Social network analysis makes a further distinction among data, information, and knowledge. Increasingly, organizations are going to make vast amounts of data available to everyone in the workforce—and now increasingly, people outside the

FIGURE 8.4

Formal structure—who reports to whom (a); informal structure—who actually talks to whom? (b)

Source: Adopted from Cross et al. (2007)

Of course, some will scoff at this attempt at creative destruction of the formal hierarchy and organization directories. One of the early social network analysis theorists, Rob Cross, provides in his work a useful schematic (see Figure 8.4 of the difference between who reports to whom, and who actually talks to whom. Work is of course work, but to whom you talk, text, email, or whatever medium is involved is what really matters).

organization. But as powerful as data is—and information is the rational assembly of data for a particular purpose—it is knowledge that is the driving force. Knowledge cements relationships and makes organizational reputations.

Another indicator of this significant force is the recent tendency for corporations and public agencies to use LinkedIn—a business social networking platform used by 300 million users as a résumé promotion and job-hunting tool. LinkedIn gathers endorsements and brings together groups of professionals around their areas of knowledge. Yes, it's a tool to find jobs, but it's more about creating alliances and engaging employees in the task of gaining expertise and exchanging knowledge. If information basically travels in networks, then LinkedIn is a connector to not only bring people into the networks but to keep organizations cognizant that their success depends on how well they operate in a network world.

CASE STUDY Organizations and "Sustainable Behavior"

> No one knows how an 80 percent reduction in global carbon emissions can be achieved in two decades, but it certainly won't happen through minor adjustments in business as usual. Many individuals and organizations are leading the way now; many more will follow. And as they coalesce, innovate, and interact, their leadership will shape a world profoundly different from the "take—make—waste" industrial age society.
>
> (Senge, Smith, & Kruschwitz, *Strategy & Business*, Summer 2008)

Chances are if you were taking courses in business education in the 1990s, you would have been assigned a book on organizational behavior somewhere along the line titled *The Fifth Discipline: The Art and Practice of the Learning Organization*. The author was Peter Senge, a senior lecturer at the MIT Sloan School of Management, and the founder of the Society for Organizational Learning. He was and remains what the media likes to call an organizational guru. (The "fifth discipline" is a reference to Senge's five disciplines for learning in organizations—building a shared vision, systems thinking, mental models, team learning, and personal mastery.)

But Senge—from his enhanced status of guru and noted organizational theorist—was making the challenge (imperative is perhaps the better word) clear—that there must be an 80% reduction in worldwide CO2 emissions over the next 20 years. Senge's "80–20" challenge required a true revolution in organizational thinking to drive a real change in organizational behavior. This was certainly both bold and brave thinking. The Bush administration in 2001 had announced that the US would not implement the 1997 Kyoto Protocol—an agreement brokered by former vice president Al Gore and signed by former president Bill Clinton and later ratified by 140 countries—aimed at curbing greenhouse gas emissions and countering global warming. The US was about to plunge into the Great Recession, and it wouldn't be until 2015 that the next international accord—the Paris Climate Agreement—would be set with nations setting goals for global emissions to peak as soon as possible and trend downward.

Senge's voice was neither the first nor the only one. But it was notable that one of the leading organization theorists was pointing to the challenge not in terms of setting a goal for climate change but in terms of what organizations needed to do change their behavior. In the first decade of the 21st century, public and social sector organizations began to get serious about environmental stewardship and sustainability. Organizational leaders were coming to the same mindset of the prevailing view of the scientific community. There was growing consensus that this was more than an issue. It was critical, both in the US and throughout the world, that confronting climate change and the potential impacts of global warming be addressed—now.

Even the major business management journals began accepting this. *Strategy & Business*, a leading business journal, noted, "after 200 years of accumulating technological and commercial clutter, civilization faces its most significant clean up since the Industrial Revolution began" (Kleiner, 2008).

MIT's *Sloan Management Review* in 2009 completely revamped and redesigned its journal to restate a new central value proposition for modern organizations—"ensuring sustainable development." The new logic is that short-term profit, long-term economic viability, and yes, high-performance government must make way for new organizational models and methods that balance, if not replace, profit or efficiency, growth, and production-dominated goals with sustainability goals (*MIT Sloan Management Review*, Winter 2009).

BUT HOW TO CHANGE ORGANIZATIONAL BEHAVIOR?

If organizations are to lead change, they must begin with goals that signify both a change in direction, state where the goal stands among other competing priorities, and denote the resources that will be devoted to implementing the resulting change effort. That's not as easy as it may seem. Organizational theorists have long warned that change is seldom a result of simple pronouncements by the upper levels of the administrative hierarchy.

Herbert Simon wrote as much in an article pointing out the following:

- It is difficult to introduce the concept of organizational goal without reifying the organization—treating it as something more than a system of interacting individuals.
- The goal of an action is seldom unitary—it generally consists of a whole set of constraints an action must satisfy.
- An actual organization's decision-making mechanism is a loosely coupled, partially decentralized structure in which different sets of constraints may impinge on decisions in different organizational locations.

(Simon, 1964, p. 1)

Summing up Simon's points, the organization must carefully consider how a new goal will be interpreted by its employees and how that goal will align with personal values and other motivations. Further, the goal is likely to acted upon differently in different parts of the organization—even if it is warmly received and supported by most of the workforce. As an example, a new set of directives about reducing energy use, conserving water and utilities, recycling, and green waste may be well received in the various public agency offices but viewed as a waste of time in police precincts and fire stations.

Let's assume there is general agreement with new organizational goals about climate change and sustainable practices. What has changed in the past few years is the appearance of sustainability plans. Increasingly, organizations are expanding their strategic plans or more explicitly issuing a separate sustainability plan or climate action plan—and in some cases both. But these plans are basically an elaboration of organizational goals with metrics.

But how does the organization bring about a change in organizational behaviors? Who champions this effort? This case posits this as the core question, rephrasing the question asked—if it's that important to the organization, where is it located in the organization? One would think that climate change, global warming reduction, and sustainable development would have a highly visible place in the

organizational chart. While organizational charts aren't always the best indication of who rules or where the resource priorities are, they do show the things (units of management, programs, roles and responsibilities) that matter most and are most visible. So by extension, if climate change action/sustainability is important, one would expect to find "it" on the organizational chart.

In this case, you are to use the organizational chart as basically a starting point for embarking on a change strategy and assess the organizational implications an agency needs to consider to embark on a more "assertive strategy" to make environmental sustainability both a mandate and a high mission priority. The following are a number of organizational design alternatives illustrating different ways some organizations are approaching accenting a new organizational priority and embedding it into the organization.

Option A—The Sustainability Department

Recast key functional and staff personnel with environmental duties and responsibilities into a new Department of Environmental/Sustainability, which reports directly to the top executive.

Option B—The Sustainability Czar or Czarina

Create a "czar" position in the executive's office, which oversees all sustainability and climate change management issues and reports directly to the board and top leadership.

Option C—The Climate Leadership Team

Create a "Project Team" of key executives and high-level managers who meet regularly, develop strategies, and coordinate implementation.

Option D—The CCCO/CSO Staff Office

Create a new staff or line office in the organizational structure that has functional responsibility and is led by a CCCO: "chief climate change officer" or CSO: "chief sustainability officer," who directs evaluation and monitoring of results.

Option E—The Climate Liaison Officers

Create high-level liaisons or executive staff positions in all the major subunits of the organization that focus exclusively on climate change/sustainability initiatives. These liaisons report directly to the top executive but are located in subunits as senior staff.

Option F—The Climate Council

Create a "Climate Change Leadership Council" that brings suppliers, contractors, and customers to meet regularly to plan strategy and coordinate a community-wide effort.

Option G—The War Room

Create a "Carbon War Room" (using an entrepreneurial design pioneered in private sector aviation). Essentially, this is an innovation-oriented task force or project team that works directly with suppliers, contractors, and customers to set up partnership initiatives on sustainability.

Case Discussion Questions

1. Why did you choose the design alternative you preferred? In your thinking about organizations—what makes your organizational model "better," that is, more effective?
2. How will your new "element" interact with the rest of the organization? Think of this in terms of hierarchy at three levels:
   - with the chief executive and her or his staff
   - with the leadership team (other unit heads)
   - with the employees working in field units or functions
3. How do you think your new element will change your organization's behaviors (and with it values) and sensitivity about sustainability and its importance? Do you think changed behaviors at work will translate into behaviors at other places?
4. How would you measure change—what metrics (engagement, morale, job satisfaction, organizational respect) can be used to assess whether your new structure is producing results in terms of organizational behaviors and leadership in sustainability? For comparison, here are the EPA's carbon metrics for the US overall in Figure 8.5.

FIGURE 8.5

US greenhouse gas emissions by gas, 1990–2019

This figure shows emissions of carbon dioxide, methane, nitrous oxide, and several fluorinated gases in the United States from 1990 to 2019. For consistency, emissions are expressed in million metric tons of carbon dioxide equivalents.

* HFCs are hydrofluorocarbons, PFCs are perfluorocarbons, SF6 is sulfur hexafluoride, and NF3 is nitrogen trifluoride.

Data source: US EPA, 2021 Climate Change Indicators: US Greenhouse Gas Emissions | US EPA

A Post Script About Metrics: The Quadruple Bottom Line: Its Time Has Come

Edward E. Lawler III, Contributor, *Forbes Leadership*, May 7, 2014

I am all about sustainable organizational effectiveness. What is an effective organization? Organizations should not be judged just on their financial performance. They do need to perform at an above average level financially in order to be considered successful, and they do need to do it over a substantial period of time, not just a few years.

Above average financial performance is no longer enough. It is not the only thing that society has the right to expect from corporations. For several decades there has been growing support for holding them accountable for the other important outcomes they produce. The cry for broader accountability gets louder every year and the ability to hold them accountable for their non-financial performance improves every year. Now, more than ever, the focus should be on what it means to be a high performing, sustainable effective organization. But, what should organizations be held accountable for in addition to their financial results?

One proposal that has received a considerable amount of attention and support is the triple bottom line approach. It argues that it is important to hold organizations accountable for their financial, environmental, and social performance. I have no problem with including these three, but I think it is appropriate to make one important change in the triple bottom line argument.

Organizations need to be held to quadruple, not triple, bottom line performance standards. They need to perform well financially, environmentally, socially, and in how they treat their employees. How they treat their employees often gets included in the triple bottom line definition of the social category, but it warrants a separate and distinct set of measures and a high level of accountability. It is an area where the impact of organizations is measurable, significant, and may be quite different than the impact on the communities in which they operate.

Today, more than ever, it is feasible to hold organizations accountable for their quadruple bottom line performance and it is possible for organizations to perform well in all four areas. In the past, it was unrealistic to expect organizations to function well in all four performance areas. Indeed, it was not practical to measure the performance of organizations in all four performance areas, but times have changed. With the new metrics that are being developed as a result of big data and the tremendous computing and analytic power that is now available, it is more and more possible to measure their performance in all four areas.

Of course, measuring quadruple bottom line performance is just the first step to getting organizations to perform in a sustainable effective way. They also need the internal capabilities that are necessary in order to perform well simultaneously in all four areas. It is beyond the scope of this piece to detail what all these capabilities are and how they can be developed. But it is important to note that there are numerous new ideas about organizing and managing organizations that can increase the capabilities organizations have and make it possible to create organizations that perform well from a quadruple bottom line perspective.

Work and organizations are going to be changing more in the next decade than they have in any other thanks to the development of computing and other kinds of technology. When incorporating the new technologies that are being developed into how organizations are designed and operated it is critical that the quadruple bottom line be the criterion against which change is conceived, implemented, and evaluated. Only if this is done are organizations going to perform in ways that warrant support by the societies that create them and allow them to exist.

Edward E. Lawler III is a distinguished professor of business at the University of Southern California (USC) Marshall School of Business and founder/director of the University's Center for Effective Organizations.

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Co-opt To include potentially dissident group members in an organization's policymaking process to prevent such elements from being a threat to the organization or its mission. The classic analysis of co-optation is found in Philip Selznick's *TVA and the Grass Roots* (1949).

Follett, Mary Parker (1868–1933) An early social psychologist who anticipated, in the 1920s, many of the conclusions of the Hawthorne experiments of the 1930s and of the post–World War II behavioral movement.

Government of laws A governing system in which the highest authority is a body of law that applies equally to all (as opposed to the rule of men, in which the personal whim of those in power can decide any issue). The idea of the desirability of a "government of laws, and not of men" can be traced back to Aristotle. The earliest American reference is in the 1779 Massachusetts Constitution. John Marshall also used this succinct legal description in *Marbury v. Madison* (1803): "The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for the violation of a vested legal right."

Group dynamics The subfield of organizational behavior concerned with the nature of groups, how they develop, and how they interrelate with individuals and other groups.

Hawthorne experiments The late 1920s and early 1930s management studies undertaken at the Hawthorne Works of the Western Electric Company near Chicago. Conducted by Elton Mayo and his associates from the Harvard Business School, they became one of the most famous management experiments ever reported.

Job enlargement Adding additional but similar duties to a job.

Job enrichment Adding different kinds of duties so that the work is both at a higher level and more personally satisfying.

Münsterberg, Hugo (1863–1916) The German-born psychologist whose later work at Harvard would earn him the title of "father" of industrial or applied psychology.

Needs hierarchy Abraham H. Maslow's five sets of goals or basic needs arranged in a hierarchy of physiological needs (food, water, shelter, etc.), safety needs, love or affiliation needs, esteem needs, and the need for self-actualization.

Organization development An approach or strategy for increasing organizational effectiveness. As a process it has no value biases, but it is usually associated with the idea that effectiveness is found by integrating the individual's desire for growth with organizational goals

T-group A training group. According to Chris Argyris, a leading authority on OD techniques, the T-group experience is "designed to provide maximum possible opportunity for the individuals to expose their behavior, give and receive feedback, experiment with new behavior, and develop everlasting awareness and acceptance of self and others."

Theory X The assumptions that the average human being has an inherent dislike of work, that most people must be threatened to get them to put forth adequate effort, and that people prefer to be directed and to avoid responsibility.

Theory Y The assumptions that work is as natural as play, that workers can exercise self-direction and self-control, and that imagination, ingenuity, and creativity are widespread.

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RECOMMENDED BOOKS

Ancona, Deborah and Henrik Bresman (2007) X-*team: How to Build Teams that Lead, Innovate, and Succeed*. Harvard Business School Press. For all the hundreds of business and organizational books extolling how to reshape workforce behaviors through teamwork, this benchmark work by one of the first organizational theorists and a colleague stated flatly that most teams don't work is still essential reading.

Cross, Rob and Robert Thomas (2009) *Driving Results Through Social Networks: How Top Organizations Leverage Networks for Performance and Growth*. San Francisco: Jossey-Bass. One of the best social network analyst's case for how knowledge and communication alliances have remade organizations and changed the perspective of why it's critical to understand who talks to whom.

Lipsky, Michael (2010) *Street-Level Bureaucracy: Dilemmas of the Individual in Public Services*. Expanded Edition. New York: Russell Sage Foundation. Many were genuinely surprised when the author first asserted that public employees who interacted directly with the public—police, social workers, and so on—were also, by default, the makers of bureaucratic policy, albeit on a small scale but with vast implications for accountability.

Pentland, Alex (2014) *Social Physics: How Good Ideas Spread—The Lessons From a New Science*. New York: Penguin Press. Group dynamics under a different lens—a leading tech guru at the MIT Media lab makes the case for rethinking how groups actually should work together—*if* the main purpose is idea flow and innovation.

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CHAPTER 9

Public Management and Information Technology

CHAPTER OUTLINE

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KEYNOTE: Socrates Discovers Universal Management

In ancient Greece, Socrates was busy establishing the intellectual foundations of modern educational testing when he discovered that "the unexamined life is not worth living." Still, he found time to argue for the universality of management, that a successful business leader could be an equally effective general. Universal or generic management refers to management practices that are equally applicable in the public, private, and nonprofit sectors. The underlying doctrine holds that a properly trained manager will be effective in any type of organization, whether public or private, whether in service or manufacturing.

In a dialogue recorded by Socrates's disciple Xenophon, an experienced soldier named Nicomachides complains to Socrates about being passed over for promotion to general despite "having received so many wounds from the enemy" (as he

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says this, he opens his cloak to reveal his scars) in favor of a businessman "who has never served in the heavy-armed infantry and who indeed knows nothing but how to get money."

Socrates tells the brave soldier that a leader who "knows what he needs, and is able to provide it, [can] be a good president, whether he have the direction of a chorus, a family, a city, or an army."

"By Jupiter, Socrates," cried Nicomachides, "I should never have expected to hear from you that good managers of a family [business] would also be good generals."

"Come, then," proceeded Socrates, "let us consider what are the duties of each of them, that we may understand whether they are the same, or are in any respect different."

"By all means."

"Is it not, then, the duty of both," asked Socrates, "to render those under their command obedient and submissive to them?"

"Unquestionably."

"Is it not also the duty of both to entrust various employments to such as are fitted to execute them?"

"That is also unquestionable."

"To punish the bad, and to honor the good, too, belongs, I think to each of them."

"Undoubtedly."

"And do you think it is for the interest of both to gain for themselves allies and auxiliaries or not?"

"It assuredly is for their interest."

"Is it not proper for both also to be careful of their resources?"

"Assuredly."

"And is it not proper for both, therefore, to be attentive and industrious in their respective duties?"

"All these particulars," said Nicomachides, "are common alike to both; but it is not common to both to fight."

"Yet both have doubtless enemies," re-joined Socrates.

"That is probably the case," said the other.

"Is it not for the interest of both to gain the superiority over those enemies?"

"Certainly; but to say something on that point, what, I ask, will skill in managing a household avail, if it be necessary to fight?"

"It will doubtless in that case, be of the greatest avail," said Socrates, "for a good manager of a house, knowing that nothing is so advantageous or profitable as to get the better of your enemies when you contend with them, nothing so unprofitable and prejudicial as to be defeated, will zealously seek and provide everything that may conduce to victory, will carefully watch and guard against whatever tends to defeat, will vigorously engage if he sees that his force is likely to conquer, and, what is not the least important point, will cautiously avoid engaging if he finds himself insufficiently prepared" (Xenophon, Book IV 1–12).

Socrates, in listing and discussing the duties of all good leaders—of public as well as private institutions—emphasized their similarities. He then states, "the conduct of private affairs differs from that of public concerns only in magnitude; in other respects, they are similar." Socrates concludes, "those who conduct public business make use of men not at all differing in nature from those whom the managers of private affairs employ; and those who know how to employ them conduct either public or private affairs judiciously, while those who do not know will err in

In the Bible it is written, "greater love hath no man than this, that a man may lay down his life for his friends" (John 15:13). In this 1787 depiction of *The Death of Socrates* by French artist Jacques-Louis David, Socrates is explaining to his followers why he is expressing love for them by laying down his life (by drinking hemlock, a poison) for the public administrative institutions of his state, the city of Athens. Socrates, as the inventor of the Socratic method of seeking truth by a constant, nagging questioning of facts and values, had so annoyed most of his fellow citizens that they condemned him with the expectation that he would then voluntarily exile himself—and pester citizens of another city with his questions. Socrates always took pride in his service to the state as a sometimes soldier and as a citizen gadfly and critic. He was too respectful of the institutions of his government to disdain them by exiling himself. So, he tells his distraught followers that he is about to drink the hemlock as his final duty as a citizen.

Source: Catharine Lorillard Wolfe Collection, Wolfe Fund, 1931

the management of both." His is the first known statement that managerial competence was transferable. Thus, a manager who could cope well with one type of organization would be equally adept at coping with others, even though their purposes and functions might be widely disparate. Ever since, the generalist manager has been an ideal.

Socrates was not the only ancient Greek to provide significant insights into modern management. Plato, a student of Socrates, is often considered to be the first political scientist. His *Republic* (360 bc) is the Western world's first systematic analysis of the political process. There he provided an intellectual rationale for the "divine right of kings" even before Christianity sanctioned the notion. To Plato, only an elite of philosopher kings or "guardians" had the political wisdom necessary to govern; he would not have been an equal opportunity employer. His just society was one where each person had a predetermined place—with the guardians on top. Yet, in essence, Plato's elitism is a call for professionalism—a challenge to his contemporaries who thought that no training or aptitude was necessary to manage public affairs.

In his *Politics*, Aristotle, a student of Plato, wrote of the division of labor, departmentalization, centralization, decentralization, and delegation of authority. But most importantly he presented the first comprehensive analysis of the nature

of a state and any other political community. To Aristotle, the state was a natural development because "man is by nature a political animal." The state was even more important than family because, while a family exists for comfort, the state can be a vehicle for glory and the good life.

Perhaps Aristotle's most famous analytical construct is his classification of the three basic forms of government. He found that every political community had to be governed by either the one, the few, or the many. This corresponds to his three governing types: kingship, aristocracy, and polity (majority rule). Unfortunately, each of these had its perversions, the conditions to which it degenerated when the rulers ceased ruling in the interests of the whole community. Kingship often degenerated into tyranny; aristocracy (rule by a talented and virtuous elite) into an oligarchy (rule by a small group in its own interest); and a polity or constitutional system (where a large middle class rules for the common interest) into democracy (mob rule in the interests of the lower classes). Overall, Aristotle favored a mixed constitution—one in which all citizens "rule and are ruled by turn," where no class monopolizes power and a large middle class provides stability.

It is only in this last situation that administrative institutions evolve to be responsive to the needs of the mass of the citizenry. Still the Greeks limited citizen participation. Manual workers, merchants, and other "disreputable" types (including large numbers of slaves) were excluded from citizenship. Because work itself was disdained, no professional corps of administrators emerged. The relatively few citizens, competent or not, took turns managing the public's business. As Pericles said in his funeral oration over the Athenians who died in the Peloponnesian War, "We are called a democracy, for the administration is in the hands of the many and not of the few." The Athenians assumed that all citizens would participate in government. Pericles proudly asserted, "we are the only people to regard the man who takes no interest in politics not as careless, but as useless." Thus, it made sense to them that most offices were filled by lot for short terms. Effectively, the gods decided who did what. However, some offices such as treasurer or military commander were elected—they were simply too important to give the gods free rein. As any student of Greek mythology knows, the gods often proved to be perverse.

Aristotle's most famous student was Alexander the Great. He did not write any books; he just used what Aristotle taught him and conquered the world. But because he never created an institutional foundation for his empire, it dissipated shortly after his death. The Greeks simply lacked the knack—lacked the doctrine—for large-scale administrative structures. They never got beyond the city-state. So, it was relatively easy for the better-organized Romans to take them over in the middle of the second century bc. It just goes to show that in the game of the rise and fall of civilizations, the better organized—those who have the best public administration doctrine—win. And it has been that way since the beginning of recorded history. Aristotle might just as well have said that "man is an administrative animal" because states do not get very far politically or militarily unless they also develop administratively.

WHAT IS STRATEGIC MANAGEMENT?

Managers in the public sector now confront an emerging and dynamic set of challenges involving different economic and managerial assumptions on the roles, responsibilities, and strategies of governments and its partners (nonprofit and private sector contractors). This includes the changing political and social environments in which public sector organizations operate, as shaped by divergent citizens'

views of government and increasingly highly partisan debates about trust, transparency, accountability, and public value. These public perspectives now extend to issues of private versus public provision of services, the role of governments in ensuring economic stability, promoting environmental sustainability, and allocating resources for public investment and development.

Above this has loomed a larger question—should public management develop its own management tools and techniques to forge a public sector management framework or should it follow and adapt to the prevailing trends coming largely out of modern business enterprises? This is especially vexing for government management because of the almost dizzying pace of technological change coming out of the information communication technology (ICT) revolution.

For most of the 20th century, governments followed business. There were distinct but overlapping eras involving productivity improvement, quality management, and business process reengineering. Often referred to as "fads," each of these represented a change in thinking about operations, human capital, and organizational management. Public management was influenced by each in turn, and there were numerous adapters of these new management "strategies." It can also be said that each had some impact on how mangers think about management today, so a section in this chapter will be devoted to explaining the ideas and the impacts of each.

But there was always a larger framework behind such movements. This is commonly referred to as strategic management. Strategic management provided a guide—a playbook, if you will—for executives and lower levels of management in both private and public sector organizations to articulate how the mission (the stated purposes and values) translated into goals and objectives, established priorities, and strategized how resources would be expended into organizational action. An organization could set up 100 quality circles or launch a dozen process reengineering teams as means for managing change, but they would still fit into the framework of strategic management.

Thus, we begin with an overview of strategic management, then trace through the successive fads that paralleled. We will leave the concepts and tools of strategic planning and futuring for a more detailed discussion in the following chapter.

So, one more time, what is strategic management? The definition of strategy is derived from the ancient art of generalship, as the employment of—the management of—overall resources (classically soldiers) to gain an objective. Tactics are the use of a subset of these resources to gain a part of the overall objective. Strategic management is the modern application of this ancient art to contemporary business and public administration. It is the conscious selection of policies, development of capability, and interpretation of the environment by managers in order to focus organizational efforts toward the achievement of present objectives. These objectives necessarily vary. In the private sector, it could be the doubling of annual dividends to stockholders within so many years. In the nonprofit sector, it could be the creation of a repertory theatre or a significant increase in attendance at symphony orchestra concerts. In the public sector, it could be a reduction in the crime rate, an increase in the high school graduation rate, the defeat of worldwide communism, or victory in the war against terrorism.

All strategic management efforts are based on an approach to change through some form of mission statement (even maintaining the status quo is a statement of purpose) by which an organization decides where it wants to be by a future target date. There are generally six features that identify a strategic, as opposed to a nonstrategic, management approach:

1. The identification of objectives to be achieved in the future (these are often announced in a vision statement).
2. The adoption of a time frame or future date in which these objectives are to be achieved.
3. A systematic analysis of the current circumstances of an organization, especially its capabilities.
4. An assessment of the environment surrounding the organization—both now and on the horizon.
5. The selection of a strategy for the achievement of desired objectives by a future date, often comparing various alternatives.
6. The integration of organizational efforts around this strategy and the allocation of resources through budgeting for implementation.

The overall strategy chosen is in essence the package of actions selected after analyzing alternatives, assessing the outside environment, and determining the internal capabilities of an organization to achieve specified future objectives through the integration of organizational effort. The strategic management process can be driven by a strategic planning unit within the organization. But more frequently, it is directed by the top leadership or management team at the highest levels of the organization. This may include boards of directors or other advisory bodies or councils that are part of the organization's alliances and networks.

Eventually, its findings are presented in some form of detailed document. Sometimes this takes the form of a strategic plan. Other times it is part of the executive budget or even an organization's annual report. Nowadays, the best place to find current statements of strategic intent of any entity is the organization's website.

Management Control: Last Step/First Step

Many of the core elements of strategic management just listed have unique considerations when they are applied to public sector organizations. Such is the case of management controls.

As would be expected of public sector organizations—where accountability is paramount and compliance with rules, regulations, and other procedures is hardwired into all operations—management control is at both the front and the back end of strategic management. When public sector organizations prepare their thinking about next year's proposed actions and priorities, a preliminary step is to ask—where are we now? In looking at strategic management as a "process" (see Figure 9.1), the last step—creating control and evaluation systems—is also the first step in reporting results to shape future thinking.

Management information and control systems are instituted in public agencies to allow administrators to find out what is going on in an organization (and in the environment as the result of an agency's activities) and thereby to manage the activities of others. Control systems are employed to see whether plans are being executed as intended, to monitor goal-oriented behavior, and to make corrections when behavior or results veer from planned goals. This monitoring is essential because organizational goals, quite simply, often get lost. This happens in part because organizations, as artificial entities, cannot have true goals; only people can. And people, despite the fact that they create or join organizations because of its professed goals, all too often have goals of their own that may not coincide well with the ostensible goals of the organization.

FIGURE 9.1
The core steps of strategic management
Black boxes are actions taken in present tense- Blue boxes are actions planned in future tense

Organizational goals can get displaced when employees become more concerned with what they can get out of, as opposed to what they must contribute to, the organization. Thus, an essential task of a manager—indeed, the "function of the executive," as organization theorist Chester I. Barnard (1938) asserted—is to maintain the "dynamic equilibrium" between the needs of the organization and the needs of its employees.

Goals and Objectives

Most public sector agencies were created out of a need for corrective action or at least a politically inspired pledge to take action or take control over some problem or some area of concern. When we look at public utilities or mass transit systems, there's a long history regarding their roles and responsibilities, which is generally embedded in their "mission statement." And sometimes there are new entities created that provide an opportunity to see firsthand the creation of a new mission statement. A good example might be the recently created US Space Force. Established in the last administration, this new entity describes itself as:

> a separate and distinct branch of the armed services, organized under the Department of the Air Force in a manner very similar to how the Marine Corps is organized under the Department of the Navy.

Their mission statement is really more a declaration of intent—still in development.

> The USSF is responsible for organizing, training, and equipping Guardians to conduct global space operations that enhance the way our joint and coalition forces fight, while also offering decision makers military options to achieve national objectives.
> (www.spaceforce.mil)

But by 2022, around 1,000 military and civilian workforce members will be transferred to this newest member organization of the Defense Department. As the Space Force takes shape and budgeting resources are encumbered, more details will emerge specifying what the mission is and most importantly what objectives will be stated for its management.

While objectives-based thinking via strategic management has become so pervasive that it is hard to think of management without objectives, it's not as ancient as one might think. Indeed, it really didn't become in vogue in business practice until the mid-20th century. The management guru **Peter Drucker** in his pioneering 1954 work *The Practice of Management* espoused management by objectives (MBO) as an approach to managing whose hallmark is the establishment of measurable goals to be accomplished over a set period of time. Drucker's MBO was essentially a system in which overall objectives were clearly stated and agreed upon within the organization and then assigned to units or groups or teams to work toward those goals in ways they determined best for their own areas of responsibility as Figure 9.2 illustrates.

FIGURE 9.2
The management-by-objectives process

This delegation ensured commitment, and because the organization set up linked performance measures toward the objectives, there was always some level of accountability.

The widespread adoption of the MBO concept aided in the distinction between a function and an objective. It is now widely understood that an emphasis on the latter can stimulate a focus on performance and effort as opposed to the more traditional custodial focus toward one's organizational obligations. MBO was also a response to the need for upper levels of management to share their visions for the organization's future by communicating directly with all employees as to what goals and objectives were being established. (There's always some debate about the difference between a goal and an objective, but in strategic management goals (broad statements of direction and effort) come first, and objectives (specific statements of levels of measurable accomplishment) follow.

The public sector was a bit slower than the private sector in embracing the idea of objectives-based management. In part this could be attributed to public administrators being expected to focus not on new change objectives but on simply fulfilling their functions and responsibilities—that is, the duties assigned to them by law. Indeed, public administration was traditionally defined as the enforcement or implementation of public policy by some form of legal dictate. This emphasis on the basic responsibility to discharge ongoing functions set down by law has been a main focus of traditional public administration. It has even contributed to debates as to whether administration (ensuring compliance) was somehow different from and not really management. Fortunately, this notion has long since been put to rest.

With the ever more rapid pace of change in the communities served by the public sector, very few functions can go on unchanged from year to year and decade to decade. Few public organizations, not even libraries, have the luxury of just "administering" timeless functions. The objectives of public sector organizations have become moving targets—and public sector managers must move with them.

Nonetheless, many public sector organizations still produce separate statements of their functions (or responsibilities) and objectives. You can distinguish the language of each. Since a statement of functions is about what an organization is responsible for under law, it broadly answers the question, "What do we do?" The answer is normally a static description, timeless and without directionality. A statement of objectives (often called a mission statement), however, answers the question, "What are we trying to achieve, and by when?" Instead of a static description, this normally implies a direction being pursued, along with specific measures so that we will know when we get there. A statement of functions might say, "We are in charge of child care"; a statement of objectives might say, "We intend to provide a preschool place for every child in the community by 2025."

A good statement of objectives should resemble the following dictates:

1. Succinct, and limited to the organization's sphere of influence.
2. Directional, with specific future states to be achieved.
3. Time limited, with indications of when each objective is to be achieved.
4. Measurable, so that achievement or progress can be evaluated.

PRODUCTIVITY MEASUREMENT AND PUBLIC SECTOR MANAGEMENT

Writing for the inaugural issue of a new public sector journal in 1975 devoted to government productivity management, George Gilder warned of an impending era

when the economy of the United States could be significantly threatened in terms of its competitiveness, growth, and ultimately its standard of living.

> As society makes demands beyond the private sector's ability to fulfil, government responds with two tools—regulation or money. But both approaches are incurring greater frustrations. We are coming to realize that we have a more finite resource base than previously suspected. Public expenditure may simply bid up the price rather than improve the results.
>
> Thus, we understand why it is that as government grows more expensive, not only public sector, but also total national productivity may decline. This effect is not inevitable, government is not necessarily less productive than other sectors of the economy. In fact, government often plays a catalytic role, enhancing the productivity of business. But unless government incorporates a productivity consciousness in all of its activity, it will tend to grow stagnant as it grows larger.
>
> George Gilder (1975, p. 6)

Gilder was greatly concerned, as were many economists, business executives, and political leaders at that time, with the emergence of a new period of stagnation in productivity in the US. Coming out of the Second World War with minimal damages to its industrial infrastructure, the US had become the dominant economy of the world. This was reflected in average annual rates of national productivity growth of 2.8% from the late 1940s to early 1970s. But by the early 1970s, productivity rates fell by more than half to 1.1% and the US lagged behind the very countries whose industrial base the US had rebuilt after the war: Japan and Germany. Various commissions were formed to find solutions to the "productivity crises," but despite all the attention by the early 1980s, it was still under 1.5%.

Government—having grown to a level where it accounted for 25% of national gross domestic product) and some 10 million employees at federal, state, and local levels—was seen as part of the national productivity problem. When the great productivity slowdown hit the US in the 1970s, the discussion of what government should do to foster productivity largely focused on what were perceived failings in government economic and regulatory policies that were viewed as hampering private sector productivity growth. However, underlying this reexamination of private and public sector poor performance was the recognition that the United States was in the midst of a major transition to a new economy—one based primarily on services and information and that the old industrial management and workforce systems and strategies were no longer adequate.

In the early 1970s, congressional interest led directly to creating a formal productivity measurement program in the federal government. This was one management movement where measurement came first. Once baselines were created with the measurement system, the program (usually acronymic FPMP for the federal productivity measurement program) included about half of the civilian federal workforce at the start and would reach about two-thirds of the workforce by the mid-1970s (Fisk, 1985, p. 20). There were some major missing agencies, such as the intelligence agencies, the State Department, and large portions of the Defense Department. But even among these excepted agencies, some support functions were included for measurement (logistics and administrative support for Defense, contractors for NASA, etc.).

Determining how productivity would be measured was seen as the real challenge. Agencies had to designate some form of final output. The primary focus was on some form of physical count, such as volume of mail for the Post Office,

or number of inspections, claims, or invoices paid, student days taught, licenses processed, health care visits, etc. To be fair, this challenge to identify outputs was neither a formidable nor a new phenomenon for government. The prevailing budgeting system for the federal government (and many state governments) coming out of the 1950s was performance budgeting, which included extensive program output measurements both as an efficiency indicator and as the basis for using work measurement to establish staffing levels for programs. Performance budgeting was a precursor for productivity management—as one early budgeting textbook noted:

> The contentions for the new productivity field in the 1970s are very reminiscent of the earlier claims for performance budgeting. Performance budgeting sought to establish management's right and responsibility to ascertain how much work was being accomplished, at what cost, and for what results as measured against specified performance standards. In the 1970s the questions are still the same, only it seems they are being asked by different people.
>
> (Hyde, 1991, p. 78)

While the agency productivity output and labor costs measurements were the primary quantitative emphasis, the Bureau of Labor Statistics attempted regular more qualitative evaluations. Agency managers were surveyed about their explanation for shifts in productivity. Most agencies explained major shifts in productivity levels as driven by workload volatility and technology. In the 1970s, unforeseen political, financial, or environmental events were identified as the primary driving forces that would cause an agency to ramp up or scale down work efforts and staffing levels, which would then shift productivity levels. Later, in the early 1980s, agency comments pointed to major changes in office automation and computing that were major driving forces (Fisk and Forte, 1997). In other words, productivity measurement wasn't seen as having much of an effect other than to register the impacts of external effects.

Of course, you can't have a reform effort, even a management one, without a special office to lead the effort. In 1985, the Reagan administration promulgated an executive order as part of the newly reelected administration's federal management improvement program. Over 20 designated primary federal agencies under OMB's direct purview were to institute formal programs that would establish a productivity office and publish a productivity improvement plan with a formal measurement system. And on the first page on the executive order draft, OMB announced that a 20% improvement goal by 1992 for all agencies would be set. Further in the document, OMB proclaimed that these implemented productivity goals would of course "be translated into projected cost savings" and taken into account in terms of budget allocation reductions.

If employees didn't like having their workloads measured, federal agency managers were equally unappreciative. They certainly understood and both resented and resisted this type of "productivity math"—where productivity gains were "pre-ordered" to be used to decrease agency budgets as opposed to increasing service quality, investing in agency capabilities, or supporting innovation efforts. NASA, having launched a major contractor and agency effort around productivity improvement a year earlier, was typical of the agency response—notifying OMB that under this program they were essentially being penalized for their efforts and therefore were "disinclined to participate" (NASA-JSC Report 1985, Lawler et al., 1992). As the Reagan administration's political capital was diverted to other more pressing matters (the Iran-Contra affair, etc.), the OMB initiative was set aside and quietly left to expire at the end of Reagan's second term (Benda, Levine, 1986).

Another four years and another administration would see the federal productivity measurement program itself subject to a major round of budget cuts, and the heart of the measurement program was terminated. Thereafter, no systematic productivity measurement would be undertaken at the federal level except for the US Postal Service. It is certainly safe to say that few managerial tears were shed on the loss of the federal productivity program. And, as will soon be noted, the dismantling of the FPMP did not leave a vacuum. Following the National Performance Review at the outset of the Clinton-Gore administration in 1993, total quality management (TQM) was promoted as a replacement to productivity management, in part because it was better received by employees who preferred empowerment to measurements. Quality management was a better or perhaps more comfortable fit for most federal agencies with its blend of participatory management groups and self-directed measurement methodologies that appealed to a predominantly white-collar work force and to labor groups that championed labor–management partnerships.

Before passing on to the next fad—the quality movement—a brief assessment of the impacts of productivity management are in order. National productivity began to improve in the 1990s, lessening the pressure for change. Much of this was technology enhanced. During the 1990s the American economy added more than 19 million jobs while manufacturing goods production sectors were basically flat. This didn't mean that manufacturing productivity decreased. Quite the opposite, since 2000, US manufacturing jobs declined by over 30% while manufacturing output increased by almost 50% (De Rugy, 2011). Basically, the US manufacturing labor force dropped to under 12 million workers who were producing the same total output as the previous 17 million workforce did 25 years ago.

Similarly, in the public sector there was a major internal shift in public sector workforces. The movement toward a super-majority white-collar workforce had been underway since the 1980s. Government agencies at all levels were contracting out support functions and blue-collar jobs, accelerating this trend. Interestingly, NASA, which declined to participate in the new federal productivity mandate, continued to sponsor measurement programs for their contractors' productivity. By the mid-1990s, the composition of the federal workforce was below 15% blue-collar positions; by 2010, the percentage went below 10%. But much more importantly, government workforces were becoming more highly compensated as average grade levels increased. **Productivity** measurements could capture this of course—when labor costs are attached to labor hours—but except for the Postal Service, that measurement system was no longer being used.

TOTAL QUALITY MANAGEMENT

The advent of quality management, in effect, superseded productivity. Quality management in the public sector also got some help from a major effort in the American service industry to embrace the principles of quality management. Telecommunications, banking, insurance, and yes, even health care organizations began to develop their own versions of quality management with a distinct service focus. These industries all had major counterparts in the public sector at federal, state, and local levels (along with targeting suppliers, contractors, and partners). As these efforts strongly encouraged benchmarking and sharing of best practices—many government agencies were enthusiastic followers. Many of these service industry corporations helped fund studies on quality practices among state and local governments and set up advisory committees to help launch government-wide efforts.

Quality management also was highly compatible with the aims and natural interests of a highly skilled workforce. Quality management called for very high levels of workforce participation or what was generally called "empowerment." Workers at all levels were expected (and trained) to join together in any number of variations of quality groups or project efforts to analyze quality problems (improvement teams) or to devise new solutions. Most of these teams operated outside of the classic formal hierarchical and representation structures of government bureaucracy—and often included contractors, partners, and even client and customer groups.

The vanguard of the quality movement was the quality circle, or **QC**. In Japan, this easily fit a workforce culture that supported inserting the worker's expertise into all aspects of operations. QCs were regular meetings of employees (many outside of company time) devoted to analyzing product quality, reliability, and customer use. Everyone in the company seemed to belong to at least one quality circle and all were engaged in what they termed the "relentless pursuit of quality." (It should be noted that such voluntary action was partly enabled by the compensation system of Japanese companies that paid a substantial part of one's pay in semi-annual bonuses determined by company's overall business results.) As the quality movement came into force among American businesses, QCs were also established in many federal, state, and local government agencies with regular QC meetings (largely done on a volunteer basis on company time), publicized agendas, and employee suggestions being widely circulated.

It also helps to have political support at higher levels. Then governor of Arkansas Bill Clinton was an enthusiastic champion of quality management. The quality circle concept was enlarged into a management program—called total quality management—that married worker empowerment with product and service quality data analysis to improve customer service. This latter focus was an especially critical dimension—quality was first and foremost derived from customer satisfaction. Many other states and local governments used elements of TQM, but it was at the federal government level where it reached its zenith. Although federal agencies weren't ordered to establish quality offices, a Federal Quality Institute and federal agency quality awards were established promoting best practices and sharing success stories. Quality management was further enabled by the establishment of labor–management partnerships during the Clinton administration.

When the September 1993 National Performance Review report of the Clinton-Gore government reform effort (noted in Chapter 4) was issued, quality management was not a primary reference point. However, the report's second chapter, "Putting Customers First," was quality management 101 from top to bottom. The administration issued Executive Order 12862 embedding all of these quality expectations into agency management requirements. All federal agencies dealing with the public were required to identify their customers, set quality standards for service, survey their customers, and act to make government services "equal to the best in business." Unlike the aforementioned formal productivity programs where improvements might be translated into cost savings and staffing reductions, quality improvements were reinvestments in the agency's performance.

Essentially, the core dimensions of quality management—internal process measurements, external customer focus, employee participation, and contractor involvement—were all highly compatible with the public management premises and goals embodied in the reinventing government movement. For much of the decade, quality management was seen as a preferred framework for organizational change that emphasized work groups and processes with a customer focus that was superior to more formal organizations focused on work through functional specializations.

But formal quality management would face a similar fate as productivity with the presidential election change in 2000. One of the first acts of the Bush administration was to issue an executive order ending labor management partnerships. While the executive order neither prevented government agencies from labor consultations nor promoting quality program aspects, the management emphasis at the federal level shifted to competitive government, technology innovations, new personnel systems, and new budget priorities.

Although comprehensive quality improvement movements took different shapes, developed much jargon, and took off in many directions in the 1980s and 1990s, the origins of all of them are generally traced back to **W. Edwards Deming** and his 1950 trip to Japan. Deming, a New York University professor, was invited by Japanese executives to teach them his approach to **statistical quality control**. Joseph Juran, who emphasized the "management" part of "quality," followed Deming to Japan in 1954. In turn, Armand V. Feigenbaum followed Juran with "total quality control," a management approach that required all employees to participate in quality improvement activities—from the chair of the board to hourly workers.

If any one event can be said to have triggered the total quality movement in the United States, it was a June 24, 1980, NBC television documentary, *If Japan Can . . . Why Can't We?* The program documented Deming's experiences and successes in Japan. The response was overwhelming. Within months, hundreds of major US corporations and government agencies had scrambled aboard the quality bandwagon. Quality appeared everywhere. In 1991, the US Government Accounting Office defined "quality management" as follows:

> A leadership philosophy that demands a relentless pursuit of quality and the stamina for continuous improvement in all aspects of operations: product, service, processes, and communications. The major components of quality management are leadership, a customer focus, continuous improvement, employee empowerment . . .

BOX 9.1 Deming's Philosophy of Quality Management

Deming's 14 points of management are its most famous formulation. In *Out of the Crisis* (1986), Deming provides his guide, which we have paraphrased, for a more complete understanding of quality as a management system and even a philosophy.

1. Create constancy of purpose for improvement of products and services. (A long-term focus is thus essential.)
2. Adopt the new philosophy. (Be prepared for a total transformation.)
3. Cease dependence on mass inspections. (Quality must be built in; defects must be prevented rather than detected.)
4. End the practice of awarding business on the basis of price tag alone. (Low bids lead to low quality. Long-term relationships must be established with single suppliers.)
5. Improve constantly and forever the system of production and service. (Continuous improvement becomes a philosophy, not just a goal.)
6. Institute training. (Training at all organizational levels is a necessity, not an option.)
7. Adopt and institute leadership. (Managers must lead, not supervise.)
8. Drive out fear. (All employees must feel secure enough to express ideas and ask questions.)

9. Break down barriers between staff areas. (Work in organizations is inherently teamwork.)
10. Eliminate slogans, exhortations, and targets for the workforce. (Problems are caused by the system, not by individuals. Posters and slogans tend to create resentment.)
11. Eliminate numerical quotas for the workforce and numerical goals for people in management. (Production quotas yield defective products; replace work standards with intelligent leadership.)
12. Remove barriers that rob people of pride of workmanship. (The individual performance appraisal is a barrier, not an aid, to productivity.)
13. Encourage education and self-improvement for everyone. (Education never ends—for anybody at any level of the organization.)
14. Take action to accomplish the transformation. (Both top-management and employee commitment is essential.)

BUSINESS PROCESS REENGINEERING

As total quality management was being applied in the public sector, it was supplanted by a new management fad that focused on more radical change objectives. If there was a strategic weakness to TQM it was that its focus on continuous improvement was inherently incremental and locked into an organization's legacy products and service processes. As technology started to accelerate, and along with it customer preferences, there was a risk that innovation, not improvement, was the needed strategy. Of course, this meant that organizations had to consider radical change. Enter business process reengineering.

Again, a business book by Hammer and Champy (1993) kickstarted the movement. Business process **reengineering** (BPR) was described as "fundamental rethinking and radical redesign of a business process to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed" (Hammer and Champy, 1993, p. 35). Typically, BPR aimed at dramatic savings in cost and time as well as reducing defects through transformation of the organizational subsystem of management.

Taking its cue from the quality movement, BPR emphasized "process value-added"—what the customer would like to see in terms of service quality, cost, timeliness, access, and responsiveness. Every product or service was to be examined from the eye of the customer, and cycle time (the measure of time to deliver a product or service) was a critical dimension. Business process reengineering had a distinct methodology—referred to as the BPR process—beginning with an initialization stage, where the organization set "stretch objectives" to specify how much each process should "improve" in the future and how good it should be in terms of value to the customer. This also meant setting radical goals for producing and delivering services and cutting costs. To show a real distinction between those small improvement objectives built into TQM's continuous improvement, BPR goals came with an X. Thus, a 1X improvement in faster service was a 10% increase—a 10X goal was 100%.

Figure 9.3 shows a set of stretch objectives established for a BPR process innovation team taken from a BPR project for the National Library of Medicine in the mid-1990s.

Once the organization has prioritized what and where it wanted to innovate, it then sets up some type of project team to perform an analysis and lead the process design effort. While the steps these teams were to take weren't rocket science, they were clearly several steps above more conventional reorganization projects. Most government agencies availed themselves of consultants to orchestrate their

"Stretch" Objectives

Cycle Time: Target 7.5X Improvement within 2 years

This objective would be defined by measuring existing core service levels and then increasing service delivery by 75% of these baselines within 2 years.

Operating Costs: Target 5X Improvement within 4 years

This objective would be defined by doubling the workload with zero increase in line service/support personnel. In addition, administrative and supervision costs would be reduced by 1X (10%) over the same period by using process team management.

Customer Satisfaction: Sustain at 90% within 1.5 years

A customer satisfaction survey metric would be created and the objective would be to attain a 90% rating at the 9-10 level within 18 months (9-10 on the scale index = Very Good to Excellent).

Employee Satisfaction: Sustain at 90% within 1.5 years

A similar baseline metric would be created for employees in the customer access and service process—90% of all members would rate job satisfaction and effectiveness at the 9–10 level.

FIGURE 9.3

Stretch objectives for the customer service desk and support process for the National Library of Medicine

Source: CPPE, The Brookings Institution, Consulting Report for the NLM BPR Project, 1993

BPR efforts, which was both efficient and convenient should they decide to stop or reorganize at any point. A brief outline of the major BPR steps is listed in Figure 9.4 (with apologies for some of the entries that smack more of consulting jargon).

BPR wasn't necessarily a failure, but you could say it had a short run. There were numerous BPR success stories. For example, one report explained how a city (Charlottesville, Virginia) reengineered its process for issuing new business licenses to take less than a half-hour instead of two days; or how Merced County, California, reengineered its social service eligibility process to take less than three days instead of the previous 40 days; and or how Phoenix, Arizona, reengineered the time it took to get city property maps from five days to five minutes. There were several larger projects in the federal government—notably at the IRS, Customs, and others. The GAO even published a BPR guidebook with overviews of the methodologies and helpful hints.

But BPR was running out of customers in the private sector as new technologies were transforming the business environment faster and farther than even BPR could envision. In the public sector, as governments were in a rare period of low fiscal stress (the federal government even had a budget surplus for the first time in decades), there was less pressure to cut costs or reduce workforces. Nonetheless, there wasn't much support for BPR efforts from most of the workforce. Unlike quality management, which aimed to encourage all employees to participate in continuous

Step 1 **Top Management Commitment to BPR and Process Innovation**	Product or Service Process Selected & Stretch Objectives Established
Step 2 **Process Visioning**	Construct ideal state model—quality dimensions & customer value Identify critical success factors and obstacles to be overcome Benchmarking (if appropriate)
Step 3 **Customer/Supplier Assessments**	Identify and integrate customer requirements (distinguish between must have and would like to have attributes) Value-added internal and external surveys of customers and suppliers
Step 4 **Process Mapping**	Document, chart, and measure existing processes and sub-processes Identify all non-essentials Analyse and prioritize all added policies, decisions, and tasks
Step 5 **Process Innovation (Reengineering)**	Develop recommendations for process redesign changes, product and service specifications Develop implementation strategy for restructuring and conversion
Step 6 **Implementation Plan** **Progress Monitoring Controls put in place**	

FIGURE 9.4
BPR Methodology and Process Steps

improvement, BPR with its emphasis on innovation was more selective and more draconian in terms of its impacts. And employees also interpreted these ambitious stretch objectives—more work to be done in less time with fewer resources—as suspect. While they might be supportive of doing away with non-value-added work functions, many also saw these innovations as largely another form of rightsizing—or downsizing as it was called in the 1980s. Michael Hammer, the BPR guru behind it all, is even reported to have said after the fad had largely faded that he had forgotten about the impacts on the people—meaning the workforce.

Before moving to the larger public management reform efforts that were launched at the end of the 20th century, it might be instructive to look at the four reforms (for want of a better term) in terms of emphasis and timing. Figure 9.5 attempts to summarize and place each in time—showing how they overlapped from MBO to BPR. While there's no linear progression, there is a progression of ideas and a sense of how change was advancing. More importantly, each reform recognized the importance of workforce participation and development—if not critical for creating the next innovations, it was absolutely essential for implementation.

NEW PUBLIC MANAGEMENT AND REINVENTION

There was more to the Clinton-Gore administration's embracing of TQM in their larger pursuit of management reform in reinventing government. As Figure 9.5

<table>
<tr><td>Objectives Based Management (Drucker's MBO)</td><td colspan="3">Strategic Management as Framework

Emergence of Performance Management GPRA (1993)</td><td rowspan="5">2000
New Public Management Fades</td></tr>
<tr><td>1960s
GOALS</td><td>1970s
PRODUCTIVITY</td><td>1980s
QUALITY</td><td>1990s
PERFORMANCE</td></tr>
<tr><td rowspan="2"></td><td colspan="2">Productivity Management (FPMP)
by Productivity Measurement</td><td>Reinventing Government</td></tr>
<tr><td>Quality Circles</td><td colspan="2">Total Quality Management</td></tr>
<tr><td colspan="2"></td><td colspan="2">Business Process Reengineering</td></tr>
</table>

FIGURE 9.5
Management reforms and fads in the second half of the 20th century

shows, in terms of management, new approaches being promoted in corporations were also being applied, adopted, and enhanced in government. But reinventing government went a step further—it was based somewhat on approaches first used in Australia, New Zealand, and the United Kingdom designed to make the public service more "business-like" and to improve its efficiency by using private sector management models almost on top of each other—which is the point figure 9.5 makes.

Thus, you can't really assess the goals and impacts of REGO (the rather dreadful acronym used for reinventing government, though perhaps not as bad as the "Works Better—Costs Less" slogan used by the reinvention team) without also linking it to "new public management", which was what the larger reform effort was called internationally. The term new public management was coined by the noted British scholar Christopher Hood in a 1991 article, "A Public Management for All Seasons", in which he assessed the origins of these reforms and their proclamation that they were the way to provide better (and less costly) public services. While the major driving force was using market-like mechanisms on a much larger scale for those parts of the public sector that could not be transferred directly into private ownership (quasi-markets), Hood identified other doctrinal components that were hallmarks of NPM. These are listed in Table 9.1 and matched to the hallmarks that embodied new public management style as introduced in the US by David Osborne and Ted Gaebler.

TABLE 9.1

Comparing New Public Management (UK) With Reinvention (US)

Hood's New Public Management Tenets	Osborne & Gaebler's Reinvention Tenets
hands-on professional management in the public sector	catalytic government mission-driven government
explicit standards and measures of performance—emphasis on output controls as opposed to process regulation	results-oriented government customer-driven government
shift to disaggregation of units in the public sector	decentralized government; community-owned government
shift to greater competition in the public sector and stress on the private sector styles of management practice	competitive government market-driven government
stress on greater discipline and parsimony in resource use	enterprising government anticipatory government
Hood (1991, pp. 4–5)	Osborne and Gaebler (1992, pp. 19–20)

Osborne (a journalist) and Gaebler (an entrepreneurial former city manager) wrote *Reinventing Government* in 1992, which actually became a surprise best seller. The book (along with the advice of the authors) became the standard-bearer for the new administration's reorganization effort—already chronicled in Chapter 4.

New public management was praised by advocates as a "global public management revolution" that would enable governments to increase productivity, rely on private markets, strengthen service quality, and increase government capabilities and accountability (Kettl, 2005, *The Global Public Management Revolution*). Critics such as the Christophe Pollitt, on the other hand, argued that NPM was just another anti-government theory proclaiming the cure to all bureacractic inefficiences was bringing private sector management practices to public management when the real objective was to wreck public sector unions and cut budgets.

As new public management gained prominence in terms of adapters in the 1990s, criticisms gradually mounted. Looking back now at the decline of NPM, Çolak has produced a good summary of the critics in his obituary for NPM:

> PM is not only a paradigm that aims to make public administration more efficient, effective and sensitive but also a reform program. It is an initiative to adopt modern management approaches and techniques in order to reduce bureaucracy and strengthen lower-level cadres in the public sector. However, this initiative faces serious criticism when private sector management principles, which are contrary to the public service tradition and values, are accepted without being properly questioned.
>
> The source of these criticisms stems from the fact that principles of equality, justice, impartiality and public interest are often undermined by NPM. Criticisms of NPM can be explained through six points (1) the dominance of economic and business norms; (2) the definition of citizen; (3) the presence of various paradoxes;

(4) ignoring the differences between the public and private sectors; (5) ethical concerns; and (6) the adoption of the same reform program for different countries.

(Çolak, 2019, pp. 517–536)

A seventh criticism might be included—the dangers of hitching your management reform to a political administration. Reinventing government ended abruptly with the defeat of Vice President Gore in 2000, even though the Bush administration emphasized business or market-based strategies as part of its overall management strategy. Ongoing NPM efforts in the UK and other parliamentary-style governments likewise did not survive changes in governments. Added to this might be the considerable hit private sector management then took in the Great Recession of 2008–2010, which almost plunged the global economy into depression. However, to be fair, new public management had largely faded by then anyway.

But what was really emerging was a return to strategic management—embodied in what became known as "performance results management." This management ideal transformed the budgeting systems of the federal government and many state governments in the first decade of the 21st century. Performance results management was the systematic integration of an organization's efforts to achieve its objectives by encompassing the following:

1. The specification of clear and measurable organizational objectives (i.e., management by objectives).
2. The systematic use of performance indicators, measures of organizational performance, to assess organizational output (this is closely linked to concepts of performance standards to allow the performance measured in one organization to be compared with industry averages, best practice, and benchmarking—the systematic comparison of performance between or among organizations).
3. The linking of human and financial resource allocation to an annual management or budget cycle.
4. Regular review at the end of each planning cycle of the extent to which goals have been achieved and the reasons for performance that is better or worse than planned. This creates the feedback that helps start the cycle anew.

And this was led by the comprehensive adoption of performance management by the US government with the passage of the Government Performance and Results Act of 1993—sometimes known as just the "Results Act." This legislation embodies a typical performance management system in that it seeks to link resource allocations and results; improve program performance; provide better information for congressional policymaking; force agencies to specify their missions, objectives, and strategies; and require them to advise Congress on just how they've gone about this. GPRA was updated in 2010 to align the planning cycle for all agencies with the presidential election cycle—the GPRA Modernization Act 2010 requires every federal agency to produce a new strategic plan (generally with a five-year planning horizon) by the first Monday in February following the year in which the term of the president commences.

Per the act—a strategic plan, therefore:

- presents the long-term goals an agency hopes to accomplish at the beginning of each new term of an administration by describing longer-term and short-term (annual) objectives the agency aims to achieve

- identifies actions the agency will take to realize those goals
- explains how the agency will deal with challenges and risks that may hinder achieving obtaining results

Reflecting the sense of true strategic management, goals and objectives are clearly differentiated.

Strategic goals should reflect the broad, long-term, outcomes the agency aspires to achieve by implementing its mission. Strategic goals communicate the agency efforts to address national problems, needs, challenges, and opportunities on behalf of the American people. **Strategic objectives** reflect the outcome or management impact the agency is trying to achieve and generally include the agency's role. They express more specifically the results or direction the agency will work to achieve in order to make progress on its mission

Metrics—the specific data used to assess progress toward each objective—are also mandated and are to be included in each agency's annual performance report. As you will see later in Chapter 13, attention is given to ensuring that agencies are reporting results in terms of outcomes, impacts as opposed to outputs, and simple measures of activities. Even Peter Drucker would be proud.

MEASURING PROGRESS THROUGH MANAGEMENT SCORECARDS

In essence, a management scorecard is a tally sheet, just as are scorecards in golf or bowling. However, what is being tallied is the performance not of individual players, but of the individual units or functions of a large organization. This allows the managers at the top to get an overview of how well their tactical managers are playing the "game." The whole point of the scorecard approach is to allow executives to instantly scan, by looking at the scores, the status of their organization units.

In the early 1990s "**balanced scorecard**s" first became fashionable in the private sector as a means to evaluate a company's performances from several perspectives simultaneously. Traditionally, the emphasis had been on financial performance (the bottom line), but a balanced scorecard complemented financial performance with data on customer satisfaction, internal processes, and ability to learn—among other measures.

One of the first adapters was the City of Charlotte (which still uses this strategic management framework as of 2020). The city manager in 1992 reportedly read the article in the *Harvard Business Review*, liked the idea, and adapted it for the city.

As the schematic in Figure 9.6 shows—the four balanced scorecard perspectives were used to set up and focus 19 different city management objectives that would cut across different programs and agencies:

1. Customer Perspective—"Is the city delivering the services the citizens want?"
2. Financial Perspective—"Is the service delivered at a good price?"
3. Internal Process Perspective—"Can the city change the way the service is delivered and improve it?"
4. Learning and Growth Perspective—"Is the city maintaining technology and employee training for continuous improvement?"

And because municipal government is always political—the scorecard goes one step further and arrays the 19 scorecard objectives under the legislative body's

FIGURE 9.6

The City of Charlotte's balanced scorecard

Source: International City Management Association (https://icma.org/sites/default/files/11983_10215928.pdf [icma.org]), (2000)

stated priorities (the city council had designated five focus areas where they wanted to direct budget resources and city staff emphasis: community safety, city-within-a-city, transportation, economic development, and restructuring government). The final links were tying the 19 scorecard objectives to the city's budget—and because it is a "scorecard"—establishing metrics for each of the objectives to assess effectiveness and progress.

Another variation of management scorecards was introduced in 2002 as part of President Bush's management agenda. All of the major federal agencies (more than 50 in all) were graded on their progress in these five government-wide management initiatives:

1. Strategic management of human capital.
2. Competitive sourcing.
3. Improving financial performance.
4. Expanded electronic government.
5. Budget and performance integration.

The grades were color coded so each department was rated red, yellow, or green for the level of success in implementing each of the preceding initiatives. The first scorecard, the 2001 Baseline Evaluation, gave out mostly red circles. As the Office of Management and Budget explained, in defense of the low rankings, that of course there were a lot of poor scores—they were caused by the poor state of government inherited from the previous administration. Every six months, acting for the president, OMB issued new grades. At the end of March 2007, the OMB report

showed that only the Departments of Labor and State met the standards for all five management initiatives. Meanwhile, the Departments of Defense (DoD) and Veterans Affairs (VA) ranked at the low end of federal performance, with the DoD possessing unsatisfactory scores in three areas and the VA failing to meet standards in four of five rating categories. Given the problems in Iraq and at VA facilities throughout the nation during that period, these poor ratings did not seem very surprising, and they do show some standards being applied.

With the arrival of Barack Obama in the White House in 2009, management scorecards took on a different format. A priority interest for the Obama administration was sustainability and renewable energy development. The president had the OMB enact a scorecard system that rated federal agencies in several sustainability areas, including energy intensity; water intensity; fleet petroleum use; greenhouse gas pollution; green building practices; and renewable energy use. The scorecard employs a simple evaluation system: green circle for success, yellow for mixed results, and red for unsatisfactory, with arrows within the circles. While the red, yellow, and green circles may seem silly on the surface, underneath they facilitated three key objectives:

1. To focus attention on what top management considers its key priorities.
2. To motivate organizational units to improve.
3. To provide timely assessments of progress.

So, what's the point of these exercises in scorekeeping that were employed by the Bush and Obama administrations and still in use in many organizations? It could be construed as a way of artificially creating the competitive forces inherent in the private sector. To a large degree this is management by shame—no organization (especially the top executive) wants to be shamed by its low rankings. Not surprisingly to university students everywhere, scores started going up—and grading systems were adjusted. OMB in the last years of the Bush administration introduced directional arrows within the circles. Thus, a yellow circle with an upward-pointing arrow is like a B-plus.

In a sense, whether it's a balanced scorecard or a managerial report card, it's still a form of managerial control. But the larger question is whether there will be consequences for success or failure in meeting objectives. Strategic management argues that progress will be made once change objectives are established and impacts can be assessed. Tactics, and even resource allocation, will be shifted to produce better results. There is another possibility. Donald Moynihan and Stephane Laverto, reported in a comparative study done of GPRA strategic plans that agencies confronted with less than favorable results in their strategic plans often resorted to changing the objectives (Moynihan and Laverto, 2016).

INFORMATION TECHNOLOGY AND E-GOVERNMENT

Certainly, with the arrival of e-commerce in the late 1990s, technology increasingly became the major impetus of change for public management—perhaps the term "disruptive innovator" is a better description.

However, government organizations are inherently and properly conservative—not necessarily in the political sense of tending toward the political right but in the legal sense of having a fiduciary responsibility to manage government assets and programs in a prudent manner. Consequently, governments cannot undertake the kinds of risks with evolving technologies that businesses routinely do. Governments cannot "bet the firm" on a new technology because, quite literally, it wouldn't be prudent. Therefore, in terms of customer service, government will always tend to

offer older technologies because they must wait until the newest technologies have proven themselves. Only then can a "prudent" public manager pay for and install them. This is why e-government was later—but not much later—in arriving than e-commerce. So, the answer to the question "Why don't they?" is "They will—it just takes a bit longer to institutionalize innovations in government." The case study shortly to come on "smart cities" further illustrates this dimension.

The Two Faces of E-Government

There are two faces to e-government: internal and external. The internal face refers to the operations of government itself—for example, using the Web for electronic procurement, electronic forms, and Web-based management information systems. The external face refers to the online services offered to citizens and businesses—for example, community calendars, bill payment portals, and application forms for employment. While there are two distinct faces to e-government, they seldom represent independent initiatives. **E-government**, then, is in essence the overarching term for all efforts to use the internet and the full range of digital technologies to expand the reach and simplify access for governmental activities for both the public and the public's employees.

Of course, the ability of government to electronically interface with citizens is predicated on citizen access to electronic tools such as the internet. Before 2000, only one in four Americans used the internet, a decade ago nearly three in four were online. The Pew Foundation, which assesses rates of usage, reported that in 2021, overall, 85% of Americans say they go online on a daily basis, which included 31% who report going online almost constantly (Perrin and Atske, 2021a).

That number seemed so all-encompassing that Pew ran a second report entitled "7% of Americans don't use the internet. Who are they?" As you might suspect, "Internet non-adoption is highly correlated with age with older Americans continuing to be one of the least likely groups to use the internet. 25% of adults ages 65 and older report never going online" (Perrin and Atske, 2021b). Concerns about the digital divide—that a significant number of lower-income individuals and households don't have access to the internet—have faded as government and social service programs have encouraged and supported internet adoption in underserved areas.

At this point in our discussion of technology and public administration, your authors wish not to embarrass themselves. Whatever we write about website trends, tweeting, texting, Facebook, and LinkedIn uses in administration will be out of date by the time this book is published. We are still somewhat embarrassed by our pronouncement in 2015: "With GPS units in police cruisers and Blackberries in the hands of everyone from road crew workers to the president, government employees have fully joined the technology-addicted American populace" (p. 339, 9th edition).

At least your authors use the internet regularly (not constantly, however). We will rely on you and Pew to keep us up to date on the latest trends.

A Note on the Future Course of Technology in Government—E-Management or E-Bureaucracy?

Frances Cairncross, the management editor at *The Economist*—was one of the first to make the case that the real story behind IT and business transformation was "e-management." Later she expanded upon the e-management concept in a book titled *The Company of the Future* (2002), arguing that the communications revolution had profoundly changed management. (Cairncross's mantra is that successful management all comes down to "good people, good structure, and good software.")

Public management, true to its public administration roots, has arrived at e-management, but there are concerns. It's to the public sector's credit that it seems more aware of the digital divide, cyber security, and protection of privacy issues that make administering entitlement programs, collecting taxes, enforcing regulations, and sharing information with all the public a more difficult task than what the private sector encounters. This affects all three of the core e-management network domains.

- Efficiencies created by establishing business-to-business (B2B) communications networks work very well with select businesses that want to opt in, much less well when the system has to accommodate all businesses, many of whom may be technologically challenged.
- Likewise, there is a disparate advantage in business-to-customer (B2C) networks. The airlines, after a period of providing incentives for customers to purchase tickets online, are now charging customers who call to talk to a real person and purchase a ticket. Imagine the outcry if Social Security were to charge for office visits and phone calls or the Postal Service was to charge more for stamps purchased over the counter than those offered online.
- Even in the domain of B2E—business-to-employee, there is still reluctance (call it lack of trust) to put online the expensive personal management functions (i.e., travel, training, purchasing, performance reviews) for employee self-management. While this is changing, the bulk of B2E action in most governments is checking and updating information as opposed to conducting transactions.

The other reason that e-management has lagged is the larger concern with e-government or e-governance. The earlier reference to the roots of "public administration" implies that the bulk of the research about information technology has been about institutional change, policy, and potential impacts on democratic functions like voting or civic participation. Even seminal works like Jane Fountain's *Building the Virtual State* (2001) devote only a chapter to discussing how IT will change bureaucracy and by inference management functions.

Some might argue that this is exactly right. First, figure out how governance is going to work in cyberspace in terms of impacting citizens, interest groups, and society; then, construct a new model for virtual management. Others argue that IT fundamentally alters business processes, organizational structures, workforce capabilities, and knowledge management and must be developed concurrently. This is perhaps the final irony. As the debate shifts now to whether IT provides strategic advantage and whether it is or is not like a common utility, it subsumes the e-management model developed by business. And whether that is desirable is worthy of debate, not simply assumption by default.

CASE STUDY In Search of Smart Cities

Computers are worthless—they only give you answers.

—Ascribed to the most famous artist of the 20th century
and posted on a library entrance bulletin board at
San Francisco State University as witnessed by
one of the authors, Fall 1984

What Makes a City "Smart"?

In a phrase, a smart city is one that is focused on solving urban problems with integrated digital technology. A city by definition encompasses a vast range of human activity going in, out, and throughout its infrastructure by both its own inhabitants and its visitors. The city of today is the center of the global trend of urbanization, accounting for over half of the world's population. In terms of economic importance, cities account for nearly two-thirds of global GDP.

One could then easily defend the proposition that we need to be smart about how we manage these increasing concentrations of population—in terms of equity, justice, sustainability, economic progress, and efficiency. But those larger goals overlay another definition of what a smart city is.

Germaine Halegoua's definition of a smart city—while a bit long—does a nice job of identifying the elements:

> Common to most of them however is the reliance on ICT (information communication technologies) as the foundation and definitive quality of smart cities. Frequently smart cities are regarded as urban environments where ICTs are aggressively implemented to collect data to support monitor and improve urban infrastructures such as transportation, waste management, energy consumption, and emergency response.
>
> ICTs are the substrates underlying the management of a multitude of networks; in a smart city they permeate nearly all aspects of everyday life to streamline urban activities and to gather and respond to system and client feedback in real-time. At the heart of this understanding of smart cities is the ability to monitor urban activities and behaviors through pervasive, interconnected sensors, sentient objects and high-speed Internet connections that translate urban activities into data.
>
> The desire to read urban interactions as data supports the idea of smart cities as database alert and response systems, beyond being responsive to environmental and behavioural changes smart cities are envisioned as predictive. Along with surveillance systems big data analytics are touted as a means to predict trends future activities and condition.
>
> (Halegoua, 2020, p. 5)

"Smart Cities" emerged about 20 years ago as the label for those cutting-edge municipalities—in league with technology companies, contractors, and consulting firms—that pioneered digital technologies into urban management for traffic monitoring, utilities, crime prevention, and so on.

There are even annual lists of the top smart cities in the world. In 2020—the fab five on the smart city list included Singapore (1), Helsinki (2), Zurich (3), Auckland (4), and Oslo (5). The top US smart city is New York. There are now associations setting up smart city listings for smaller cities such as the Illinois Smart City and Region Association (ISCRA), self-described on their website as "a 501(c)(3) non-profit member association whose mission provides education, information, and vital resources through collaboration

(*continued*)

CASE STUDY *Continued*

to more than 1,200 Illinois municipalities and corresponding regions on the appropriate technology initiatives for a given community and how to properly adopt technologies for their respective connected community initiatives."

Given that the smart city is more a concept about an approach than a model for a design, it's difficult to find an illustration that shows what it looks like in a diagram. In the last year of the Obama administration, the US Department of Transportation hosted a competition for smart city funding involving transportation. Columbus, Ohio, won among 79 participants—but Kansas had the best (in our opinion) application and used this framework to show their approach: Figure 9.7 illustrates how Kansas City depicts its "Smart City" approach.

FIGURE 9.7

Beyond Traffic: The Vision for the Kansas City Smart City Challenge Part I—Vision Narrative. As transportation (traffic management) is often a key starting point—here's a vision schematic of what Kansas City projected in their 2016 report

This provides a sense of how a smart city seeks to connect all the devices and technologies capable of providing current, on-the-scene data for situation management and analysis. Above this is the other dimension of smart city management—linking all the city's data into one accessible database, for the purpose of analytics, defined as enabling the discovery, interpretation, and communication of meaningful patterns in data, with prediction of emerging or future trends.

There are numerous success stories of how various smart city technologies have enabled better resource allocation, emergency response, and other forms of decision-making, from sewer and water systems and other utilities to traffic management, social services, and public safety.

If You Build It—Will They Participate?

At the end of almost every definition of a smart city, with its prescriptions for technology advances, sustainability, resilience, service quality, and resource efficiency, is the phrase "with enhanced citizen participation." Urban planners and public administrators across all functions know how difficult this last dimension—ensuring citizen input and engagement—can be. While much of the information gathered by researchers about the who and where of public engagement regarding smart city "initiatives" is anecdotal, the less than overwhelming response that is continuously raised by critics is hardly reassuring.

But there are measurement tools and even typologies for understanding and assessing public involvement. S.R. Arnstein in 1969 developed a model showing eight increasing levels of citizen participation. See Table 9.2 for an elaboration of the citizen participation model. A good example of how such a model can be applied was done by Willems, Van den Bergh, and Viaene in a 2017 review of over 25 major smart city initiatives undertaken in London in 2013–2015. London, of course, was one the first cities to declare itself a Smart City and integrate it into its city master plan. The review rated each project in terms of which citizens were targeted and how they were to be "involved" and compared results. They concluded that despite London's good intentions, none of the projects reached a level of participation that could be considered "citizen power" where citizens had full or dominant decision power. The majority of the projects mainly targeted select groups and, even then, by self-selection of participants.

TABLE 9.2

The Ladder of Citizen Participation (Arnstein's Model)

Citizen Power	*Citizen Control*	Citizens have full managerial power
	Delegated Power	Citizens can have dominant decision power
	Partnership	Citizens can negotiate and engage in trade-offs
Tokenism	*Placation*	Citizens are asked for advice; however, without decision power
	Consultation	Citizens are being heard
	Informing	Citizens are informed
Nonparticipation	*Therapy*	Citizens are symbolically involved
	Manipulation	Citizens are educated and manipulated without consent

Source: Adopted from Arnstein, S.R. (1969). A Ladder of Citizen Participation. *Journal of the American Institute of Planners*, 35 (4), pp. 216–224

Adding to the challenge of inducing democratic participation was the huge hit smart cities took during COVID. The *City Monitor* reported "Growing backlash against big technology companies, combined with the pandemic, has led to diminishing enthusiasm for a term that once dominated the

(*continued*)

CASE STUDY *Continued*

conversation around the future of cities" in an article aptly titled "Why You'll Be Hearing a Lot Less About 'Smart Cities' " (*Sommer Mathis* and *Alexandra Kanik*, City Monitor February 18, 2021). In a nutshell:

> The pandemic took much of the remaining air out of the smart-cities bubble. Last summer, *City Monitor* reported that more smart-city project deployments would be delayed or scrapped in the face of budget and revenue uncertainty, and that city governments were in the midst of shifting their priorities towards economic recovery and digital equity. Since then, one of the industry's biggest players, Cisco, announced it would pull the plug on its flagship smart-city software.

Jennifer Clark, a professor of city and urban planning and author of the book *Uneven Innovation: The Work of Smart Cities*, summarized this latest challenge for the post-pandemic era, explaining that COVID-19 exposed smart cities.

> The pandemic has destabilized a loose truce between the tech sector and those cities it sought as partners in testing its products . . . Many of the most visible smart cities success stories of the last decade were actually software-based shared services like ride, hailing, car sharing, home sharing, and co-working. These services were little used during the pandemic. Meanwhile the shared services that people everywhere needed most are still clean water, emergency communications, reliable heat and electricity, flexible transportation, and responsive public health systems. The potential for technology to produce more sustainable, equitable, and resilient cities remains very real. The lesson of the last decade is the emphasis was on the wrong word in "smart cities". The attention must be on city.
>
> (Clark, 2021, p. 11)

Smart cities are currently at a crossroads in the United States, partly because of the fiscal stress and uncertainty caused by the COVID-19 pandemic. Public administration is reconsidering both the goals of the smart city movement and especially the means in terms of citizen engagement, among other concerns. And at some point, soon federal approval of a major infrastructure bill seems likely, and there will be renewed interest in how to apply new technologies for better management and sustainability.

But the question remains—as urbanization resumes its surge forward—will the smart city movement be at the forefront of administrative thinking about managing our cities or remembered as another wrong turn—like urban renewal a half century ago—because smart city advocates haven't learned what professor of anthropology Shannon Mattern argues in the title of her book *A City Is Not a Computer*.

Case Discussion Questions

1. Imagine you have been hired as the new administrative analyst for a midsize city (200,000–500,000 population) in the city manager's office. One of her first questions to you is—should we be thinking of getting on the smart city band-

wagon and creating our own vision for applying and linking digital technologies? What would your response be?

2. The potential for applying new technologies in our urban areas is of course very real. But research such as a recent Rand study with Mondschein et al. (2021) looking at current accomplishments (or lack of) points to "tensions between the companies that develop and sell the technology, city residents who interact with it and government officials that procure, deploy and manage the technology" as the major challenge. This is echoed somewhat in the Boston Smart City Playbook in the appendix. As government officials are in the mix, how would you address this challenge?
3. How does innovation—especially when it's ICT (technology infused, if not driven) solve its participation challenge?

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APPENDIX: BOSTON SMART CITY PLAYBOOK

"The age of the "Smart City" is upon us

It's just that we don't really know what that means or at least not yet.

So far, many smart cities pilot projects we have been undertaking here in Boston have ended up with the glossy presentation and a collective Shrug. Nobody's really known what to do next or how the technology and data might lead to new or improved services.

We want to change that.

We address this playbook to the technology companies, scientists, researchers, journalists, and activists that make up the smart city community. In return for heeding this advice we commit that we the city of Boston will not sit in city hall and complain about the lack of solutions to our problems and promise to get out in the city, find ways to help you pilot new ideas, and be honest with our feedback.

Our goal is to create a citywide strategy for the use of sensor technologies that is people cantered, problem driven, and is responsible.

We need your help to get there.

This playbook is a living draft being developed by the Mayor's Office of New Urban Mechanics and is inspired by the US Digital Services Playbook. Please send us your thoughts for building it out further and watch for new updates.[1]

PLAY 1 STOP SENDING SALES PEOPLE

We've got nothing against sales people. Many of us have sold things. But we're getting calls every day from "IT" vendors and we're really tired of talking to your sales teams. We don't even know why or how we'd use your product. You might think that your technology is ready for prime-time, but we're not ready to buy it and put it up all over Boston. At some point, we'll know what we need and we'll need someone to talk to about dollars and cents, feature roadmaps, etc. Right now, in 2016, there are much bigger questions unanswered.

So, send us someone who knows about cities, someone who wants to walk in the shoes of our city workers or talk to residents about what they love (and don't love!) about Boston. Send us someone who's looking for more than a 30-minute pitch or a relationship to manage. We'd love to have a relationship with you—but it needs to be a real one.

This sounds like such a cliché. But we can't help feeling like this keeps getting lost. We're happy if you have a technology for us to use internally, something that'll make a city department's work easier. But we'd be even happier if you were solving problems for residents. Talk to people on the street, talk to local businesses, talk to artists, talk to architects and planners, talk to advocacy groups—and talk to them before you call us. Show us that you've met them, thought about their interaction with the city, and designed around their needs and experiences.

When we day-dream about Boston's use of sensors, we imagine a city in which residents could check sensors out of the Boston Public Library, and use them to answer their own questions. That way, they'd only be used by real people to answer real questions or solve real problems. That sounds far-fetched, but it's the kind of thing that we're aspiring to.

PLAY 2 DON'T WORSHIP EFFICIENCY

We live in a world—and in a city—of finite resources and infinite need. Spending taxpayers' money as efficiently as possible is critical to making government work. At the same time, focusing on "efficiency" assumes that we've already figured out what services to deliver to residents, and now just have to make it all cheaper. That's unfortunately not the case.

As a city, we're continually examining what services we could deliver to residents and how we might fit into their lives. It's why we built the Boston 311 application; why we undertook a year-long research and design process for the new Boston.gov website; and why we launched the "Where's My Bus" application for parents of Boston public school students. We could go on. We're really, really proud to be at the cutting edge of civic technology and civic innovation here in Boston. But we're at that cutting edge because we're continually re-thinking what government means to people, not just trying to make it cheaper.

So, help us out. Be creative. Tell us about how we can make government more beautiful, more delightful, more emotionally resonant, more thoughtful, and more pleasurable to interact with—not just cheaper.

PLAY 3 BETTER DECISIONS, NOT (JUST) BETTER DATA

When a new smart city technology is pitched, the costs that the city has to bear are immediate. The benefits, though, are way out in the future. They're framed in terms like, "the money you'll save when you can optimize the routes of Public Works employees" or "the money you'll save from delivering a city service only to those who need it."

The problem is that those benefits are nebulous and really hard to achieve. They require behavior change—and, sometimes, policy changes—on the part of some other person or department. And behavior change that is dynamic, based on the output and analysis of some data that they didn't necessarily collect. We're really far away from knowing how to affect that sort of behavior change within City government. And that's why, so far, most smart city pilot projects have ended with PowerPoint presentations of data.

So, try to move beyond "data," "algorithms," and the like. Let's talk about the stuff that makes those things useful and usable.

PLAY 4 PLATFORMS MAKE US GO ¯_(ツ)_/¯

Over at thecleverecity.net, Ross Atkin writes: "The Smart City is a top-down all or nothing proposition. We can start building the Clever City bottom-up with one lamppost, bus stop or parking space (and of course one problem). Maybe one day we will join up all the individual Clever City services and will have a Smart City. Maybe we never will, but the Clever City can make a real difference to people's lives right now."

It's too early for platforms. We don't know what kinds of sensors we'll use in Boston over the next 10 years, who will build them, what technical standards they'll adhere to, and where they'll go. We also don't know how they'll be networked, where they'll store data, and who they'll serve it to. As a city, we're not in the business of making bets on what technology standards will prevail. (It's why we're working with the National Institute for Standards & Technology as part of our work.) Until those standards are clear and until we have a better idea of the technical landscape, we don't need or want a "smart city platform."

PLAY 5 TOWARDS A "PUBLIC" PRIVACY POLICY

Sensors aren't new—the Boston Police Department monitors video cameras around the city and the MBTA uses GPS-trackers to sense the location of its trains and buses. But as and when the city starts to use them more frequently and for less obvious use-cases, there will be a sharp focus on our data collection and data management practices. Especially as those use-cases start to generate personally identifiable information (PII) that's collected passively and in the public domain.

Our internal guidance is to collect as little data as possible to solve a particular problem. The truth is, we don't know exactly what that'll mean in the case of sensors and smart cities.

We're working with the ACLU, our legal counsel, and our Department of Innovation & Technology to craft a privacy policy for the use of urban sensors. So, this is another area where we could use the help. Tell us what data you're collecting; how you're scrubbing it of PII before transmitting it; where and how you're storing the rest of it; and what you're doing to protect people's privacy.

We'd love to have a City-wide, publicly-available "Privacy Policy" to share with residents and solicit feedback on. You can help us get there.

Source

Boston Smart City Playbook—from the Mayor's Office of New Urban Mechanics (monum.github.io)

GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Balanced scorecard A strategic management tool designed by Robert Kaplan and David Norton in the 1990s and self-described as the next generation of performance measurement. It highlights four processes an organization must excel at to be successful: financial, customer focus, internal controls, and learning and growth for employees.

Deming, W. Edwards (1900–1993) The professor of management who developed his philosophy of customer service and statistical quality control while working at AT&T's Hawthorne plant (see Chapter 8) in the 1920s and 1930s and exported it to Japan and back into the United States in the 1970s.

E-government An umbrella term covering systems and applications using the internet and the full range of digital technologies to expand the reach and simplify access for governmental activities for both the public, commercial, contractors, and of course, an agencies employee.

Productivity A measured relationship between the quantity (and quality) of results produced and the quantity of resources required for production. Productivity is, in essence, a measure of the work efficiency of an individual, a work unit, or a whole organization.

QC (quality circle) Small group of employees working in the same organizational unit who, with the approval of management, voluntarily meet on a regular basis to identify and solve problems that directly affect their work.

Reengineering The fundamental rethinking and redesign of organizational processes to achieve significant improvements in critical measures of performance, such as costs or quality of services.

Statistical quality control A statistical technique for maintaining product quality at the desired level without 100% inspection. Statistical quality control uses acceptance sampling to determine whether a large lot of finished products meets present quality levels. Using statistical techniques, a random sample is taken from a lot of goods and the sample is inspected. From this analysis, an inference as to the quality level of the entire lot is made. This technique is often used in conjunction with periodic inspection along the production line that permits corrective action to be taken before final assembly of the product.

Strategic goals Statements of purpose that identify the broad, long-term outcomes the agency aspires to achieve by implementing its mission. Strategic goals communicate the agency efforts to address larger problems, needs, challenges, and opportunities.

Strategic objectives Reflects the outcome or management impact the agency is trying to achieve in a specific time period. They express more specifically the results or direction the agency will work to achieve and are designed to be measurable.

NOTE

1. As for opening quote—the artist quoted was Picasso.

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RECOMMENDED BOOKS

Benington, John and Mark Moore (2011) *Public Value: Theory & Practice*. London: Palgrave MacMillan. A collection of original essays reexamining Prof. Moore's 1994 work on the foundations of public management as "public value."

Eggers, William and Paul MacMillan (2013) *The Solution Revolution*. Boston, MA: Harvard Business Review Press. A work devoted to big data and analytics that is changing how performance should be managed—inside and outside.

Fountain, Jane (2001) *Building the Virtual State: Informational Technology and Institutional Change*. Washington, DC: Brookings Institution Press. While the world was preparing for global calamity because of Y2K (also called the millennium bug, predicting potential computer errors related to the formatting and storage of calendar data for dates in and after the year 2000), Jane Fountain was looking at the pervasive influence of information technology on government institutions, governance, and bureaucracy. Never quite given the recognition this remarkable work deserved, this is the first real definition of the "virtual state"—the rest is still evolving.

Halegoua, Germaine (2020) *Smart Cities*. The MIT Press Essential Knowledge Series. The primer to smart cities and all it entails, this is a small book in the MIT series of small books on really important things. It's quite amazing how comprehensive this work is—in addition to a guide to all critiques and counter theories—she still covers how to get to smart city status—fast or slow.

Pollitt, Christopher (2016) *Advanced Introduction to Public Management and Administration*. Edward Elgar Publishers. One of the last contributions by one of public administration's most productive and respected scholars (he died in 2018), this short brilliant work is an essential guide to public management as a major field of public administration—or in Pollitt's view public administration as a subfield of public management. Also worth reading is his *New Perspectives on Public Services Place and Technology* (Oxford University Press), in which he examines how technology is transforming public services delivery.

CHAPTER 10

Futuring, Planning, and Government Regulation

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KEYNOTE: Futuring and the EPA's Efforts to Decode the Environment

> No one can possibly know what is about to happen:
> it is happening, each time, for the first time, for the only time.
>
> —James Baldwin (1924–1987)

In the early 1990s, Peter Schwartz caught the attention of management thinkers with his 1991 book *The Art of the Long View*. In his book, he detailed a number

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of corporate stories, both successes and failures, of corporate planning that relied upon a technique that forecasted a number of alternative futures in an effort to cope with increasing complexity. Schwartz's contribution was to elevate **scenarios** as a form of planning that might prepare an organization for a situation or dynamic set of new circumstances that would require recharting an organization's direction or reshaping its capacities, or even rethinking its mission.

Not all the strategic planners saw scenario planning as useful. It was viewed more as an art form since scenarios were usually presented as alternative narratives or stories describing different futures. While some like Michael Porter saw scenario building as an interesting tool for the strategist, the conventional view was that scenarios were creating more problems than could be solved. Some, like Henry Mintzberg, attacked the basic premise of scenario building as pure speculation. Since they couldn't predict the future, they simply created a variety of guesses and then hoped they might just hit upon the right one.

The value of scenarios increased in the first decade of 2000–2010 with the accelerating pace of change in the business and social environment, especially as affected by major shifts in technology and communications. In a sense, the long-term planning horizon for organizations that used to be defined in 10 to 20 years (generation time) became shorter. Three to five years became the new long-term and planning norm. Conventional management and formal planning that simply projected the future based on present capabilities and operations became suspect. Innovation began to replace improvement as the benchmark for organizational strategic thinking. This shift in perspective also encouraged organizations to add diversity to the planning approaches. Senior managers were challenged to invite new voices into the strategic planning process, to encourage new perspectives, and to start new conversations that expanded organizational boundaries and synthesized unconventional options into a point of view about future organizational directions.

SO, WHAT'S IN YOUR SCENARIO?

That previous prescription fits scenario building quite well as a core dimension of an organization's planning process. Scenarios begin with the question "what if" and then explore different change ideas using projections of political, economic, social, and technological factors. Scenarios detail a different set of future conditions, describe policy and program options and impacts, and explore different responses from stakeholders, partners, and competitors. Once a set of scenarios has been developed, management assesses them to first better understand the dynamics of the environment.

In addition to determining what seems likely, they look to see where the greatest uncertainties are. They can see more clearly what they know and what they don't know. Scenario planning also entails vigorous analysis of different scenarios in terms of probability estimation and risk and evaluation of policy program and resource allocation change recommendations. Contingency strategies can be developed to respond to changing environmental conditions along with necessary course alterations that might be needed. Once developed, scenarios help refine the organization's long-term vision as it tracks annual events and outcomes.

Scenarios can vary in length—some as short as a paragraph or two, others filling several pages. They have two main characteristics—one qualitative, one quantitative. First, they describe a future environment and its impact on the organization involved. Second, they are built on a few driving forces or factors that can be quantified. This can be seen in the four scenarios developed for the US

Environmental Protection Agency. Each scenario has a title and a "story" about the hypothetical future—a certain number of years in the future, in this case 20 years. And there are three factors that can be loosely quantified. In the EPA scenarios listed in Table 10.1, the levels of e-commerce, telecommuting, and public concern about the environment are used.

TABLE 10.1

Four Scenarios for the EPA From NAPA's 1999 Report on Projecting the Future

Scenario 1 Remote Controls	Scenario 2 Let the Environment Beware
(Assumes high-level growth in e-commerce, telecommuting, and public concern about the environment) In this scenario, growth in e-commerce is extremely high. It will be very difficult for a person to function normally in society without access. Voting, work, and commercial transactions are all done online. In this world, telecommuting is more the norm than the exception and public concern about the environment is at an unprecedented level in opinion polls. The year is 2020, and the world is reaping the benefits of the technological revolution. The explosive growth of e-commerce is beyond anyone's expectations—with the rise of an entrepreneurial virtual economy, global businesses invest in state-of-the-art technology to deliver services and products cheaper and faster, thereby satisfying customer demand for instant gratification. In addition, the evolution of global corporations and international alliances has been instrumental in the dissolution of trade barriers. The de-emphasis on the importance of international borders further facilitates free trade. Telecommuting presents some environmental benefits in terms of relief from traffic congestion and less vehicle emissions, but people choose to move out to the suburbs and rural areas since they are wired to their offices or have their own businesses. Many have chosen to leave the cities. This results in the near collapse of urban centers that lose their tax base as the people that used to live where they work now work where they live. This has led to a need for new water treatment facilities	(Assumes a high level of e-commerce, telecommuting, and low public environmental awareness) Over the next 15 years, e-commerce grows at a robust and quite unexpected high rate. Business transactions on the World Wide Web exceed by any order of magnitude the wildest expectations of internet analysts and e-commerce promoters. Anticipated problems associated with bandwidth availability and unscrupulous use of the Internet never materialize. Coupled with the explosion of internet commerce, telecommuting accelerates to a point where 70% of those employed in the United States conduct businesses from offices located in their home. High-speed communications through fiber-optic links to cable and telephone networks and improved visual communications technology created at-home environments where those telecommuting feel as if they're in the same room with their colleagues and customers. At the same time, the environmental movement seems to have faltered. Human health and environmental improvement in the last 30 years of the 20th century was the high point of in the environmental movement. The United States and even the eco-conscious countries of Western Europe seem to have lost interest in environmental protection after the formal creation of the United States of Europe in 2007. Burgeoning growth in environmental commerce has spurred the advancement of formerly Third World countries at growth rates in excess of 10% in the 2000s but with little associated environmental protection or practices being employed. EPA, a pioneering government force in the use of the internet, is essentially becoming

TABLE 10.1 (Continued)

and new roads in more rural areas, largely to accommodate delivery vehicles placing pressure on delicate ecosystems and contributing to habitat fragmentation, nonpoint source pollution, and loss of open space. These trends in consumption create a paradoxical situation where, in spite of a high level of environmental consciousness, lifestyle is still having a negative impact on the environment in the form of sprawl.	a nonplayer in internet information delivery. Environmental regulation compliance and enforcement are passé, as virtually all private sector organizations self-certified their environmental compliance under ISO 14078. High-growth countries have simply refused to comply with either mandatory or voluntary compliance standards, resulting in increased emissions and releases across national borders and regional boundaries. Fully half of the individuals telecommuting do so because environmental pollution has manifested itself in immune system dysfunction that is best addressed by individuals remaining in controlled environments in their homes.
Scenario 3 **Small Change**	**Scenario 4** **E-Vironment**
(Assumes mid-level growth in e-commerce, telecommuting, and public concern about the environment) In 2020, e-commerce is expanded to approximately 30% of retail sales primarily associated with services and products that can be provided electronically (tickets, books, music, banking, tax-preparation, consumer electronics, and automobiles). Approximately 20% of the workforce works in their homes. The percentage of the public that ranks environmental issues as of the highest concerned is increased by approximately 50%. The early promise of e-commerce has been only partly fulfilled. Rising fuel prices drive up the cost of home delivery, driving down demand for low-cost retail goods to e-commerce. Retailers successfully lobby Congress to impose sales taxes and other protective regulations that raise entry barriers for small home businesses. Trade barriers stifle other source in business, international e-commerce and retail goods. Telecommuting never really takes off. Only service jobs that entail piecework (IT writing software, preparation of tax returns) moved to the home, and those workers were. largely independent contractors for larger firms that provided training and	(Assumes a high level of e-commerce, telecommuting, and high public environmental awareness) Over the next 15 years, e-commerce grows at a robust and quite unexpectedly high rate. Business transactions on the World Wide Web exceed by an order of magnitude the wildest expectations of internet analysts and e-commerce promoters. Coupled with this explosion in internet commerce, telecommuting accelerates to a point where 70% of those employed in the United States conduct business from offices located in their homes. At the same time, the environmental movement advances its cause through widespread and effective use of internet websites and homepages, addressing not just global and national issues but also issues pertinent to communities at regional and local levels. EPA, a pioneering government force in the use of the internet, delivers virtually all of its scientific and technical information to the public over the web. Environmental enforcement is needed in only limited instances because almost all regulated entities have gone beyond compliance in meeting their environmental responsibilities under laws and regulations. EPA has developed a highly regarded and much used database which provides information on the most

advertising. Other service jobs either require physical presence or conduct or cannot forego face-to-face contact with customers, peers, supervisors, and direct reports. An aging, more affluent, and better-educated populace shows higher and more sophisticated concern about environmental quality, particularly in the face of a 30% increase in global population. This has been tempered by the failure of past environmental horror stories.

The result of these trends is almost neutral with respect to environmental impacts. These trends tend to decentralize pollution-generating activities and shift the burden toward individual consumer choice. EPA increasingly becomes oriented toward the role of providing reliable information about environmental choices and overseeing programs that prevent egregious backsliding while increasing attention on results-based programs

influential factors affecting environment and human health at the neighborhood level. From this increasing emphasis on e-commerce and telecommuting, the 20th-century institutions of commercial retailing and concentrations of businesses in the city center crumbles to a fraction of what it was 30 years ago. Environmental awareness and the desire to preserve environmental resources cause a groundswell of public support for more natural resources that limit human access and can be enjoyed through online virtual reality experiences. Cities are recognized as a resource that needs to be redeveloped and increased emphasis is placed on urban living for the social benefits that it conveys. Anticipated problems with the cost delivery of e-commerce purchases and associated waste management are more than offset by the reduction in the use of individual transportation for shopping and working and the development and commercialization of cultural and economic benefits that it conveys. Anticipated problems with the cost delivery of e-commerce purchases and associated waste management are more than offset by the reduction in the use of individual transportation for shopping and working and the development and commercialization of a new system that delivers internet purchases "packaging-free."

Source: "Remembering the Future: Applying Foresight Techniques to Research Planning at EPA" National Academy of Public Administration (pp. 131–135)

Because scenarios are one part what-if stories and one part prediction, it is possible to look beyond the narratives and at least assess how accurate the forecasts they used were. This is more important than just fact checking. Good scenarios have "signposts"—which indicate that the scenario is imminent as the driving forces behind it are becoming real.

The EPA scenarios used two major indicators: growth of e-commerce and percent of telecommuting. To a lesser extent they also include predictions about the growth of urban areas and use as an outcome variable the percent of public support for recognizing the environment as a top priority.

Here's a scorecard:

- **How high did e-commerce grow as a percent of business transactions?**

In 2019, before COVID, retail e-commerce sales were at 11% but rose to 15.5% during the second quarter of 2020 before dropping back to 13.3% in the second quarter of 2021.

That would be under half of the 30% predicted in Scenario 3.

(Source: US Commerce Dept. US Census, *Quarterly Retail E-Commerce Sales 2nd Quarter 2021*, August 19, 2021, report.
https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf)

- **How many US workers telecommute or work remotely?**

While this number is changing (see the discussion in Chapter 7)—and many workers are returning to the workplace with the availability of vaccines—there is some agreement among various sources that by the end of 2021, 25% to 30% will be working remotely. This number in the "post-pandemic future" is expected to drop to 22% by 2025.

That would be one-third of the 70% predicted in Scenario 4 (Global Workplace Analytics, "Statistics on Remote Workers That Will Surprise You," August 2021).

Two other quasi-projections are worth review. The percent of the US population living in cities has not declined since 2000, although movement to the suburbs and exurbs continues. One could also say that urban areas are expanding to incorporate a larger population. According to the Census Bureau, it was just under 79% then—as of 2020 it was 83%. But the focus in EPA's scenarios on cities and their significance seems quite on the mark. According to a 2018 UN Habitat report, cities consume 78% of the world's energy and produce more than 60% of greenhouse gas emissions.

Still, there was one area where EPA's scenarios were very close—the shift in the public's view about the importance of the environment as a top priority. In a 2020 survey, Pew summarized the public views shown in Figure 10.1 as follows:

> For the first time in Pew Research Center surveys dating back nearly two decades, nearly as many Americans say protecting the environment should be a top policy priority (64%) as say this about strengthening the economy (67%).

Is there a COVID pandemic scenario?

So, one last question before moving on to other concepts and techniques in futuring and strategic planning. Were there known scenarios for the possibility of a pandemic on a scale of COVID-19? Absolutely. Indeed, there was even one by the master of scenarios—futurist Peter Schwartz. In 2010, in conjunction with the Rockefeller Foundation, Schwartz (2010) released a report entitled "Scenarios for the Future of Technology and International Development," which included a scenario titled *Lock-Step,* which predicted how a pandemic would lead to "a world of tighter top-down government control and more authoritarian leadership, with limited innovation and growing citizen pushback."

The scenario in brief was as follows:

> In 2012, the pandemic that the world had been anticipating for years finally hit. Unlike 2009's H1N1, this new influenza strain—originating from wild geese—was extremely virulent and deadly. Even the most pandemic-prepared nations were quickly overwhelmed when the virus streaked around the world, infecting nearly 20 percent of the global population and killing 8 million in just seven months, the majority of them healthy young adults. The pandemic also had a deadly effect on economies: international mobility of both people and goods screeched to a halt, debilitating industries like tourism and breaking global supply chains. Even locally, normally bustling shops and office buildings sat empty for months, devoid of both employees and customers.

FIGURE 10.1

Pew Survey Results of Public Perception of National Top Policy Priorities

Source: Pew Research Center, February 13, 2020, As Economic Concerns Recede, Environmental Protection Rises on the Public's Policy Agenda

Looking forward—the scale of the numbers in *Lock-Step* are off. In 18 months, only 5 million people were reported as having died of COVID worldwide, and 80% of the deaths were people over 65—not young adults. In terms of infection rates though, it's estimated in the US that over 30% have been infected as of summer of 2021.

But the US federal government didn't need a pandemic scenario to prepare a contingency **strategy** for a coordinated national response. Spurred by the poor handling of the response to the 2014–2015 spread of Ebola, the Obama administration had completed a 69-page "Playbook for Early Response to High-Consequence Emerging Infectious Disease Threats and Biological Incidents," which provided a

step-by-step list of priorities for such an occurrence. The plan was designed to advise government leaders "in coordinating a complex US Government response to a high-consequence emerging disease threat anywhere in the world" (Diamond and Toosi, 2020).

The document was included in the transition planning with the incoming Trump administration, but put aside, as often happens when there's a change of administration and there's acrimony between the old and new regimes. The Playbook only came up as an issue when in the early stages of the COVID-19 pandemic allegations were made that the lack of any previous planning by the Obama administration left the new administration unprepared. Now consumed by politics, the Trump administration admitted there was something of a prior plan—but they downplayed any usefulness. They basically left it on the shelf and had to create their own contingency plan.

FUTURING AND STRATEGIC PLANNING

Scenarios are best viewed as a form of strategic thinking used for futuring. They are especially useful in thinking through how prepared an organization is for a worst-case scenario—where the effects would be highly disruptive. They are also useful in looking for what is now called black swan events.

Defined as an unpredictable event that is beyond what is normally expected of a situation, has potentially severe consequences, and is characterized by its extreme rarity, severe impact, and the widespread insistence that it was obvious in hindsight, a good example of such an event is the severe economic crash of 2008 (generally referred to as the Great Recession). Nicholas Taleb—one of those who actually predicted this scenario and its consequences—produced a bestselling book, *The Black Swan: The Impact of the Highly Improbable*, that widened the range of techniques for futuring. Taleb's main criticism of strategic planning is still quite valid: "While people place a higher value on things they know than on the things they don't know—we don't know how things end and therefore can't see coming that tend to shape our world most dramatically" (Taleb, 2007, p. xix). His admonition is something to keep in mind as we delve into how planning has developed in public management.

The Planning Horizon

Any organization's **planning horizon**, the time limit of organizational planning beyond which the future is considered too uncertain or unimportant to waste time on, is an important factor in assessing its short- as well as long-term viability. While private corporations have the luxury of determining their own planning horizons, several obstacles lie in the path of those who advocate the most rational possible planning in the public sector.

The inherently political nature of public administration can place a premium on short-term thinking. Part of this can be attributed to the fickle nature of the public's awareness that is shaped by an ever-accelerating news cycle that causes an issue of premier significance one week to be forgotten the next. Political leaders may lose power—and even office—in a very short time, often unexpectedly. Thus, incumbent administrations in developed democracies often feel they must be very sensitive to the results of very short-term opinion polling. These factors and all others that bring a short-term focus to bear on public policymaking work—and work very hard—against strategic planning or thinking about the long term.

Public budgeting procedures, because of their annual nature, have reinforced this tendency toward short-term thinking, although that is changing. Twenty states have a biennial budget cycle, meaning they adopt a budget for two fiscal years at a time. Thar said, most states using biennial budgets make revisions in the off year of the budget cycle through a supplemental budget. Still, national, state, and local legislators are accustomed to exercising oversight authority during the annual rituals of the budget formulation and review process. To them, biennial and multiyear budgeting represents immediate threats to their political powers and patronage prerogatives. Aaron Wildavsky discussed this problem in a famous 1978 article, "A Budget for All Seasons: Why the Traditional Budget Lasts." It lasts because it is the basis of the political power of so many legislators. Otherwise, rational reforms leading to multiyear budgets are simply not in their personal political interests. Thus, short-term budgeting continues to reinforce short-term policymaking and inhibit the inherently long-term nature of strategic planning.

Despite the preceding constraints, long-term planning is well established in some areas of public sector activity. Some endeavors clearly require long-term planning horizons because they need both gradual development and high levels of capital investment. Publicly owned power, water, and transit utilities must operate in this way. They must have long forward plans and multiyear lead times to complete a new transit system, power station, or water or waste treatment facility. Here, the constraints of traditional short-term government planning can be avoided. It also helps that much of the financing for these systems are based on bonds and other forms of borrowing in a separate capital budget that are usually set for three to five years or even longer. Government-owned utilities, with their heavy investment and long lead times, illustrate areas of the public sector where long-term strategy and concomitant long-term planning are inescapable.

Movement toward a longer time horizon for planning at the federal level has also been driven by the Government Performance Results Act of 1993, which required federal agencies to prepare and submit strategic plans "to the Office of Management and Budget and Congress." Originally, GPRA required strategic plans to cover at least three years, but under the 2010 GPRA Modernization Act strategic plans were to cover a period of no less than four years, allowing the agency to make changes as needed in the plans. Even annual performance reports were extended (i.e., the plan's detailing of the strategies and resources agencies will be used) to cover a two-year rather than a one-year period. Of course, overlaying these changes was the other rationale of linking the strategic planning cycle to the four-year term of the presidency.

Another form of strategic planning that involves a longer time horizon is the quadrennial review (QDR). Beginning with legislation in 1996 requiring the Defense Department to complete every four years an in-depth organizational review of mission assumptions, future environment challenges, and current organizational capabilities, quadrennial reviews have been conducted for Homeland Security, Energy, the State Department, and the five wildfire protection agencies within the Department of Interior and the Forest Service. These reviews may or may not influence strategic thinking as much as advertised. One assessment found that these reviews in the area of national security policy were more about justifying organizational changes as opposed to generating new strategic ideas (Tama, 2013).

That's perhaps too harsh an assessment. The first—and still regarded as the model—quadrennial review was the Defense Department's. Early reviews after the break-up of the Soviet Union were used to signal a major break in defense thinking, from containing communism and nuclear proliferation to being able to fight two major conventional wars simultaneously. But after the terrorist attacks of 9/11, the

FIGURE 10.2
Department of Defense 2006 Quadrennial Defense Review, p. 19

Defense Department used its next two QDRs to note that the two wars strategy had been overtaken by events and the US military had to be able to deal with a much broader range of security challenges on the horizon. Figure 10.2, taken from the 2006 QDR, illustrates how Defense Department perceived these challenges and how each shaped what they label their strategic thinking.

Assessing Capabilities and Risk

Strategic planning has been described, most notably by strategic analyst H. Igor Ansoff (1965), as "a matching process" in which the variables of strategy, capability, and environment are matched as the organization seeks to manage change through strategy. As the environment moves from stable to turbulent, Ansoff argues, the required capability moves from "custodial" toward "entrepreneurial." In a stable environment, a custodial, unchanging capability may suffice. But as the environment becomes surprising and turbulent, a more entrepreneurial and risk-taking capability may be needed.

FIGURE 10.3
The strategic planning model

But strategic planning as a process, as outlined in Figure 10.3, is seen through the lens of the organization's viewpoint. When mismatch exists between environment and capability, management must take action to better match its financial and human resources capabilities with the emerging environment. A technique specially adapted to accomplish this, called SWOT/C, was created by Albert Humphrey, an academic at Stanford University in the 1960s. Four components are divided along two main dimensions, as follows:

Internal/External The internal features are the organization's own strengths and weaknesses—essentially, what already exists. The external features are the organization's opportunities and the threats to its future performance. These exist only on the horizon, and they are less easy to assess and measure. They arise from things like changes in technology, demography, and government policy.

Positive/Negative The positive things are the strengths and opportunities; the negative ones are the threats and weaknesses.

Thus, the **SWOT analysis**—a review of an organization's strengths, weaknesses, opportunities, and threats—is widely used to provide a test of strategic viability. SWOT analysis can be conducted by consultants or senior management groups in an interactive, brainstorming mode, in which the group turns its attention sequentially to each aspect of the organization's position. But it can also be conducted as a focus group exercise with employees, contractors, customers, and other stakeholders.

The underlying logic is to clearly label strengths and weaknesses using the organization's capabilities as the frame of reference and highlighting opportunities and threats in terms of opportunistic or risk-taking aspects for organizational survival. Figure 10.4 provides an illustration of a SWOT analysis for the Postal Service (reference Case Study in Chapter 4), and we provide an important caveat or two.

	Internal	External
Positive	**Strengths** Delivery network that reaches virtually all possible customers Establish branch offices in every significant locality Ongoing capability for its core mission (able to deliver the mail) every day	**Opportunities** Every citizen is a potential customer New technologies can expand services Alliances with private deliverers
Negative	**Weaknesses** Protective labor union with strong bargaining rights Lack of career motivation and morale of workforce High pension costs and liabilities Large organization with difficulties sustaining both urban and rural services Public perception of delays and waits for service	**Threats** Privatization or outsourcing by Congress Competition from private sector (FedEx, UPS, DHL) Decrease in first class mail to the internet Decrease in business mailings to digital advances

FIGURE 10.4
A sample SWOT analysis for the US Postal Service

Some of the assumptions listed earlier could be challenged. Public perception of the Postal Service is actually (well currently) quite positive. And while first class mail has declined dramatically, package deliveries continue to increase. And one person's view of a strength (such as having a branch office in every locality in the US) is another person's weakness (such as difficulty sustaining both urban and rural services). But these caveats aside, a SWOT is highly useful in forging consensus on priorities and how to manage them in a way that will optimize its performance.

STRATEGIC PLANNING: THE BRYSON NEOCLASSICAL MODEL

That's perhaps a factor in Bryson's deployment of SWOT as a central dimension in the classic statement of strategic planning. John Bryson is the author of the most widely used text on strategic planning in the public sector, and his model is worth examining closely. (Note we refer to his model as neoclassical—in part because it has been so widely followed—but in the same sense of art history because of its emphasis on the ideals of order and rational control and respect for the importance of politics and stability.)

The basic model, summarized in Table 10.2, omits two key steps (9 and 10). A strategic plan also needs an implementation plan—or at least some form of budget/performance document that details who does what by when. Tied to that implementation effort will be some form of progress monitoring that will complete the cycle and lead to replanning or plan/action revisions if appropriate. Putting this

TABLE 10.2

Bryson's Strategic Planning Model as a Phase Table

1st Phase Stage the Planning Process	2nd Phase Internal vs External Environmental Scan (SWOT)	3rd Phase Formulate the Strategic Plan
1. Initiate and agree upon a strategic planning process (i.e., "plan to plan"). 2. List and reconcile all organizational mandates relating to the organization (i.e., laws, regulations, rules, and procedures). 3. Restate and make clear the organization's mission statement and shared values.	4. Conduct a SWOT (i.e., analyze the organization's strengths, weaknesses, opportunities, and threats).	5. Identify any relevant issues that may impact the strategic planning process. 6. Make plans to confront and manage issues facing the organization. 7. Re-evaluate the strategic plan (steps 1–6) and come to agreement. 8. Based on the adopted strategic plan, construct an appropriate vision statement.

Source: Adapted from J.M. Bryson, *Strategic Planning for Public and Non-profit Organizations* (2011, pp. 44–45)

into a GPRA context discussed in the **strategic management** chapter, these would go into the annual performance reports prepared by a federal agency.

In addition to its comprehensiveness and systematic logic for presenting how to do strategic planning, Bryson's model has become a standard because it recognizes the political environment of public and nonprofit organizations. Perhaps this has become more challenging in the private sector as well, but any form of goal-based planning is hard. Well, it might be said that formulating a plan can be easy, but a poorly designed plan itself can easily be the problem. Bryson puts a great deal of emphasis on the first phase—planning to plan and recognizing three significant issues:

1. An organization's vision and mission are "political"—they serve interests and constituencies (stakeholders, anyway), and coming to an agreement on what these are now and how they might be affected by change without consolation is potentially disastrous.
2. Goals are really compromises—and they often lag the environment. Most executives are failure adverse. While they don't necessarily want easy goals, they often think in terms of incremental improvement with a high chance of success and are wary of pursuing more radical change, unless there is some form of "burning platform" where massive change is necessary for survival.
3. Perceptions of the environment are usually reactive and viewed in terms of how to adapt to future changes. Again, the preferred strategy is to follow—to be on the trailing edge of innovation. Often this viewpoint is enforced by a public agency's constituencies, which may be even more innovation adverse than the agency's leadership.

But there are other approaches to assessing the future—that key middle phase in the neoclassical model. The first is to cast a wider or deeper look at the external forces looming in the environment through what is nicknamed a **PESTE**. While this

examines some of the same factors that comprise the SWOT approach, it's more comprehensive and delves deeper into what might develop as trends.

Toward a Broader Environmental Scan: PESTE

Figure 10.5 shows the PESTE framework.

An organization—either by gathering opinions through focus groups or by soliciting perspectives from stakeholders, experts, or other sources—establishes a broader categorization of driving forces/factors that "could" impact current organizational investments. Most of the factors that will be assessed would be described as "macro-environmental," meaning they will affect many organizations working in the same arena.

In its first iterations, there were four factors—political, economic, social, and technological. These have been somewhat expanded. Environmental factors obviously are especially significant. Some have included legal factors, which would encompass laws, regulations, and court decisions that affect how the organization operates and provides services, though that could easily be an extension of political. Political and economic forces are fairly self-defined. Social is generally understood to include demographics, public opinion, cultural aspects, consumer preferences, and attitudes. Therein lies one of the values of a PESTE. By using broad categories, the environmental assessment promotes thinking outside the narrower range of issues that dominate organizational thinking and perhaps identifying factors that could be missed.

The PESTE assessment can also be augmented with a time dimension—calculating what's the likely impact in two to three years versus five to ten years.

FIGURE 10.5
The PESTE framework

This also affords a vantage point if the trend is not materializing after one to two years. This is especially advantageous for technology, which often opens with oversized claims of what it will mean for the global economy. Perhaps a useful way to illustrate both how a PESTE identifies and presents driving forces is to take a list of new technologies from a forecast just a decade ago. The McKinsey Global Institute undertakes such forecasts on a periodic basis (one is presented in Figure 10.6) and puts together a dozen "disruptive technologies" with a scale of what they forecast for their impact on the global economy.

Can you spot the one major miss in McKinsey's disruptive technologies list? Yes, it would be the lack of "FAVES," or fleets of autonomous vehicles, that are electric and shared—and are yet nowhere near on the horizon. While it's too soon to tell whether this is the future of ride sharing in the US, it doesn't look promising. In the meantime, however, the Massachusetts Institute of Technology has created a 3D printer that can print an entire building in just 14 hours, and there's already a viable commercial production process of 3D-printed cars that in 2016 created the first 3D-printed low-speed driverless minibus.

Using Strategic Planning to Recast Organizational Directions

This overview of strategic planning models and concepts is not complete without adding one final but critical dimension—the role of leadership or the chief executive. In numerous cases, a new leader comes into an organization with a mandate for change and a vision for how to accomplish it. The importance of the top executive is being played out in the dynamics of the Postal Service (see case study in Chapter 4).

But an actual example of how leadership (both success and failure) works through the strategic planning process might be NASA. Facing budget pressures and continued delays in launching missions, NASA brought in a new director, an aerospace corporate executive in the early 90s who coined the phrase "better cheaper faster" for his plan to launch a large number of relatively small, low-cost spacecraft for its unmanned spacecraft. The late Howard McCurdy, a professor at American University, provided a comprehensive overview of NASA's efforts to save money while improving mission frequency and performance. McCurdy reviews 16 missions undertaken during the 1990s—which all cost less than the sum traditionally spent on a single, conventionally planned planetary mission. Touted as an innovation, the strategic plan—calling for using smaller spacecraft and cheaper technology to undertake less complex and more specific tasks in outer space—still attracted both criticism and praise.

Supporters pointed to the cost efficiencies and mission success rate. Critics pointed to loss in technology advancement, reliance on older technology, and the movement away from the larger goals of space exploration that were designed to capture the imagination of the nation. But when two Mars missions failed in 1999, "better cheaper faster" was discarded when a new administrator took over in 2001 with the change in the Bush administration.

To be fair, looking back at "better cheaper faster," there are several recent reviews that look at the entire planning era as more success than failure, as the titles to these reviews infer (Dillon and Madsen, 2015, "Faster-Better-Cheaper Projects: Too Much Risk or Overreaction to Perceived Failure?"; Elizabeth Frank's Colliding Worlds blog, 2019, "Faster, Better, Cheaper: A Maligned Era of NASA's History").

McKinsey "Gallery of Disruptive Technologies" 2013	Ranked impact in $$$ by 2025
Mobile internet Increasingly inexpensive and capable mobile computing devices and Internet connectivity	3.7 to 10.8 trillion
Artificial intelligence Automation of knowledge work -Intelligent software systems that can perform knowledge work tasks involving unstructured commands and subtle judgements	5.2 to 6.7 trillion
The Internet of Things Networks of low-cost sensors and actuators for data collection, monitoring, decision making, and process optimization	2.7 to 6.2 trillion
Cloud technology Use of computer hardware and software resources delivered over a network or the Internet, often as a service	1.7 to 6.2 trillion
Advanced robotics Increasingly capable robots with enhanced senses, dexterity, and intelligence used to automate tasks or augment humans	1.7 to 4.5 trillion
Autonomous and near-autonomous vehicles Vehicles that can navigate and operate with reduced or no human intervention	0.2 to 1.9 trillion
Next-generation genomics Fast, low-cost gene sequencing, advanced big data analytics, and synthetic biology ("writing" DNA)	0.7 to 1.6 trillion
Energy storage Devices or systems that store energy for later use, including batteries	-.1 to 0.6 trillion
3D printing Additive manufacturing techniques to create objects by printing layers of material based on digital models	0.2 to 0.6 trillion
Advanced materials Materials designed to have superior characteristics (e.g., strength, weight, conductivity) or functionality	0.2 to .05 trillion
Advanced oil and gas exploration and recovery Exploration and recovery techniques that make extraction of unconventional oil and gas economical	0.1 to 0.5 trillion
Renewable energy Generation of electricity from renewable sources with reduced harmful climate impact	0.1 to 0.3 trillion

FIGURE 10.6
McKinsey's projections of disruptive technologies 2013
Source: Manyika et al., May 2013

But the purpose here is to look at what happens with the next strategic planning iteration. The new administrators supported going back to NASA's explanation of its purpose and its mission. One part of the strategic planning effort in this period involved a team of younger NASA professionals who were part of a decadal planning team. Their approach—through a series of fundamental questions—replaced the "better cheaper faster" paradigm (if it can be called that) with grand

challenges that would set agency-wide goals aligned with core justification for space exploration.

NASA's Fundamental Challenges

As good strategic plans begin with robust goals—NASA's decadal planning team posited their objectives as the following six challenges before restating the mission.

NASA's Exploration Grand Strategy

1. Formulation of the universe, galaxies, stars, and planets and understanding of physics, chemistry, and biology.
2. Earth-like planets and life outside the solar system.
3. Utilization of knowledge about the sun, earth, and other planets and development of capabilities for environmental and climatological protection.
4. Fundamental role of gravity and cosmic radiation in biomedical systems in space and application of knowledge to establish human presence in space.
5. Enable revolutionary technological advances to enable air and space travel for anyone anywhere anytime.
6. Technologies to enable the agency research agenda and transfer scientific and technological information to the commercial sector.

NASA's mission is to explore the cosmos, to enable humanity to travel safely into space, and to reveal our discoveries for the benefit of life on earth. NASA's motivation for exploration is that space provides a unique perspective on our planet, other worlds, the universe, and ourselves.

The imperative for space exploration can be articulated by three questions:
How did we get here?
Where are we going?
Are we alone?

These questions, challenges, and strategies all come together in the diagram in Figure 10.7. It may seem a little strange to see the question "Are we alone in the universe?" posed in a strategic plan, but then again, that's exactly what the purpose of joining futuring to strategic planning. Public administration long ago passed out of a time where its function was simple to allocate resources for current operations to the next budget cycle.

In her summary of the essential characteristics of a plan and planning, in her seminal textbook in 1955, Catheryn Seckler-Hudson states, "to plan ahead means to look ahead, to forecast and anticipate the realities of tomorrow" (Seckler-Hudson, 1955). Surely, if she were writing today, she would add that it requires asking new questions and expecting different answers, and maybe even surprises.

GOVERNMENT REGULATION FOR HEALTH, SAFETY, AND ECONOMIC EQUITY

Among the most important roles of government is its ability to regulate society in order to preserve and enhance the public welfare. As the protector of the public interest, public administrators maintain substantial power to set and enforce rules that govern many aspects of life within America. To bring this point home, just think about the way government regulation affects each and every day of your life.

FIGURE 10.7
NASA's strategic vision

Source: "Decadal Planning Team," NASA's Grand Vision Presentation at the Brookings Institution

Consider the simple act of going to a fast-food restaurant to buy a hamburger or a salad. You leave your house or apartment, which has been built according to local building codes—regulation. You get into your car, which has many safety features required by the federal government—regulation. You drive to an intersection and stop at a red light—regulation. Once at your local fast-food emporium of choice, you notice a sticker on the door from the local public health agency indicating that the establishment has been inspected and found free of insect and rodent infestation—regulation. On the wall is a framed certificate from the local municipality indicating that the property is licensed to operate as a business—regulation. Then you give your order to a person whose minimum wages and maximum working hours are set by legislation—regulation—and whose supervisor is required by guidelines issued by the Equal Employment Opportunity Commission to maintain a workplace free of sexual harassment—regulation—and whose wages are reduced by mandatory deductions for income tax and Social Security—regulation. If after your meal you feel the need to visit one of the restrooms, you will find one oversized toilet stall designed for the physically handicapped—regulation.

As the prior scenario demonstrates, regulation is everywhere in your life, whether you notice it or not. This should not come as a surprise. To facilitate the management of government objectives (e.g., clean air, safe roads), regulation stands as one of the most potent tools available to public administrators and as a cornerstone of contemporary public policy in the United States. But when regulation fails, as it happens when a bridge or a large building (per the recent disaster in Miami

Beach) collapses, the public quickly takes notice and demands answers for why regulations did not perform. Perhaps it is most useful to think of regulation in the same way you think about a baseball umpire. During a game you rarely notice the umpire until a call is blown and your team pays the price on the field. Similarly, we rarely think of regulations until they fail to do their job.

While we tend to see regulation in its myriad details from restaurant inspection to zoning enforcement, it is always part of a larger strategic effort such as improving public health. Note that a regulation does not exist for its own sake; it is always part of a larger strategic goal that is part of legislated mandate that shapes the mission statement of a public agency. In the remainder of this chapter, we explore some of the key players, processes, and tools that form regulatory efforts at the federal, state, and local levels. This necessarily entails an examination of the strategies and weaknesses of varied regulatory approaches employed by the different levels of government.

Independent Regulatory Agencies

Modern-day regulation is so pervasive and so commonplace that we see it every day and accept it without thinking. As a general rule of thumb, the more crowded and economically developed a place is, the more regulations it has. Society needs rules so that people don't inadvertently bump into each other's cars, live in buildings that fall down because they are structurally unsound, or get food poisoning from contaminated meat. Such catastrophes were common before government regulations—at least in the developed world—made them relatively rare.

Consider that in December 2003 both central California and southern Iran had earthquakes of similar magnitude. Yet, while just two people died in California, tens of thousands died in Iran. Researchers point to the differences in design, materials, and governmental regulated and inspected building codes as the difference. Government regulations in California requiring architectural approval, strict adherence to building codes, and building inspections saved lives. Not always, but there are lessons to be learned in terms of ensuring regulations are a core part of modern urban strategies (Vale et al., 2005).

Regulation has its origin in legislation. But since legislation can never be totally comprehensive on any subject, rules are typically needed to address the details that have not been specified in the written law. Thus, rulemaking authority is necessarily exercised by administrative agencies; it is a power that has the full force of law. Agencies begin with some form of legislative mandate and translate their interpretation of that mandate into policy decisions, specifications of regulations, and statements of penalties and enforcement provisions. The exact process to be followed in formulating regulations is only briefly described in the federal Administrative Procedure Act (APA). The APA does distinguish between rulemaking that requires a hearing and rulemaking that requires only notice and the opportunity for public comment.

Whether the formal or informal procedure is to be used is determined by the enabling statute: the Supreme Court's decision in *United States v. Florida East Coast Railway* (1973) held that formal rulemaking need only be followed when the enabling statute expressly requires an agency hearing prior to rule formulation. The APA also requires that rules be published 30 days before their effective date and that agencies afford any interested party the right to petition for issuance, amendment, or repeal of a rule. In effect, while the APA establishes a process of notice and time for comment, it accords administrative rule makers the same prerogatives as

legislatures in enacting statutes. There is, of course, the additional requirement that the rule enacted be consistent with the enabling statute directing the rulemaking.

All new federal rules must be published in the *Federal Register*, the daily publication (begun in 1935) that is the medium for making available to the public the forthcoming rules and regulations of federal agencies—as well as other legal documents of the executive branch, such as presidential proclamations and executive orders. Of course, any controversial proposed rules will quickly find their way into the mainstream press, especially since the *Register* began issuing online publications in 1992. All the states have similar rulemaking procedures involving the publication of proposed rules, mechanisms for receiving comments, and final action as outlined in Figure 10.8.

FIGURE 10.8
The rulemaking process

The Rulemaking Process

A large share of regulatory work in the United States is completed by the many agencies that form the federal bureaucracy. While all federal-level agencies play some role in regulating the nation, there have also been numerous governmental organizations established primarily for the purpose of regulating many aspects of American society. These organizations are categorized as independent regulatory commissions and include prominent government entities such as the Federal Communication Commission (FCC) and the Securities and Exchange Commission (SEC). Independent regulatory commissions are headed by several commissioners, directors, or governors who are also appointed by the president and confirmed by the Senate. But unlike administrators of independent executive agencies, they serve for fixed terms and cannot be removed at the pleasure of the president. When Franklin Roosevelt sought to dismiss commissioners of the Federal Trade Commission (FTC) for disagreements over policy, the Supreme Court ruled in *Humphrey's Executor v. United States* (1935) that the FTC "occupies no place in the executive department." Thus, all such commissioners can serve to the end of their fixed terms unless impeached by Congress. This independence from direct executive control can serve as a source of considerable strength for individuals serving on regulatory boards and commissions. Nowhere is this power more evident than with the Federal Reserve Board and its panel of governors. The "Fed," as it's commonly known, has the authority to regulate monetary policy in the United States, and therefore can directly impact the performance of the nation's economy. Not surprisingly, the chair of the Fed's Board of Governors, currently held by Jerome Powell, is generally considered one of the nation's most powerful government officials.

Note that many regulatory functions are also performed by traditional cabinet departments. For example, the Food and Drug Administration (FDA) is located within the Department of Health and Human Services and regulates such things as the approval of new pharmaceutical products. Once again, the public rarely thinks about the work of the FDA until it approves a new drug that turns out to cause more health problems than it cures. The well-publicized dangers from major drugs such as Vioxx and Celebrex exposed significant problems within the FDA's regulatory system and increased public unease about the safety of the pharmaceuticals they rely on to make their lives better. But the importance of the role of FDA and the safeguards it provides has never been more apparent than with the race to develop vaccines to stop the COVID-19 pandemic. Within a year, FDA approved different vaccines developed by pharmaceutical companies that have as of 2021 resulted in over 450 million shots given to nearly 200 million people in the US. While the US struggles to get everyone vaccinated because of personal choice issues, the FDA's accomplishment remains.

BOX 10.1 The Story of Bernie Madoff and the Securities and Exchange Commission

Independent regulatory agencies may not be in the everyday thoughts of most Americans, but when such agencies fail to do their job, they can quickly draw the ire of an angry public. Such was the situation in 2008 when the nation was introduced to Bernie Madoff and his elaborate multibillion-dollar scheme to defraud thousands of investors.

As is always the case, Madoff's fall was preceded by his ascendancy. For decades, he was considered a star in the investment world. He

(*continued*)

BOX 10.1 | *Continued*

regularly provided his clients with returns on their investments that surpassed market averages, and he was known throughout New York City as a philanthropist and community leader. What wasn't well known was that Madoff was conducting one of the largest Ponzi schemes in the history of the United States. In other words, Madoff was using money from new investors to pay old investors, a process that gives the appearance of providing high rates of return when, in fact, the schemer isn't investing any money at all. Like any Ponzi scheme, Madoff's scam was eventually exposed when it became impossible for him to pay all the investors he owed. However, before his scheme was found out, Madoff had defrauded investors of an estimated $65 billion. (Well, actually, he technically stole only an estimated $17.5 billion, since much of the $65 billion included fictional profits.)

Among those defrauded by Madoff were many charities, colleges, and nonprofit organizations—many of which lost their entire investment portfolios.

At this point, you may be asking, "Wasn't anybody from government watching Madoff as he perpetrated this elaborate scheme?" The answer, unfortunately, is no. The investment activities of Madoff were under the regulatory jurisdiction of the Securities and Exchange Commission (SEC). The SEC is charged with ensuring that investments are legitimate through enforcing the regulations that govern markets in the United States. In essence, the SEC is designed to make sure that fund managers such as Madoff are playing by the rules of the game. The Madoff case, therefore, exposed the many weaknesses in how the SEC oversees and manages the investment world. These weaknesses became all too apparent during 2009 congressional hearings that examined the conditions that allowed Madoff to perpetrate his crime.

During the February 2009 hearings before the House Financial Services Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises, witnesses brought forth strong evidence that the SEC was tipped off about Madoff's activities on numerous occasions, but for various reasons failed to act on the information. Harry Markopolis, an independent financial fraud investigator, told the subcommittee that he "gift wrapped and delivered the largest Ponzi scheme in history to them and somehow they couldn't be bothered to conduct a thorough and proper investigation because they were too busy on matters of higher priority." Indeed, Markopolis had sent detailed letters to the SEC listing numerous red flags in Madoff's actions and establishing a route by which the agency could completely expose Madoff's scam. So, why didn't the SEC act on this information?

The answer is multifaceted and demonstrates the importance of organizational design and personnel. First, the SEC's relationship with the firms that it is supposed to regulate has proven problematic. During the subcommittee hearings, claims were made that the SEC is too "chummy" with prominent Wall Street investment houses and that the agency was reluctant to take on the well-known players in the financial world. This phenomenon is commonly referred to as *agency capture*. Under agency capture, regulators are hesitant to challenge some of the "celebrity" names in the financial world. Individuals such as Bernie Madoff, with their incredible wealth and social prominence, are imposing figures for agency officials who may have to bring charges against these "stars."

Under most circumstances, the work of the SEC may not interest the average American. But after Bernie Madoff stole millions from many average citizens, most citizens were outraged by the agency's failure to do its job. The outrage brought increased public pressure on Congress to make changes in the SEC to prevent this type of crime from occurring again.

Under public pressure, the SEC took a series of actions and made rule changes, starting in 2009. The most significant were changes in how the agency carries out inspections of investment advisers and brokerage firms. It also took steps aimed at providing better protection of customers' assets held by brokerages and advisers against theft and abuse. Investment advisers were pushed toward putting clients' assets in the custody of an independent firm, something Madoff hadn't done. Also, the SEC and the stock exchanges were given greater oversight of how brokerages

manage custody of their clients' funds. Inspection practices were revised to focus more closely on assessing potential risk to investors, and financial firms were required to submit more information.

And the American legal system also took action. A court-appointed trustee charged with recovering assets stolen by Madoff, together with the Department of Justice, recovered nearly $15 billion as of March of this year, of which $13.6 billion has been returned to Madoff victims. In addition, the Securities Investor Protection Corporation has provided $600 million in insurance to victims. Madoff was convicted and ordered to repay billions to the investors he defrauded and to spend 150 years in prison, where he died in 2021 at the age of 82.

STATE GOVERNMENT REGULATION

Although public attention is often focused upward to the federal level, state governments should not be ignored in terms of their regulatory functions. With the Tenth Amendment reserving powers to the states, there are many policy areas where state governments play preeminent roles. From transportation to education, the states have primary responsibility for many areas of regulatory policy, including many of the standards that govern the provision of services to the public from professionals such as doctors, dentists, teachers, and accountants.

Occupational Licensing

Do you trust your doctor? How about your dentist or pharmacist? Who certifies the credibility of these professionals for the public at large? In most cases, it's the state government that provides the licensing and regulations that govern most professionals. Remember that a certified public accountant (CPA) is "certified" by a state only after the accountant has demonstrated specified educational and experience requirements and then passed a state examination.

As with the US Constitution, almost every state constitution makes some explicit mention of the government's role in protecting the public welfare. While you may immediately think that protecting the public welfare involves police officers rounding up criminals, it also includes measures that protect the public from the very people that are hired to help them. Through their regulatory powers, states set the standards under which individuals can be granted licenses to practice select professions—from hair stylists to brain surgeons. (Yes—all 50 states require a hairdressing license in order to work as a professional hair stylist.)

And though you may not be surprised to discover that states grant licenses to doctors, nurses, and accountants, there are many more occupations that are also overseen by the states. For example, such professions as athletic trainer, interior designer, and massage therapist may not be the type of careers you would expect to find on a list of regulated professions, but in many states, you will find just such an array of occupations under government watch.

Regulation of professionals does not end at their licensing; it continues throughout their careers. To protect the public, state regulators establish the conditions under which services can be rendered. From requiring massage therapists to keep records of transactions to mandating that pharmacists transfer prescriptions at a customer's request, states set the operating procedures for many professions. When those providing services noticeably fail to abide by the rules of business, they come under the regulatory wrath of administrative agencies. Now you may be wondering

what kind of wrath a government agency can bring down on a massage therapist for failure to abide by the rules. It can be a revoked or suspended license, a mandatory continuing education course, or a monetary fine. And before the massage therapist lays hands on another patient, the controlling hand of public administration must give the okay for the therapist to continue with his or her ministrations.

LOCAL GOVERNMENT REGULATION

Local governments play a major role in providing many of the most obvious forms of government services. From plowing roads after a snowstorm to teaching children calculus, local governments deliver key public services on a daily basis. But county and municipal governments not only provide services, they also regulate many aspects of the lives of their citizens. On an ordinary day, local governments regulate the size of the pool in your backyard, the food that you eat at the local restaurant down the street, and the speed of your car as you drive back from work. While there are hundreds of different ways that local government regulates your life, we have selected three areas of particular interest to examine more deeply in the remainder of the section.

Zoning

One of the most prized rights of an American citizen is his or her ability to own and develop land. Since the first land claims on the continent nearly five centuries ago, individuals have taken ownership of land and shaped their property in ways that they desire. While prized, the right to own and develop land is one of the most regulated aspects of life in the United States. Over the last century, states and municipalities have increasingly used their powers to limit the way private land is used. In particular, through the process of **zoning**, governments tell landowners what they can use their land for, when they are permitted to build structures, and what type of buildings can occupy a piece of property. Given the importance of land regulation, it's not surprising that it has been one of the most controversial aspects of government regulation.

When land was plentiful and population density was low, the need to regulate land use was not a major priority for policy makers. But as the nation grew and Americans were brought closer together, the need for government regulation of land use became clear. Imagine buying a beautiful house on a pretty piece of land and settling your family down to enjoy the "American Dream," only to discover that the owner of an adjacent property has decided to use his land to house a meatpacking plant. Or picture your beautiful view of a sunrise over the mountains blocked by a 20-story apartment building that was built right next to the century-old farmhouse that you inherited from your parents. Such scenarios became more and more prominent by the end of the 19th century and pushed governments deep into the realm of land regulation and zoning beginning in the early 20th century.

Not surprisingly, the first major zoning ordinance was passed in the nation's most populous and densely packed metropolis—New York City. As the city grew both outward and upward, conflicts between landowners became more and more common. Finally, the construction of the mammoth (for its day) Equitable Building on Broadway triggered city action on the matter. The Equitable Building covered every square inch of the property that it sat on and rose 36 stories into the sky. Its height and placement blocked windows of adjacent buildings and prevented sunlight from ever reaching many nearby properties. In reaction, in 1916 the city government developed a set of regulations that restricted the types of construction

that can take place in New York, limiting such aspects of development as building size and placement on lots. And as is often the case, what starts in New York quickly spreads to all reaches of the nation. By the 1920s, the use of zoning was widespread throughout the United States, with the number and specificity of land-use regulations increasing annually. However, the growth of zoning was by no means universally accepted or embraced. If there is one thing about Americans that is universally accepted, it is that they do not want to be told what they can and can't do with their lives or property. Thus, the expanding role of government land regulation was challenged in many ways, which included the introduction of legal suits.

In the most important zoning case in history, the US Supreme Court was asked to decide if zoning laws conflicted with the individual protections of the US Constitution. When Euclid, Ohio, introduced a zoning plan that segregated land uses into specialized districts (e.g., residential, commercial), a local developer challenged the law on the grounds it violated the Fourteenth Amendment's protection of due process and equal protection under the law. In the case of *Village of Euclid, Ohio vs Ambler Reality Co*. (1926), the Supreme Court upheld the legality of zoning, with the majority opinion holding that "regulations, the wisdom, necessity and validity of which are so apparent that they are now uniformly sustained, under the complex conditions of the day." In essence, the *Ambler* decision gave the Court's stamp of approval to land regulation, recognizing that the realities of the modern world require such government intervention. To be sure, there have been many cases since *Ambler* that have helped define what can and can't be regulated, but **Euclidian zoning** has become an established part of American life.

Building Codes

Just like zoning can tell us what we can and can't do with our property, building codes establish what the inside of our homes and buildings must look like. As the realities of an increasingly congested society pushed municipalities into zoning, the development of taller and bigger buildings led to the creation of building codes. A building code or control is a set of regulations that establish the minimum accepted level of safety for a constructed object. The use of building codes has a long history, dating back as far as 1760 bc and the Code of Hammurabi. Under Hammurabi's Code, the following rules were established:

- If a builder builds a house for someone, and does not construct it properly, and the house which he built falls in and kills its owner, then that builder shall be put to death.
- If it ruins goods, he shall make compensation for all that has been ruined, and in as much as he did not construct properly this house which he built and it fell, he shall re-erect the house from his own means.
- If a builder built a house for someone—even though he has not yet completed it: if then the walls seem toppling, the builder must make the walls solid from his own means.

While good enough for Hammurabi, building codes were not quickly embraced in the United States. Even though both Washington and Jefferson encouraged the adoption of building codes to protect health and property, there were few codified standards for buildings until the early 20th century.

A number of noteworthy disasters helped push municipalities to adopt building standards. Most notably, the 1911 Triangle Shirtwaist Factory fire in New York City

called attention to dangerous building conditions in the United States. In this horrific fire, 146 workers died when a fire trapped them on the ninth floor, forcing many women to make fatal jumps to the city streets below. The outrage in the aftermath of the Triangle fire led to increased efforts to establish better building safety standards. In 1915, code enforcement officials from throughout the country met to develop standard safety codes for buildings. Out of these meetings came the formation of the Building Officials and Code Administrators (BOCA) building regulations, which became the standard for many municipalities throughout North America. Through the years, the formulation of standards has continued to increase, with the **International Code Council** now serving as the primary governing body for building regulations in the United States and beyond. In addition to requiring basic safety features such as fire escapes and sprinkler systems, building codes now include standards for energy efficiency and accessibility for individuals with special needs.

BOX 10.2 | Why Regulation Came to the Meatpacking Industry

There was never the least attention paid to what was cut up for sausage. . . . There would be meat that had tumbled out on the floor, in the dirt and sawdust, where the workers had tramped and spit uncounted billions of consumption germs. There would be meat stored in great piles in rooms; and the water from leaky roofs would drip over it, and thousands of rats would race about on it. It was too dark in these storage places to see well, but a man could run his hand over these piles of meat and sweep off handfuls of the dried dung of rats. These rats were nuisances, and the packers would put poisoned bread out for them, they would die, and then rats, bread, and meat would go into the hoppers together. This is no fairy story and no joke; the meat would be shovelled into carts and the man who did the shovelling would not trouble to lift out a rat even when he saw one—there were things that went into the sausage in comparison with which a poisoned rat was a titbit. There was no place for the men to wash their hands before they ate their dinner, and so they made a practice of washing them in the water that was to be ladled into the sausage. There were the butt-ends of smoked meat, and the scraps of corned beef, and all the odds and ends of the waste of the plants, that would be dumped into old barrels in the cellar and left there. Under the system of rigid economy which the packers enforced, there were some jobs that it only paid to do once in a long time, and among these was the cleaning out of the waste barrels. Every spring they did it; and in the barrels would be dirt and rust and old nails and stale water—and cart load after cart load of it would be taken up and dumped into the hoppers with fresh meat, and sent out to the public's breakfast.

Source: Sinclair (1906)

Upton Sinclair's 1906 novel *The Jungle* caused such a sensation that President Theodore Roosevelt authorized an investigation of the meatpackers. This led to the Pure Food and Drug Act of 1906, which provided for federal inspection.

Public Health Perhaps no area of government regulation is more vital than public health policies. In a world where threats to our health are broadcast into our homes on a daily basis, the issue of public health inhabits a prominent place in American society. From the spread of the avian flu to food tainted by *E. coli*, there are no shortages of public health concerns facing the nation. Sometimes the need for government intervention in public health is obvious to everyone, as when roach-infested restaurants are shut down or in instances of preventing contaminated food products from reaching consumers. Figure 10.9 outlines food safety regulation process.

FIGURE 10.9
The strategic approach to government regulation of food

But in other areas, the role of government regulation is less clear and far more controversial. Let's look at an example. The issue of obesity has become one of the greatest threats to the health of Americans over the past quarter century. According to the Centers for Disease Control (CDC), about 33% of individuals living in the United States are clinically obese. This level of obesity is more than double the mark of 13% reached in 1960. The high prevalence of obesity has an enormous impact on many aspects of life in the United States. The CDC estimates that obesity is responsible for more than 112,000 excess deaths per year in the United States and nearly $100 billion a year in additional health care expenses. While it's clear that obesity is a major threat to the nation's health, regulating the problem is quite difficult. With other health risks—such as tobacco and alcohol—the government

has regulated the products through means such as restricted access and sin taxes. However, such regulatory tools are not easily applied to the root causes of obesity—overeating and lethargic lifestyles.

One approach to regulating obesity is to require all restaurants to post nutrition information next to prices on menus or menu boards posted above the ordering counter. For example, as early as 2007, the King County, Washington, board of health created a regulation that required any restaurant with 10 or more locations to put nutritional information next to the menu item's name and price in the same font and size as the price. Now many fast-food restraints and even coffee shops have calorie counts alongside the price for all food and beverage items.

Some cities have tried going even further. New York City—under the Bloomberg administration in 2012—proposed a ban on large sugary drinks in an effort to curb obesity. The plan made it illegal for food service establishments such as restaurants, street vendors, sports venues, and movie theatres to serve sugary drinks larger than 16 ounces.

But government's willingness to regulate to promote better public health is also subject to due process. While the courts—at least in the US—have given deference to an administrative agency's regulatory decisions if they abide by their regulation notice and promulgation process, they are still challengeable in courts. And in this case, beverage makers and business groups in New York sued, saying that the mayoral-appointed health board had gone too far when it approved the rule. And in a unanimous opinion, the appeals court agreed, finding that the board had stepped beyond its power to regulate public health and usurped the policy-making role of the legislature. In particular, the court focused on the law's loopholes, which exempted businesses not under the auspices of the city's health department and left certain drinks, such as milk-based beverages, unaffected. In effect—the city's ban was in grocery and convenience stores but not restaurants, sandwich shops, and movie theaters.

Still, in other cities, the public health regulatory war against sugar and obesity has continued. Sugar—especially in the form of beverages—has also been subjected to a sin tax. Several cities in the US now charge a sugar tax. In 2019, the City of Philadelphia set a 1.5-cents-per-ounce "soda tax" on all forms of sugar-sweetened beverages, including those using artificial no-calorie sweeteners.

So far, the city's sugar tax has held up in court, though in terms of changing desired behaviors, it's not making much headway. Recent research findings show that the sugar tax had minimal to no influence on what Philadelphians were drinking (Auchincloss, 2020).

But there are studies showing that a sugar sin tax can make a difference. Mexico implemented an excise tax of one peso per liter (approximately 10% increase in price) on sugar-sweetened drinks in January 2014, and a study in the *British Journal of Medicine* revealed downward trends in consumption as a result after a three-year period. But the key difference here is that any tax must be approved by some form of legislative action.

REGULATING CLIMATE CHANGE

Since the onset of the industrial revolution in the 19th century, the issue of environmental degradation has been one of the most widespread challenges for policy makers and has provided the stimulus for the development of strategic management of environmental conditions in the United States. From the beginning of the industrial revolution, there was pollution. And it was accepted as a by-product of

all the mass-produced things that make modern life longer and more fun than it was in the pre-industrial era. The additional cost we increasingly paid for cheaper food, cheaper kitchen utensils, cheaper clothing, and cheaper transportation was environmental degradation.

The first efforts of American governments to "save" the environment were the conservation and preservation movements of the early 20th century. As it became more and more obvious that the toll of economic prosperity was a landscape that showed the scars of unchecked industrialization, the need for a strategy to manage the environment became obvious. However, there was not a single dominant strategy that guided government efforts to manage the nation's natural bounty. Instead, the nation adopted two broad strategies to protect environmental resources—preservation and conservation. Under the preservationist management doctrine, government used its powers to set aside land from the waves of development and industrialization that were engulfing the nation. Under this strategy, large tracts of land were placed "off limits" to industrial exploitation. Thus, many of our national and state parks came into existence during this period.

In contrast to the preservationist strategy that kept lands out of the destructive hands of despoiling industrialists, the conservationist approach sought to manage land exploitation in a way that would continue to allow socially responsible industrialists to produce the things most desired by the citizens of the nation. Conservationism stressed scientific management as the key to the efficient use of America's forests, rivers, and farmlands. The strategy recognized the fact that if Americans wanted to continue to improve their quality of life with bigger houses and more productive farms, they could no longer think of resources as inexhaustible. Instead, conservation meant considering the long-term condition of the environment as part of the broader drive to economic prosperity.

While the conservation and preservation movements have shaped natural resource policy ever since, the next major effort to strategically manage the environment came in the 1960s when the government turned its attention to the burgeoning problem of pollution. With city air darkened by dense smog and the nation's rivers so clogged with chemicals and oil that one actually caught fire, the public began to clamor for greater government efforts to control pollution. As the 1970s began, the federal government embarked on a 10-year period of tremendous legislative and administrative efforts that targeted the environmental degradation that was enveloping the nation. The trademark of these efforts was the utilization of policies that set mandatory standards that citizens and businesses would have to meet. This command-and-control approach did enable some improvements in environmental quality. But it also drew the ire of some government officials—and even more business leaders—who saw such efforts as excessively intrusive and burdensome to the national economy, as well as to corporate profits.

Now a third wave of a strategic management of the environment is at hand that uses both economic incentives to encourage businesses to do right by their environment and regulatory provisions. With problems such as global warming straining the capacity of government to regulate solutions, other strategic approaches have become necessary. Of course, the environment is just one example of the government's strategic approach to regulation. Similar analyses could be made for the curtailment of smoking by regulating advertising, sales locations, public education, and taxation on cigarettes. All government regulation is a combination of legal controls, advertised sanctions, taxation, education, and moral suasion. Of course, an occasional highly publicized conviction with fines and even a jail sentence helps as well.

As a final note to this section—before getting to a case study that will ask you to examine the case for switching to electric vehicles, the political dimension of regulation must be examined. This is readily apparent in the significant shift in direction from the Obama administration to the Trump administration and now reversed again in the Biden administration. Under Trump, pollution standards for cars and trucks were scaled back and California was barred from enacting tougher rules. The Clean Power Plan, the linchpin of the Obama-era plan to reduce carbon emissions from power plants, was scrapped and replaced with a weaker alternative. Under the Clean Power Plan promulgated by EPA in 2015, reaching this goal would cut the electric sector's carbon pollution by 32% nationally, relative to 2005 levels by 2030 (or the equivalent of 870 million fewer tons of carbon pollution). While the regulations were expressed in terms of carbon pollution, EPA projected this would be the equivalent of cutting the annual carbon emissions from 70% of the nation's cars.

But the EPA's Clean Power Plant regulations were challenged from the start. Shortly after the EPA announced the Clean Power Plan, a group of states and industry groups, led by West Virginia and Texas and industry corporations, filed a lawsuit to halt the implementation of the plan, arguing that it exceeded the EPA's mandate under the Clean Air Act and violated states' rights to regulate electrical power. Then in 2016, the US Supreme Court issued a stay on the implementation of the Clean Power Plan, pending the outcome of legal challenges.

Enter the Trump administration's determination to repeal the CPP in 2019 when EPA promulgated its Affordable Clean Energy rule. But legal actions continued and a federal appellate court in 2021 scrapped the Trump administration rule that eased limits on carbon dioxide emissions from coal- and natural-gas-fired power plants, and effectively revived the Obama administration's tougher Clean Power Plan. To complete the cycle (or not), the US Supreme Court has announced that it will hear the appeal in the 2021 docket of cases and consider EPA's authority to limit carbon emissions from power plants. In the interim, the EPA in the Biden administration is already issuing notices to re-regulate in a number of arenas to reduce both carbon emissions and pollutants.

CASE STUDY Do Bureaucrats Dream of Electric Cars?

The past strongly constrains the present by limiting the choices . . . but it does not predetermine the future.

—J. Mokyn

"The future of the auto industry is electric."

Although it's not quite as simple as that, President Biden's statement on August 10, 2021, signals more than a shift in regulatory policy. Alongside this are specific investment decisions being made by automotive companies to switch to electric vehicles (EVs for short) and decisions by several states to no longer allow the sale and registration of new gas-powered cars after 2035. Many states (all told representing about one-third of the vehicle sales nationally) have already adopted the state of California's lower emissions regulations for pollutants and greenhouse gas. Now they seem likely to follow California's lead in requiring that by 2035 all new car and passenger light truck sales be zero-emission vehicles.

Why Vehicles Matter in the Global Climate Change Calculus

To understand the significance of a global shift to electric vehicles and what it means to the US, three statistics are in order. First, Figure 10.10a shows how we are doing in terms of lowering greenhouse gas emissions (GHG) from all transportation sources.

As the EPA graph shows, obviously not much progress has been made. On to the second statistic—Figure 10.10b illustrates how much transportation contribute to GHG emissions in the US overall.

It's the largest emissions source, so any strategy to reduce global emissions must include transportation because 99% of the global fleet was non-electric-going (meaning reliant on fossil fuels) into 2020. One final statistical look—-Figure 10.10c, using vehicle miles as the base, compares categories of vehicles.

This is one table where you can do the percentage math almost in your head. Highway miles (and emissions) account for 99% of vehicle miles. And all those trucks that we blame traffic congestion on still account for less than 10% of total highway miles traveled annually.

To sum up, if the US is making any kind of progress toward reducing GHG emissions, switching to EVs from gasoline cars is a strategy worth assessing—beginning with a critical inclusion. While EVs produce no tailpipe emissions, some accounting for the electricity used for charging has to be factored in. This seems to come up often enough that EPA has included it on their website as one of the top myths about EVs. The following Figure 10.11 is EPA's accounting explanation.

Making a Regulatory Assessment With Cost-Benefit Analysis (CBA)

CBA (see Figure 10.12) begins with a project or investment objective that expresses a major purpose or desired end result. In this case, the objective is to reduce GHG emission in the transportation sector—which, as already noted, is one of the largest sources of carbon emissions in the US and has been increasing (slightly) over the past decade. It is possible to put a dollar value on this result—whatever the reduction in GHG is. In fact, the Biden administration has done exactly that—as reported by the media, it is $51 per ton.

But the cost-benefit method is flexible and can simply translate the objective into intangible results, switching to what is termed CEA—or cost effectiveness analysis.

For the purposes of this case study, we begin with a simple baseline that shows the rate of change in GHG emissions by the three major categories of vehicles in the US transportation sector: cars (since this now includes many categories of SUVs and light trucks, it is based on the wheelbase), light trucks, and heavy trucks and buses and other transit vehicles. These are displayed in Table 10.4.

What makes the CBA (now a CEA) useful is that it projects both costs and benefits into the future. A simple calculation of the value of switching half of the vehicles on the highways to EVs would seemingly present an easy

(*continued*)

CASE STUDY *Continued*

Greenhouse Gas Emissions from Transportation, 1990-2019

FIGURE 10.10A

Why vehicles matter in the global climate change calculus

Source: US EPA Inventory of US Greenhouse Gas Emissions and SINKS: 1990–2019

Total US Greenhouse Gas Emissions by Economic Sector in 2019

FIGURE 10.10B

Total emissions in 2019 = 6,558 million metric tons of CO2 equivalent. Percentages may not add up to 100% due to independent rounding.

Source: US EPA Inventory of US Greenhouse Gas Emissions and Sinks: 1990–2019

What Is Cost-Benefit Analysis? A Working Definition

CBA is a public policy and program evaluation technique that originated with the advent of welfare economics theory in 1930s and 40s but was first generally applied as a major decision-making tool by the Army Corps of Engineers. The Corps of Engineers, pressed each year with the task of deciding among various sites for dam and flood control projects, developed CBA to ensure that a specific measurement of project benefits would be made, then they would rank order all projects according to the cost-benefit ratio (benefits divided by costs). An acceptable cost-benefit ratio would always have to be greater than one, and because all future benefits were discounted using the interest rate—while construction and other initial investments were calculated at cost—a project had to return a positive value at some point. CBA was also instrumental in forcing decision makers to consider all aspects of a project or policy—direct and indirect, tangible (measured in dollars) and intangible.

The schematic in Figure 10.12 shows the framework.

TABLE 10.3

Total Vehicle Miles in the United States (2000–2019)

	2000 (In Millions)	2010 (In Millions)	2019 (In Millions)
Highway, total	2,746,925	2,967,266	3,261,772
Light duty vehicle, short wheelbase	1,600,287	2,025,745	2,254,309
Motorcycle	10,469	18,513	19,688
Light duty vehicle, long wheelbase	923,059	622,712	669,744
Truck, single-unit 2-axle 6-tire or more	70,500	110,738	124,746
Truck, combination	135,020	175,789	175,305
Bus	7,590	13,770	17,980
Transit, total	3,605	4,400	4,628
Total Vehicle Miles	2,750,530	2,971,666	3,266,400

Source: US DOT Bureau of Transportation Statistics 2021

decision (assuming one can get past some of the political issues), cutting GHG by almost one-third of current totals. But the switch itself is going to take perhaps 20 or more years—and the benefits will accrue—but only over time, while the costs (all those charging stations and other supporting factors) are mostly borne up front. Thus, the longer it takes to redeem the benefits, the more tenuous the investment decision is to make.

But Table 10.5 calculates the benefits using three main assumptions:

a. Half of all cars and SUVs, etc., will be EVs by 2050.
b. One-third of all light-duty trucks, etc., will be EV by 2050.
c. Zero change in larger trucks to EV.

(*continued*)

CASE STUDY | *Continued*

"Myth #1: Electric vehicles are worse for the climate than gasoline cars because of the power plant emissions.

- Fact: Electric vehicles typically have a smaller carbon footprint than gasoline cars.

  Generating the electricity used to charge EVs, however, may create carbon pollution. The amount varies widely based on how local power is generated, e.g., using coal or natural gas, which emit carbon pollution, versus renewable resources like wind or solar, which do not. Even accounting for these electricity emissions, research shows that an EV is typically responsible for lower levels of greenhouse gases (GHGs) than an average new gasoline car. To the extent that more renewable energy sources like wind and solar are used to generate electricity, the total GHGs associated with EVs could be even lower.

EPA even had a "Beyond Tailpipe Emissions calculator where you enter your zip code (area source) and whatever EV model and year you have (or might like to own). It then shows a comparison (along with a nice photo of your desired EV).

130 g/mi This Car's
Total Emissions in your ZIP Code (Tailpipe + Upstream)

120 g/mi This Car's
Total Emissions with the Average US Electricity Mix

410 g/mi

Average New Gasoline Vehicle's Total Emissions

Any way you look at it, EVs provide a 3.4 to 1 reduction in GHG against gasoline powered vehicles

FIGURE 10.11
EPA myth busting

TABLE 10.4

Carbon Footprint of Vehicles in US (2015–2019)

Years	2015 (MMT CO2 Eq.)	2017 (MMT CO2 Eq.)	2019 (MMT CO2 Eq.)	2015–2019 Pct. Change
Totals	1506.8	1537.4	1552	3.00%
Cars	752.5	760.6	762.3	1.30%
Light Duty Trucks	320.9	324.3	323.1	0.69%
Heavy Trucks & Buses	433.4	452.5	466.6	7.66%

Data Source: US EPA Highlights Inventory of US Greenhouse Gas Emissions and Sinks: 1990–2019

FIGURE 10.12
Cost-benefit analysis framework

Obviously, you can argue with the assumptions, and even change the values. That's again the advantage of CBA. You can test other assumptions (comparing 25% replacement to 75%, etc.) or seeing a new generation of ECT's (Electric Commercial Trucks) come into being
Just looking at the hypothetical benefit objectives, there is improvement and several conditional scenarios.

- If EVs were to achieve the goals set—in terms of replacement—then there would be a 21% reduction in GHG in the transportation sector from the 2019 baseline. Not bad! At the $51 a metric ton GHG cost cited, that would be over $16 billion in social costs saved.
- But the long timeline to switch to 50% replacement is telling. An even better case can be made by citing the nearly 35% reduction compared to extrapolating the current baseline. (But that's a major reason why in the global climate accords designed to deal with climate change that nations make pledges to reduce GHG to below 1990 levels.)

(*continued*)

CASE STUDY *Continued*

TABLE 10.5

Calculating the benefits of EVs in GHG reduction for Transportation over next 20 years.

	2019 Baseline (MMT CO2 Eq.)	2025 (MMT CO2 Eq.)	2030 (MMT CO2 Eq.)	2035 (MMT CO2 Eq.)	2040 (MMT CO2 Eq.)	2020–2040 (MMT CO2 Eq.)
Totals Baseline	1,552	1,600	1,651	1,705	1,762	14%
EV Projected		1,487	1,425	1,328	1,224	–21%
Cars	762.3	772	782	792	803	5%
EV Replacement Rate	1.50%	10%	20%	35%	50%	
EV Projected (50% Replacement)		686	610	495	381	–50%
Light Duty Trucks	323.1	325	328	330	332	3%
EV Replacement Rate	0.50%	8%	15%	23%	33%	
EV Projected (33% Replacement)		299	275	250	216	–33%
Heavy Trucks & Buses	466.6	502	541	582	627	55.7%

Note: the benefit calculation could also include for every EV replacement vehicle a 75% reduction in GHG to include recharging electricity emissions, but again the purpose here is to show the framework and not overly burden the case with added detail.
MMT means million metric tons of CO2 equivalent.

- If the EV strategy could extend to commercial trucks, that could also add significantly to CBA calculus.
- If there were further technology advances in terms of lowering the total emissions to include the recharging factor or extending the battery life, and the ratio comparison of EVs to gas-powered from 3/4 to 1 to 10 to 1, that would also add to the emissions decrease.

But there again is the value of the CBA. It forces the "investor" or the potential regulator to look at the longer term and to put all assumptions on the table.

With that noted—your CBA needs to systematically specify the costs and benefits. While there's not space in this case to do a full review—each of the categories can be explained.

TABLE 10.6

Worksheet for Cost-Benefit Analysis for EVs

Costs (Direct)	Initial Year t0	Year t1	Year t2	Year t3	Year t4	. . .	Year tx
Infrastructure							
Public charging							
Workplace charging							
Building codes/PEV readiness							
Energy Use							
Costs of scaling up utilities							
Public Education							
Programs to encourage usage and subsidies to support purchasing							
(Indirect)							
Ensure equity in electric vehicle charging instruments for lower income groups and underserved communities							
Benefits							
(Direct)							
Potential reductions in greenhouse gas emissions							
Potential reductions in criteria pollutant emissions							
Minimizing imported petroleum & diversification of energy sources							
(Indirect)							
Source of income for local governments—tied to parking services							
EVs leading advances in battery technology—a key issue for industrial competitiveness in the transition to clean energy							

(*continued*)

CASE STUDY *Continued*

CBA begins with real and pecuniary costs and benefits. Real costs and benefits are those that are directly related to the investment in EVs. Pecuniary may be related, but these are market shifts—such as the increase in Tesla's stock price—and aren't to be counted. A better example of a pecuniary cost are recent studies indicating that regardless of how recharging is done—either at the owner's residence or elsewhere—utilities stand to make $300 to $1,000 dollars per vehicle (Center for Climate and Energy Solutions, "Electric Vehicles Offer Economic and Operational Benefits to Utilities" July 1, 2020).

Once over to the real side of the CBA—the focus is on direct costs and benefits. It's easy to get lost in the already raging debate about how many charging stations will be needed to make EVs work. CBA rises above that and requires that each cost and benefit category be defined and broken out annually in future years. Table 10.6 lays out a sample framework for such calculations:

For a real example, look at Argonne National Labs Report ANL 20/38 (2020) "Electric Vehicle Adoption in Illinois." Some of the categories in the previous table are borrowed from their CBA, but the report provides a useful resource to see how CBA is conducted for a state.

Some Last Words—"Even If You Build It, They May Not Come"

At this point in time, governments around the globe and automotive manufacturers are pushing hard to make President Biden's words—"The future of the auto industry is electric"—a reality. But the upfront investments to realize this future reality are not trivial, and there remains the task of convincing the American public that they want an EV parked outside their place of residence. A Pew Research survey in June 2021 showed that while just 7% of American adults own electrics or hybrids now, 72% of those polled said they were very (43%) or somewhat (29%) likely to *consider one* the next time they buy a vehicle. And 47% said they support proposals to phase out gasoline and diesel fuel.

The following are two closing positive assessments with cautionary notes:

> *E-mobility has reached a tipping point. More than 250 new models of battery electric vehicles (BEV) and plug-in hybrid electric vehicles (PHEV) will be introduced in the next two years alone, and as many as 130 million EVs could be sharing roads the world over by 2030. To support these numbers, significantly expanded charging is required—and it will not be cheap. In fact, an estimated $110 billion to $180 billion must be invested from 2020 to 2030 to satisfy global demand for EV charging stations, both in public spaces and within homes.*
>
> (McKinsey Center for Future Mobility, 2021)

Electric vehicles are the future, but incumbent technology can take years to supplant.

Similarly, mass vehicle electrification involves so much more than merely developing a viable EV. Consider just one prominent issue: range anxiety. Never mind the vast majority of journeys involve short distances; you don't win over many customers by explaining how misguided they are. The obvious solution:

bigger batteries. But they also cost more and take longer to charge. However, we could reduce the size of the battery required, saving money and resources, if there were enough chargers around. So now what you need is ubiquitous home charging equipment and a network of high-power public chargers (that work seamlessly because no one wants to actually think about charging their car). Except home chargers don't work for everyone and in any case require dealing with electricians and maybe the permitting demigods down at the town hall.

As for those high-power public chargers, they require grid upgrades—as well as renewable generation and transmission to make it all worthwhile—plus new electricity tariffs because utility demand charges eat all the profits. While we're at it, how about also rethinking the whole model of service stations to suit a stop that takes maybe 25 minutes instead of five?

This isn't to cry "impossible!" Far from it. Rather, that the route to EV dominance likely involves some winding backroads and seeming dead ends. This is what systemic change means: electrifying and greening an entire ecosystem of manufacturing, energy supply, urban planning, pricing, finance and, ultimately, consumer tastes. When farmers bought tractors, they also had to install fuel tanks and get comfortable with relying on gasoline suppliers rather than the "fuel" they produced on the land for their own livestock.

(Denning, 2021)

CASE DISCUSSION QUESTIONS

1. Yes or No. Does using cost-benefit analysis make a compelling case for switching to electric vehicles. Why or why not?
2. What other factors do you think ought to be considered in an analysis of the EVs? How should "political preferences" be considered? What about the issue of ensuring equity in electric vehicle charging instruments for lower income groups and underserved communities?
3. Scale is a factor, especially considering that the decision to switch to EVs will be driven by the states and their regulations. The EV case works well for California, which has 20% of car sales in the US, but what about Montana or Wyoming?

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Euclidian zoning A policy that keeps apartments and businesses out of single-home residential areas. This kind of zoning was adopted by Euclid, Ohio, and the subject of the Supreme Court case of *Village of Euclid, Ohio v. Ambler Realty Company*, 272 US 365 (1926), which asserted that zoning was a valid exercise of local government powers.

International Code Council An association dedicated to building safety and fire prevention that develops the codes used to construct residential and commercial buildings, including homes and schools. Most US cities, counties, and states that adopt codes choose the international codes developed by the International Code Council.

Planning horizon The time frame during which the objectives of a strategic plan are to be achieved. Short range is usually ranging up to 2 years. Longer range is 5 years to a decade or in special conditions longer.

PESTE A framework for conducting an environmental scan where short- to long-range predictions about political, economic, social, technology, and environmental forces are assessed.

Scenarios Scenario planning is a technique of strategic planning that relies on tools and technologies for managing the uncertainties of the future. Scenarios are short narratives describing what would occur in a future environment under certain conditions.

Strategic management A philosophy of management that links strategic planning with day-to-day decision-making. Strategic management seeks a fit between an organization's external and internal environments.

Strategy The overall conduct of a major enterprise to achieve long-term goals; the pattern to be found in a series of organizational decisions.

SWOT analysis A review of an organization's strengths, weaknesses, opportunities, and threats. This technique is widely used to examine the viability of strategic plans.

Zoning The process by which local government can designate the types of structures and activities for a particular area. Zoning began in the 1920s to protect neighborhoods from the encroachments of business and industry and to preserve their economic and social integrity.

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Bryson, John M. (2012) *Strategic Planning for Public and Non-Profit Organizations*, 4th ed. San Francisco: Jossey-Bass. A comprehensive guide to all aspects of strategic leadership, with an emphasis on planning, implementation, and strategy evaluation.

Innes, Judith and David Booher (2010) *Planning With Complexity: An Introduction to Collaborative Rationality for Public Policy*. Routledge. While this interesting book posits itself as "an introduction to collaborative rationality for public policy," it's really a primer for understanding collaboration when applied to participatory planning in the public sector.

Rosenbloom, David (2018) *Administrative Law for Public Managers*. Taylor Francis. This book focuses on the essentials that public managers should know about administrative law—why we have administrative law, the constitutional constraints on public administration, and administrative law's frameworks for rulemaking, adjudication, enforcement, transparency, and judicial and legislative review.

Schwartz Peter (1991) *The Art of the Long View: Planning for the Future in an Uncertain World*. Currency-Doubleday. There are any number of guidebooks for scenario planning and long-term strategic thinking. Schwartz's book still remains the benchmark work in the field.

Sunstein, Cass and Adrian Vermeule (2020) *Law & Leviathan: Redeeming the Administrative State*. Belknap-Harvard. More a lengthy essay than a short book, this intriguing argument posits that the contentiousness that confounds the debates over what the "administrative state" does and doesn't do, and can and can't do, should be resolved by applying "the morality of administrative law."

CHAPTER 11

Human Resources Management and Labor Relations

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KEYNOTE: From AA to AD to DEI

Representative Bureaucracy and Affirmative Action: Where Have We Been?

Following the passage of the Civil Rights Act in the 1960s, there was widespread acknowledgement on many levels in governments and public administration that the rights of minorities in the United States had been systematically curtailed. New efforts were led by American governments at all levels to eliminate discrimination, reduce segregation, and give all Americans the right to vote. Concurrently, governments launched affirmative action programs to ensure people of color were fully represented in the workforce. As noted earlier (Chapter 3), President Kennedy's Executive Order 10925, which created the Commission on Equal Employment Opportunity (EEOC), established a mandate for federal organizations and their contractors to "take affirmative action" to ensure that hiring and employment practices were free of racial bias.

This concept was originally called representative bureaucracy by J. Donald Kingsley in the 1940s, and was seen as an important ideal for public administration. Loosely stated, for government to have validity and understand the population it was to serve, the ranks of its civil servants should include all members of the population. Kingsley distinguished between responsible bureaucracy when its composition reflected a nation's population – but to be representative, its political leaders and elite professional also had to reflect the population and societal values (Kingsley, 1944).

Following Kennedy's executive order, two subsequent presidential administrations moved affirmative action from an ideal to a program—and an enforceable one at that. On September 24, 1965, President Lyndon Johnson issued Executive Order 11246, which required government contractors to "take affirmative action" toward prospective minority employees in all aspects of hiring and employment and to document and report on their actions. A month later, the executive order was reissued to include discrimination on the basis of gender.

This was followed by actions taken by President Richard Nixon in 1969 under what was called the Philadelphia Plan, which required government contractors in Philadelphia to hire minority workers, under the authority of Executive Order 11246. Aimed at the construction industry, which had long resisted hiring minorities, Nixon's plan ordered definite "goals and timetables." As President Nixon asserted, "We would not impose quotas, but would require federal contractors to show 'affirmative action' to meet the goals of increasing minority employment." While the plan was challenged in court and had to be revised once, it was upheld all the way to the Supreme Court in 1971.

The next step taken was legislative. With the passage of the Equal Employment Opportunity Act of 1972, the Civil Service Commission's authority was solidified in this area and affirmative action was placed on a solid statutory basis for the first time. It reaffirmed the traditional policy of nondiscrimination and empowered the commission to enforce its provisions "through appropriate remedies, including reinstatement or hiring of employees with or without back pay . . . and issuing such rules, regulations, orders, and instructions as it deems necessary and appropriate." It also made the commission responsible for the annual review and approval of agency equal employment opportunity (EEO) plans and for evaluating agency EEO activities. The act also brought state and local governments under the federal EEO umbrella for the first time. The EEOC, hitherto primarily concerned with the private sector, was given equal authority over the non-federal public sector.

In 1979, as part of the overall federal civil service reforms then taking place, the enforcement aspects of the federal EEO program were transferred to the EEOC. So, after starting out with enforcement authority over just the private sector in 1964, the EEOC by 1979 had been given responsibility for enforcing equal employment opportunity at all levels of government as well.

BOX 11.1 Race and Ethnic Identifications Approved by the US Equal Employment Opportunity Commission

American Indian or Alaska Native (Not Hispanic or Latino)—A person having origins in any of the original peoples of North and South America (including Central America) and who maintain tribal affiliation or community attachment.

Asian (Not Hispanic or Latino)—A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

Black or African-American (Not Hispanic or Latino)—A person having origins in any of the black racial groups of Africa.

Hispanic or Latino—A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.

Native Hawaiian or Other Pacific Islander (Not Hispanic or Latino)—A person having origins in any of the peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

White (Not Hispanic or Latino)—A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

But despite this development, challenges to affirmative action were mounting. In an important work in 1974, entitled *Representative Bureaucracy*, Samuel Krislov assessed the issues and challenges of integrating merit systems, **personnel** selection, and social equity. Krislov asked more directly, how could any bureaucracy have legitimacy and public credibility if it did not represent all sectors of its society? Krislov's work came at a point when governments were actively debating the effectiveness of affirmative action programs in terms of balancing equal opportunity and compensatory opportunity and coping with backlash to these programs, which some labeled **reverse discrimination**. These issues rose to the forefront in a landmark US Supreme Court case in 1978, *Regents of the University of California v. Bakke*.

This landmark Supreme Court case imposed limitations on affirmative action to ensure that providing greater opportunities for minorities did not come at the expense of the rights of the majority—affirmative action was unfair if it led to reverse discrimination. The case involved the University of California, Davis, Medical School, which had two separate admissions pools, with 15% of admissions set aside for minority and economically disadvantaged students. In a 5–4 decision, the Court accepted that race could be used a factor in selection but an "inflexible quota" or set-aside could not. But even this decision was qualified by the Court's ruling in 1980 in *Fullilove v. Klutznick*. While strict quotas were not allowed, in *Fullilove* the Supreme Court ruled that some modest quotas were perfectly constitutional. (In this case, a federal requirement that 15% of public works funding could be set aside for minority contractors.)

More challenges of affirmative action decisions found their way to the Supreme Court in the 1980s, with each case somewhat eroding the Court's support. Three were especially significant:

> **1986** ***Wygant v. Jackson Board of Education*****—**The Supreme Court rejected a school board's policy of protecting minority employees by laying off non-minority teachers who had more seniority. In the decision, the Supreme Court ruled that the injury suffered by non-minorities affected could not justify the benefits to minorities, concluding that layoffs were different than selection: "Though hiring goals may burden some innocent individuals, they simply do not impose the same kind of injury that layoffs impose. Denial of a future employment opportunity is not as intrusive as loss of an existing job."
>
> **1987** ***United States v. Paradise*****—**The Supreme Court upheld a federal court-ordered remedy following a 1970 suit against the State of Alabama Department of Public Safety for having never hired a Black state trooper. The federal court's remedy required that one Black person would also be hired or promoted until at least 25% of the upper ranks of the department were composed of Black people. This use of numerical quotas was challenged. The Supreme Court accepted the use of strict quotas in this case "as one of the only means of combating the department's overt and defiant racism."
>
> **1989** ***City of Richmond v. Croson*****—**a local government program where 30% of city construction funds were set aside for Black-owned firms was rejected as a product of a "highly suspect tool." The Supreme Court said that an "amorphous claim that there has been past discrimination in a particular industry cannot justify the use of an unyielding racial quota."

The *Croson* case, however, set the stage for a sea change in approach. The Court made clear that it would be taking a harder line in the future. Their decision included wording that affirmative action would be subject to strict scrutiny and suspect. In the court's view, affirmative action would only be accepted if racial discrimination could be proven to be pervasive or in their words "widespread throughout a particular industry."

By the 1990s, both advocates and critics of government-sponsored affirmative action programs agreed that it was time to get past contentious debates over affirmative action. Both sides moved for new understanding of both goals and mechanisms involved in various programs involving equal employment opportunity. Roosevelt Thomas's earlier book and a *Harvard Business Review* article epitomized the search for a new approach. Thomas explained in his article that affirmative action had led to a cycle where even the positive recruitment and hiring of minorities and organizations were counterproductive and did not allow private and government entities to make progress. Renaming affirmative action as diversity management was more than just a change in wording—Thomas built the case for the need and the value of "affirming diversity" in changing the culture and even the management style of modern organizations (Thomas, 1990).

In 1995, the Supreme Court applied strict scrutiny to the federal government in *Adarand Constructors, Inc. v. Peña*. In this case, Adarand Constructors, a low-bidding subcontractor denied a contract on a federal highway project, sued the secretary of transportation, alleging that the federal government's incentives to hire minority subcontractors denied him equal protection of the laws. The Court ruled that "strict scrutiny" should be applied—and affirmative action remedies had to establish that discrimination existed before. They also noted that "strict scrutiny"

meant that affirmative action remedies had to establish that there was a "compelling governmental interest" and be "narrowly tailored" to the situation.

A robust debate ensued during the Clinton administration under the title "Mend It or End It" regarding affirmative action. After a review, President Clinton issued an executive memorandum in July of 1995 directing cabinet secretaries and agency officials to review all affirmative action programs to ensure they met four standards or tests and reform in that they did not (1) create a quota, (2) create preferences for unqualified individuals, (3) create reverse discrimination, or (4) continue even after its equal opportunity purposes had been achieved.

Going into the next decade, affirmative action began to mend its approach in other ways. Following Roosevelt Thomas's approach, diversity management began to appear as the label for organizational approaches. (New titles aren't always a convincing argument that change has arrived, there are still many who resent the use of human resources management as a replacement for the traditional title personnel administration). But in this case, numerous scholars were signaling change—following Norma Riccucci's lead in her 2002 work *Managing Diversity in Public Sector Workforces*.

Figure 11.1 from Riccucci's work illustrates the transformation to diversity management and how much more it entails in terms of changing leadership, management, and indeed workforce cultures in both the public and nonprofit sectors.

MANAGING DIVERSITY: WHERE ARE WE NOW?

If there's one thing that defenders and critics do agree on, it is that data is essential—both to understand the issue and gauge progress. So, after a half century of affirmative action/diversity management efforts, what do the numbers look like in terms of public sector representation (and yes, in comparison to the private sector)?

On the surface, these appear to be fairly respectable numbers in terms of overall representation. However, as a recent report from the Partnership for Public Service (PPS) makes clear, the numbers don't look quite as good when it comes to the upper levels. Table 11.2 shows their numbers that were updated for a 2021 article.

And their summary:

> At first glance, the civil service appears to be racially unbiased. People of color make up about 40% of the US population and about 38% of the full-time federal

TABLE 11.1

Diversity in the Workforce 2005 vs 2019

	Total Workforce		Public Sector Workforce	
	2000	2020	2005	2019
Women	50.9%	50.8%	46.0%	46.4%
Blacks	12.3%	13.4%	10.8%	12.1%
Asian	3.0%	5.9%	4.4%	6.4%
Hispanics	12.6%	18.5%	13.1%	17.6%
Whites	72.1%	62.2%	71.7%	63.9%

Source: Mission Square Research Institute (2021) and US Bureau of Labor Statistics Population Survey (2021)

EEO	Affirmative Action	Managing Diversity
Qualitative/quantitative Emphasis on preventing ending discrimination	**Qualitative/ quantitative** Emphasis on redressing past discrimination and achieving diverse representative workforce	**Behavioral** Emphasis on building specific skills in creating production work environment with the organization's human resources
Legally driven Mandated by federal law	**Managerial and legally driven** Involves voluntarily developed goals as well as court-ordered program, common law has defined its legality and constitutionality	**Strategically driven** Behaviors and policies seen as contributing to organizational goals and objectives such as productivity
Fairness Seeks to end discrimination and create equal opportunities	**Remedial and compensatory** Specific target groups benefit past and present wrongs are remedied	**Pragmatic** Organization benefits in terms of morale and increases in productivity
Access Model Assumes that protecting class persons will be able to access organization	**Assimilation model** Assumes that persons and groups brought into the system will adapt to existing organizational norms can result in sink or swim atmosphere/environment	**Synergy Model** Seeks to change organizational culture to accommodate diverse groups assumes people develop new ways of working together in a pluralistic environment
Level playing field Seeks to ensure equal opportunity and access	**Open doors** Seeks to affect hiring and promotion decisions in organizations	**Opens the system** Seeks to affect managerial practices and policies

FIGURE 11.1
From EEO to managing diversity
Source: Riccucci (2002)

TABLE 11.2

Workforce Diversity for Federal Government by Grade Level

Federal Workforce	Entry	Mid-Level	Senior	Executive
2020	GS (1–9)	GS (10–12)	GS (13–15)	Career SES
People of Color	47.7%	38.4%	33.1%	22.7%
White	52.9%	61.4%	66.8%	77.2%

Source: Partnership for Public Service (Lardy, 2020) 2021

> workforce. A closer look at the data, however, shows that this group holds a disproportionately small percentage of senior-level positions. As of March 2021, people of color represent 47% of all full-time, entry-level employees but only 33% of senior-level positions. And within the Senior Executive Service—the elite corps of experienced civil servants responsible for leading the federal workforce—the disparity is even wider. Only 23% of all career SES members are people of color.
>
> (PPS Website—Brandon Lardy, July 14, 2020 | Updated on August 26, 2021)

For a final comparison, Table 11.3 displays somewhat comparable numbers taken from a recent McKinsey survey on the corporate sector:

TABLE 11.3

Workforce Diversity by Level for the Corporate Sector

2021	Entry	Manager	Sr Managers/ Director	VP	Senior VP	C-Suite
White Women	30%	28%	27%	22%	22%	20%
Women of Color	17%	12%	9%	7%	5%	4%
Men of Color	17%	17%	15%	13%	12%	13%
White Men	35%	40%	50%	56%	61%	62%

Source: McKinsey 2021 women-in-the-workplace-2021

While it would be interesting to get similar comparisons—showing the breakdowns with race and gender combined, there's still enough here to note the public sector (at least the federal government) offers greater access to the managerial ranks. But not by much.

There are other measures that diversity management can and should look at in terms of gauging progress. Only looking at hiring and promotion numbers would—as Riccucci would remind us—still be looking at the challenges ahead through the open doors lens of affirmative action. There are occupational segregation issues, especially at state and local government levels, where women dominate education, many social services, and especially human resources management, while men still dominate the ranks of police, fire, and other public safety functions. Access to training and development programs and other longer-term career enhancement opportunities can be gauged. It also should be expected that measurements of employee engagement, teamwork, and satisfaction with compensation should be free of any racial or gender bias. This is what Riccucci is referring to when she touts how diversity management promotes organizational benefits via improvement in workforce morale and increases in workplace productivity.

DIVERSITY EQUITY AND INCLUSION: WHERE ARE WE GOING?

On June 25, 2021, the Biden administration issued Executive Order 14305 on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce. Earlier in the year, (indeed it was one of 17 orders that he signed on his first day in office) he had signed Executive Order 13985 (Advancing Racial Equity and Support for Underserved Communities Through the Federal Government), which stated, "affirmatively advancing equity, civil rights, racial justice, and equal opportunity is the responsibility of the whole of our government." Note the interesting use of affirmatively advancing.

Now, Executive Order 14305 spelled out both the policy intentions and details of his announcement to advance equity by cultivating "a workforce that draws from the full diversity of the Nation"

> As the Nation's largest employer, the Federal Government must be a model for diversity, equity, inclusion, and accessibility, where all employees are treated with dignity and respect. Accordingly, the Federal Government must strengthen its ability to recruit, hire, develop, promote, and retain our Nation's talent and remove barriers to equal opportunity. It must also provide resources and opportunities to strengthen and advance diversity, equity, inclusion, and accessibility across the Federal Government. The Federal Government should have a workforce that reflects the diversity of the American people. A growing body of evidence demonstrates that diverse, equitable, inclusive, and accessible workplaces yield higher-performing organizations.
>
> (Executive Order 14305, June 25, 2021)

Only time will time will tell whether this remains a high priority for a new administration and what will be achieved. President Biden has already made his marks among his first round of appointees, having promised during the campaign to have the most diverse cabinet in history, as Government Executive reports after his first 100 days in office:

> Biden is the first president in modern history to appoint more women than men in his first 100 days. Of the 1,500 agency appointees thus far, about 58 percent are women, according to the White House . . . and about half of his appointees identify as non-White.
>
> (Padilla, 2021)

But diversity, equity, and inclusion (DEI) is about more than just numbers, per the opening lines of the executive order and the aims of the transformative era of DEI—now DEIA to include accessibility for those with disabilities. In fact, as one examines the details of the new Biden federal policy, one sees a number of inclusions that go well past the prior era's emphasis on race and gender. The order addresses internships, community partnerships, and formerly incarcerated individuals, which might not come to mind quickly when thinking about diversity. However, the sections on advancing equity for lesbian, gay, bisexual, and transgender LGBTQ+ employees and pay equity clearly need emphasis and merit their own sections. If there's an issue that is underserved, it would be sexual harassment, which should be a subsection of the strategic planning process. If inclusion is truly one of the three hallmarks of the new era, and the goal is "the recognition, appreciation, and use of the talents and skills of employees of all backgrounds," then there is no place for sexual harassment—or for that matter any form of harassment in the public sector workplace.

As this is just an opening note, even as important as it is. The major details—including the definitions of DEI and A—are included in Figure 11.2 summarizing the federal executive order. Several exemplary state and local models recast the old EEO and AA functions as new Workforce Diversity, Equity, and Inclusion programs. There's even a new job title floating around for the new HRM manager who will oversee such efforts—Director of Talent and Equity.

In looking toward the future, DEI seems destined to be a very high priority—not just for federal agencies but for all sectors of government and the social

Sections	Core Premise (using executive order's wording)
Section 1 Policy	***The policy of my Administration to cultivate a workforce that draws from the full diversity of the Nation***
Section 2 Definitions	(b) The term "diversity" means the practice of including the many communities, identities, races, ethnicities, backgrounds, abilities, cultures, and beliefs of the American people, including underserved communities. (c) The term "equity" means the consistent and systematic fair, just, and impartial treatment of all individuals, including individuals who belong to underserved communities that have been denied such treatment. (d) The term "inclusion" means the recognition, appreciation, and use of the talents and skills of employees of all backgrounds. (e) The term "accessibility" means the design, construction, development, and maintenance of facilities, information and communication technology, programs, and services so that all people, including people with disabilities, can fully and independently use them.
Section 3 Government-Wide Diversity, Equity, Inclusion, and Accessibility Initiative and Strategic Plan.	(b) Each agency will …. develop and issue a government-wide Diversity, Equity, Inclusion, and Accessibility Strategic Plan (Government-wide DEIA Plan)—to include • define standards of success for diversity, equity, inclusion, and accessibility efforts based on leading policies and practices in the public and private sectors; • consistent with merit system principles, identify strategies to advance diversity, equity, inclusion, and accessibility, and eliminate, where applicable, barriers to equity; • include a comprehensive framework to address workplace harassment, including sexual harassment, which clearly defines the term "harassment"; outlines policies and practices to prevent, report, respond to, and investigate harassment; promotes mechanisms for employees to report misconduct; encourages bystander intervention; and addresses training, education, and monitoring to create a culture that does not tolerate harassment or other forms of discrimination or retaliation; • promote a data-driven approach to increase transparency and accountability, which would build upon, a reporting process; and • establish an updated system for agencies to report regularly on progress in implementing Agency DEIA Strategic Plans.

Section 4 Responsibilities of Executive Departments and Agencies	The head of each agency shall make advancing diversity, equity, inclusion, and accessibility a priority component of the agency's management agenda and agency strategic planning.
Section 5 Data Collection.	Take a data-driven approach to advancing policies that promote diversity, equity, inclusion, and accessibility within the agency's workforce, ... measure demographic representation and trends related to diversity in the agency's overall workforce composition, senior workforce composition, employment applications, hiring decisions, promotions, pay and compensation, professional development programs, and attrition rates.
Section 6 Promoting Paid Internships	Increase the availability of paid internships, fellowships, and apprenticeships, and reduce the practice of hiring interns, fellows, and apprentices who are unpaid; And ensure that internships, fellowships, and apprenticeships serve as a supplement to, and not a substitute for, the competitive hiring process.
Section 7 Partnerships and Recruitment	Coordinate a government-wide initiative to strengthen partnerships (Partnerships Initiative) to facilitate recruitment for Federal employment opportunities of individuals who are members of underserved communities.
Section 8 Professional Development and Advancement	Agencies track demographic data relating to participation in leadership and professional development programs and development opportunities offered or sponsored by agencies and the rate of the placement of participating employees into senior positions in agencies.
Section 9 Training and Learning	The head of each agency shall take steps to implement or increase the availability and use of diversity, equity, inclusion, and accessibility training programs for employees, managers, and leadership.
Section 10 Advancing Equity for Employees with Disabilities	The Federal Government must become a model for the employment of individuals with disabilities .... agencies must provide an equitable, accessible, and inclusive environment for employees with disabilities.
Section 11 Advancing Equity for LGBTQ+ Employees	Administration to prevent and combat discrimination on the basis of gender identity or sexual orientation. Each Federal employee should be able to openly express their sexual orientation, gender identity, and gender expression, and have these identities affirmed and respected, without fear of discrimination, retribution, or disadvantage.
Section 12 Pay Equity	Many workers continue to face racial and gender pay gaps, and pay inequity disproportionately affects women of color.
Section 13 Expanding Employment Opportunities for Formerly Incarcerated Individuals	To support equal opportunity for formerly incarcerated individuals who have served their terms of incarceration and to support their ability to fully reintegrate into society.

FIGURE 11.2

What DEI looks like, using Federal Executive Order 14305 as a program guide

Source: June 25, 2021, Executive Order 14305 on Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce

Table 1 **Workforce challenges and diversity data**

Challenges	Diversity data
Lack of diversity in certain key positions like management or public safety, potentially leading to issues of trust within the community or problems retaining diverse candidates	African Americans, Asian Americans, Hispanics, and women are **underrepresented** among police officers and police supervisors. African Americans and Hispanics are underrepresented among managers and professionals, and women are underrepresented among local government chief administrative officers, such as city managers.
Ongoing waves of retirements and a need for effective succession planning	Among state and local employers, **52% expect the largest percentage of retirees** will be leaving their workforce in the next few years.
Industries and occupations that have significantly higher representation by one demographic group, which may lead to greater impacts on that group in cases of economic or pandemic-fueled displacements	In 2020, at a time when many libraries closed or laid off staff, **83% of librarians were women**
Discrimination in the workplace can have a toxic effect on retention	Almost **10% of LGBT employees have left an employer** due to feeling unwelcome
Finding talented staff may be a matter of targeted outreach to diverse pools of candidates	More than **20% of employed veterans** work in state or local government, education, or health care
Technological change impacting the conduct of particular occupations and the balance of diversity within the organization	With office productivity software improvements and other workforce changes, state and local government secretarial employment is projected to **decline by at least 18%.**

FIGURE 11.3

Workforce Diversity Challenges

Source: Mission Square Research Institute (September 2021) Diversity, equity, and inclusion in the public service workforce p. 4

sector. Having established that those organizational efforts need to be more than just another set of initiatives, it will require a set of transformative changes that are comprehensive and highly attuned toward enhancing the workforce culture and organizational values. As the Black Lives Matter movement has amply demonstrated, public trust is also at stake. It will also surely change how the conventional function of personnel administration will operate as well.

A 2021 report by the Mission Square Research Institute (formerly the Center for State and Local Government Excellence at the International City Manager's Association) provides a list of the key challenges facing state and local governments in the next several years. As Figure 11.3 from their findings shows, meeting these challenges means addressing issues of diversity, equity, and inclusion.

A BRIEF HISTORY OF CIVIL SERVICE REFORM AND THE MERIT SYSTEM

While civil service reform is generally dated from the post–Civil War period, the political roots of the reform effort go back much earlier—to the beginning of the republic. Thomas Jefferson was the first president to face the problem of a philosophically hostile bureaucracy. While sorely pressed by his supporters to remove Federalist officeholders and replace them with Republican partisans, Jefferson was determined not to remove officials for political reasons alone. He maintained that only "malconduct is a just ground of removal: mere difference of political opinion is not." With occasional defections from this principle, even by Jefferson himself, this policy was the norm rather than the exception down through the administration of Andrew Jackson. President Jackson's rhetoric on the nature of public service was far more influential than his administrative example. In claiming that all men, especially the newly enfranchised who did so much to elect him, should have an equal opportunity for public office, Jackson played to his plebeian constituency and put the patrician civil service on notice that they had no natural monopoly on public office. The **spoils system**, used only modestly by Jackson, flourished under his successors. The doctrine of rotation of office progressively prevailed over the earlier notion of stability in office.

The political parties for most of the 1800s was dependent for financing on assessments made on the wages of their members in public office, which they enforced through **patronage**. But pressure was building among both government reformers and business interests. Early efforts during the Grant administration included establishing a Civil Service Commission tasked with replacing patronage with a system of office selection based on merit. Merit in this case meant open competition for positions—usually determined by some type of examination and character review to determine those most fit for office. It should be noted that from the outset, the ideal of the **merit system** didn't apply to all government positions. Dorman Eaton, who chaired the Civil Service under President Grant and would later write much of the statute that create the merit system for the federal government, added a footnote in his study of the merit system principle and models from other countries, that there would always be some kind of "line between the two classes of officers . . . those political officers who command all the others and who should go out with each administration, and those administrative officers whose duty id to obey their superiors" (Eaton, Classics 5th edition p. 21 footnote 3).

Most historians agree that civil service reform would have come about without the 1881 assassination of President James A. Garfield, but there is little doubt that the assassination by a disappointed office seeker helped. Garfield was shot by Charles Guiteau, an insane, self-styled attorney who had worked for Garfield's election and was angry about not receiving a patronage appointment. With this as impetus, Garfield's vice president, now President Chester A. Arthur, signed the Pendleton Act into law on January 16, 1883, and created the US Civil Service Commission.

The Pendleton Act or "An Act to Regulate and Improve the Civil Service of the United States" has been a remarkably durable piece of legislation. Within it is the framework for personnel management that is still the heart of the federal civil service system. The act created the US Civil Service Commission as the personnel management arm of the president. While it was termed a commission, it was by no means independent. It was an executive agency that for all practical purposes was subject to the administrative discretion of the president. Written into the act were requirements for open competitive examinations, probationary periods, and protection from political pressures. While the personnel program was to remain decentralized and in the control of the departments, the commission was authorized to supervise the conduct of examinations and make investigations to determine the degree of departmental enforcement of its rules.

Initially, the Pendleton Act was hardly a total victory for the reformers. It covered just over 10% of the federal service. Actually, the reformers were not at all anxious for near-universal merit system coverage. They recognized the problems of creating the appropriate administrative machinery and were concerned that the reform program would be overburdened and subject to failure if complete reform were attempted all at once. Over the years, federal employees were brought more and more under the jurisdiction of the Civil Service Commission or of other federal merit systems, such as those of the Foreign Service, Tennessee Valley Authority, and so forth.

American presidents during the reform period typically entered office taking full advantage of their patronage prerogatives and left office with extensions of the merit system to their credit. This was the case with every president from Arthur to Wilson. But merit system coverage gradually increased—along with the growth of the federal government itself—going from 10% in 1884 to more than 70% by the end of World War II. As more and more employees were covered by civil service regulations and protections, central personnel management agencies also grew, promulgating new rules and procedures—and with them growing criticisms about too much bureaucracy.

The Second Wave of Reform: The Civil Service Reform Act of 1978

On March 2, 1978, President Jimmy Carter submitted a slate of civil service reform proposals charging that the present federal personnel system had become a "bureaucratic maze which neglects merit, tolerates poor performance, and permits abuse of legitimate employee rights, and mires every personnel action in red tape, delay, and confusion." The reform bill faced considerable opposition from federal employee unions (which thought the bill was too management oriented) and from veterans' groups (which were aghast at the bill's curtailment of **veterans preferences**). But the Carter administration prevailed in obtaining passage of a new law that restated the principles of the modern civil service (see Box 11.2 "The Merit Principles Merit System Principles") and reorganized the executive apparatus for overall systems management.

The Civil Service Reform Act of 1978 mandated that the US Civil Service Commission would be divided into two agencies: an Office of Personnel Management (OPM) to serve as the personnel arm of the chief executive and an independent Merit Systems Protection Board (MSPB) to provide recourse for aggrieved employees. In addition, the act created the Federal Labor Relations Authority (FLRA) to oversee federal labor management policies. The act also established a new structure for the executive levels of the career service—the senior executive service. This envisioned a new top level of senior leaders that would move from agency to agency and be rewarded with bonuses for outstanding performance. Merit pay (where annual compensation could be increased for performance as opposed to having to obtain a promotion) was adopted for the upper grade levels of the career service. Neither merit pay nor roving senior executives worked out, but the organizational restructuring stuck.

BOX 11.2 The Merit System Principles (5 USC § 2301)

1. Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge and skills, after fair and open competition which assures that all receive equal opportunity.
2. All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.
3. Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.
4. All employees should maintain high standards of integrity, conduct, and concern for the public interest.
5. The Federal work force should be used efficiently and effectively.
6. Employees should be retained on the basis of adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.
7. Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.
8. Employees should be—
   A. protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and
   B. prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.
9. Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences—
   A. a violation of any law, rule, or regulation, or
   B. mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

Reinventing Public Personal Administration

Civil service reform was a major theme of the 1993 National Performance Review (the Gore Report), which stated, "to create an effective federal government, we must reform virtually the entire personnel system: recruitment, hiring, classification, promotion, pay, and reward systems." If one word sums up the overall focus of the reform agenda, that word is *decentralization*. Accordingly, the federal government did the following:

1. Deregulated personnel policy by phasing out the 10,000-page Federal Personnel Manual and all agency-implementing directives.
2. Gave all departments and agencies authority to conduct their own recruiting and examinations for all positions, and abolished all central registers and standard application forms.
3. Dramatically simplified the current classification system to give agencies greater flexibility in how they classify and pay their employees.
4. Allowed agencies to design their own performance management and reward systems, with the objective of improving the performance of individuals and organizations.
5. Sought to reduce by half the time required to terminate federal managers and employees for cause.

In the cause of delegation, OPM went so far as to reduce its own staff from over 6,000 employees to half of that four years later. However, all of these reinvention actions were accomplished through executive orders and reissued agency policy directives—as opposed to statute—meaning having a new civil service law passed. One of the most controversial actions taken under reinvention was setting up labor–management partnerships at the agency level to lead reform efforts under the National Performance Review (Executive Order 12871, October 1, 1993). Thus, when George Bush won the election in 2000, one of his first actions was to issue his own executive order rescinding the requirement for labor partnerships.

State and Local Reform and Re-Reform

Influenced somewhat by the example of the 1883 Pendleton Act, state and local jurisdictions began to institute civil service commissions. But this was a very slow process. While New York adopted a merit system that same year and Massachusetts did so during the following year, it was more than 20 years before another state did so in 1905. By 1935, only 12 states had formally instituted merit systems. These early efforts were not all successes. Connecticut had its first civil service law repealed, while Kansas kept the statute as law but "made it innocuous by refusing to vote appropriations." Nor were these laws necessarily effective even when kept on the books. For example, New York State, which since 1883 had the most stringent prohibitions against political assessments on the salaries of public employees, had widespread "voluntary" contributions to the party at least through the 1930s. It wouldn't be until well after World War II that most states would install merit systems—initially, in many cases, only to qualify for federal grants. By the 1970s, almost all states had general merit system coverage for their employees although state systems and the extent of protections provided differ considerably.

But the concept of merit employment began to generate problems as well—especially as it related to protecting government employees from dismissal. Texas was perhaps the first state to challenge when it abolished its state civil service commission in 1985. Soon a number of states would take one of two tacks in reforming civil service reform. One category followed the lead of Georgia, which in 1996 flat out abolished the state's merit system including employment protections and grievance appeal processes. In the name of providing increasing decentralization, employment flexibility, and ease of hiring and firing, it changed the whole workforce to "at-will employees." States that have taken the approach of abolishing the civil service include Missouri, Indiana, and Arizona, which when it passed its reform in 2012 just made all new employees at will. The other category of reform was to reclassify a larger number of employees as "at will." Florida was one of the first to take this approach in 2001, moving 18% to this status (or non-status is perhaps the better term). Utah reclassified 30%, Wisconsin 20%, and Tennessee 26%.

These more drastic efforts for reform were only part of a larger reform effort at the state and local levels—even in states that have been champions of civil service and the merit system. New York, California, and others have pursued a "modernization" tack where the highly regulatory and protective aspects of civil service have been loosened and simplified for the pursuit of "providing increasing decentralization, employment flexibility, and ease of hiring and firing."

Reform at local government levels was a different matter, affected greatly by scale. Large cities and counties (like the case study on Los Angeles) with sizeable workforces followed the trend of converting workforce hiring and selection from the spoils systems and city machine politics that relied on city hiring or patronage to remain in power. But smaller local governments—many of which simply gave the human resources management function to an assistant city manager or other administrative officer—didn't see the need nor could afford the expense to do so.

The principle of city government hiring and selection ensuring that the most qualified were selected did become the standard. As for the reformers' insistence that the civil service be administered by a neutral, nonpartisan Civil Service Commission, that was another matter. A Civil Service Commission served as both executive overseer and judicial reviewer of disputes and policy issues. But there were always tensions about the Civil Service Commission administrative model. As city and county governments became larger, the workforces more specialized and professional, personnel practices more sophisticated and complex, and the political executive leadership more demanding and assertive about their agendas, the seeds of reform were sown. The central issue was structural—the role of the Civil Service Commission. As Mosher and Kingsley (1941) warned from the beginning in their personnel textbook:

> Civil service tradition [is] greatly complicated by the existence of this semi-external and so-called nonpartisan employment agency. The assignment of extensive power to the civil service commission has caused a division of control in the personnel field that has proved to be harmful. . . . the attitude of "operating heads" is at best one of toleration and at worst one of outspoken intolerance.
>
> (p. 48)

So civil service reform in local governments began separating the executive and judicial powers within the civil service system. The primary task was to establish a central personnel management office to handle the workforce management functions and implement policies—but clearly working for executive. Some cities retained their Civil Service Commission as an appeals board, while others created other avenues to handle disputes and increasingly legal suits filed by employees. By the 1970s as public unions came into prominence in local government, unions would represent employees and raise the stakes of how employee disputes would be handled.

In short, civil service reform in the US was caught up in public management reform, meaning it was more important to have HR responsible to the political executive or appointed executives and helping shape the government's management agenda. This coincided with the growing strength of unions in government, which meant that the central HR function had to handle collective bargaining responsibilities (something a Civil Service Commission wasn't designed to do). Added to this, by the 1980s a second factor was growing—that of contracting out services, which added additional complexity to the workforce management role and was even more difficult to reconcile with the ideals of having a Civil Service Commission as the executive human resources manager.

Contracting, or outsourcing, or even marketization as it is sometimes called is now an ever-present force as governments continue to examine what functions and services they will provide and how and what workforce they will require. Contracting in the 1980s and 90s was first aimed at direct services and utilities, which could be priced (garbage collection, custodial and security services, utilities, and ambulance services are good examples). A second wave involved social services as nonprofit organizations were given contracts to handle a range of housing assistance, employment training, welfare, and health care services. A third wave now involves both administrative functions and core essential city services such as police and fire and charter schools. It will be instructive to see how human resources managers handle potential contracting of IT services and even their core personnel functions. Many of these decisions will be driven by personnel costs and technology factors. In addressing these challenges, it is important to examine the effect of collective bargaining and public unions, which are a major aspect of managing human resources in cities.

THE PERSONNEL FUNCTION AS HUMAN RESOURCES MANAGEMENT

The function of a personnel staff, or now a human resources management unit, is to service line managers and the top leadership executives. Typical services include recruiting, selection, training, evaluation, compensation, discipline, and termination. But the use of the word *service* is a bit of a misnomer. In actuality, each often operates as a distinct department—specializing in how it performs its function. The larger and more complex the organization, the more likely that these functions will operate as organizational silos—supporting the larger organizational goals of having the talent it needs to perform its mission, but also to stay current in terms of the legal requirements of operating within a civil service system.

A more typical view of the human resources management operation is presented in the schematic in Figure 11.4. Each function has a core purpose—to plan,

FIGURE 11.4
HRM functions by major purpose

Source: Naff (1998)

staff, pay, hire, evaluate, develop, and support a capable workforce to perform the organization's mission.

Human Resources Planning and Staffing

Larger organizations, especially those with widespread operations and highly professional workforces, all conduct human resources planning as part of strategically staffing for their workload. The military, the foreign service, and the forest service are good examples, but large public safety agencies and university systems are equally likely to be assessing what sets of skills it needs and how this translates into specific numbers for future replacement. Human resources planning also comes into play if there is an acute budget shortfall and a reduction in force is needed or a plan to outsource a function requires converting a number of employees to private contracts.

Two other aspects of human resources planning bear mentioning. One is assessing workforce attrition. While voluntary separations across most government agencies are generally modest—except for some jobs like social service work with burnout and high job stress—predicting turnover due to rates of retirement of older workers is increasingly a challenge. (In part this is due to no longer having mandatory retirement dates for age.) The other aspect is determining promotion rates. Employee retention depends greatly on rates of advancement, and part of the job of human resources planning is determining how many positions at different levels should be open for promotions within (internal competition) and even how many should be available for outside competition for diversity purposes. Closely tied to human resources planning and staffing are the processes of determining what jobs should exist in the organization and what the level of compensation should be.

Classification and Compensation

Position classifications are formal job descriptions that organize all jobs in a civil service merit system into classes on the basis of duties and responsibilities for the purposes of delineating authority, establishing chains of command, and providing equitable salary scales.

The duties of the larger organization are divided into positions in order to prevent duplication and promote efficiency. In this schema, a position merely represents a set of duties and responsibilities, not a person.

Because the most basic doctrines of position classification were established prior to World War II, current practices are still criticized for assuming, in the best scientific management tradition, that work can most efficiently be organized by creating a system of human interchangeable parts (See Box 11.3 for a century-old perspective on classification principles). While that might apply to determine how a postal facility might be organized in terms of work duties, the bulk of the public sector labor force now consists of highly skilled technical and professional employees. Even employees at the bottom of the organizational hierarchy are at such a level of education and consciousness that they cannot be casually treated as so many human, interchangeable spare parts. Managers in the public sector have long demanded that classification be organized around job families and recognize that work demands are more dynamic and require agility and the ability to adapt and contribute to other work demands.

In terms of setting compensation levels, this part of the function has evolved from judging what a set of work duties is worth to comparing what the wages offered are by comparable organizations within a region, and what is needed to pay a competitive wage. Locality pay is now a built-in feature for federal workers, where a differential of 10%–20% is paid for workers in more expensive places to live—even though the work may be exactly the same. But as the public sector competes for talent, it is likely to offer a premium—not just for hard-to-find skills but also for occupational groups like police officers and health care workers.

BOX 11.3 Position Classification Principles

The following are basic principles of position classification that constitute the foundation of most position classification systems in government. They were promulgated by the 1919 Congressional Joint Commission on Reclassification of Salaries:

1. Positions and not individuals should be classified.
2. The duties and responsibilities pertaining to a position constitute the outstanding characteristics that distinguish it from, or mark its similarity to, other positions.
3. Qualifications with respect to education, experience, knowledge, and skill necessary for the performance of certain duties are determined by the nature of those duties. (Therefore, the qualifications for a position are an important factor in the determination of the classification of a position.)
4. The individual characteristics of an employee occupying a position should have no bearing on the classification of the position.
5. Persons holding positions in the same class should be considered equally qualified for any other position in that class.

Source: *Report of the Congressional Joint Commission on Reclassification of Salaries*, 66th Cong., 2nd sess., 1920, H. Doc. 686

Recruitment and Selection

Recruitment is the process of advertising job openings and encouraging candidates to apply. It is designed to provide an organization with an adequate number of viable candidates from which to make its selection decision. "Adequate" and "viable" have new meanings in an era where diversity, equity, and inclusion are priority organizational goals. Posting job openings on the internet is no longer adequate.

Strategies may be needed to increase the population of diverse applicant candidates, using recruiters specializing in women or minorities, setting up job fairs, and attending conferences or universities to look for possible viable candidates. As part of the recruitment process, inclusion of signing bonuses may even be needed—as is commonplace in the private sector in the competition for professionals.

Selection is the oldest function of public personnel administration. The 1883 Pendleton Act, which put the federal government on the road to widespread, merit system coverage, foreshadowed the character of the examinations process when it mandated that "examinations shall be practical in their character." Over the years, the primacy of examination practicality was often breached. However, that primacy was loudly reaffirmed by the US Supreme Court in the *Griggs v. Duke Power Company* decision of 1971—the most significant single decision concerning the validity of employment examinations. The Court unanimously ruled that Title VII of the Civil Rights Act of 1964 "proscribes not only overt discrimination but also practices that are discriminatory in operation." Thus, if employment practices operating to exclude minorities "cannot be shown to be related to job performance, the practice is prohibited." The ruling dealt a blow to restrictive credentialism, stating that, while diplomas and tests are useful, "Congress has mandated the common-sense proposition that they are not to become masters of reality." In essence, the Court held that the law requires that tests used for employment purposes "must measure the person for the job and not the person in the abstract." The *Griggs* decision applied only to the private sector until the **Equal Employment Opportunity Act of 1972** extended the provisions of Title VII to cover public employees.

Job relatedness is now the primary consideration in developing a selection device. The legality of any test hinges on its capability in predicting job success, and validation is the process of demonstrating how well the testing device actually can predict success on the job. While examinations were once simply technical and administrative problems of the personnel department, they are now of equal concern to a jurisdiction's legal office. This the central question of civil service examinations—test validity. When the historians of personnel operations look back at the last few decades, they no doubt will write that the courts markedly accelerated the sophistication of aptitude examinations, which have become sufficiently valid to withstand litigation.

Performance Management (Appraisal and Promotion)

Performance management merges two dimensions of HRM that are central to the re-reform movement—evaluating employee performance to ensure accountability and quality work and using those evaluations to retain and promote the good performers and remove or at least remotivate the poor performers.

Performance appraisal is the formal method by which an organization documents the work performance of its employees. Performance appraisals are designed to serve a variety of functions, among them (1) changing or modifying dysfunctional work behavior, (2) communicating to employees managerial perceptions of the quality and quantity of their work, (3) assessing the future potential of an employee in order to recommend appropriate training or developmental assignments, (4) assessing whether the present duties of an employee's position have an appropriate compensation level, and (5) providing a documented record for disciplinary and separation actions.

Lamentably, most performance evaluation systems have not been very successful. This is reflected by a well-cited study conducted by the GAO in 2013 that analyzed

ratings for almost 1.2 million staffers, not including Senior Executive Service (SES) members, and found only 0.3% were rated as minimally successful and 0.1% as unacceptable. Of course, these types of numbers are used as proof that the system is invalid, just as similar numbers were used in 1978 to drive civil service reform. Similarly, one state's more recent release of its secondary school principals' ratings with over 90% receiving highly satisfactory ratings while school performance ratings show 30% of schools failing was more evidence of a system gone bad.

There are really two questions here—first, the question remains: why do so few employees receive poor evaluations? The conventional academic answer follows this line of argument.

One reason may be that supervisors have a great deal of difficulty writing useful and objective performance reports. They submit appraisals that tend to be very subjective, impressionistic, and not comparable with the reports of other raters. Strong-minded supervisors with very high standards are also concerned that they may do their employees an injustice when their reports are compared with those of supervisors who have low standards or are less professional.

Giving an unsatisfactory rating often puts the rater/supervisor in a difficult interpersonal situation with all other subordinates and forces them to take some action to motivate the poor performing employee to improve (usually in the form of PIP—a performance improvement plan). While there will be some cases where clearly punitive action is needed as a step toward dismissal, providing negative ratings involves extra work.

The other question is—if performance appraisal doesn't differentiate performance levels among employees, how can performance management work? To some extent, efforts continue to make performance appraisal more rigorous and consequential. But judging by trends in the private sector, many organizations are abandoning performance appraisal. A 2016 article in the *Harvard Business Review* found that over one-third of the companies surveyed had abandoned their employee annual appraisal systems. Will public sector human resources management follow suit? Not quite yet—appraisal systems are likely to stay with us if only because so many civil service laws and regulations require them as a precondition to annual salary increases. In many governments, employees without at least a satisfactory rating may be denied even "automatic" wage increases based on longevity.

Yet another reason—the academics would argue that it depresses the rate of poor evaluations from raters. But how should human resources management deal with the conundrum of appraisal and motivation?

For years, researchers in public administration debated questions about motivation and performance improvement using private sector models for workforces in government. There was recognition that government was different, but the assumption was that to be competitive and be able to attract talent in the workplace, public sector organizations needed to emulate the private sectors approach to selection, compensation, and performance.

James Perry and Lois Wise were perhaps the first to turn this comparison on its head and argue that what was different about government was the desire of potential workers to be part of the public service, and that this idealism was more crucial for successful performance. Their 1990 article on public service motivation called for a new approach that would seek to understand the theory behind public service—the quote "predisposition to respond to motives that were primarily or uniquely applicable to public institutions and organizations" was borrowed from another researcher Hal Rainey, who had done extensive research on reward systems between public and private managers.

The Perry and Wise article has spurred 25 years and counting of research and debate about behavioral implications of public service motivation. Entire surveys designed to measure levels of public service motivation have been developed, and the results are used to make comparisons about what makes government organizations more or less effective. Essentially, this is the origin of research in human resources management seeking to understand better critically important concepts such as participation, engagement, social apathy, and even "professionalism" as hallmarks of the government workforce—and what truly makes a difference in performance.

Training and Development

It wasn't until 1958 that Congress passed the Government Employees Training Act that required federal agencies to provide for employee training. It would be yet another decade before the US Civil Service Commission would be authorized to create the federal government's first in-residence management training facility: the Federal Executive Institute in Charlottesville, Virginia. But organizational training programs—whether they are online, on-site in an organizational facility, or off-site at a university or other contractor—are ubiquitous. Training needs assessments are regularly conducted by HRM to determine what new skills need to be developed or updated. It helps that there's consensus that knowledge obsolescence is real, and that even graduate degrees like the MPA you may be earning have a half-life of about five years—meaning that half of the information and knowledge you learned in your degree is new since then.

Notwithstanding the currency of training content, training as education has always been concerned about evaluation of its effectiveness and usefulness. The essential question is whether a training effort has met its objective. A software technology training program or learning to use a suite of new apps can be evaluated immediately thereafter, but it could easily take months and in some cases years to objectively measure the effectiveness of training for police officers, health care workers, and administrators. Likewise, many governments push to provide training in ethics and codes of conduct, and knowing the new rules and processes can gauged by a test at the end of the online course. Whether the training will result in changes in behaviors is another issue.

Management development is a hybrid of training and selection. Any conscious effort on the part of an organization to provide a manager with the skills needed for future duties such as rotational assignments or formal educational experiences constitutes management development. The semantic difference between *training workers* and *developing managers* is significant. Workers are trained so that they can better perform their present duties; managers are developed so that they can be of greater organizational value in both present and future assignments. In such a context, the development investment made by the organization in a junior manager may pay off only if and when that individual grows into a bureau chief. One common method of developing managers is to provide them with the kinds of assignments and experiences that will allow them to grow professionally. Unfortunately, rank-in-position personnel systems—the norm in the US public service—very much inhibit such efforts.

EMPLOYEE RELATIONS—SUPPORTING THE WORKFORCE

Employee relations means more than dealing with workplace communications and workforce morale. It covers a wide range of related issues that deal with employee well-being and providing a supportive work environment. In the modern human resources management context, employee relations encompass dispute resolution, grievances, all

aspects of employee discipline, stress management and wellness programs, employee safety, and health and environment programs. Also included are substance abuse, grievance, and employee counseling—what are usually called employee assistance programs. Human resources management often contracts with outside providers for many of these services and serves as a point of referral to help workers get the help they need.

Much of this territory, it should be noted, was once considered to be the main purview of unions. In the public sector, where there has been a long history of limitations and restrictions on what can be bargained over, issues around workplace conditions became the focal point of bargaining when pay and job tenure were off-limits. Of course, unions are still greatly concerned with all aspects of work conditions. But today's issues of employee relations are too complex and too critical to be left to periodic negotiations at the bargaining table. As the relationship between public sector labor unions and managers evolves, employee relations have become a true centerpiece for all initiatives involving the public worker in the workplace across many fronts. Healthy working conditions, dispute resolution, job safety, work stress, and employee assistance in all forms are just a few issues and concerns that constitute employee relations.

Public Sector Labor Relations—More Than a Function

One significant area in which human resources management is different from the private sector is the extent to which labor relations and collective bargaining are major dimensions. Unions are groups of employees who create a formal organization (the union) to represent their interests before management. *Labor relations* is the term for all of the interactions between the union leaders (representing the employees) and management (representing the agency or jurisdiction).

As of 2020, public sector employees were five times more likely to be union members (38% to 6%) than private sector workers, led by local governments. Table 11.4 compares union membership and representation rates among the private sector and federal, state, and local government.

In 2020, local government membership was at 42% compared to state government at 30% and federal employees at 26%. The usual explanation is the extent of

TABLE 11.4

Union Representation in Government

	Total	Union		Represented	
2020	**Employs**	**Members**	**Percent**	**By Unions**	**Percent**
Private Sector	111,542,000	7,080,000	6.3%	8,018,000	7.2%
Public Sector	20,632,000	7,173,000	34.8%	7,921,000	38.4%
Federal	3,892,000	1,014,000	26.0%	1,167,000	30.0%
State	6,980,000	2,085,000	29.9%	2,350,000	33.7%
Local	9,760,000	4,074,000	41.7%	4,404,000	45.1%

Source: US Bureau of Labor Statistics (2021) Union affiliation of employed wage and salary workers by occupation and industry

unionization for public safety workers—police, corrections, and fire. But it is really education that is the driving force—as a 2016 Bureau of Labor Statistics (BLS) report notes, it is the high percentage of women working as public-school teachers that also counts for the 60% presence of women as union members—and meaning that women constitute the majority of public sector union members (US BLS, 2016).

While the rates of union membership versus representation aren't great, they aren't insignificant either. To be clear about the difference between being a union "member" and just being "represented, being a member means that you have the right to vote on union business, elect union officials on negotiation issues depending on the union, ratify the collective bargaining agreement, and even vote on the decision to strike. If you are not a member, then the union will represent you without your voting.

BOX 11.4 Who Oversees Labor Management Relations

The National Labor Relations Board (NLRB), created in 1935 by an act of Congress, is the prototype of administrative agencies dealing with labor relations. The NLRB seeks to protect the rights of employees and employers, to encourage collective bargaining, and to eliminate practices on the part of labor and management that are harmful to the general welfare. The NLRB establishes procedures by which workers can exercise their choice at a secret ballot election and determines whether certain practices of employers or unions are unfair labor practices. The NLRB model has been adapted to the public sector by the federal government and several states.

The equivalent agency for federal employees is the Federal Labor Relations Authority (FLRA), created by the Civil Service Reform Act of 1978 to oversee the creation of bargaining units, supervise elections, and otherwise deal with labor management issues in federal agencies. The FLRA is headed by a three-member panel—a chair and two members—who are appointed on a bipartisan basis to staggered five-year terms. The FLRA replaced the Federal Labor Relations Council (FLRC). A general council, also appointed to a five-year term, investigates alleged unfair labor practices and prosecutes them before the FLRA. Also, within the FLRA and acting as a separate body, the Federal Service Impasses Panel (FSIP) acts to resolve negotiation impasses.

In the states, such agencies are generally called Public Employment Relations Boards (or PERBs). Typically, their functions parallel those of the NLRB, as do the methods by which they are appointed, their terms of office, and their administrative procedures. One important difference in the public sector is that binding arbitration over questions of contract interpretation may be used instead of strikes as the final means of resolving disputes. When this is the case, the PERB may have a role in overseeing the use of arbitration and even the substance of the arbitrators' rulings when they raise serious issues about the **scope of bargaining** or public policy.

PERBs can have substantial influence beyond just collective bargaining issues. In 2014, the PERB for Los Angeles ordered the LA City Council to rescind a 2012 ordinance reducing pension benefits for employees—stating that the changes had not been properly negotiated with labor leaders. In striking down a city law that rolled back retirement benefits for newly hired Los Angeles city employees and raised the retirement eligibility age, the Board cited the city's labor ordinance, which they said gave it power to invalidate decisions by the council. The city council's only recourse is to go to court to have the Board's decision overturned.

The Right to Collective Bargaining

Collective bargaining is bargaining on behalf of a group of employees, as opposed to individual bargaining, in which each worker represents only himself or herself. Collective bargaining is a comprehensive term that encompasses the negotiating

process that leads to a contract between labor and management on wages, hours, and other conditions of employment as well as to the subsequent administration and interpretation of the signed contract. Collective bargaining is, in effect, the continuous relation between union representatives and employers. There are four basic stages of collective bargaining:

1. The establishment of organizations for bargaining.
2. The formulation of demands.
3. The negotiation of demands.
4. The administration of the labor agreement.

Collective bargaining is one of the keystones of the **National Labor Relations Act** (the Wagner Act see Box 11.4) of 1935, which declares that the policy of the United States is to be carried out

> by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.

The predominant public sector labor relations model comes from the private sector. But this fit has been long recognized as far from perfect. This is one reason why public sector labor relations were at first opposed and then organized as **meet-and-confer discussions** rather than as a collective bargaining process. The term *collective negotiations* was often used to further avoid the suggestion of actual bargaining. But today those jurisdictions with well-developed labor relations programs rely on the private sector model. The ramifications are considerable.

This private sector model of labor relations was consolidated by the National Labor Relations Act. It provides for negotiations between workers and management on the assumption that the outcome will reflect the inherent bargaining strength of each. Rules for fair labor relations practices were established, and the National Labor Relations Board was created to adjudicate disputes over their application. Workers retain the right to strike and to bargain as equals with management over virtually all employment-related issues not constrained by law. Although relations are assumed to be adversarial, the model is based on the belief that the free market imposes an ultimate harmony of interest between employer and employee: neither party favor the economic demise of the employer.

Employing this basic model in the public sector can be problematic because some of its crucial assumptions do not fit. It is difficult to assume equality between the parties in public sector collective bargaining. What does it mean to say that a union is equal to the government or to the people as a whole? Elected legislative bodies and elected executives are generally considered the appropriate policymaking bodies in American government. Public managers bargaining with organized employees are not. The basic adjustment to the inequality of the parties in labor disputes has been to recognize the government's greater authority by restricting the scope of bargaining.

Because it isn't assumed that the parties in public sector collective bargaining are equal in principle, it follows that the outcome of disputes should not depend on their relative strengths; consequently, there should be no need to strike. But public sector strikes are not necessarily intended to harm the employer economically. They tend to do more political than economic damage, at least in the short run. This is

FIGURE 11.5
An overview of the collective bargaining system

because the governmental employer is likely to derive its revenues from taxation, rather than exclusively from user fees. Yet when a strike interrupts a government service, tax dollars are not refunded, nor are they paid out in compensation to striking employees. So, a strike may temporarily enhance a government's economic position. In short, the function of a strike in the public sector is substantially different from that in the private sector.

Overall, the public sector is incredibly fragmented in terms of collective bargaining. There is no national law on the subject. States and cities vary widely in their practices. In 2010 and 2011 the collective bargaining rights of public sector employees were severely curtailed in two states (Wisconsin and Indiana), and in a third state, Ohio, restrictions were later overturned by voter referendum.

In most states there are statutes that allow or make it illegal to have collective bargaining, to negotiate wages, and to strike. There is also a third category—about 10% of the states where there is no state stature and case law (based on local statutes) prevails. Of course, disparities from one political jurisdiction to another place substantial burdens on national labor unions and dispute-resolution personnel who work in different jurisdictions. While the opportunity to experiment and to adapt to local conditions is valuable, such fragmentation makes it hard to speak of "public sector collective bargaining" without engaging in overgeneralization.

The scope of collective bargaining is even more limited in the restriction's federal government. With a few exceptions, there is no bargaining over wages. Postal workers were given the right to bargain over wages and benefits (excluding retirement benefits) in the Postal Reorganization Act of 1970 (P.L. 91–375). Somewhat ironically, given the infamous PATCO strike, air traffic controllers can bargain over wages because the Federal Aviation Administration (FAA) has its own pay system. The Tennessee Valley Authority (TVA) has perhaps the longest experience with bargaining over wages, dating back to a policy established in 1935 shortly after the TVA was created.

The Right to Strike and Keep Negotiating

Notwithstanding the media attention—both new and old—to public sector strikes, the fact is that public sector—and for that matter private sector—strikes are increasingly rare. The fact is that strikes (and work lockouts—the Labor Department makes no distinction in a work stoppage) have been on the decline for two decades now. Work stoppages where more than 1,000 employees are involved have declined from an average of 83 per year in 1980–1989 to 35 in 1990–1999, and down to 15 in the 2000–2020 See figure below. It should be noted, however, that going into the COVID pandemic year the data from the Bureau of Labor Statistics show an upsurge in major strike activity in 2018 and 2019. And at the forefront were work stoppages in elementary and secondary schools in states such as Arizona, Colorado, Kentucky, North Carolina, and West Virginia.

These low numbers also have to be interpreted in the context of how many public sector unions even have the right to strike. Only postal workers have the right to strike among federal workers and that only because the USPS was recast as a corporation in 1970 so that its heavily unionized workforce could be treated differently from the rest of the federal workforce. In state and local government, 35 states have made public sector work strikes illegal, so that leaves only a handful—two states—where police and firefighters can strike under certain restrictions (Hawaii and Ohio) and another 10 states where teachers and other social services can strike.

While the teachers strikes in 2018–2019 have demonstrated that the use of strikes is not outmoded yet, it's still a better argument that the impacts can be too damaging and unpredictable in today's economy; and, consequently, the strike is viewed as a last-resort means of producing an agreement. Moreover, it is sometimes argued that the fundamental character of the strike is changing due to the maturing of collective bargaining relationships. Rather, the parties tend to view the strike as a continuation of the bargaining process. Indeed, negotiations may avidly continue during the entire length of a strike. Again, it is important to remember that both sides have an overriding interest in common—the economic vitality of the employer and the concomitant maintenance of the employees' jobs.

Of course, public unions make the most headlines when collective bargaining fails to make progress. This calls for **impasse resolution** **and** is a condition that exists

FIGURE 11.6
Labor Strikes in US 2001–2022

Source: US Bureau of Labor Statistics (2021)

during labor–management negotiations when either party feels that no further progress can be made toward a settlement unless the process of negotiating changes. The most common techniques used to break the impasse are mediation and arbitration.

Mediation or conciliation is any attempt by an impartial third party to help settle disputes. A mediator has no power but that of persuasion; the mediator's suggestions are advisory and may be rejected by both parties. Mediation and conciliation tend to be used interchangeably to denote the entrance of an impartial third party into a labor dispute. However, there is a distinction. Conciliation is the less active term. It technically refers simply to efforts to bring the parties together so that they may resolve their problems themselves. Mediation, in contrast, is a more active term. It implies that an active effort will be made to help the parties reach agreement by clarifying issues, asking questions, and making specific proposals.

Arbitration is the means of settling a dispute by having an impartial third party (the arbitrator) hold a formal hearing and render a decision that may or may not be binding on both sides. The arbitrator may be a single individual or a board of three, five, or more (usually an uneven number). When boards are used, they may include, in addition to impartial members, representatives from both of the disputants. In the context of labor relations, arbitrators are selected jointly by labor and management, recommended by the Federal Mediation and Conciliation Service, by a state or local agency offering similar referrals, or by the private American Arbitration Association.

Compulsory arbitration is a negotiating process whereby the parties are required by law to arbitrate their dispute. Some state statutes concerning collective bargaining impasses in the public sector mandate that parties who have exhausted all other means of achieving a settlement must submit their dispute to an arbitrator. The intent of such requirements for compulsory arbitration is to induce the parties to reach agreement by presenting them with an alternative that is certain, even though it may be unpleasant in some respects to everyone involved.

The most common effort to adjust public sector collective bargaining in the absence of the legalized strike has been to introduce some form of binding arbitration. But this raises a host of difficult problems. Arbitration inherently undercuts the bargaining process itself. If both sides are convinced a dispute will go to arbitration, they will tend to spend most of their time posturing rather than negotiating or compromising. Moreover, arbitration cannot resolve the concern that the sovereign—the state and not its employees—makes public policy. And arbitrators' decisions are not automatically sensible or in the public interest. Sometimes, they may even disregard a jurisdiction's ability to pay for the awards they authorize.

The nature of the arbitration of public sector labor disputes is also related to the remoteness of the "market" as a constraint on the total compensation of employees. In fact, the economic aspects of public sector labor relations tend to work best when cities are on the threshold of bankruptcy and therefore the "market" is not so remote (Detroit, etc.).

Because organized labor now seeks to achieve many of its goals through political and legal means, such as lobbying, electioneering, and court challenges, it stands to be more effective than pursuing a strike. Some of this preference to avoid strikes is also due to historical lessons from the infamous PATCO strike in 1981.

The Right to Sue: Unions in Court

Public sector unions have made substantial efforts in the last decade in the courtroom challenging efforts by governments to change or rearrange employment conditions. Admittedly, much of this effort is defensive in terms of confronting executive branch

decisions, legislation, and even voter referendums when the impact adversely affects public sector workers. The unions have enjoyed some success in fighting budget cutbacks and furlough efforts—protecting pay and work hours—but have scored major victories in pension and benefits retrenchment efforts protecting contract rights of both old and new employees. In other areas such as protecting collective bargaining and enlarging the ability to represent employees, the results are more mixed.

An example of challenging budgetary cutbacks or fiscal emergencies involved the state of California furlough cases in 2009–2010 when then Governor Schwarzenegger reduced government payrolls by 14% by closing government offices one day a week and reducing work hours for over 250,000 state employees to confront a state budget crisis. The furloughs were challenged in more than 30 lawsuits filed by a number of unions, with the different courts in some cases issuing injunctions preventing the furloughs for some workers and others upholding furlough decisions. In the most far-reaching case, the California Supreme Court upheld unpaid furloughs for state employees, but ruled that the governor did not have unilateral authority to do so. Rather, the court ruled that the legislature's budget legislation was what made the furloughs legal.

In another California State Supreme Court decision involving furloughs with the City of Los Angeles in 2013, the Court held that the city was required to arbitrate union grievances over furloughs and that arbitration of such grievances over furloughs was not an unlawful delegation of the city's salary-setting and budget-making authorities. What the unions accomplished in court by such decisions is making emergency measures like furloughs and work hour reductions grievable because they violate current agreements on work hours and pay and are subject to external review (in this case arbitration).

Where unions have been even more successful is in **blocking and rolling back pension and benefit "clawback" efforts**. In the last decade, numerous states have passed legislation to reduce pension benefits for future employees or taken other budget steps to lower pension-related costs for current employees. Unions have challenged such efforts as violations of promised contracts made to employees when they were hired.

A recent example would be the State of Oregon, where the state passed pension reform reducing annual cost of living allowances legislation in 2013. These 2% plus annual payment increases are not trivial, and when compounded over time were responsible for 20% to 22% of the cost of Oregon state employee's benefits. The Oregon State Supreme Court ruled in favor of the unions in 2015 that even a state statute could not overturn a contractual promise. A decade earlier, the Oregon high court ruled that the state couldn't even suspend cost-of-living adjustment (COLA) payments as part of a repayment scheme to recover incorrect overpayments made to some retirees.

Another potentially precedent-setting example happened in New Jersey, where the unions sued to ensure that the state made its scheduled employer contribution payment to the pension fund. A court judge upheld a onetime end-of-year reduction of the required payment as a fiscal emergency in 2013. But the same judge left the case open for the next fiscal year, stating there would be a new review—and so the unions renewed their lawsuits demanding the pension fund payments be made in full. In this case the court ruled against the union, but New Jersey in the next budget began to shore up its pension funding.

Unions are also using legal challenges to deal with legislation or executive regulations that are promulgated to curb collective bargaining powers. In a major victory for national unions in 2007 and 2008, federal courts ruled against efforts made by the Defense Department and the newly formed Department of Homeland Security to develop streamlined and abridged collective bargaining procedures as

part of their new personnel system regulations. These court rulings in effect forced the departments to abide by regular (existing) civil service labor management procedures, leaving union rights intact.

But state courts have ruled the other way when there is different legislation in effect. The State Supreme Court in Wisconsin attests to this. Unions challenged Act 10, Governor Scott Walker's signature law in 2011 curtailing collective bargaining for public workers. In a 5 to 2 decision, justices rejected arguments that the restrictions on collective bargaining violated freedom of association and equal protection rights, among others. Justice Michael J. Gableman wrote for the majority opinion, "No matter the limitations or 'burdens' a legislative enactment places on the collective bargaining process, collective bargaining remains a creation of legislative grace and not constitutional obligation" (Supreme Court of Wisconsin, 2014).

Public sector unions also have found themselves on the defensive in the courts too. Two cases speak to the new judiciary judicial front. In *Knox v. SEIU* (2012), a group of non-union members filed a class action suit alleging rights under the First Amendment were violated when a union, SEIU, imposed an additional fee to cover advocacy expenses on non-union folks from whom it was collecting an agency fee. The US Supreme Court ruled that although California law allows for agency fees, SEIU violated its non-union members' free speech rights by not notifying them of the additional special assessment it had imposed to be used for political advocacy purposes. The union must give them the opportunity to opt in.

In a second case in 2014 (*Harris v. Quinn*), a minority of home care workers who didn't want to join the union sued that under Illinois law they had to pay an agency fee to cover the cost of representation. In this case, the Supreme Court ruled (5 to 4) that the requirement that home care workers pay an agency fee constituted a violation of freedom of speech and association. Still, one should never count the unions out—especially in court. The California Supreme Court in early 2016, *Friedrichs v. California Teachers Association*, No. 14–915, deadlocked 4 to 4 affirming a lower court decision that public sector unions had the right to collect fees from workers who didn't want to join unions that represented them and did not want to pay fees for the unions' collective bargaining activities.

The point of these cases is to show the two sides of the current legal dimension of public sector labor relations in city management. On the one hand, unions are pursuing every adverse change in compensation, pensions, and benefits in order to protect their members (current and retired). On the other side, they are being challenged in some states regarding limits to bargaining and the ability to collect dues and retain members.

STATE AND LOCAL GOVERNMENT PUBLIC PENSIONS

Pensions are an integral part of the compensation system for public sector employees. Conceptually, the model for pensions for government employment fits the traditional ideal of public service—long-term protected employment with conservative salary increases tied to seniority and tenure. This concept for pensions is termed "**defined benefit**," as a specific annual payment is determined based on an employee's years of service and salary levels and paid to the employee as a retiree for the remainder of her/his life. In terms of incentives, public workers are financially motivated to stay in the same system, since their post-retirement compensation would usually be based in large part on the average salary they obtained in the last several years of employment. This has been especially true at state and local government levels, where compensation levels are negotiated through collective bargaining arrangements that have generally precluded strikes and work stoppages.

Ironically, traditional state and local government convention now stands in strong contrast to the American private sector and the federal government (and increasingly other countries). Since the 1980s, corporate and federal systems in and outside the US have moved to a "**defined contribution**" model—where organizational and employee contributions are set aside into an investment account and interest is not taxed until payment after retirement. Defined contribution is the dominant mode over 90% of private sector employees in retirement plans.

There are of course numerous "hybrid plans" that blend defined contribution and defined benefit. The most prevalent is called cash balance, in which the defined benefit payment is calculated and tied to a fixed rate of return. Retirees generally cash out of these organizational accounts and take their balance as a lump sum distribution. A fourth benefit model used extensively in the private sector is a stock ownership plan, in which employees are given stock options or awards in the corporation. These plans are rather more controversial these days—the poster child, Microsoft, which at one point in its early days had the largest number of millionaires among its workforce based on their stock plan accumulations (and stock value), being replaced by Enron, where employees lost everything in the bankruptcy and resulting valueless stock.

While each pension system has its plus and minuses, defined benefit has one bottom-line requirement—that the organization (governmental or private) has invested adequate reserves to pay the pension benefits for its retirees. Budget requirements are annually determined (and reported) that assess the difference between current reserves and what will be needed for the future payouts as unfunded pension liabilities. In the case study that wraps up this chapter, there's an examination of different models being applied by state and local governments to cope with the unfunded pension liability issues. But as with almost every aspect of human resources management, there is a legal dimension to consider. In the case of pensions, it comes down to what the legal obligations of the pension fund are to the retiree—now beneficiary—and the current and future employees.

The Legal Context of Public Sector Pensions

Public pensions were once considered a "gratuity" that could be modified or withdrawn by the state at any time. Monahan's (2010) recent analysis of state pension case law found that, presently, in nearly all states and localities pensions are protected by law. (In Indiana, involuntary plans are still considered a gratuity.) Also, in nearly all states, courts consider pensions to be either a contract between employees and retirees and the state or local jurisdiction or as "property," protected by the Fifth and Fourteenth Amendments to the Constitution. (An exception is Minnesota, which protects pensions under a theory of promissory estoppels, which allows a party to recover the benefit of a promise made even if a legal contract does not exist.)

Some states have an explicit constitutional provision protecting public pensions, while others have clear statutory language. Where this is not the case, courts have still found a contractual obligation implicitly in legislative history or through other circumstances (e.g., inclusion in collective bargaining agreements). When the public entity attempts to modify pension benefits by, for example, changing the benefit formula, beneficiaries frequently challenge that action. The courts then must decide if a contract exists when it took effect and whether that revision is consistent with the explicit or implicit contract. A substantial "impairment" usually may be justified if it is considered "reasonable and necessary to achieve an important public purpose" (Monahan, 2010, p. 18). However, this can be a high standard to meet, and even jurisdictions facing dire financial straits have failed

this test. Beyond that, the extent to which benefits can be tampered with varies from state to state. In most, retirees can consider their benefits safe, but the rights of current employees are unclear. In some states, only past benefit accruals are protected, while in others, future accruals are as well; in others it remains unclear.

In some states, where courts have been unable to find the existence of a contract, they instead consider them property. Under the Fifth and Fourteenth Amendments, this means they cannot be impaired without due process of law. Moreover, in theory, if that property is "taken," the employee must be provided with just compensation under the Fifth Amendment's takings clause. However, this theory provides less protection for employees than the contract theory, because as long as the state can provide a rational reason for a change in benefits (such as a financial crisis), those changes may be justified. Challenges under the takings clause seeking just compensation are rarely successful.

Unfunded pension liabilities can be a significant factor in driving a locality to declare bankruptcy, in which case US bankruptcy law comes into play. As noted earlier, Vallejo, California, was the first to declare its union contracts, including their pension provisions, null and void as part of the bankruptcy process. Most unions were able to renegotiate their contracts with the city. But in an unprecedented decision that caught nationwide attention, US bankruptcy judge Michael McManus issued a decision on March 13, 2009, voiding the contract of the holdout union.

The bankruptcy statute includes a section (1113) that requires entities filing bankruptcy under Chapter 11 to follow certain requirements prior to rejecting collective bargaining agreements. However, Judge McManus ruled, Congress did not extend this provision to Chapter 9 bankruptcies, which applies to municipalities, and so they are free to jettison collective bargaining agreements (*In re City of Vallejo* [08–26813-A-9] [Eastern District of California]). This ruling was subsequently affirmed by a US district court judge in 2010. Faced with the real threat of losing their pension contracts, the city and unions went to negotiations to find a settlement that would avoid nullifying the contracts. A final settlement resulted in cuts in workers' pay, reductions in health care and other benefits, and increased workers and retirees' contributions, but it left pensions intact. That was still a better outcome than what Vallejo bondholders ended up with—being paid only five cents for every dollar owed.

A similar result occurred in Detroit in 2014. The city's pension funds were "relegated" to the status of "debt holder"—grouping it with many other investors and financial entities holding Detroit bonds. Faced with that prospect, the pension funds settled with the city in a deal that cut 4.5% of retired Detroit city workers' pension payments, ended cost-of-living increases, and reduced insurance coverage to help the city close a $1.88 billion pension plan funding gap. Actually, the cuts could have been deeper had Detroit not set up a $816 million fund financed by taxpayers, charities, and private donors, in what became known as the "Grand Bargain." Even so, the pension funds filed a court challenge arguing that their pensions had been cut unfairly to bail out the city (their lawsuit failed).

What will be apparent going forward is that public sector unions will continue pursuing legal channels to reverse any blocking or rolling back of pension and benefit "clawback" efforts (a term first used to describe efforts taken to get corporate executives and board members to return pay raises and bonuses paid for short-term financial gains that later turned sour). Over the last decade, numerous states have passed legislation to reduce pension benefits for future employees or taken other budget steps to lower pension-related costs for current employees. In a similar vein, voter propositions have been passed to reduce pension benefits or obligations. Unions have challenged all such efforts as violations of promised contracts made to employees when they were hired.

CASE STUDY Public Pensions—Which Path Toward Reform? From an HRM Perspective

It is hard to comprehend that just 20 years ago, the great majority of public pension systems were at an average funding level near 100%—meaning that state and local government funds had sufficient assets to cover the required payments for all system beneficiaries. The ensuing great slide backwards is essentially a 21st-century phenomenon, which accelerated during the Great Recession of 2008–2010. While some progress has been made toward financial sustainability, numerous state and local governments still face steep financial challenges of lack of assets, lagging contribution levels to cover fund requirements, and growing numbers of beneficiaries who are viewed by some as receiving excessive (overly generous) payments. City bankruptcies in Vallejo, CA (2008), Central Falls, RI (2011), Detroit, MI (2013), and San Bernardino and Stockton, CA (2015), due in large part to pension debts, have also changed the perception of the perils of the pension situation.

Any attempt at reform must contend with major issues over the legal status of public pensions and benefits (see the end note to this case study), meaning that any form of pension reform or "retrenchment," whether through budget decisions, reform legislation, or even through the ballot box as voter propositions, is going to be challenged. Still, reform has proceeded. Testifying before a California commission looking into pension reform a decade ago, a leading benefits expert and now *Governing* magazine columnist Girard Miller offered the following prediction about the challenges confronting state and local pension reform efforts. Without significant structural reforms to the defined benefit system however, it will inevitably collapse under its own weight, and the disparity between public pensioners and the taxpayers who support them will worsen to the point that a severe backlash could ensue.

Miller's comments reflect two significant aspects. The first is contextual—that the public will turn against public employees (as they have toward corporate and Wall Street executives) because of a reward system that they feel is too lavish. It is a system that they do not understand but more importantly one that no longer corresponds well to their own situation in terms of their future financial security (or perhaps more properly, insecurity). The second is that the gap toward closing current levels of pension funding liability is more a chasm and will require major infusions from state and local budgets, often in states where tax increases are difficult to pass. Other financial strategies such as issuing pension bonds will also become more difficult as the jaws of full financial disclosure and transparency now mandated by the Government Accounting Standards Board tighten. In the current politically charged and stressful financial environment, the other remaining strategy is to attempt to change various parts of retirement system itself—by redoing formulas and contribution levels.

While the scale of the proposed changes is important, what also matters in terms of "reform" is whether the reform affects all employees—existing workers or the newly hired—per the discussion of legal underpinnings. In the case of reducing benefit levels (reducing payments or cost-of-living allowances), the changes may affect retirees and their beneficiaries. Facing the mounting costs of administering pension and benefit plans and rising levels

of unfunded liability, most states and localities have attempted to make some form of changes, along one or more of these three threads.

1. Raising funding by increasing employee contribution levels.
2. Changing system benefits and rules for determining payout levels (especially annual increases for cost-of-living allowances).
3. Changing the system entirely by moving to a hybrid system or other type of defined contribution plan.

It could be argued that a fourth category should be included—reducing pension spiking (Pension spiking refers to cases in which an employee's pension has been inflated to significant levels beyond their average salary because of temporary promotions or other additions to increase their high salary year for final calculation of their pension). But this is really covered in the second thread of changing benefits and rules. When new pension system rules put caps on how much the total pension payment can be compared to actual salary (what is referred to as pensionable earnings cap), when accrued vacation and sick time cannot be cashed in to increase the final salary amount, and when final salary is an average of 8 to 10 years or more as opposed to the highest three years (the final average salary calculation), these changes limit pension spiking dramatically.

Budget and financial offices will of course assess the impacts of each of the three tracks in terms of comparing future liabilities and consequences for fund sustainability. But there's more to this than reducing unfunded liability. What will be the impact on public sector workforces—on both workforce morale and retention—and on the ability to recruit and hire new talent? These are HRM questions—and as a recent issue Center for State and Local Government Excellence brief entitled "How Have Pension Cuts Affected Public Sector Competitiveness?" concluded, much depends on how the workforce values pensions as part of the total compensation and rewards package.

To spur this type of assessment, the following evaluation matrix has been constructed for a discussion of likely impacts of each of the three tracks. Each track has first been given a model name based on an actual state government's reform effort. This both provides more detail in how the model is actually applied and enables further research to see how changes have progressed.

Each of the three change tracks is outlined as follows.

Track 1—Increase Employee Contribution Levels

Changing employee contribution levels, especially for newly hired employees, is probably the most common step taken by many states. Since 2009, over 35 states have raised employee contribution rates in one form or another, according to National Association of State Retirement Administrators. There are different variations or combinations of how this is enacted.

- New Contributions—where certain categories of employees (often fire and police) are now required to pay a contribution where they hadn't before.

(*continued*)

CASE STUDY *Continued*

- Increased Contributions—where employee contribution is increased to a higher level. As an example, the City of Phoenix now requires new fire-fighter employees to pay half of the total required annual contribution (12.5%), whereas old employees only pay 5%.
- Variable Contributions—the employee contribution rate is dependent on the fiscal condition of the fund—increasing or decreasing depending upon investment returns.

As a benchmark example of this track, the State of Illinois provides the following "conditions" formula built into its reforms:

All New employees pay 9.5% of their salary for their first year, 10.5% beginning the next year and then 11.5% or a "normal cost" (subject to 8.5% floor), whichever is less, beginning the 3rd year—But when 90% funded status is reached, employee contributions drop from 11.5% to 7.5% and remain at 7.5% unless the funded ratio falls below 75%.

Track 2—Reduce Benefit Levels and or Cost-of-Living Allowances or Raise Retirement Eligibility Age and Length of Service Requirements

Various changes are applied to new employees:

- Increasing the period used to calculate average salary (usually reducing the salary on which the benefit is based).
- Reducing the retirement multiplier (less percent of income per year worked).
- Increasing the age and/or service that must be attained to qualify for a normal, or unreduced, retirement benefit.
- Reducing or eliminating cost-of-living adjustments.

Changes to COLAs are among the most popular method of reform. The State of Colorado provides a good benchmark for showing how COLAs can be reduced.

1. Increases for COLAs were suspended for two years.
2. Automatic COLA cap was reduced from 2.0% to 1.5%.
3. A waiting period was established for new retirees to begin receiving COLAs (one to three years)
4. All future COLA payments are calculated in relation to the length of the plan's unfunded liability amortization period. If the plans' actual contributions are less than 98% of the actuarially determined contribution, the COLA cap is reduced by 0.25%; if the plans' actual contributions are greater than 120% of the actuarially determined contribution, the COLA cap is increased by 0.25%, not to exceed 2.0%.

Track 3—Change the Pension System

Move workers from defined benefit to a defined contribution, cash-balance, or hybrid system, either by choice or by closing the old system to newly hired employees.

The third track is the most radical, as it entails shutting down the existing system to new employees. The goal is of course is to move out of defined

benefit. Over 20 states have moved to set up some form of "voluntary" defined contribution systems that would allow employees to switch. But thus far, the majority of employees in defined benefit systems have elected to stay in their system, usually leaving the change effort to involve closing the defined benefit system to newly hired employees.

The State of Nebraska is a good benchmark for this track, as it established as a form of hybrid plan—a cash balance system, which entails the following precepts:

- Employees are not required to contribute and the plan is portable to new employer.
- Employer contributes *pay credit* (% of salary) plus some form of annual *interest credit*.
- Annuity is based on accumulated cash value of fund.
- Retirees can withdraw the cash value as a lump sum or take the value in the form of a lifetime annuity.
- Employer manages the fund and is responsible for payment.

Here is Nebraska's summary of their cash balance plan:

1. Members contribute 4.8% of salary pre-tax and the state matches contributions at 156%.
2. Members are "vested" after a total of three years of plan participation (36 full months of contributions).
3. Member accounts receive an "interest credit rate" (rate of return) based on the federal midterm rate plus 1.5% and are guaranteed a minimum annual rate of return of 5%.
4. Members have multiple payment options of their account at retirement.

In addition, Nebraska pays an annual dividend to the employees when investment returns are high (although the dividend and interest credit rate cannot exceed 8%). There are no cost of living allowance increases but employees have the option of paying for those out of their retirement accounts.

An HRM Rating of the Pension Reform Models

Using the follow matrix, you are asked to assess each of the three tracks (using the state models for specifics) against five criteria—four concerning recruitment, retention, and DEI (diversity, equity, and inclusion) and a more subjective area involving branding, which is referred to impact on an employer's reputation.

A fifth element is provided for you to introduce your own criterion that you feel HRM should be using to assess the pension reform models. (Possibilities include effect on employee labor relations or ability to withstand or preclude a legal court challenge.)

You may rate using any scale you want—as long as it can be used to differentiate better from worse:

(*continued*)

CASE STUDY *Continued*

Reform Path—Rated by HRM Criteria for Workforce Effectiveness	Raise the Employee Contribution Level (Illinois Model)	Reduce Benefit Levels and/or Cost-of-Living Adjustments (Colorado Model)	Change the Pension System (Nebraska Model)
A. Recruitment Effect on ability to hire new talent (competitiveness)			
B. Retention Effect on employee separations and keeping best employees			
C. DEI and Morale Effect on DEI (diversity, equity, and inclusion) and workforce morale			
D. Reputation Effect on organization's reputation as an "employer of choice"			
E. Other (To be specified)			

Case Discussion Question

Bottom Line: All things considered, how do you rate these three tracks in terms of the HRM effect on workforce effectiveness and which model—if you had to support one—do you most prefer?

Of course, your bottom line should briefly state why.

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Blocking and rolling back pension and benefit "clawback" efforts A term first used to describe efforts taken to get corporate executives and board members to return pay raises

and bonuses paid for short-term financial gains that later turned sour. Now used to refer to retrenchment efforts by states and cities to reduce pension and health benefits that have become too expensive for many budgets.

Defined benefit versus defined contribution retirement systems Public sector pensions are generally based on the defined benefit concept, where the employee and the organization contribute to an investment fund that pays the employee on separation payments for the remainder of their life based on calculating the number of years of service and salary level. Defined contribution (think of a 401[k] system), however, is a system where payment is limited to how much savings have been accumulated (the employee's contribution is often matched by the employer).

Equal Employment Opportunity Act of 1972 An amendment to Title VII of the 1964 Civil Rights Act strengthening the authority of the Equal Employment Opportunity Commission and extending anti-discrimination provisions to state and local governments and labor organizations with 15 or more employees, and to public and private employment agencies.

Impasse resolution A condition that exists during labor–management negotiations when either party feels that no further progress can be made toward a settlement, unless the process of negotiating changes. The most common techniques used to break an impasse are mediation, fact-finding, and arbitration.

Meet-and-confer discussions Technique used mostly in the public sector for determining conditions of employment whereby the representatives of the employer and the employee organization hold periodic discussions to seek agreement on matters within the scope of representation. Any written agreement is in the form of a nonbinding memorandum of understanding. This technique is often used where formal collective bargaining is not authorized.

Merit system A public sector concept of staffing that implies that no test of party membership is involved in the selection, promotion, or retention of government employees and that a constant effort is made to select the best-qualified individuals available for appointment and advancement.

National Labor Relations Act In common usage, the National Labor Relations Act refers not just to the act of 1935 but also to the act as amended by the Labor–Management Relations (Taft–Hartley) Act of 1947 and the Labor–Management Reporting and Disclosure (Landrum–Griffin) Act of 1959.

Patronage The power of elected and appointed officials to make partisan appointments to office or to confer contracts, honors, or other benefits on their political supporters. Patronage has always been one of the major tools by which political executives consolidate their power and attempt to control a bureaucracy. In the 1990 case of *Rutan v. Republican Party*, the US Supreme Court ruled that traditional patronage in public employment is unconstitutional.

Performance appraisal The formal methods by which an organization documents the work performance of its employees. Performance appraisals are typically designed to change dysfunctional work behavior, communicate perceptions of work quality, assess the future potential of employees, and provide a documented record for disciplinary and separation actions. There are five basic types of appraisals:

1. *Supervisory rating*: This is the most common type of appraisal, whereby the supervisor evaluates the performance of subordinates.
2. *Self-ratings*: Individuals rate themselves by completing a standard form, writing a narrative report on their work, or submitting a work product as documentation of performance.
3. *Peer ratings*: Each individual rates every employee in his or her division or office at a parallel level in the organization.
4. *Subordinated ratings*: Subordinates rate the performance of a supervisor.
5. *Group ratings*: An independent rater, usually a qualified expert, rates the performance of an entire work unit based on selected interviews or on-the-job visitations.

Personnel A collective term for all of the employees of an organization. Personnel is also commonly used to refer to the personnel management function, or the organizational unit responsible for administering personnel programs. In the current century, personnel is now called human resources management.

Position classification The use of formal job descriptions to organize all jobs in a civil service merit system into classes on the basis of duties and responsibilities, for the purposes of delineating authority, establishing chains of command, and providing equitable salary scales.

Reverse discrimination A practice generally understood to mean discrimination against White males in conjunction with preferential treatment for women and minorities. The practice had no legal standing in civil rights laws. Indeed, Section 703(j) of Title VII of the Civil Rights Act of 1964 holds that nothing in the title shall be interpreted to permit any employer to "grant preferential treatment to any individual or group on the basis of race, color, religion, sex, or national origin."

Scope of bargaining Those issues over which management and labor negotiate during the collective bargaining process.

Spoils system The practice of awarding government jobs to one's political supporters, as opposed to awarding them on the basis of merit.

Veterans preference The policy of awarding veterans special benefits in employment (dates from 1865, when the Congress, toward the end of the Civil War, affirmed that "persons honorably discharged from the military or naval service by reason of disability resulting from wounds or sickness incurred in the line of duty, shall be preferred for appointments to civil offices, provided they are found to possess the business capacity necessary for the proper discharge of the duties of such offices" The Veterans Preference Act of 1944 expanded the scope of veterans preference by providing for a 5-point bonus on federal examination scores for all honorably separated veterans (except for those with a service-connected disability, who are entitled to a 10-point bonus). Veterans also received other advantages in federal employment (such as protections against arbitrary dismissal and preference in the event of a reduction in force).

All states and many other jurisdictions have veterans' preference laws of varying intensity. In *Personnel Administrator of Massachusetts v. Feeney* (1979), the Supreme Court held that a state law operating to the advantage of males by giving veterans lifetime preference for state employment was not in violation of the equal protection clause of the Fourteenth Amendment. The Court found that a veterans preference law's disproportionate impact on women did not prove intentional bias.

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CHAPTER 12

Public Budgeting and Financial Management

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How This Chapter Is Diiferent and How to Approach It

Students often approach public budgeting and financial management as a purely technical and mechanical discipline, and it is that, at least to some degree. However, at its core public budgeting and financial management is both an art and a science, but the discipline often wrestles with this dichotomy. As such, the development of

(*continued*)

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Continued

public budgeting over time has fought between whether it should be a normative process (a determination of the theoretical underpinnings of the elements of that which it is or should be comprised) or a positive discipline (wherein there is a proper list of tasks, tools, measures, outputs, and outcomes that are required for financial management). In view of these dualities, this chapter presents a historical overview of the development of the public budget, the extension of this development to the evolution of the public budgeting process over time and that of the progression of the different types of budgeting systems in use, to the financial and managerial tools that public administrators utilize in day-to-day public budget decision-making.

To this debate is added the push and pull of the political process, wherein competition is ever present in the relationship between the executive and the legislative branches of government. The checks and balances between the two provide opportunities for one branch to overstep and stretch its powers in budgeting, challenging the other. My discussion attempts to highlight that, regardless of which branch is driving the overall process, the final product must be the same, with that being the effective and efficient provision of programs and services to constituents of the given jurisdiction or government.

My hope is that this approach highlights and delivers a view of the practice or discipline that beckons public administrators toward creativity in their practice of budgeting and financial management that delivers on sound practice and decision-making, while at the same time allows for challenges to the way things have always been done. In so doing, this view permits the opportunity for the development of new and innovative budgeting systems and practices that continue to deliver on the principles of sound financial management as well as the tenets of consent, equity, honesty, transparency, prudence, and accountability that are the cornerstones of the discipline, allowing for greater, more effective, and more efficient service to constituents.

As you read this chapter:

- think critically about the development of public financial management as a discipline and how it currently serves the field of public administration;
- consider the tasks of the public administrator in the management of programs and the provision of services and think about how his/her approach to public budgeting and financial management as either art or science can positively or negatively influence practice;
- consider the normative question of what "good" public budgeting is and decide if you think the answer is singular or plural;
- finally, decide if you agree with the notion that public budgeting and financial management is *both* an art and a science. What elements of the discipline lend themselves to creative license, and what throughout the "how to" practices of field are the non-negotiable musts? Can it really be an art at the same time that it is a science?

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KEYNOTE: Managing Fiscal Crises—A Tale of the Differences and Similarities Between Approaches Used to Weather Two Public Financial Storms—The Great Recession and COVID-19

The Great Recession of 2008: Domestically, the Great Recession of 2008 occurred when the housing bubble in the United States burst, resulting in mass foreclosures and plummeting housing values throughout the country. The bubble was created when housing prices outstripped their natural and justifiable true value. All around the country in every state, nearly every community experienced housing value losses

(Figure 12.1). This loss in housing value impacted state and local revenues, driving decreases in overall receipts. Nationally, US tax revenues, after steady growth over the previous five-year period, dipped slightly between 2007 and 2008, by $44 million. However, between 2008 and 2009 US tax revenues dropped severely, by nearly $420 million (Table 12.1).

"We're in the midst of a serious financial crisis, and the federal government is responding with decisive action . . . Our entire economy is in danger."—George W. Bush, September 24, 2008, Address to the Nation on the Federal Financial Bailout

In 2009, Barack Obama was inaugurated as the 44th president of the United States in January of 2009, inheriting a nation in economic crisis. As illustration of the crisis between January 2008 and January 2009, large-scale economic downturns had taken place. The US unemployment rate had increased to 7.8% (its highest level in nearly 25 years); nearly 784,000 jobs would be lost in that month alone, with more than 4 million jobs being lost over the previous 13-month period; and the Dow Jones stock market index had fallen nearly 37% over the last year, dropping nearly 6,100 points (Handwerker et al., 2020). In his address to a joint session of Congress on February 24, 2009, President Obama remarked,

> Now is the time to act boldly and wisely—to not only revive this economy, but to build a new foundation for lasting prosperity. Now is the time to jumpstart job creation, re-start lending, and invest in areas like energy, health care, and education that will grow our economy, even as we make hard choices to bring our deficit down.
>
> (Gruber, 2011)

The notion of bringing down the deficit was a bold assertion. Although the annual budget deficit had declined between 2001 and 2004, the federal budget deficit was still higher than it had been at any other time in history and had only been in surplus twice (in 1991 and 2000) in the last 46 years, with only one presidential administration (the Clinton administration) successfully reducing the budget deficit every year. Figure 12.2 provides a half century overview of the deficit.

COVID-19 Pandemic of 2020: In less than a three-month period between mid-December 2019 and early March 2020, the coronavirus disease 2019 (COVID-19) grew from an initial occurrence to a global health emergency to a global pandemic. The Centers for Disease Control (CDC) announced the first diagnosed case of COVID-19 in the United States on January 21, 2020. By the end of the year, the United States had more than 20 million diagnosed COVID-19 infections and more than 346,000 deaths. Prior to the development of COVID-19 vaccines, state and local governments attempted to manage the impact and spread of the virus by issuing stay-at-home orders and mask mandates. These efforts sought to "flatten the curve" or decrease disease exposure and slow infection rates, to mitigate hospitalizations and deaths, so as to not overrun health and medical services.

Stay-at-home orders all but shut down the US economy by prohibiting day-to-day economic activity from travel to health, hygiene, and beauty services (such as day spa and barber shop patronage), to leisure activities, such as tourism activities like museum and zoo visits, and visits to physical fitness facilities and restaurants. Figure 12.3 displays the US states response as a time line. The pandemic, paired with the stay-at-home orders, had the effect of dramatically decreasing production of goods. These limits further resulted in challenges to national and global supply and demand mismatches. As little was known about COVID-19, the science lagged behind consumer demand for various products leading to shortages in supply for

FIGURE 12.1

Median and average sales prices of new homes sold in the US (1963–2016), annual sales

Source: US Census Bureau (2016)

goods—from various types of food and household supplies (like toiletries and cleaning products) to essential goods (such as automotive repair parts and medical supplies), including vast shortages of antibacterial sanitizing products and personal protective equipment (like gloves, face masks, and other health care items). Additionally, as COVID-19 spread, a larger economic phenomenon occurred. Jobs and work effort declined significantly during 2020.

As economic activity for businesses was closed to all but essential work effort, thousands of individuals became unemployed and businesses closed. The federal government moved through various legislative actions to financially assist American businesses and households, providing monetary supports. The federal response was rapid and far-reaching, touching businesses, households, and individual workers. Federal actions taken and their descriptions are noted as follows:

- **Federal Reserve Actions**
  - Asset Purchases—Used quantitative easing (monetary policy whereby a central bank purchases predetermined amounts of government bonds or other financial assets to inject money into the economy to expand economic activity) to support the economy and increase the money supply by purchasing additional long-term US Treasury securities and mortgage-backed securities.
  - Liquidity Measures—Measures intended to stabilize short-term funding strains that started in March 2020, including ensuring foreign markets had sufficient access to US dollars.
  - Other Loan Purchase Programs—Paycheck Protection Program Liquidity Facility (PPPLF) established to be a backstop (or provide a secondary

TABLE 12.1

US Tax Revenues, Deficits and Surpluses, 2000–2020

	Revenues	Surplus/-Deficit
2000	2,025.2	86.4
2001	1,991.1	−32.4
2002	1,853.1	−317.4
2003	1,782.3	−538.4
2004	1,880.1	−568.0
2005	2,153.6	−493.6
2006	2,406.9	−434.5
2007	2,568.0	−342.2
2008	2,524.0	−641.8
2009	2,105.0	−1,549.7
2010	2,162.7	−1,371.4
2011	2,303.5	−1,366.8
2012	2,450.0	−1,138.5
2013	2,775.1	−719.2
2014	3,021.5	−514.3
2015	3,249.9	−469.3
2016	3,268.0	−620.2
2017	3,316.2	−714.9
2018	3,329.9	−785.3
2019	3,462.8	−991.8
2020	3,420.0	−3,141.6

Source: Congressional Budget Office (2021), adapted from "Historical Data Tables, Revenues, Outlays, Deficits, Surpluses, and Debt Held by the Public Since 1962," *The Budget and Economic Outlook: 2021 to 2031*

source of funds) for loans issued through the Paycheck Protection Program (PPP), which was established in the CARES Act.
  - Lending Facilities—Created a variety of new and reactivated facilities to provide liquidity and credit support to financial markets.
- **Legislative Actions**
  - Loan and Grant Programs—Federal lending through the Federal Reserve, Treasury, and Small Business Administration.
  - Income Support—Safety net programs that helped supplement or replace income through cash or cash-like transfers (such as unemployment or SNAP money to purchase food).
  - State and Local Funding—Direct and pass-through (intergovernmental transfers) funding for state, local, tribal, and other governments.
  - Direct Payments—Money sent directly to households.
  - Health Spending—Grants and federal funding to various health care providers and agencies to respond to COVID-19.
  - Tax Policy—Tax changes to provide financial relief to businesses and households suffering from the effects of COVID-19.
  - Other Spending—Grants, loans, direct payments, and federal funding for other activities to respond to and provide relief from COVID-19.

FIGURE 12.2

US tax revenues, deficits and surpluses, 1962–2020, annual data

Source: Congressional Budget Office (2021), adapted from "Historical Data Tables, Revenues, Outlays, Deficits, Surpluses, and Debt Held by the Public Since 1962," The Budget and Economic Outlook: 2021 to 2031

FIGURE 12.3

US COVID-19 stay-at-home orders timeline (US cumulative COVID-19 cases)

Source: AJMC Staff (2021), adapted from "A Timeline of COVID-19 Developments in 2020," The American Journal of Managed Care, and Duffin, Eric (2021) "Public Debt of the United States 1990–2021," Statista

- **Administrative Actions**
  - Trump Administration—Direct amounts committed from the Trump administration.
  - Biden Administration—Direct amounts committed from the Biden administration.

By the end of 2021, the total federal monetary value of the COVID-19 federal response effort was $13.636 trillion, including more than $800 billion in direct cash payments. These direct payments provided advanced recovery rebate tax credits through the Coronavirus Aid, Relief, and Economic Security (CARES) Act,

TABLE 12.2

US COVID-19 Federal Financial Support (through 11/15/21) With Deficit Impact

Federal Action	Fiscal and Monetary Support	
	Spending (Trillions)	**Deficit Impact (Trillions)**
Federal Reserve	$6.83	$0*
Legislative	$5.92	$5.19
Administrative	$0.886	$0.143
Total	$13.636	$5.333 (*$0 indicates deficit impact not applicable)

Source: Committee for a Responsible Federal Budget (2021), adapted from "COVID Money Tracker," *CRFB*. Available online at www.covidmoneytracker.org/ (accessed October 19, 2021)

Response and Relief Act, and the American Rescue Plan (CRFB, 2020). The total funding committed indicates the willingness of the federal government to utilize fiscal and monetary policy to stem the economic impact of the pandemic and to signal how far the federal government is willing to extend the federal debt and annual deficits to manage the crisis. The federal funding provided for COVID-19 represents unprecedented spending through the usage of fiscal and monetary policy and is highlighted in Table 12.2 and Figure 12.4. The federal government also acted through the Department of the Treasury to help stabilize the market in the face of uncertainty. The Department of the Treasury sold Treasury securities and issued Treasury bills (bills typically issued for near-term financing gaps) in effort to mitigate market disruptions (GAO, 2021).

Take-Away

> I am asking Congress to amend this bill and increase the ridiculously low $600 to $2,000 or $4,000 for a couple . . . I'm asking Congress to . . . send me a suitable bill, or else the next administration will have to deliver a COVID relief package.
>
> —President Donald Trump, December 22, 2020, Twitter video comments on the proposed $900 billion COVID-19 Relief Plan

> And the bottom line is this: The American Rescue Plan is working. America is getting vaccinated. Job creation is soaring. The economy is growing. And our country is on the move again.
>
> —President Joseph Biden, May 5, 2021, remarks on his administration's implementation of the American Rescue Plan

In response to the given economic crisis facing the nation, the Bush, Obama, Trump, and Biden administrations all utilized monetary and fiscal policy tools to address stressors to US economic stability. The Bush and Obama administrations' policies primarily focused on banking and financial reforms that aided the US economy over a five-year distribution period. However, both the Trump

FIGURE 12.4

Federal COVID-19 spending with deficit impact

Source: Committee for a Responsible Federal Budget (2021), adapted from "COVID Money Tracker," CRFB. Available online at www.covidmoneytracker.org/ (accessed October 19, 2021)

and Biden administrations enacted policies that provided direct cash support to both businesses and individuals, as well as support to state and local government, with that aid being injected into the economy within a short (less than 24-month) timeframe (CRFB, 2020). Federal relief for the Great Recession was equal to approximately $1.8 trillion between 2008 and 2012. The measures passed for COVID-19, as previously noted, were considerably more sizable, with relief totaling more than $13 trillion (approximately 29% of GDP) (Taylor, 2021).

This level of federal response has resulted in annual budget deficit growth from $641.8 billion in 2008 to $3,141.6 billion in 2020, when measured by overall federal revenues and outlays (CBO, 2021). Correspondingly, national debt is estimated to grow from 68% of GDP in 2008 to roughly 127% of GDP in 2021. These outlays indicate that federal policy makers are often willing to trade off possible long-term economic detriments for short-term/immediate relief. Whether these actions have been "good" will not be measured until they are able to be viewed with a historical lens. However, despite the debt and deficit price tag, these actions indicate that if there is political will, the federal budgeting structure will allow actions to provide large-scale macroeconomic relief, as well as individual social insurance–type assistance, which is what the system was designed to do.

FIGURE 12.5
Historical federal debt to GDP trends

Source: US Census Bureau (2019), adapted from "State and Local Government Finances by Level of Government and by State: 2019, Federal Debt Trends Over Time," USAspending Data Lab

THE ROLE OF PUBLIC BUDGETING AND FINANCIAL MANAGEMENT

> Among the specific problems of public administration none exceeds in importance that of the establishment of an orderly and efficient system for the handling of the financial affairs of the government.
>
> William F. Willoughby, *The National Budget System* (Baltimore: Johns Hopkins University Press, 1927, p. 1).
> from the Final Report of the Joint Committee on the Organization of Congress

> The essence of budgeting is that it allocates scarce resources and hence implies choice between potential objects of expenditure. Budgeting implies balance, and it requires decision-making process.
>
> —Irene S. Rubin, 2000, from "The Politics of Public Budgeting"
> here is where the 2 paragraphs from pp 430-431 should go—with these changes

Public budgeting and financial management offer critical tools toward the success and overall viability of large and small communities. However, when natural (or unnatural) events occur that create shocks to those communities, governments play a key role in how quickly communities rebound or if they rebound at all. This is particularly at issue when there are large shocks to the public landscape. For example, global crises create challenges across a multitude of areas for the entire governmental structure and require multifaceted approaches to bring communities through. Whether the crisis be in public health (as in the COVID-19 pandemic that took hold of the world in early 2020), natural disasters (as demonstrated by hurricanes Maria

and Irma in 2018 and 2019, which primarily impacted the Caribbean), or financial markets (such as the "Great Recession," which ravaged world markets), governmental interventions are necessary when national economies are impacted in ways that necessitate new and innovative approaches by public policy makers.

Public budgeting and financial management play a key role in how significant the effects of the shocks may be across various levels of government and can dictate if policies enacted or envisioned by decision-makers have the intended impact. In demonstration of the influence of public financial decision-making. The Keynote reviewed two separate crises and how the United States governmental structure responded to manage and maneuver the changing landscape created by those crises. Through this review, some of the critical components of public financial management and budgeting, were highlighted and you now have the opportunity to decide for yourself if the approaches taken were the right approaches to bring the country out of crisis. As noted in the takeaway, the verdict may not be as clear cut as one might hope, but that, too, as is discussed throughout this text, is the nature of public administration.

Public Budgeting in Market Systems

Public budgeting serves multiple purposes in the provision of governmental services. Rooted in this convention, however, is the notion of certainty in the need for governmental services, provision of goods, and intervention in economic endeavors, which has not been established in this chapter. Though discussed in various other contexts in this text, the need for governmental services is intertwined with the usage of public budgeting and financial management. Public budgeting, more than an exercise in mathematic or mechanical financial steps and processes, is a political and economic process that is utilized to manage public resources (Menifield, 2013).

In its simplest form capitalist economies are a type of free market system, whereby the market determines price and supply of goods based upon the demand for those goods. Competition for scarce resources, driven by supply and demand, dictates the usage of available resources. This concept drives prices, profits, and availability of nearly every good. However, very few pure free market systems exist, as all goods are not private goods. The United States operates a capitalist system that functions in a mixed market economy.

Mixed market economies consist of both a private sector (markets) and a public sector (government) in which production of goods occurs. Markets in a mixed economy provide three primary functions: (1) to allocate limited resources between alternative productive resources, (2) to allow prices to act as an "invisible hand," allowing price equilibrium between a seller and a buyer, and (3) to promote efficiency or least cost production.

Similarly, governments provide essential functions in mixed market economies. These include:

A. Ensuring Efficient Operation of Markets
- Governments guard against abuses of the market system by providing a system that protects private property and by providing a legal system for systematic resolution of disputes, as well as intervening in markets to ensure that monopolies (when competition among firms limits or hinders new entry into industry) are not created.

B. Redistributing Income
- In mixed markets, profitability isn't concerned with issues of equality or equity, instead distributing goods based upon an exchange of resources. Governments serve to provide a safety net such that a basic set of living conditions is met for all citizens, whether they have the means of providing these resources for themselves or not.

C. Promoting Macroeconomic Stabilization

- Governments use manipulation of the money supply (monetary policy) and changes to taxation and expenditure (fiscal policy) to guard against or intervene in cases of market failure and issues related to imperfect information.

There are several types of market failure: imperfect competition, public goods, externalities, incomplete markets, imperfect information, and unemployment and/or other macroeconomic disturbances. One example of market failure that is of particular consideration in terms of the development and size of government is the production and provision of public goods. A public good is a good that the market cannot regulate because it is a nonrivalry good (when benefits of the service are received for all, in that the usage of the good does not eliminate or limit the benefit to anyone else) and there is no ability to exclude nonpayers from benefitting from the services provided or no ability to limit consumption of a good. Some examples of public goods include national defense, pollution control, and public safety.

Questions to Consider:

- In which cases of market failure do you think government intervention is most critical?
- In what way should government intervene?
- What is the expected and actual effect of the intervention on the economy or economic outcomes?

The problem that tends to arise on the question of government is the determination of how big government should be and what powers government should have. On these questions, Adam Smith (18th-century economist) argued that government should interfere as little as possible with economic processes. This hands-off approach extends to market regulation and privatization. Thus, one prevailing question may be, is there a final answer on the appropriate size of government? If the goal of government is purely economic, perhaps the arguments of Adam Smith are all that is needed in answer. However, when large-scale crises (such as the Great Depression of the 1930s, the Great Recession, or the COVID-19 pandemic) occur, public opinion shifts on the public provision of goods, and public provision becomes more desirable, whether efficient or not.

Rather than the size of government in these instances, the questions surrounding government then become, what actions should government take, and then how is the effectiveness and efficiency of those actions measured? These questions serve as foundational elements to the way in which public budgeting has developed over time, the financial powers entrusted to government, and the measurement of government actions in the provision of services to constituents. These questions highlight and detail the nexus of the importance of public budgeting and financial management. The development and evolution of public budgeting may be directly linked with the attempt to answer the questions of accountability, responsibility, for which purposes government action should be taken, and how.

Public Financial Management

The establishment of fiscal principles assure sound stewardship of taxpayer dollars, helping to guide government in the planning of expenditures, revenues, and funding arrangements for public services, which ensure budget flexibility and structural stability to withstand fluctuations of various economic cycles (Prince William

County, 2018). It is through this consideration of the effective and efficient flow of public funds that public entities thrive to meet the service responsibilities of citizens. This system must adapt and adjust to meet growing communities and complex community needs and policies.

Effective public financial management systems in the US governmental structure must adhere to the foundational design of the American system, which includes six primary principles:

1. Democratic Consent—Taxation and spending should not be done without the explicit consent of the governed.
2. Equity—Governments should be equitable (treat people in similar circumstances similarly) in raising and spending funds.
3. Transparency—What governments do in raising and spending funds should be open to public knowledge and scrutiny.
4. Probity—There must be scrupulous honesty in dealing with public funds, of which legislators and administrators are the stewards, not the owners, of those funds.
5. Prudence—These stewards should not take undue risks with public funds.
6. Accountability—Those who deal in public funds can and should be regularly called to account for their stewardship through legislative review and audit processes.

Without adherence to these principles, public entities are open to abuses, where funds can be misused for inappropriate purposes whereby the public good is neither achieved nor the ultimate objective. Abuses of democratic consent result in secrecy, abusing the public trust. Abuses in equity and transparency result in marginalization of vulnerable groups and opportunities for heightened inequality. Abuses in probity and accountability erode the public trust, compromising the ability to deliver effective public service. The development of principles of sound financial management can aid public entities toward conducting effective public financial management. Numerous elements regarding management of revenues and planning should be included in financial management policy (Prince William County, 2018). Some of these elements (principles of sound financial management) may include:

- fiscal planning
- developing and maintaining a fund balance policy
- collecting revenues
- managing revenues
- capital planning
- managing debt
- creating a procurement and cash management system
- personnel management planning
- development of internal controls and financial reporting
- risk management
- economic development
- regular system, process and policy review

Public Budgeting Theory and History

At the heart of the American budgetary process is Congress's "power of the purse."
—Albert Breton, 1998, from "Competitive Governments: An Economic Theory of Politics and Public Finance"

Public Budgeting Theory

Public budgeting is both an art and a science with its foundation being rooted in competitive government. In the United States, budgetary reform is intimately tied to the political processes of the competitive climate of government—the push and pull, checks and balances in place between the executive and legislative branches of government. Hence, United States budgetary theory and budget processes have taken many turns and many forms such that theory has presented arguments for a normative and a positive approach to what the budgeting process should be and what it is, and those arguments have indicated a direct correlation between political reform and the budgetary process. William Willoughby (1927) discussed budgeting as a critical instrument of democracy. In this, the centrality of knowledge (past, current, and future) encompassed in budgetary methods and allocations presents a means for the affairs of government to be conducted in conformity with the popular will. Thus, the legislature acts as the harbinger of public opinion and the medium of supervision and control, and the executive serves as the employer of means and the responsible party for the creation of programs; supervision and control in this system thus becomes superior such that the working relationship between the two branches is demonstrated through the budgeting process.

Yet no singular theory of budgeting exists; consequently, questions of efficiency have not truly been addressed or answered through the legislation and subsequent practices that have ensued. One critical element in this is that the public has difficulty reaching political agreement in societal, as well as budgetary, priorities (Key, 1940). Indeed, budgetary processes are perhaps best described as no singular process, but as a myriad of rules, procedures, and processes that have changed over time based upon the push and pull or particular wind or wave of the political and social climate in any given period. As such, there has been a significant amount of legislation and debate over what a budget process is and should be, who the main or key players involved in the decision-making should be, and the goals of those decisions overall.

Verne Lewis (1952) posited, through an analysis of economic theory and the concept of marginal utility (with that defined as additional use or function from one additional unit of X), that a budgetary theory or budgetary process needs to involve the value of preferences, with those preferences or values defined by need and based upon philosophy under the guise of science and economic logic. Hence, Lewis argued that in the scope of the push-pull of political power and decision-making, when bureaucrats proposed budgets, they needed to present a basic budget with supplemental plans for alternative amounts to indicate preferences, which would give a fixed ceiling to budgets from which the president could select one of the proposed amounts, and Congress could have a simultaneous process.

BOX 12.1 V. O. Key's Challenge to Budgeting

V. O. Key, Jr. (1940) "The Lack of a Budgetary Theory," *American Political Science Review*
On the most significant aspect of public budgeting, i.e., the allocation of expenditures among different purposes so as to achieve the greatest return, American budgetary literature is singularly arid. Toilers in the budgetary field have busied themselves primarily with the organization and procedure for budget preparation, the forms

(*continued*)

BOX 12.1 *Continued*

for the submission of requests for funds, the form of the budget document itself, and like questions. That these things have deserved the consideration given them cannot be denied when the unbelievable resistance to the adoption of the most rudimentary essentials of budgeting is recalled and their unsatisfactory condition in many jurisdictions even now is observed. Nevertheless, the absorption of energies in the establishment of the mechanical foundations for budgeting has diverted attention from the basic budgeting problem (on the expenditure side), namely: *On what basis shall it be decided to allocate x dollars to activity A instead of activity B?*

Writers on budgeting say little or nothing about the purely economic aspects of public expenditure. "Economics," says Professor Robbins, "is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses." Whether budgetary behavior is economic or political is open to fruitless debate; nevertheless, the point of view and the mode of thought of the economic theorist are relevant, both in the study of and action concerning public expenditure. The budget-maker never has enough revenue to meet the requests of all spending agencies, and he must decide (subject, of course, to subsequent legislative action) how scarce means shall be allocated to alternative uses. The completed budgetary document (although the budget-maker may be quite unaware of it) represents a judgment upon how scarce means should be allocated to bring the maximum return in social utility.

**. If the old saying that the state fixes its expenditures and then raises sufficient revenues to meet them were literally true, the budget officer would not be faced by a problem of scarcity. However, there is almost invariably a problem of scarcity in the public economy—to which all budget officers, besieged by spending departments, will testify.

Lewis's theory for public budgetary theory and budgetary reform further perpetuated the debate of what public budgeting is and should be, namely, should governmental branches focus on what is best (normative) or simply what is done (descriptive or positive) in budgeting? Aaron Wildavsky (1961) offered one answer to the question posed. In so doing, Wildavsky discussed a correlation between budgetary reform (the relationship and the process) and the political system. He noted, "a normative theory of budgeting would be a comprehensive and specific political theory detailing what the government's activities ought to be at a particular time," (p. 183). Wildavsky posited that the accomplishment of effective budgetary reform would mean the end of conflict over the government's role in society. In addition, he argued that the governmental process in budgeting and the determination of preferences is due to political and not economic interpersonal comparisons between political policy makers, as "trading favors" through roll call voting and veto power is commonplace. Thus, Wildavsky generalized calculation or allocation in the governmental budgetary process to be reduced to (a) considering only alternatives that are politically feasible, (b) having policies differ only in small increments, and (c) allowing governmental authorities/participants to only concern themselves with personal preferences and those of powerful opponents (ibid., p. 184).

In so doing, Wildavsky proposed an incremental approach to budgeting, which was both descriptive and normative, providing a historical linkage between the two theories. Rubin (1990) in the incremental approach dictated that the greatest focus was on legislature and their dominance in the budgetary process. This occurred as a result of the limited role of the executive office, the decentralization of the budgetary

process, the immaterial change in the budget from year to year, the lack of real budgetary analysis, and budgetary tradeoffs. However, the limitation of the descriptive approach was that "it prevented many budgeters from seeing the changing budget reality in front of them and theorizing about it . . . as a result, theory and practice grew unacceptably far apart" (Rubin, 1990, p. 184). Thus, descriptive theory did not adjust to the dynamic nature of the budgetary process, nor did it adjust to the economic and political environments that affect it. Yet Rubin contended that descriptive theory, through continued research, could provide the most stable base for the growth of budgetary theory by matching what is observed and practiced to budgetary reform. The implication is that theory, whether normative or descriptive, will form the backdrop for budgetary reform only by maintaining an eye on the practices of budgeting, the politics, and the legislative reform integral to budgetary processes.

Budget Legislation—A Brief History

The background for the current budgetary process and the interaction between the executive and the legislative branches is rooted in the checks and balances process, outlining a competitive stance in budgeting that was framed through the course of federal budget legislation, which outlined the role and responsibilities of each governmental branch. This competition would serve to make budgeting more efficient by having one group responsible to another and vice versa, whereby no one individual group holds the purse strings or can monopolize the process of presenting a useful budget. However, the concern of budgetary legislation has not necessarily been efficiency. Depending upon the budgetary regime (period of prevailing thought and "control" in budgetary decision-making), the primary concern of the federal budget and its processes changed or adjusted with specific consequences. In discussing budget legislation, it is pertinent to focus on several different acts:

1. The Budgeting and Accountability Act of 1921.
2. The Congressional Budget Reform and Impoundment Control Act of 1974.
3. The 1985 Balanced Budget and Emergency Deficit Control Act, also known as Gramm-Rudman-Hollings.
4. The Budget Enforcement Act of 1990, also known as Statutory Pay-As-You-Go Act.
5. The 1993 Budget Reconciliation Bill, or the Omnibus Budget Reconciliation Act of 1993 (OBRA, 1993).
6. The Balanced Budget Act of 1997.
7. The GPRA Act of 1993 and GPRA Modernization Act of 2010.

These seven pieces of legislation are critical because they each, when passed, addressed not only the budgetary process (through procedure and/or structure or format of the budget) but how the different branches of government (executive and legislative) interacted within that process, the given budgetary powers entrusted to them, and how government agencies should function in terms of the usage of federal monies (OMB, 2016).

An important early step in the evolution of the budget process was the development of the standing committee system. This system, which encompassed the creation of the Committee of Ways and Means in the House of Representatives and the Committee of Finance in the Senate in 1789 and 1816 respectively, set up a foundation for future committee development and labeling of branch/chamber powers with respect to having some level of jurisdiction over money matters in

public finance (Organization of Congress, 1993). Thus, prior to the Budgeting and Accountability Act of 1921 (BAA), the federal budgetary process in the US may be characterized by legislative dominance (Schick, 1995) centered on the development of committees, the distinction between authorizations and allocations, and the budgetary powers in each chamber of Congress with the result being a strong linkage between expenditures and revenues. This process initially was characterized by "financial balance . . . despite the lack of a budget system that coordinated all legislative or executive revenue and expenditure action" (Schick, 1995, p. 34). Over time, however, this legislative process became fragmented through the further development of appropriations committees in the House and the Senate and federal spending jurisdiction being given to various legislative committees, such that appropriations control was dispersed, leading to higher federal spending (ibid.).

BAA of 1921 changed the federal budgeting process by requiring the president to submit a budget to Congress each year, and therein lays the importance of the act. Prior to 1921, the federal government operated without an executive or presidential budget (Keith, 1996). Thus, Congress was able to determine budgetary allocations without any input from the executive office whatsoever. Through the creation of the Bureau of the Budget (now reorganized into the Office of Management and Budget), which was another component of BAA), the executive office gained a measure of expertise, if not professional control, in the budgetary process. This act served as the catalyst for greater presidential interaction and allowed for increased presidential power.

The Budgeting and Accounting Procedures Act of 1921 served to provide structure through detailing the responsibilities and requirements for review and approval of fiscal accounting systems. Furthermore, this act further helped to make the budgeting process more transparent in that it required the US Treasury to provide financial reports to the President, Congress, and the public with the information provided to the secretary of the treasury by each federal agency (Treasury Financial Manual). During this time, however, there was change in the format and structure that a budget could take, with some of these running contrary to the budgetary legislative reforms and ideology of the time, helping to lead to further structural changes in budget classification. The structural change of budget formats is important because it highlighted the efficiency debate.

But this first enabling legislation for the executive budget system also created a legislative instrument. The Government Accountability Office (GAO, formerly known as General Accounting Office) was enacted to be the investigative arm of Congress charged with examining matters relating to the receipt and payment of public funds) to strengthen Congress's ability to supervise spending within executive agencies. Still, Congress had little budgetary authority to do anything about spending. This lack of authority was fully realized in the early 1970s when President Nixon simply impounded monies, refusing to spend allocated funds on various social policy programs to create an "executive ceiling" on spending (Hogan, 1985). This action highlighted the conflict between the executive and legislative branches in the budgetary process.

President Nixon's actions, along with the continuing growth in public spending and the rise in the annual budget deficit, paved the way for the passage of the Congressional Budget Reform and Impoundment Control Act of 1974 (CBA), which was largely a congressional attempt to regain budgetary authority (Hogan, 1985). Though this act did effectively allow Congress to regain control of spending, it also further accelerated conflict between the executive branch and the legislature in the budgetary process by attempting to duplicate many executive budgetary functions

at the congressional level. It also made the budgetary process in Congress more difficult due to increasing the range of issues that were open to debate, intensifying that debate, and increasing the number of actors in congressional budgetary politics, which all served to hamper the ability of Congress to deal with budgetary issues, as well as any others (Kamlet and Mowery, 1985). This inefficiency led to modifications in the bill encompassing various aspects of congressional budgeting, including multiyear appropriations and authorizations and a balanced budget requirement. Not all amendments passed, however, as the federal deficit doubled in the seven years that followed CBA and federal expenditures were estimated to have grown 29% in that same period (Hogan, 1985).

As such, the next four pieces of budget reform legislation all hold budget deficits and spending cuts as their central themes, which can be said to be the theme of the era. With the passage of CBA, federal budgeting sought to address the massive growth in federal deficit spending. Gramm-Rudman-Hollings attempted to restrict the growth of deficits and the national debt by setting mandatory deficit targets and establishing a procedure of automatically reducing the annual deficit if the target is not met (Thelwell, 1990). The Budget Enforcement Act of 1990 (BEA) focused on deficit control through spending cuts, discretionary spending caps, and pay-as-you-go (PAYGO) spending (Baehler, 1995). The Omnibus Reconciliation Act of 1993 addressed the budget deficit through a focus on spending cuts, long-term spending caps, and increasing revenue, and the Balanced Budget Act of 1997 placed an emphasis on not only eliminating the deficit but also on ensuring a balanced budget, ultimately leading to a budget surplus.

The final piece of legislation focused on the evaluation of federal budgeting and the measurement of services provided to help justify spending. The Government Performance Results Modernization Act of 2010 designed a budgeting a system that attempted to hold the government accountable for funds received and how those funds were spent. The GPRA Modernization Act of 2010 had several purposes: to improve internal government management to increase program effectiveness and public accountability by promoting a focus on results, service quality, and customer satisfaction, and to help federal agencies focus on the highest priorities it also developed the performance results budget that is utilized across all governmental levels (federal, state, and local budgeting). The goal of the performance results budget is to link the input of resources with the output of provided services. By doing this, the performance results budget attempts to tie the processes of presented budget requests for resources needed to complete described services and then measure whether those service and output goals have been met. The performance results budget was not envisioned until roughly 2010 with the passage of the Government Performance Results Modernization Act. Thus, the budgetary process continued to be characterized most by the conflict between the executive and the legislative branches in the budgeting process.

Having legislation that calls for both executive and legislative interaction makes the budgeting process more diversified in thought processes, creating greater benefits by allowing for broader perspectives, even if cohesion or coming to consensus is difficult. Critical in the budgetary reform arena is the question of whether the major or primary governmental decision makers can or will ever agree on what "good" budgeting is, what the process of budgeting should entail, and what efficiency in budgeting means. If legislation has been passed to dictate budgetary action such that budgets should be created yearly, then perhaps the legislative reforms of the past were useful. However, if efficiency is related to timeliness in process, limiting deficit spending, and providing a specific and prevailing format that is to be followed in the overall process,

then the reforms have not been successful. Overall, the picture is muddled. However, efficiencies may be aided by the usage of available budgeting tools.

INNOVATION IN BUDGET MAKING

Objectives of Budgeting

To conduct and produce public services, governments must raise public revenues. Accordingly, this process of raising revenues and expending those revenues must be done to meet some given end in the process of conducting the business of government and public services. Richard and Peggy Musgrave (1980) note that governments raising revenues and spending those revenues must serve one of the following objectives:

1. Allocation—Ensuring that an appropriate level of funding flows into sectors of the economy where it is required.
2. Distribution—Ensuring that the balance in public funding between regions, between classes of people in society, between public and private sectors, and between government and business reflects public policy.
3. Stabilization—Using public spending to stabilize the macroeconomy (or in some cases parts of it).
4. Growth—Using the power of government spending to facilitate economic growth and wealth creation.

These objectives can serve to direct federal, state, and local government and guide analysis of how the budget supports economic strength and citizen well-being. One critical element of public budgeting is adhering to the rules and regulations of the given jurisdiction while meeting a given objective. In so doing, public budgets can signal fiscal health and governmental prudence. State and local governments must adhere to mandates of presenting a balanced budget—a budget in which its expenditures are less than or equal to its revenues. Balanced budget requirements aid in developing constituent and investor confidence, as spending constraint is built into decision-making. However, balanced budgets are not a requirement to finding confidence in government budgeting. As in personal credit markets, governments can utilize borrowing to aid in building the economy and meeting desired public economic goals. Public borrowing or public investment in the economy, even in the form of borrowing, can provide needed stimulus and guard against economic depression. However, in the United States only the federal government and one state government (Vermont) operate without a balanced budget requirement (Gruber, 2011).

The US federal government utilizes decision-making on presenting a balanced budget with fiscal and monetary policy in attempt to maintain positive economic growth. However, without the requirement to adhere to a balanced budget, the federal government (unlike state and local governments) must contend with decisions aimed at funding societal service needs while maintaining economic growth and balance. These decisions can be tricky, as maintaining deficits over long periods of time can devalue currency and spike inflation, ultimately harming economic well-being. This concept will be explored further later in this chapter as debt and budget manipulation can be a boom or a bust for public institutions and governments.

Budget Functions and Types

To this point, the rationale for why budgeting exists has been explained through the lens of federal government and the legislation dictating its development. However, the functions of a budget may not be clear. Public budgeting has been described as a process undertaken at various levels of government that dictate the funding structure for governmental action. Thus, a singular budget is a document that details the financial condition and plans of an individual entity, be it a family, an agency, a corporation, or a government (Lee et al., 2021). Through this lens, the budget functions as a policy guide to communicate the given direction an entity is expected to follow and to provide a financial plan for future action and day-to-day operational guidance (Mikesell, 2003). Public budgets indicate what government will do and reflect government priorities over a given period. In the public arena, there are two primary types of budgets—the operating budget and the capital budget.

The operating budget is the primary kind of budget that is considered when discussing public budgets and public budgeting. The operating budget serves as a planning document that details the resources allocated for day-to-day functions. It is the plan used to provide a formal expression of intentions and expectations (Finkler et al., 2017). Operating budgets detail the regular expenses that allow the government to conduct daily business. These recur regularly over time and include items like compensation, contracts, utilities, and rentals. The second type of budget is the capital budget. Capital budgets encompass funds for larger, big-ticket items that have a useful life of more than a couple of years. Capital budgets may receive funding that is earmarked or dedicated to capital projects such as savings, grants, special revenues, special assessments, proffer funds, and so on. Capital projects may also be funded through borrowing (including tax-exempt municipal bonds).

Budget Systems Summary

There are roughly five different budget formats that are often called systems of budgeting: the line-item (traditional) budget, the performance budget, the program and planning budget, the new zero-based budget, and new performance and performance results budget. The first three may be classified as utilizing a primary sort of logic in relation to budget formats, with the last two classified as having a different logic that attempts to combine those of the other formats (Mikesell, 2003). The traditional budget features or highlights control of expenditures; the performance budget features a focus on management of service provision; the program and planning budget features planning as its primary strength; and the performance results budget focuses on the link between planned services and those provided.

- line-item budgeting (1920–1940s)
- performance budgeting (1940–1950s)
- planning and program budgeting (PPB) (1960s)
- zero-based budgeting (ZBB) (1970s)
- new performance and performance results budgeting (1990s to present)

These budget formats developed over time in the public budgeting forum. Each of these budget formats highlights a different focus of the budget from control of expenditures, to management, to planning and efficiency, to effectiveness. The line-item budgeting formed the foundation from which the other systems grew. Performance budgeting added output data to measure efficiency and productivity. The next two, PPB and ZBB, may be classified as utilizing a primary sort

of logic in relation to budget formats (Mikesell, 2003). The last may be characterized as the system that best highlights both efficiency and effectiveness.

The Line-Item Budget as the First Stage of the Executive Budget

The traditional line-item budget features or highlights control of expenditures. The line-item budget was an outgrowth of the development of the executive-level responsibilities in the budget process. As agencies presented budget requests to the executive office, it became specifically known how much the government spent on given functions, programs, and services, presenting a better flow of information.

The Performance Budget

Rooted in the first Hoover Commission report of 1949, the performance budget represented a shift from the rigid structure of the traditional line-item budget by organizing budgets based upon activities with spending for those activities monitored by comparing costs with actual accomplishment of intended agency performance levels planned (Mikesell, 2003). This budget logic held that the focus of the budget should be on the services provided by the government rather than on where the specific dollar was spent. This budget logic or format sought to rationalize the budget process by answering the questions: what are we proposing to do and why, how much do we propose to do and when, and what resources will be needed and at what cost? The general premise was to further induce or increase transparency by providing more information to induce more efficient spending (Thompson, 1994). This was not fully the result, however, as the complexity of the budget made coordination difficult, having too many players, resulting in "big" government, with political players not interested in using it.

The Planning and Programming Budget

The planning and programming budgeting system (PPBS) gained notoriety through experimentation in the decade of the 1960s. It sought to rationalize budgetary decision-making by planning out what is going to be done and how much those services would cost. Program budgets convert the traditional line-item budget into a system that follows a step-by-step process to continually plan what is done and how to budget it. This marriage between planning and budgeting allows the manager to maintain close connection to programs/service provision and budget constraints (Novick 1968). However, this budget logic did not counteract high levels of federal spending, did not reduce duplicate programs, had no impact on appropriation levels, and had little support with limited resources. Additionally, this planning process and the time horizon necessary for success have some inherent conflicts with budgeting objectives

Incrementalism and Zero-Based Budgeting

Zero-based budgeting, unlike the other formats, originated after federal budget processes shifted from being dominated by the executive office to being dominated by grappling with the deficit. Developed during the Carter administration, ZBB aimed to rationalize the budget process by doing marginal analysis of incremental changes in one program or another, whereby there are no guarantees that past programs and activities will receive funding in the future (Taylor, 1977). ZBB sought to reverse the trend of incrementalism in budgeting, whereby budgeting year after

year was just a function of taking the budget of the previous year and building in incremental changes. ZBB, even though prohibitive due to time, cost, and efficiency challenges of the method, was created in an effort to force decision makers to justify spending and meet the service needs of an agency's or a program's constituency. The efficiency challenges, marked by the process, procedural, and administrative difficulty of ZBB, doomed it in terms of being utilized on a large scale, but the premise of seeking to control spending and cut expenditures could be applied to specific programs, overhead agencies and activities, and formula grant programs.

Overall, these budgetary format reforms sought to provide a rationale in the budgetary process, but a major failing of all the formats is that no unity was ever forged on what the overarching goal of budgeting should be, be it process or efficiency or whatever. As such, there remained fragmentation and/or conflict between the role of the executive and legislative branches in the budgetary process and conflict around the primary goal of budgeting, be it fiscal and spending control, managerial oversight, or funding efficiency.

New Performance and Performance Results Budgeting

New performance budgeting attempts to continue to move the budget process from an input or line-item focus to a focus on outcomes, attempting to highlight the role of government and not the actions or activities leading to that role. Though the new performance budget attempted to combine the functions of the original performance budget with that of the program budget, it fails to establish agreement on what is to be accomplished, give clear guidance in answering budget allocation questions between agencies, or provide useful links between costs and outcomes. Furthermore, managers find difficulty accepting results-oriented goals because measurement of goals may be out of their control, much like the original performance budget (Mikesell, 2003).

Performance Results Budgeting

Performance results budgeting attempted to fill the gap that fragmented the budgeting systems previously noted. Following performance, program, and zero-based budgeting, performance results budgeting attempted to join program performance with funding efficiency to justify spending within and across programs based upon the outcomes of dollars spent. This budgeting format allows managers to directly report goals and objectives that have meaningful measures and are, therefore, useful in overall program administration because there is clear objective signaling of performance.

THE BUDGET PROCESS (AND CONTEMPORARY BUDGET REFORM)

Regardless of the budgeting system used, governments all follow a set process and timeline to complete their budget cycle. Following a set timeline allows most public budgets to be planned well in advance of its start year. Though generally every public budget shares the characteristic of following a set process with a given timeline, that is where the similarities end. Public budgeting at different levels of government yields vast differences in processes. There is even significant difference in process between budgeting from state to state or from local jurisdiction to local jurisdiction, even within states. Budget processes and budget cycles play a role in this as the level of government and its ability to make taxing and spending decisions can

dictate its ability or inability to meet certain service needs and provide different services.

One reason for these variations lies in the powers available at the given level of government. Federal governmental powers are described in the Constitution of the United States. The US Constitution is the document that describes the foundational principles and laws by which the country is governed. Included in these laws are the powers of state governments. The Tenth Amendment to the US Constitution grants all powers to the states that were neither expressly given to the federal government nor prohibited to the states. Put another way, state governments can legally do whatever they want, as long as they do not do anything the federal government said it would do or that the state could not do. Local governments, on the other hand, can only do that which is expressly granted to them by state action. This is the Dillon Rule (Mikesell, 2003).

These powers play out to some degree in how the federal, state, and local budgets are presented and how they are put together. Clear variation can be found in the way the public budget of the different levels of government are designed and the schedule followed to produce and present those budgets. There is vast diversity in budget processes across different levels of government. Variations in process occur in part because there are differences in rules for decision-making at different levels of government. One such procedural rule is the schedule for presenting a budget and even what the budget cycle may be. The budget cycle is the overall process that is followed to prepare, approve, execute, and evaluate a given budget. The budget cycle can span more than one fiscal year because of the general timeline and process of the budget.

The *fiscal year* is the calendar schedule that is followed in which governments operate to raise revenues, expend funds, and provide services. Some governments have a fiscal year that follows a calendar year schedule, while others have a fiscal year that begins on a date different from January 1. One key issue in the fiscal year is the schedule for the budget. Many governments have annual budgets. This includes the federal government, most state governments, and many local governments. However, some state and local governments have multiyear budgets. Multiyear budgets are those where funding or financing for services extends over multiple years.

The Federal Budget Cycle

The federal budget cycle follows an annual schedule, but its timeline is different from that of most other governmental entities across the country. The federal fiscal year is October 1–September 30 of every year. The federal budget cycle has multiple phases and begins with budget planning/formulation and ends with execution of the budget (see Table 12.3). There are three main phases: formulation, congressional, and execution. The first and last phases primarily involve action at the agency and executive branch levels.

A visual summary of the federal budget process is given in Figure 12.6.

TABLE 12.3

Federal Budget Process Timeline

Date	Action
	Executive Branch
Spring	Office of Management and Budget (OMB) issues spring planning guidance to executive branch agencies for the upcoming budget.

Spring–Summer	OMB and the executive branch agencies discuss budget issues and options, identifying major issues, developing and analyzing options, and planning for analysis of issues for future decisions.
June*	OMB issues the given fiscal year (FY) guidance memo—the annual OMB Circular No. A-11
September	Executive branch agencies make budget submissions by the deadline date given by OMB.
September 30	Current fiscal year ends.
October 1	New fiscal year begins. Planning continues for the next/upcoming fiscal year.
October–November	OMB conducts fall review of budget requests, briefing the president.
Late November–December	OMB pass back: OMB informs agencies of budget request decisions. Agencies make appeals to OMB and the president for budget decision modifications.
January	Agencies prepare budget justification materials; OMB review of budget justification materials.
First Monday in February	The president transmits the budget to Congress.
	Legislative Branch
February 15	The Congressional Budget Office (CBO) submits economic and budget outlook report to budget committees, re-estimating the president's budget based upon its own economic and technical assumptions.
Six weeks after the president submits budget	Committees submit views and estimates to budget committees.
April 1	Senate budget committee reports the budget resolution.
April 15	Congress completes action on the budget resolution and commits itself to broad spending and revenue levels by passing a budget resolution.
May 15	Annual appropriations bills may be considered in the House, even if action on budget resolution has not been completed.
June 10	House appropriations committee reports last annual appropriations bill.
June 15	Congress completes action on reconciliation legislation (if required).
June 30	House completes action on annual appropriations bills.
After completion of action on discretionary, direct spending or receipts legislation	CBO provides estimate of impact of legislation (as soon as practicable).
August 15	CBO issues its sequestration report update.
September 30	Congress completes action on appropriations bills or provides a continuing resolution.
October 1	New fiscal year begins.
10 days after end of session	CBO issues its final sequestration report.

Source: Office of Management and Budget (2016), adapted from "Section 15—Basic Budget Laws," *OMB Circular No. A-11*
*Note: OMB Circular No. A-11 Issue Date—August 6 in 2021

FIGURE 12.6

Summary of the federal budgeting and appropriations process

Source: National Science Foundation (2021), adapted from "The Federal Budgeting and Appropriations Process," NSF and Congress

Executive branch agencies at the federal level must receive budget request approval from the OMB and the president and must have Congress complete annual appropriations bills to incur any expenditures for governmental actions and services. The budgeting process is completed across many state and local governments, but it has both similarities to and differences from that of the federal government.

State and Local Government Budget Process

Depending upon the state, executive-level budgeting may or may not drive the budget process. Most states present a budget proposal to allocate funding for state agencies, programs, and services. However, the process of developing an overall state budget may be very different from that of the federal government. Within the United States, more than 20 states have biennial budgets (in whole or in part). This budget feature and others indicate broad variation in budget types as well as broad latitude in executive powers in relation to the budget, even if those powers do not correlate with the type of budget that is presented or the type of budgeting process. Some states have highly structured budgeting processes and cycles, whereas others have more informal budget processes, cycles, and systems regardless of the type of budget that is present. Because of this variability, state governors can have very broad latitude in presenting a budget, as well as in executing the budget throughout the fiscal year (Rabin et al., 2007). Some of these powers include line-item veto

power and the ability to allocate funds after the state legislature has enacted the state budget. The state of Maryland provides an example of an executive dominated budget.

Like the federal government, the budgeting process in the state of Maryland begins with formulation, which includes planning, estimation, and communication between executive-level agencies and the Department of Management (DBM). Unlike the federal government, however, the MD fiscal year operates on a July 1–June 30 cycle, which constitutes the fiscal year. The Office of Budget Analysis (OBA) in the DBM coordinates executive-level agency budget requests and compiles the annual executive budget (the governor's budget request) to be sent to the legislature for review, analysis, and passage into law. One distinguishing feature of the Maryland budget process is that the legislature cannot add any funding for projects or services to the budget. The legislature only has the power to reduce or restrict funding in executive branch agencies. This feature gives the governor of Maryland broad budgeting power, even though the governor has no ability to veto the budget that is enacted by the legislature. Maryland's state constitution requires the governor to present a balanced budget to the Maryland General Assembly (the legislative branch of government for the state). The MD General Assembly must enact a balanced budget. Figure 12.7 details the Maryland operating budget process.

The same variability that was noted for state governmental budgeting is true for local governments, with variation being one of the primary features of budgeting at the local level. Local governments may be said to have more variation in budgeting practices than state governments because of the number and volume of local governments in the United States. In part due to the Dillon Rule and in part due to the vast numbers of local government structures across the United States, there are no universal rules in local budgeting processes. Local governments operate on various budget cycle timelines, including calendar year cycles (January 1–December 31), July 1–June 30 cycles, October 1–September 30 cycles, or even those starting at more unconventional times, like April 1.

Some local governments pattern budgeting practices after federal and/or state government with executive-level budgets and annual budget cycles. However, local governments are not all designed or governed in the same ways, with an executive, a legislative, and a judicial branch. As such, the form of government at the local level can play a part in the way in which localities conduct budgeting practices. Some localities have special districts providing more than one budget within the jurisdiction, and some localities contract with outside entities to complete its budgeting practices. Regardless of the way in which the budget is completed, the local budgeting process, or the structure of the local government, can conduct sound budgeting practices. For example, the Government Finance Officers Association (GFOA) bestows the Distinguished Budget Award honor on a yearly basis to governments at the state/province, city, county, special district, and school district levels whose budgets meet the criteria for high quality and transparency, as defined by of the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting. In 2020 there were 1,724 total winners, with most of those winners being categorized as local government entities (municipalities or counties).

Contemporary Budget Reform—Participatory Budgeting

One critical component of the GFOA award for state and local governments is fiscal transparency—the comprehensiveness, clarity, reliability, timeliness, and relevance

FIGURE 12.7

The Maryland budget cycle (with bulleted notes)

July 1: The fiscal year is the calendar on which the state operates for financial purposes; current fiscal year begins.

August 31: State agencies submit budget requests to DBM for the next fiscal year.

September–December: DBM reviews budget requests, makes recommendations to the governor. Board of Revenue Estimates approves final revenue estimates. The governor makes decisions on the budget allowances.

Third Wednesday in January: The governor submits a "balanced" operating budget to the legislature, consisting of the budget bill and its detailed supporting documentation. In the case of a newly elected governor, the budget proposal is due to the General Assembly no later than 10 days after the second Wednesday in January.

January–April: The General Assembly reviews, holds hearings, and makes decisions on the budget.

83rd Day of Legislative Session (April): The Maryland Constitution requires the General Assembly to enact a balanced budget by the 83rd day of session. If the General Assembly fails to enact the budget by the 90th day of the session, it will go into extended session where only the budget is considered. The budget bill becomes law immediately upon enactment.

May: DBM meets with principal departments and major independent agencies to discuss resource and budgetary needs to be considered in establishing department/agency ceilings for the next fiscal year.

June: DBM issues the "Fiscal Digest" containing the appropriations authorized by the General Assembly.

July 1: The new fiscal year begins.

Source: State of Maryland Department of Budget and Management (2021), adapted from "Maryland Operating Budget Overview," Maryland Department of Budget and Management Budget Pages

of public reporting on the past, present, and future state of public finances. A focus on transparency points toward the opportunity for new processes in public budgeting. When considering how public budgeting may change to better serve the public

good, public interaction and clarity of public fund uses offer key components to how decision makers can improve the budgeting process. One innovation in which governments are seeking to increase fiscal transparency is through the development of participatory budgeting.

Participatory budgeting is the concept wherein governments seek out and utilize public interaction and decision-making to help guide and direct the public budgeting process by allowing regular citizens to allocate part of the budget during the budgeting process. Participatory budgeting (PB) works by following an annual or regular cycle in which citizen engagement and interaction is integrated into the budgetary process. Typically focusing on discretionary spending (spending that is the result of appropriation levels only and not defined by mandatory outlays or payments according to a formula or eligibility for a benefit program), citizens deliberate and negotiate to distribute public resources (IBP, 2017).

According to the Participatory Budgeting Project, PB works by utilizing a series of meetings with residents to share thoughts and brainstorm ideas, having those citizens develop proposals for spending, and citizens voting for desired initiatives. Governments then fund and implement winning proposals or projects. The intended result of PB is the increase of equity and inclusion for a larger group of citizens, increase in civic engagement, and more equitable and effective spending of public funds.

In Search of Equity Budgeting

Equity budgeting might best be described as a conceptual idea in search of a system for implementation. This is especially true in public budgeting. Budgeting has long recognized the difficulties in redistributing resources from one set of interests to another—even when there is recognition that one group has vastly benefitted more over time than others from public investments.

The deputy budget director of Kings County in Washington State summed this problem as follows:

> But we know that the budget process itself—an incremental budgeting process—poses one of the biggest challenges we face in developing a more equitable budget. Incremental budgets make marginal changes from year to year (or biennia to biennia in our case), rather than starting from scratch each budget cycle. While incremental budgeting provides welcome structure and stability for our agencies, it also unintentionally perpetuates disparities in our communities. With incremental budgeting, it's extremely challenging to shift significant resources from wealthier areas of the County to those that traditionally have been under-resourced. New funds can be invested to communities with fewer resources, but it's extremely difficult to cut funds from one community and give them to another.
>
> (Aaron Rubardt, 2019)

In short, as social equity and racial justice rise to the forefront as overarching values for public administration, it's not certain how the planning and allocation functions within budgeting can or even should be changed. The real question is—can budgeting produce decisions that increase social equity (i.e., recognizing new priorities) without its core processes being changed?

So from a budgeting perspective, what is the "cost" of the problem? The cost of the problem can be measured in two ways.

> First, in abstract terms, new social equity assessment tools are being developed that measure the inequity (across income groups and race) of public investments and services. For example, if a

(*continued*)

Continued

> city or county has an X million-dollar parks and recreation system that underserves low income or racial groups—as these groups don't have safe access or proximity to the parks that is measurable. Such tools use evaluation to show the level and scope (who's negatively affected) of past and current budget expenditure decisions.
>
> Second, the other cost is social, in terms of engagement and citizen trust. Disadvantaged and underserved groups (high social inequity) are likely to distrust government institutions and programs.

Is the problem of equity in budgets significant in terms of impact on the city, state, or nation? Increasingly so. Mostly, it's being recognized in large cities and counties, which have some of the highest levels of income and wealth inequities. However, in some cases, it's cast new light on levels of segregation—think of blue cities like Austin, Texas, coming to grips with recognizing their metro area was recently rated as one of the most segregated in the US. But these vanguard cities (most of them are liberal and progressive) are pushing for application of social equity assessments or audits across all their government departments as a first step.

The equity budgeting problem is also now evident in the Biden administration's first budget. On the 100th anniversary of the massacre of Black citizens in Tulsa, the president introduced new programs intended to reduce the long-standing racial wealth gap in America. A *New York Times* article (May 30, 2021), "Efforts to Advance Racial Equity Baked in Throughout Biden's Budget," however, pointed out aptly that these new programs fall well short of what equity budgeting might entail.

> And the budget itself does not try to quantify the effect of following the president's guidance to make decisions based on a sense of racial equity. There is no "equity" section of the budget. Aides did not send out fact sheets to reporters on Friday promoting the "equity spending" in the president's inaugural budget.
>
> (M. D. Shear, New York Times, May 30, 2021)

What Would Equity Budgeting Look Like as a Budget System Reform?

If equity is to be on the same level as the classic budgeting management principles (accountability, efficiency, effectiveness), then it needs to be integrated into the budget system. The simplest route is to modify performance results budgeting to incorporate a social equity and racial justice dimension as both an objective criterion for allocating resources and an outcome metric. The idea of having an equity section to the budget document would be useful, too, to increase transparency and show all the citizens where they are and what they are moving toward.

FINANCING PUBLIC EXPENDITURES

Taxation

Public revenues in the United States are gathered through a system of taxation that falls at each of the three primary governmental levels—federal, state, and local. These taxes are levied upon varying sources based upon many and numerous payment standards. These standards indicate the type of tax being paid and the parties who must pay them in an effort to equally distribute the burden to pay for government and services across citizen groups, such that no one group bears a heavier burden than the others.

The US tax revenue structure revolves around a myriad of taxes and payments that serve to ensure various public goods are perpetually funded. Whether the tax is levied at the federal, state, or local level determines the types of taxes included in the revenue structure. Likewise, the likelihood of a tax being progressive, regressive, or

proportional depends upon the design and structure of tax rates. Though some taxes are paid on multiple levels, others only apply at one level or another (Browning and Johnson, 1979). Within the US, public revenues are garnered through social insurance contributions, payroll and personal income taxes, sales and excise taxes, corporate income taxes, and estate/gift taxes on the national level. For states and local governments, the primary taxes and payments involved in the revenue structure are very similar to those involved in the national revenue structure. State and local revenues are gathered primarily through personal income taxes, corporate income taxes, social insurance contributions, sales taxes, and property taxes (Slemrod and Bakija, 1996).

Income Taxes, Sales Taxes, and Property Taxes

Income taxes are based upon earnings, and property taxes are a form of taxation that is based upon wealth or the value of a given asset. Sales taxes are consumption-based taxes that are levied on individual taxpayers as a result of a specific benefit received. The combination of these taxes helps to distribute the cost of government and public services across groups, such that everyone benefits and pays accordingly. By combining taxes, a more equitable distribution of tax burden is created in that people are called to pay for taxes based upon what they can afford to pay, and such that those who earn the same amounts and who have the same levels of wealth should pay the same amounts (Musgrave, 1994). This concept (called equity) is incomplete, however. By equally distributing tax burden, social and economic welfare can be maximized, making for the most favorable societal position. These concepts, along with tax revenue design structure, help to increase the likelihood and the overall implementation of a viable and effective tax system.

Progressive taxation is the formalized concept of ability to pay that dictates that the cost of paying for government is equally burdensome, applying equal economic "harm," amongst all payers. *Progressive taxes* are those in which the tax burden is a larger percentage of before-tax income at higher income levels. The concept of progressive taxation in the US began with the implementation of the formalized, federal income tax system (Slemrod and Bakija, 1996). In this system, income tax rates or income tax percentages increase as income increases. Under progressive tax systems, the average tax rate increases with income. The addition of the various, numerous other aspects of the tax revenue structure serves to equally distribute burden, but this structure/design can create a less than progressive system. By creating a tax revenue system that is reliant on a multitude of factors, the tax system may become more proportional, which is not necessarily the best design from a social equity standpoint. *Proportional taxes* (or flat taxes) are taxes in which the tax burden is the same percentage of before-tax income at all income levels, thus the average tax rate is the same at all income levels (Browning and Johnson, 1979). *Regressive taxes* are those in which lower-income taxpayers pay a higher proportion of their income on the tax, thereby paying a higher effective tax rate.

Individual income taxes in the US are the primary framework for generating public revenues at the federal level and, to a slightly lessor degree, state levels of government. Income taxes at the state and local levels are modeled after the federal income tax. Federal individual income tax payments are coordinated through the US Department of the Treasury's Internal Revenue Service (IRS) based upon an individual's adjusted gross income (AGI), which is the base for the calculation of the tax. The mission of the IRS is to "provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all" (Internal Revenue Service, 2001). This statement alludes to one of the primary positive aspects of the IRS

system, that of equal application of tax responsibility for all income earners. The IRS tax system designs tax liability around the income tax owed after tax exemptions (reductions to AGI based upon a given value for the individual taxpayer and dependents), deductions (reductions to AGI based upon a standard or itemized value), and exclusions or credits (which reduce overall tax owed) are applied (Slemrod and Bakija, 1996). The intent is that all wage earners are equally impacted by the allowable reductions in taxable income such that any earner with a particular set of personal circumstances is eligible for the same type and number of deductions, exemptions, and exclusions.

Sales taxes are the primary or largest public revenue source for most state governments. Nearly all states (all but Alaska, Delaware, Montana, New Hampshire, and Oregon) and the District of Columbia levy sales taxes. Additionally, local sales taxes are collected in 38 states (Cammenga, 2021). There are several different types of sales or consumption taxes. These include the following:

- general: taxes levied on the retail value or receipts for goods and services sold
- value-added: consumption taxes on the value added by producers and distributors throughout the production, distribution, and sales process
- selective: luxury—excise taxes on goods primarily consumed by wealthy individuals, and sumptuary—taxes that are levied to regulate or restrict the use of particular types of goods
- benefit-Based: excise taxes that are levied relative to the benefit received by consumption of the good

Not all goods and services are subject to sales taxes. Taxed goods are dependent upon the state or local government in question.

Property taxes are the largest public revenue source for local government. Property taxes are taxes levied on the value of anything that can be owned. Types of property include real property (or real estate, land, or land improvements) and personal property (tangible—as in items like cars, equipment, jewelry, etc., and intangible—as in items valued because they represent an ownership stake in something of value, like stocks and bonds). One distinguishing characteristic of property taxes is that the tax rate is determined during the budgetary process instead of by legislative action (Mikesell, 2003).

Principles of Taxation, "Ability-to-Pay" and "Benefits Received"

There are five primary principles that govern and measure the effectiveness of a public revenue source in terms of generating substantive revenues for the government in the provision of services to the society, community, or jurisdiction in which it operates. These principles help to measure the type of tax or revenue stream that will best serve the level of government in which it is employed (Lee et al., 2021). These principles are as follows:

- Adequacy of Revenue: This is the principle that is concerned with the overall level of revenue that a tax or public revenue choice will generate for the given government or jurisdiction levying the tax, whether a revenue source has the potential to grow; whether it is stable or volatile; or whether it concerns a good that is elastic (having substitutes exempt from the tax) or inelastic (one where the demand for the good does not respond to fluctuations in price).
- Equity: This principle is whether the cost of a revenue provision is uniformly applied to entities (individuals, households, businesses, etc.) with similar

social and/or economic characteristics (horizontal equity) such that those individuals have the same costs; and whether the cost of a revenue provision treats individual entities (individuals, households, businesses, etc.) differently based upon differences in their capacity to pay (vertical equity). Key elements related to the equity principle are ability to pay, benefits received, and the measurement of the effective tax rate (the tax paid by an individual entity or household divided by income).

- Economic Efficiency: This principle measures whether the tax creates incentives for taxed entities to change their behaviors to avoid the tax. Taxes that have a poor economic efficiency rating may jeopardize overall tax revenues due to disincentives of the tax.
- Administration: This principle is concerned with the cost of measuring or calculating the tax, applying it, and collecting tax revenues. If the cost is too high, then the tax revenue may not be sufficient or worthwhile.
- Political Feasibility: This principle measures whether a public revenue provision is likely to be adopted based upon the political climate in which it is presented. Items such as taxed entity or population to be taxed (tax base), tax rate, ability to pay, and benefit received all play into whether a provision is deemed politically feasible.

User Charges and Special Revenues

User charges are a form of revenue that is based on the benefit received from a good or service. This type of revenue is typically generated through the collection of fees paid for voluntary or optional services or activities or on the purchase of specialty types of goods (like licenses). Governments can levy fees on any type of service under the notion that the only individuals who pay those fees are those who do so voluntarily for the benefit of the good. Some examples of revenues generated through user charges include state and national park admission fees and toll road charges. Special revenues are revenues that are determined or established by a government to collect funds that must be used for a particular purpose. Special revenues and user charges are similar in that both measure or assume a specific or special benefit, with special revenues having a greater public purpose (Mushkin, 1972). Examples of special revenues include lottery and casino revenues, which are typically regulated by state governments with revenues earmarked for specific purposes.

THE PROBLEM OF DEBT

> A national debt, if it is not excessive, will be to us a national blessing.
>
> —Alexander Hamilton, April 30, 1781, Letter to Robert Morris

> No pecuniary consideration is more urgent than the regular redemption and discharge of the public debt: on none can delay be more injurious, or an economy of the time more valuable.
>
> —George Washington, 1793, Message to the House of Representatives

> I am one of those who do not believe that a national debt is a national blessing . . . It is calculated to raise around the administration a moneyed aristocracy dangerous to the liberties of the country.
>
> —Andrew Jackson, April 26, 1824, Letter to L.H. Colman

As discussed in the keynote of this chapter, the national debt is increasing in the United States and is a growing concern. The national debt (the total outstanding debt of the national government) has grown rapidly in recent years, but it has not always been as prominent a feature of the federal government. Though annual budget deficits do not equate to national debt, yearly deficits signal annual spending above revenue receipts and indicate growing levels of borrowing at the federal level. There is no balanced budget requirement (BBR)—a law that requires a government to balance its spending with its revenues annually at the federal level (Gruber, 2011). As such, the US federal government has been free to practice deficit spending at any time it has been deemed necessary, and the federal government has practiced deficit spending for nearly every fiscal year since 1931, even though there have been periods of surpluses (1947–1948, 1956–1957, 1960, and 1999–2000).

These deficits, over time, have resulted in mounting federal debt, as financing annual deficits is one of the overall causes of federal debt, along with war financing and microeconomic stabilization efforts (Mikesell, 2003). As detailed in the keynote, increasing debt and deficit spending has been utilized to address the most recent national economic crises, and these crises have demonstrated the willingness of federal administrations to utilize federal budgeting, including deficits and debt, for economic stabilization. Federal COVID-19 spending (by both the Trump and the Biden administrations) indicates how more and more common deficit spending that increases the national debt has become. One question that arises from these practices is, how often can the federal government do this; meaning is this type of action economically sustainable in the long run? Who is benefiting; who is paying the price tag?

Federal debt has grown steadily since the late 1960s, and publicly held debt represents a per capita cost of $80,885 in 2020 (Duffin, 2021). Per capita debt has also grown at the state and local levels, with per capita debt reaching $9,271 in 2019 (Csokasi, 2021). Governmental debt is defined by governmental borrowing to fund expenditure. Federal debt is distinguished or measured by gross debt (all outstanding federal debt) and publicly held debt (debt held by private investors). One critical distinction between debt at the federal level versus that at the state and local levels is the origin or causes of the debt. The causes of federal debt in the US being noted earlier, debt at the state and local levels is primarily the result of borrowing to finance capital assets. Expenditure for capital projects is defined by expenditure for infrastructure or long-term assets with useful values beyond a couple of years. Beyond capital expenses, there are additional reasons that state and local governments have gone into debt in recent practice. One key issue that has resulted in the growth of state and local debt over time is pension and other post-employment benefit (OPEB) financing.

State and local debt from pension and OPEB obligations has been a result of the growing amount of benefit payments due. Although most states have BBRs, many pension and post-employment benefit costs are unfunded, meaning funds to pay all obligated outlays have not been put aside to make those required payments. A part of this problem is the result of poor investment return forecasting (Lee et al., 2021). Public employees receive compensation packages that offer retirement benefits through pensions, but states have not been required to fully fund those pension and OPEB obligations. The practice of not fully funding pension and retirement obligations has led unfunded pension costs and unfunded retiree health costs to be the largest share of state long-term obligations for all but five states (Williams et al., 2020).

Fiscally Responsible Borrowing

To fund federal, state, and local debt, governments must rely on various funding methods. However, significant amounts of debt have been incurred over the last

FIGURE 12.8

State and local debt

Source: US Census Bureau (2021), adapted from "2019 State and Local Government Finance Historical Datasets and Tables," Census.gov

20 years in response to national and state/local catastrophes. One way that state and local governments have tried to mitigate and prevent growing debt is to introduce capital planning and budgeting. This process allows state and local governments to consider long-term borrowing in conjunction with the funding for those projects. Figure 12.8 contrasts short term vs. long term debt levels for state and local government.

A review of state and local debt shows that very little total outstanding debt is short-term. Generally, this is a good thing, as short-term debt is often used to finance short-term liquidity shortages. Long-term debt at the state and local level includes debt for capital projects (long-term asset/infrastructure projects). State and local governments typically utilize debt capital (municipal bonds) to finance debt. Municipal bonds are financial instruments whereby the issuer incurs a debt or obligation to repay the bond buyer, who lays a claim on future revenues or assets of the issuer (Lee et al., 2021). State and local governments utilize various types of bonds for specific project purposes. General obligation bonds are bonds that are backed by the full tax assets of the government issuing the bond. These bonds are generally considered low-risk bonds because the issuing government has pledged the full resources of the government to repay the bonds. Another type of common long-term bond is revenue bonds. Revenue bonds are typically considered more risky investments because they are reliant on the collection of the revenue that is pledged to repay them. Both types of bonds are considered favorable types of debt by rating agencies with higher credit rated public issuers incurring the lowest costs for bond issuances.

One strategy that has been employed in municipal borrowing is the usage of debt in state and local government management of pension and OPEB obligations for retirees. To address mounting pension and OPEB costs, some state and local governments have issued pension obligation bonds—taxable bonds utilized to help finance unfunded pension obligations. The prevailing professional association advice is mostly negative on the usage of additional long-term debt to finance pension and OPEB obligations. While it's not seen as a sound financial practice for state and local governments, in the current era of ultra-low interest rates, the attraction is very much there.

CASE STUDY Is This Any Way to Run a Budget?

At the end of 2018, the federal government established a new record for the longest shutdown in modern times. It wasn't a full shutdown of the entire government, as it only affected agencies that were under the seven unpassed appropriations bills. As congressional leaders tried to put together a short-term spending bill (called a continuing resolution), President Trump balked—rejecting any bipartisan short-term spending bill that did not have additional money to build a wall—or fence-like structure of some sort—along the border with Mexico. The president demanded that $5 billion in new funding be included in the Department of Homeland Security's budget, while the proposed funding for wall improvements and security modifications had been set at $1.2 billion.

What was at stake here with the president's demand for $5 billion out of a total federal budget of over $1.4 trillion? The irony—if that's the right word—is that the focus of the argument, $5 billion, was in budget terms, at best, "budget dust." Figure 12.9 shows the appropriations funding levels by category (using CBO's numbers).

Appropriations Bill	FY 2019 Funding
Defense	$674.4 billion
Energy-Water	$44.6 billion
Labor-HHS Education	$180.0 billion
Legislative Branch	$4.8 billion
Military Construction-VA	$98.1 billion
Subtotal, Full-Year Appropriations	**$1.002 trillion**
Agriculture	$23.4 billion
Commerce-Justice-Science	$63.5 billion
Financial Services	$23.0 billion
Homeland Security	$55.5 billion
Interior-Environment	$35.2 billion
State-Foreign Operations	$54.0 billion
Transportation-HUD	$70.0 billion
Subtotal, Subject to Shutdown	**$325.4 billion**

Source: Congressional Budget Office

FIGURE 12.9
Pre-shutdown appropriation funding status for FY 2019

Source: Committee for Responsible Budgeting 2018

Five billion dollars is 1.5% of the total funding then in question, and just 9% of Homeland Security's budget. The number is even smaller if one uses the difference between what was originally in the appropriation (over $1.2 billion) versus the over $5 billion the president wanted. But that's not a real comparison, because the amount being offered in December (before the outgoing House pushed through $5 billion in their bill) can't be used for a physical wall, which is the president's demand. Even if Homeland Security were to reduce its budget by 5% and try to create the needed $3 billion difference in savings to fund the president's wall, it could *not* reallocate the funding for that purpose without getting approval and a change in the appropriations

bill. Savings returned to the general fund are not rolled over and repurposed by the executive branch—that's the law in federal budgeting.

So without a funding extension, parts of the federal government were shutdown. This meant some 800,000 of the 2.1 million federal workers nationwide were sent home—and 420,000 "essential" employees, including Border Patrol agents and Transportation Security Administration officials, were required to work without pay, and another 380,000 were forced to take unpaid leave until some kind of funding arrangement was passed and signed by the president. When a shutdown happens, most federal employees are placed on unpaid furlough and later paid, retroactively, via legislation passed by Congress.

How does this happen, or perhaps, why did this happen?

CASE STUDY The Case Narrative—The Place (see Map below)

US–Mexico Border

Source: The Brookings Institution (2017)

During the 2016 primary campaign for president—candidate Trump made the statement that, if elected, he would "build the wall and make Mexico pay for it," a signature part of his campaign.

In January 2017, now President Trump signed an executive order proclaiming his policy to have the federal government start constructing a wall along the US–Mexico border using existing federal funding, primarily through the Department of Homeland Security's budget. (Mexico announced they would neither advance funds nor reimburse for wall construction efforts.)

(*continued*)

CASE STUDY *Continued*

On October 1, 2018, Congress had passed only 5 of the 12 appropriations bills needed for signature by the president before the fiscal year expired. When this happens (all too often), Congress puts together short-term funding extensions until agreements are reached and all the remaining appropriations bills are passed—usually in the form of one large omnibus appropriations bill. But this time, after two extensions were passed, Trump demanded that any further extension include $5.7 billion for his border wall.

On December 22, 2018, the partial shutdown began with nine federal departments and agencies closing, including the Federal Aviation Administration and the Environmental Protection Agency.

On January 4, 2019 (day 13 of the partial shutdown over border wall funding), President Trump threatened to declare a national emergency in an effort to use military funding to build the wall.

The House of Representatives came under Democratic Party control and noted its total opposition to any funding increase for new border wall construction.

On January 25, 2019, Congress passed and President Trump agreed to a continuing resolution for three weeks to end the shutdown temporarily. (Reports of walkout by air traffic controllers resulted in major delays along the East Coast, which prompted the breakthrough).

On February 15, 2019, President Trump declared a national emergency on the border with Mexico, stating that the flow of drugs, criminals, and illegal immigrants from Mexico constituted a profound threat to national security that justified unilateral action; in March, he charged the Defense Department and the Corps of Engineers to construct the wall.

On March 23, 2019, the omnibus spending bill with full funding for the agencies affected by the 218 shutdown was signed by the president. The Congressional Budget Office in a later report estimated that the shutdown cost the federal government $11 billion in additional expenses and startup costs (CBO, 2019).

In effect, the shutdown was over and the debate shifted to whether the president could use emergency powers to bypass the lack of congressional appropriations process and divert funding to the president's desires.

Reactions: Even the *Wall Street Journal* warned in an editorial, "Trump's Presidential Emergency—He probably has the legal authority, but it's still a bad precedent" (Wall Street Journal, 2019).

The Congressional Research Service had noted in a January report that while a court challenge would be expected, the courts had traditionally given the president wide latitude in the use of emergency powers, citing a statute that allows the defense secretary during a national emergency "to undertake military construction projects, not otherwise authorized by law that are necessary to support such use of the armed forces" (CRS, 2019). They also noted that members of Congress with a two-thirds vote could revoke an emergency declaration.

The Aftermath

On the first day of his inauguration, President Biden issued the following proclamation:

Proclamation on the Termination Of Emergency With Respect To The Southern Border Of The United States And Redirection Of Funds Diverted To Border Wall Construction

JANUARY 20, 2021
BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

Like every nation, the United States has a right and a duty to secure its borders and protect its people against threats. But building a massive wall that spans the entire southern border is not a serious policy solution. It is a waste of money that diverts attention from genuine threats to our homeland security. My Administration is committed to ensuring that the United States has a comprehensive and humane immigration system that operates consistently with our Nation's values. In furtherance of that commitment, I have determined that the declaration of a national emergency at our southern border in Proclamation 9844 of February 15, 2019 (Declaring a National Emergency Concerning the Southern Border of the United States), was unwarranted. It shall be the policy of my Administration that no more American taxpayer dollars be diverted to construct a border wall. I am also directing a careful review of all resources appropriated or redirected to construct a southern border wall.

As for reclaiming funding diverted by the Defense Department for border wall construction, the House of Representatives Appropriations Subcommittee noted in a report that the $9.9 billion from the Department of Defense to wall construction projects along the border with Mexico, very little of that money can be recovered. Rep. Betty McCollum (D-MN), chair of the House Defense Appropriations Subcommittee, told fellow committee members on Friday that "no money would be returned from those projects that received funding in 2019 and 2020" (Donnelly, Role Call 2021).

Case Discussion Questions

1. Do you think the Congress could do better in terms of passing its spending bills and submitting a budget if it did it every two years (create a biennial appropriations process) and use supplemental budgets for emergencies and unplanned problems?
2. Legislation has been proposed to deal with shutdowns by setting up an automatic continuing resolution should Congress fail to secure permanent government funding before the fiscal year deadline (the 2021 version is called the Prevent Government Shutdowns Act). How do you think this would work and is it a good idea?
3. Are there steps that could be taken to "change" the federal budget process so that shutdowns wouldn't occur? For example, California has a law that takes away the pay of state legislators if they don't pass the budget on time—could something like that make a difference?

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RECOMMENDED BOOKS

Lee, Robert, Ronald Johnson and Philip Joyce 2020 *Public Budgeting Systems,* 10th ed. Jones & Bartlett Learning. The standard text on managing governmental funds—especially for those interested in all the details of federal budgeting from formulation to auditing.

Miller, Girard (2019) *Enlightened Public Finance: Fiscal Literacy for Democrats, Independents, Millennials and Collegians*. Long regarded as one of the most knowledgeable experts on public pensions, a refreshingly candid and direct assessment of what we really know in budgeting and what we most need to know.

Rubin, Irene S. (2020) *The Politics of Public Budgeting: Growing and Spending Borrowing and Balancing*, 9th ed. Regarded as one of the best budgeting texts with a strong state and local government focus, this book just gets better with each edition in terms of readability and comprehensiveness.

Wildavsky, Aaron (1992) *The New Politics of the Budgetary Process*, 2nd ed. New York: HarperCollins. The last update of Wildavsky's *Politics of the Budgetary Process* (initially published in 1964); one of the most influential books in the history of public administration. The book has been continued under Naomi Caiden and is now in a fifth edition: *The New Politics of the Budgetary Process*, (Longman Classics of Political Science Series).

Willoughby, Katherine (2014) *Public Budgeting in Context: Structure, Law, Reform and Results*. While there are many excellent comparative budgeting books (George Guess and Lance LeLoup's *Comparative Public Budgeting*, for one), Willoughby's text book is a tour de force—she covers the budgeting of the United States as well as of six other nations (Italy, Australia, Brazil, Tanzania, Guatemala, and India) in depth and with acuity.

CHAPTER 13

Program Evaluation and Audit

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KEYNOTE: Florence Nightingale and the Art of Persuasion Through Graphic Presentation of Statistical Data

Historians, in assessing the impacts of war, often begin by counting the number of casualties among the combatants. The US Civil War (1860–1865) still ranks as the deadliest for Americans with over 1.5 million soldiers killed. Of that total, one-third died as a result of being wounded. Death rates at such levels, while a product of a different time in terms of medical treatment and conditions, are still considered appalling. In the Vietnam War a hundred years later with just under 60,000 US causalities, death from wounds was under 10%.

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Change came of course because of progress in medical treatment and advances in medicine. But evaluation also played a role, beginning with a nurse during the Crimean War of 1853 to 1856, fought by Great Britain, France, and Turkey (then the Ottoman Empire) against Russia.

Florence Nightingale (1820–1910) was considered by many to be the founder of modern nursing for her treatment of wounded British soldiers during the Crimean War of 1853–1856. While her Crimean experiences made her famous, she was no mere nurse. She was a preeminent hospital administer and social reformer. Nightingale's objection to personal vanity made her very reluctant to have her photograph taken or picture painted. So, the photo shown is a rare instance of her vanity prevailing.

Source: National Library of Medicine

Florence Nightingale, from a rich aristocratic family in England, was an unlikely candidate to become a nurse. Spurning marriage and over the objections of her family, she entered nursing for hospital work at a time where neither the nursing profession nor hospitals was regarded well—they were mostly filthy places for treatment of the poor. The Nightingale family, while totally opposed to her aspirations to be a nurse, was indirectly quite supportive of her eventual career, especially her father. While part of the landed gentry and a gentleman, meaning that he never had to work, he nevertheless became one of England's pioneering statisticians. Recognizing that his daughter had a receptive mind, he introduced her to statistical analysis.

This unusual competence for her time and her sex would be a critical factor in her future success, as was her father's introducing her to many of the most influential men in the realm, including the prime minister, who lived on down the road.

Less a Nurse Than a Hospital Administrator

But why nursing? First of all, every other profession was closed to her. In her day women could not aspire to be doctors, lawyers, or military officers. Nor did members of her class go into business. The women of her time who worked outside of the home were all in low-status, low-wage occupations such as textile mill workers, seamstresses, and governesses. Such drudgery was not for her. Nor was nursing, which offered a kind of morally uplifting drudgery.

She was thoroughly experienced in the work of a nurse, but this was merely an apprenticeship. The work she did that made her famous was not nursing but nursing and hospital administration. She advanced medicine not by tending to individual patients, though she did do so in passing, but by creating systems by which large numbers of patients would get better care than they did before her reforms. It is perhaps best to think of her as one of the first modern hospital administrators.

Florence's career really began with a nursing apprenticeship at a medical establishment, the Kaiserwerth Institute in Germany. After almost a year gaining experience on the continent, she returned to England. In 1853, the year the Crimean War started, she became the superintendent of the Institution for the Care of Sick Gentlewomen. This meant that by the time word of the terrible conditions in British army hospitals reached the British public, she was thoroughly experienced as a nursing and hospital administrator. And she was so socially acceptable to the upper classes that ran the government that she could be given a leadership position in alleviating the conditions of those soldiers who had been effectively dumped at an immense but old and filthy Turkish army barracks in Scutari, a suburb of Constantinople. Because the war was fought in the part of Russia that bordered on the Black Sea (the Crimea), the wounded and sick were simply and quickly shipped across the sea to Turkey, Britain's ally in the war.

Conditions were appalling. Those who did not die on the "middle passage" between Sebastopol and Scutari arrived at a hospital complex that had four miles of corridors but hardly any of the supplies that make such a place a fount of healing. The place was so filthy, vile, and infectious that far more were dying from their unfortunate living conditions than from their wounds. The situation was a scandal of enormous proportions made all the more notorious by the publicity created by the first modern war correspondents. The secretary of state for war, Sidney Herbert (1810–1861), because of his social connection to her, wrote to Florence to ask if she would lead a nursing mission to Turkey. Within a week, Florence and a team of 38 nurses, along with a ship full of supplies were sailing off to Turkey.

Upon arrival, the legend begins. At first the Army officers in charge of the immense barracks hospital were disdainful of her and her cadre. But since they were civilians there at the behest of the secretary of state for war, they were tolerated. But the men soon learnt to revere them. The nurses had brought with them the basic elements of hygiene, from clean sheets to toothbrushes. "What use does a soldier have with a toothbrush?" complained the commanding officer.

The nurses couldn't do much medically for the men, but the patients were cleaned up and given a much-improved diet since Florence had sufficient funds to buy more nutritious food. Florence and her nurses were empowered because they did not need supplies, food, or money from the officers in charge of the hospital. They had brought their supplies with them and had ample funds to buy food and whatever else they needed from local sources. Thus, the nurses succeeded in radically improving the well-being and morale of the suffering soldiers, most of whom were sick, not from battle wounds, but from preventable diseases! The reports of the war correspondents supplemented by letters written home by ordinary soldiers as well as officers sang her praises.

A New Mode of Presentation

But our interest is not her reputation or the good works she did, but with what she did afterwards when she returned to England. What she did for our purposes was to write a program evaluation of the events at the hospital and summarize these events in a way that had never been done before. Her summary, a 1,000-page report submitted to the British Parliament, was radical in two different ways. First, it was a legitimate report written by a woman. While she could not do so openly, she ghosted it for the secretary of state for war, who submitted it as if it had been his work. However, it was hardly a state secret who the real author was. But the report was radical not only in its recommendations to clean up the hospital, provide adequate supplies, ventilation, and nursing, but also in its mode of presentation.

Knowing that members of Parliament (then as well as now) were disinclined to read a lengthy report, she summarized her findings with an innovative diagram, a kind of pie chart with the slices of the pie being of different sizes, that she called the rose diagram. Each petal or slice of pie illustrated monthly death rates by cause. As conditions improved over time, the death rates descended and the petals or slices got progressively smaller. Thus, at a glance, policy makers (the members of Parliament) could see what lifesavers the proposed reforms had been at Scutari and could be throughout the British Empire; after all, the diagram clearly showed their effectiveness during the war. What her "evaluation" via her presentation proved was that epidemic disease was responsible for more British deaths in the course of the Crimean War than battlefield wounds, and they could be controlled by a variety of factors including nutrition, ventilation, and shelter.

Nightingale was not the first person to use graphic images to illustrate data. Pie charts and bar graphs, for example, had been around for decades. Statistical graphics, as this field is known today, traces back to the work of Scottish engineer and political economist William Playfair, who in 1785 published two versions of a volume: *The Commercial and Political Atlas; Representing, by Means of Stained Copper-Plate Charts, the Exports, Imports, and General Trade of England, at a Single View which contained the bar and line graphs*. But she was one of the first to use such illustrations for political effect—to specifically influence and change public policy.

The following is her famous rose diagram.

Source: David Rumsey Historical Map Collection

She is the great unsung pioneer of program evaluation: the systematic assessment of the effectiveness of a program, project, or procedure after it has been completed. This information is then fed back into the decisional or legislative process so that revisions and improvements can be made. This is exactly what her report and its famous illustration sought to do. Even before she arrived at the theater of war, she was insisting that the progress of patients be charted and that statistics be created and analyzed to understand the effectiveness of medical treatment. Her father, the famous statistician, had taught her well.

Everything that could be counted would be counted; then, analyses would be made and conclusions could be drawn. This was literally her dogma. As she said, "To understand God's thoughts we must study statistics, for these are the measure of His purpose." Her knowledge of statistics taught to her by her father, and her lifelong penchant for counting data points now applied to hospitals, gave her the ingredients for a potent recipe of policy analysis that she fed to policy makers with digestible illustrations.

In 1858, Nightingale became the first woman to be elected to the Royal Statistical Society, a tribute to her pioneering efforts in making quantitative data more visually appealing and easily understandable, even by members of a legislature!

In 1858, nurse Florence Nightingale published *Notes on Matters Affecting the Health, Efficiency, and Hospital Administration of the British Army. Founded Chiefly on the Experience of the Late War. Presented by Request to the Secretary of State for War*.

In January 1859, Nightingale more officially published and distributed *A Contribution to the officially Sanitary History of the British Army During the Late War with Russia* (www.rct.uk/collection/1075240/notes-on-matters-affecting-the-health-efficiency-and-hospital-administration-of).

EVALUATION IN PUBLIC ADMINISTRATION

> All social institutions or subsystems, whether medical, educational, religious economic, or political are required to provide proof of their legitimacy and effectiveness in order to justify societies continued support. Both the demand for and the title of acceptable proof will depend largely upon the nature of the relationship between the social institution and the public. In general balance will be struck between faith in fact, reflecting the degree of man's respect for authority and tradition within the particular system versus his scepticism and desire tangible "proofs of work."
>
> —Edward Suchman, Evaluative Research, 1967, p. 2

Edward Suchman's landmark book was and remains the first benchmark for the emerging field of study coming out of sociology and social research being called evaluation research. Coming at a time of great social policy innovation emanating from the Johnson administration's Great Society programs, it shows evaluation at a critical juncture in development from trial-and-error experiments to professional practice to principle to body of knowledge and field of study. While evaluation wasn't totally developed, it had reached a point where there was consensus on what the field entailed and its significance. Evaluation research meant that it could include a number of applicable methodologies and quantitative techniques for either operationalized research or ongoing program assessment evaluations. In fact, it could be applied for future policy decisions or past reviews of program impacts. Suchman's work also pointed out that the political dimension of evaluation and social program affects could not be ignored. Indeed, this was one of the most significant contributions—ensuring that recognition is given to the complexities of the evaluation problem in its inherent political and economic dimensions.

Of all the subsets of the field of public administration, evaluation may well be the most distinct, having come to represent a somewhat unique blend of rigorous, quantitative methodology and process while at the same time paying careful heed to the political realities of its environment. The question should be asked—why is it so different from other administrative processes? One explanation may be that the newest subfield of public administration has subsumed the lessons learned by other more established fields in terms of recognizing both the political and technical environments. Another possibility is that evaluation has regarded its relationship with and indeed dependence on other disciplines as essential to its development and has consequently built upon them. Government's insistence on ensuring compliance and pursuing efficiency first—as reflected in the development of planning budgeting and even human resources management—made it a late entry into assessing social effectiveness and equity, which were well developed in social work, public health, and especially education. As evaluation came into prominence in the 1960s and 70s, relationships with other fields such as educational psychology, sociology, economics, and other social sciences were viewed as instrumental in assessing different aspects of public policy and applying some of the same approaches in program reviews.

Still, it's important to see evaluation as the larger domain that encompasses program and policy evaluation, auditing, and other forms of assessment—past, present, and future. Then one can separate some of the subfields. The terms *policy analysis* and **program evaluation** are often used interchangeably, but they do mean different things. A policy analysis is a set of techniques that seeks to answer the

question of what the probable effects of a policy will be before they actually occur. A policy analysis undertaken on a program that is already under way is more properly called a program evaluation. Nevertheless, the term is used by many to refer to both before- and after-the-fact analyses of public policies.

A program evaluation is the systematic examination of any activity or group of activities undertaken by government to make a determination about their effects, both short and long range. It is distinct and above what are termed management evaluations. Management evaluation (sometimes called organization evaluation) is generally limited to a program's internal administrative procedures. While program evaluations use management and organizational data, the main thrust of program evaluation focuses first on overall program objectives, program implementation, and then actual impacts.

Last (though actually first in terms of historical origins) is auditing. Because there are separate legislative judicial and executive branches of government, evaluation is also intimately linked to the principal of accountability. Public administrators are held accountable for their actions or their programs, which is the unit of management used to operate in. Public administrators must in a variety of forms give an account of what they have done and justify their actions. This mode of accountability transcends simply keeping correct books on financial outlays and taxpayer revenues. But as E.L. Normanton noted in his 1966 pioneering work, *The Accountability and Audit of Governments*, the concern goes beyond the proper conduct of financial transactions to an administrator's responsibility to perform with reasonable prudence and wisdom and even the duty to be reasonably efficient.

Program Evaluation as an Administrative Process

Evaluation, whether formal or informal, is a process by which programs are adjudicated. While often performed or contracted for by the administrators themselves, greater weight is frequently given to evaluations conducted by outsiders—individuals or groups that can claim the shroud of objectivity. Invariably, the central problem and one of the most pertinent questions with all evaluation is who should do it and how it should be used.

What makes program evaluation more distinct in its development within public administration is its retrospective nature. Orville Poland—who once argued in a *Public Administration Review* article that POSDCORB (Chapter 7), Gulick's pseudonym for the major functions of management, should be amended to have an "E" for "evaluation" on the end—summed up program evaluation this way. "Program evaluation looks to the past to provide a guide to the future. It asks questions of how well is the program been administered to achieve its objectives? To what extent is it worth doing? Has it done well and at what costs?" (Poland, 1979, p. 4). These questions cut to the heart of what program evaluation is.

Historically, modern program evaluation grew out of the planning programming budgeting systems and policy analysis techniques in the 1960s. The PPBS emphasizes four basic steps that are essential for sophisticated program evaluations:

- define the objectives of the program in clear (and measurable) terms
- determine where budget funds were being expended and human capital allocated
- define alternative policies for the future and collect all possible data
- set up a systematic procedure for bringing together all the data necessary for a proper decision

What was somewhat unique about the PPBS was that it provided three different frames of reference using evaluation. First were multiyear forecasts of budget needs to support current programs going forward. Second were the program memoranda for each major program that stated the objectives, metrics, and budget allocation needs. But the third component—what were called special analytical studies (SAS)—were modern program evaluation studies, not of everything in the proposed budget but limited to select studies that would assess what was being produced, at what cost, and with what effectiveness and would gauge change options. David Novick of the Rand Corporation and generally credited as the inventor of PPBS at the Defense Department always considered these SASs as the first real prototypes for program evaluation reviews that would then be applied across the board when President Johnson ordered PPBS to be used for domestic programs.

As government programs expanded and new programs were initiated in the 1960s, program evaluations increasingly came into prominence. There were even requirements set for programs that were financed in part by grants that a set percentage of the budget (usually 5%) be reserved to pay for program evaluation studies or reviews. By the beginning of the 1970s, it was generally conceded that many of the Great Society programs initiated during the Johnson administration were not working nearly as well as had been originally hoped. So as the field of program evaluation gained increasing prominence, it was also subjecting these new innovative and ambitious social programs to increasing criticism.

One might argue that it was making evaluation a paradox as an administrative process. Evaluation seems totally logical. After all, what organization would not want to possess information that essentially tells where it is on its chosen path? Yet many organizations came to resist evaluations, and even detest them. Aaron Wildavsky, in his 1972 *Public Administration Review* article "The Self-Evaluating Organization," provided an insightful discussion about the difficulties of evaluating public programs in a dynamic political environment. Wildavsky wrote,

> [the] ideal organization would be self-evaluating. It would continuously monitor its own activities so as to determine whether it was meeting its goals or even whether these goals should continue to prevail. When evaluation suggested that a change in goals or programs to achieve them was desirable, these proposals would be taken seriously by top decision makers. They would institute the necessary changes.
>
> (Wildavsky, 1972, p. 509)

But the problem with evaluation, according to Wildavsky, was that no matter how compelling the case for change, change was precisely what evaluation emphasized most and organizations abhorred most. Most public managers, he argued, are hard-pressed to cope with day-to-day operational demands, so they strive for stability—not constant reorder and reformulation. The costs of change had to be borne, too, and evaluation seldom considered this. Finally, since the most politically feasible organizational strategies would be ones that minimized disruption, managers would tend to resist or ignore evaluation. Wildavsky's arguments notwithstanding, evaluation has persevered. In fact, the same politics that led to resistance also led to using evaluation for political ends.

BOX 13.1 The Political Goals of Evaluation

Carol H. Weiss, whose work in evaluation is a standard, lists these four "less legitimate"—meaning wholly political in the worst sense of the word—reasons for evaluation:

1. *Postponement*: The decision makers may be looking for ways to delay a decision. Instead of resorting to the usual ploy of appointing a committee and waiting for its report, they can commission an evaluation study, which takes even longer.
2. *Ducking responsibility*: Sometimes one faction in the program organization is espousing one course of action and another faction is opposing it. The administrators look to evaluation to get them off the hook by producing dispassionate evidence that will make the decision for them. There are cases in which administrators know what the decision will be even before they call in the evaluators, but they want to cloak it in the legitimate trappings of research.
3. *Public relations*: Occasionally, evaluation is seen as a way of self-glorification. Administrators believe that they have a highly successful program and look for a way to make it visible. A good study will fill the bill. Copies of the report, favorable of course, can be sent to boards of trustees, members of legislative committees, executives of philanthropic foundations who give large sums to successful programs, and other influential people. The program administrators' motives are not, of course, necessarily crooked or selfish. Often, there is a need to justify the program to the people who pay the bills, and they are seeking support for a concept and a project in which they believe. Generating support for existing programs is a common motive for embarking on evaluation.
4. *Fulfilling grant requirements*: Increasingly, the decision to evaluate stems from sources outside the program. Many federal grants for demonstration projects and innovative programs are tagged with an evaluation requirement—for example, all projects for disadvantaged pupils funded under Title I of the Elementary and Secondary Education Act are required to be evaluated. To the operators of a project, the demands of starting up and running the new program take priority. Plagued as they often are by immediate problems of staffing, budgets, logistics, community relations, and all the other trials of pioneers, they tend to neglect the evaluation. They see it mainly as a ritual designed to placate the funding bodies, without any real usefulness to them.

Weiss, Carol H. (1972) *Evaluation Research*. Englewood Cliffs, NJ: Prentice Hall.

Program Evaluation in a Federal System of Governance

As part of a federal system of governance, evaluation of public programs and policies in the US takes place at all levels of government across the executive and legislative branches, and even the judiciary. This diversity of origin and of course political perspective and control make it harder to generalize about evaluation. Still, while there are many more "evaluators" now, and some have changed their names and expanded the scope and scale of their efforts and their evaluation processes, the structural framework for US evaluation survives. A good example of the increase in just the number of participants doing evaluation would be the dramatic expansion in federal inspector generals. While the US military has a long tradition of having an inspector general (IG) to do evaluation reviews and investigations, the first domestic agency IGs weren't created until the late 1970s under the Inspector General Act of 1978.

But from there—where just 12 IGs had been created for each cabinet agency, the number of IGs has grown to 73. About half of the IGs at the federal level must

be nominated by the president; the others are appointed by their agency. In 2008, a reform act was passed that even created an oversight body for the IGs—the Council of the Inspectors General on Integrity and Efficiency. The range of evaluation work is broad, but most evaluations deal with reviewing internal management and program matters. An interesting outlier is the US Postal Service inspector general. Go to the office's website and one finds over 2,500 documents and counting, from audits of a specific post office site's operations to current perceptions by the public of customer service. The range of "evaluation" reports includes audit reports, congressional testimonies, semi-annual reports to Congress, white papers, and OIG briefs.

But even with inspector generals—a seemingly straightforward source for program evaluations—the political dimension is a factor. As an example, the Trump administration garnered headlines for firing inspector generals in several federal agencies in 2020. The headlines ran like this:

> In a span of six weeks, Mr. Trump has removed five officials from posts leading their respective agencies' inspector general offices, three of whom were working in an acting capacity. The president's moves have prompted scrutiny and criticism from congressional Democrats, who accuse Mr. Trump of hollowing independent inspector general offices and retaliating against those that have exposed wrongdoing or missteps by his administration.
>
> (CBS News, May 19, 2020, www.cbsnews.com/news/trump-inspectors-general-internal-watchdogs-fired-list/)

Technically, only two were actually fired outright (the three in acting positions were "demoted" back to their prior jobs). Despite the charges that these removals were aimed at ending ongoing investigations of political activity by the Trump administration, this was within the president's powers. As a 2021 review by the CRS noted:

> In 2020, the level of independence that IGs possess received significant public and congressional attention after President Donald Trump removed or replaced two permanent and two acting IGs in the span of two months. Although IGs are independent and objective units, they are not completely insulated from executive branch influence. Under the Inspector General Act of 1978 (IG Act), IGs are appointed, supervised, and removed by either the President or agency leadership.
>
> (CRS, 2021, p. 1, emphasis added)

While it might be appropriate to think that IGs could only be removed from their positions for cause, that is not the case. Executive branch internal evaluation politics allows the executive to designate who does the evaluation. In this sense, Trump's dismissals weren't that different than President Biden's firing of the Social Security commissioner. In 2021, Biden fired the Trump appointee whose term of office didn't expire until 2025 and who refused to resign when asked by the White House.

Table 13.1 illustrates the plethora of evaluation "agents"—comparing legislative and executive evaluation agents in terms of their proximity to the programs. This latter dimension, whether the evaluation is best done by an internal unit inside the organization or by an entity outside the agency's boundary (and influence), has been debated since Carol Weiss framed the choice in her 1972 work *Evaluation Research*. Weiss's five criteria for choosing an inside vs outside evaluator were: (a) administrative confidence, (b) objectivity, (c) program understanding, (d) potential for implementing the results, and (e) autonomy.

TABLE 13.1

A Topology of Evaluation Organizations in the US Federal System* (Select Examples)

Branch of Government by Proximity to Operations	Internal Examples	"Borderline"	External Examples
Legislative	Authorization or Appropriation Committee Staff Reviews	Congressional Budget Office Legislative Budget Review Unit (States) Sunset Review Commission/Staff Unit (Texas)	Government Accountability Office (Federal) State Legislative Evaluation Commission or Unit (State)
Executive	Agency Program Evaluation Unit or Division, or Unit Within the Agency Budget Office Comptroller Office	Inspector Generals Ombudsperson Chartered Citizen Accountability Group	Central Budget Office (Office of Management and Budget—Federal) Comptroller Ad Hoc Commissions Contracted Financial Auditor
Judiciary	Designated Grand Jury to Review Public Programs (Local government)		Contracted Consultant or Certified Financial Auditor

*There are comparable evaluation units in US local governments, especially in larger counties, cities, and special districts, that are not included in this table.

Of course, the annual government budgeting process engages a number of participants in forms of evaluation, but evaluation became broader and more robust throughout government under the leadership of the GAO. Under the leadership of Elmer Staats, the GAO helped elevate the general quality and value of program evaluation by setting evaluation standards and working actively to professionalize program evaluation as part of the expanded scope of auditing. When this prominent evaluative body changed its name in 2004 from the General Accounting Office to Government Accountability Office, it was simply restating what was common knowledge—evaluation of course includes auditing and budgeting, but it is also so much more. The table aligns some of the primary traditional evaluation units found in federal and state governments with other more ad hoc and specially charted evaluation efforts.

One note should be added regarding the judicial branch. The courts in the US have increasingly come to play more direct roles in public management as they have, on occasion, taken over school systems and other government departments in various forms of distress. But in addition to their commissioning evaluations, just as the executive branch does, there are other interesting variations of judicial evaluation. A good example of this type of program evaluation is in the case study in Chapter 7, in which a grand jury played an important though not successful role in rethinking the administrative management structure of Los Angeles County.

Many state governments initiated legislative evaluation commissions based on the GAO idea. Some state legislatures—most notably Hawaii, Wisconsin, and

Michigan—have organized separate program evaluation staffs similar to the GAO. Another format exists whereby the evaluation function is located in a discrete committee that is linked to the several appropriations committees. Connecticut and North Carolina offer examples of this, although North Carolina recently terminated their evaluation body (see Box 13.2 "Another Death in the Evaluation Family").

Another method used by state legislatures is that of the legislative commission. New York's Legislative Commission on Expenditure Review pioneered this concept, whereby a separate program evaluation staff, under an executive director, reports to the joint leadership of the legislature. The commission was abolished in 1992 as a result of the state's fiscal crisis. New Jersey, Illinois, and Virginia still use variations of this theme. A variation of the Legislation Commission with a staff group has also been established in states whose legislatures conduct "sunset reviews"—evaluations that are tied to necessary legislation to reauthorize agencies or agency administrative rules.

BOX 13.2 Another Death in the Evaluation Family

Katherine Barrett and Richard Greene reported the following in their April 16, 2021, column in *Route 50*

"A Troubling Trend: Independent State Program Evaluation Under Attack"

Without a vote, the legislative leadership in North Carolina closed the state's program evaluation division. Experts say the growing power of legislative leaders presents an accelerating danger for transparent, publicly available evaluation.

> If you visit the North Carolina Program Evaluation Division website you'll find a terse message saying that the unit has been disbanded and its work plan suspended. . . .
>
> With bipartisan support, it covered issues suggested by legislators and approved by the Joint Legislative Program Evaluation Oversight Committee. Ironically, the North Carolina evaluation division and John Turcotte, its director until his retirement in September 2020, were the subjects of a laudatory article in the January issue of State Legislatures, the magazine of the National Conference of State Legislatures. That came out just a month before the division was obliterated.
>
> Division studies in 2020 included ways to ease access to occupational licenses for military veterans and spouses, options for reorganizing adult correction and juvenile justice, and the improvements needed in the oversight of Housing Finance Agency Funds and Expenditures. According to a December 2020 report, four of its fiscal year 2020 reports resulted in legislative change. Six others resulted in bills that were endorsed by the oversight committee but did not pass.
>
> The division's closure received very little press attention in the state or elsewhere. The decision was made suddenly and quietly in mid-February, and did not come from a legislative vote, which would have drawn attention. Instead, the action was taken by legislative leadership, which chose not to appoint a new evaluation oversight committee, necessary to conduct or discuss any new business. The 14-person division staff was given only two weeks' notice, though some of the employees were subsequently rehired in other positions.
>
> As reported by the Associated Press, legislative leaders planned to explore new methods of providing oversight that were timelier and more efficient. A spokesperson for North Carolina House Speaker Tim Moore said it would be preferable for the state to replace the division with joint House-Senate panels with "the authority to compel timely and comprehensive answers from public agencies."
>
> . . . A list of organizations that were shuttered in the past, includes the New York Legislative Commission on Expenditure Review, the Commission on Government Accountability in Florida, the Oregon Progress Board and the Kentucky Long-Term Policy Research Center.

Our own comment would be simply that, in this case, it would have been appropriate if someone had at least done an evaluation.

Legislative Evaluation and Sunset Laws

In 1976, Colorado, after a major lobbying effort by Common Cause, would become the first state to enact a sunset law—the requirement that government agencies and programs have termination dates. Texas followed suit the next year when it set up the Sunset Advisory Commission—a 12-member legislative body that reviews the policies and programs of more than 130 government agencies every 12 years. By the 1980s, a total of 35 states enacted general sunset laws requiring regular review and reauthorization of government agencies and programs.

What does a sunset review entail in terms of evaluation? Using Colorado as an example, the Colorado General Assembly sets specific dates that a particular agency, board, or function of government will terminate unless the legislature passes new legislation to continue. So, the "sun sets" on that part of government (agency, board, or unit) if it is not reauthorized. In Colorado, a sunset review will generally question the need for regulation to protect the public. If regulation is determined to be needed, the sunset review will look for the least restrictive level of regulation consistent with the public interest.

While the states that have sunset laws enact them in different ways, the evaluation standards follow a common pattern. Washington State's sunset criteria illustrate. The evaluation is to determine if the agency:

- has complied with legislative intent
- is operating in an efficient and economical manner, with adequate cost controls in place
- is reaching expected performance goals and targets
- is undertaking activities duplicated by another entity or the private sector.

However, in Washington's case, the sunset review is also used to examine the possible impact of the termination or the modification of the entity. Sunset review has also been extended to administrative rules and regulations, as opposed to the whole governmental agency. As of September 2020, 11 states include sunset provisions for most administrative rules and another two have sunset provisions that kick in under certain circumstances. Thus, some states set time limits for administrative rules that require new agency action if an agency wants a rule to remain in effect.

A 2015 review by researchers at George Mason University found that, for the most part, sunset provisions have not lived up to reformers' expectations. In some states, larger agencies and essential services agencies were excused from the process. Some states have since repealed their sunset laws or substantially amended them. Overall, they found that few agencies were terminated, with agency renewal being the norm under these sunset provisions. Moreover, they noted that, by the early 1980s, it was widely recognized that the burden of proof had shifted from the agencies undergoing sunset review to the staff conducting it (Baugus and Feler, 2015).

These findings, it should be noted, don't include Texas, which claims in its self-evaluation reports,

> Since 1977, changes enacted through Sunset reviews have abolished 41 agencies, consolidated another 51, and had an estimated positive fiscal impact of $1 billion, returning $19 for every $1 spent on Sunset. The Legislature typically passes about 80 percent of the Sunset Commission's recommendations, positively affecting every area of state government through 551 reviews.
>
> (State of Texas, 2021)

Several unsuccessful attempts were made during the 1990s to pass a general federal sunset law requiring congressional reauthorization of federal programs every 10 years. Hope springs eternal—on January 4, 2021, Representative Richard Hudson (R-NC) introduced **H.R. 111**:

> To provide for the periodic review of the efficiency and public need for Federal agencies, to establish a commission for the purpose of reviewing the efficiency and public need of such agencies, and to provide for the abolishment of agencies for which a public need does not exist.

TYPES OF EVALUATION AND CRITERIA

There are many types of program evaluation and many perspectives from which it can be undertaken. For example, an *ex ante facto* evaluation, such as an environmental effects statement, might seek to assess the impacts and outcomes of a program before that program is implemented; should the outcomes or impacts identified prove problematic, such a study may lead to a program being aborted, or at least significantly modified. A process evaluation may examine aspects of a program's operations while they are in place, and its results may be absorbed directly into the organization's management processes. An *ex post facto* evaluation, post-mortem, or debriefing looks at a program or operation after it has been completed, and it has particular relevance when the nature of an activity is iterative, like dealing with a forest fire emergency or a public health catastrophe. Such studies seek to establish the changes to policy, infrastructure, or operations that would allow a similar circumstance to have more positive results when it next occurred.

Perspectives in program evaluation also vary according to the discipline or paradigm from which they are conducted. Managers will usually think in terms of managerial issues and effects and look at the nature and appropriateness of objectives and the efficiency and effectiveness with which objectives were pursued. Lawyers may stress issues such as authority, compliance, due process, and culpability in examining an issue. A political analysis may look at issues of representation and accountability. Racial justice advocates would look for patterns of systemic discrimination and unfair treatment. Clearly, the purpose of undertaking the evaluation needs to determine the kind of evaluation to be adopted and the skills required in the evaluation team. Other decisions will include the type of supporting data and research to be used (and the provision of a budget to fund it); the extent to which there will be public hearings or consultations as part of the evaluative process; and whether there are hidden agendas to continue, terminate, or transform the program.

The zealous evaluator has one cardinal principle: everything is evaluable. There are no exceptions. However, many a public manager, while agreeing that most programs can be evaluated, will also argue that there are plenty of exceptions. In actuality, it is more a question of degree. Some programs have a high degree of "goal ambiguity"—a quality that can greatly inhibit evaluation. The public sector, because it tends to provide services rather than produce products, has always had more difficulty in defining its output—in measuring its goals. Further complicating matters is the fact that the different functions of government invariably involve different types of evaluation measurement. In evaluating highways, we can focus on accidents, injuries, and fatality rates, which seemingly represent hard data; but the "data" quickly become soft once we move to such functions as mental health for the homeless, services for the elderly, education for different categories of students, and training programs for the unemployed.

Evaluation Criteria and Standards

Generally speaking, evaluations refer to standards against which a program can be evaluated. Traditionally, this meant: (1) compliance, (2) efficiency, and (3) effectiveness/relevance. But now equity has been added as a fourth dimension. Each of these standards includes fundamental questions that should be asked of any program.

The first level or category of questions, compliance, essentially asks an auditing question: are government business transactions being conducted in accordance with the enabling law and promulgated rules and regulations? This can be broken down into more specific questions:

1. Were all financial transactions involving the acquisition and expenditure of resources consistent with legislative and administrative authorization/regulation?
2. Are financial records and statements rendered in accord with prescribed accounting standards?
3. Are they accurate and free from fraud?
4. Are government transactions in compliance with the privacy rights of service recipients?

Most evaluations for ensuring compliance on a regular basis are performed by various audit and control units. But compliance can also be a core aspect of a program evaluation. As an example, some states have established a crime victim's compensation program to assist those who have suffered economic hardship as a result of a crime. A compliance review would not only establish that victims' grants were financially correct and paid on time, but also that the program outreach and application process was complying with its obligation to notify victims that the program existed and was providing assistance with the application process.

Questions of efficiency, the second level, revolve around the use of resources and productivity. They ask, are government agencies getting optimum productivity out of the resources that they expend? More specific questions can be asked:

1. Is staffing and capital adequate and appropriate for the work levels needed?
2. Are employees adequately qualified and correctly assigned to perform their tasks?
3. Are service processes designed for efficient application with appropriate technology?
4. Are program resources being used correctly and waste avoided?

Efficiency evaluation can also be readily used for comparative analysis: pitting various units, regions, or similar organizations against each other to ascertain who is more efficient and, conversely, who is less so. However, efficiency can be more complicated than simply looking at field unit rates in terms who is most efficient. The Social Security Administration, which has always measured its operational efficiency carefully, takes into account the location of field offices (inner cities vs suburbs vs rural areas), the qualifications of its staff across regions, and other cultural differences that matter.

The third level of evaluation concerns effectiveness. Initially, effectiveness was a test linked to program objectives. A program goal—such as reducing homelessness—would see effectiveness as how much of the program goal was being reached. But effectiveness evaluation has become much broader in that it encompasses criteria about alleviating the larger problem. Homelessness provides a good example. Some

cities have established that their homeless programs are indeed providing shelters and temporary housing for those who seek shelter from the city. But the cities then found that 80% of their program resources were being consumed by only 20% of the homeless population. Essentially, their program was effective helping those who sought help but not at all effective in reducing the problem overall.

Thus, questions of effectiveness are usually posed as the following—is the expenditure of government resources for a specific purpose contributing sufficiently to the achievement of that purpose? Now, the question has a second part—is the program with its specific purpose contributing to the reduction of the problem for which it designed to address?

These two general questions can then in turn be subdivided into more:

1. Are the various purposes involved in a program compatible and comprehensive?
2. How much effect has the program had in meeting its outcome objectives and how much has this outcome impacted the larger problem?
3. Could the commitment of additional resources to the program have brought about significantly greater advances toward the objectives?
4. To what extent is the program addressing a "wicked" problem and potentially creating a new set of problems?

Alongside the recognition of social equity and racial justice as a critical imperative for public administration, social equity constitutes a fourth level or standard for evaluation. In one sense, it could be argued that effectiveness—especially as it had broadened in outlook over the past two decades—can encompass social equity and racial justice. If a government entity seeks to address homelessness, isn't that addressing social equity? "Yes and no" is not meant as a clever answer. Homelessness is a huge societal problem affecting several different categories of individuals—from the poor to veterans to runaway youth. But from an evaluation perspective, adding equity as a fourth level or standard for assessment assures that the review will include both what the problem is and the how it can be addressed.

As an illustration, the City of San Antonio has been one of the first to develop an equity assessment tool as part of their budget review process. Here's their definition of equity:

> Equity means that the City's policy-making, service delivery, and distribution of resources account for the different histories, challenges, and needs of the residents in San Antonio. Racial equity means eliminating racial disparities so that race can no longer be used to predict success, and increasing the success of all communities. Cities are equitable when all residents—regardless of their race/ethnicity, nativity, gender, income, or other characteristics—are fully able to participate in the city's economic vitality, contribute to the region's readiness for the future, and connect to the region's assets and resources.
>
> (City of San Antonio Office of Equity, 2021, p. 1)

So, would this entail incorporating equity into program evaluation as a standard? Perhaps trees provide a useful closing illustration. In an evaluation done by the conservation nonprofit American Forests, scores are created to compare how much tree cover different city neighborhoods have in the US. The primary finding won't be surprising: "Neighborhoods with a majority of people of color have, on average, 33% less tree canopy than majority-white communities—The poorest

neighborhoods, where 90% of residents live in poverty, have 41% less coverage than the wealthiest ones" (Poon, 2021).

To conduct an evaluation, city data would be gathered for different neighborhoods showing the number of trees in each tract based on factors like the region's climate and population density, then incorporating six equity measures: income level, employment rate, race, age distribution, health outcomes, and the severity of the *urban heat island effect* (a construct denoting areas where cities replace natural land cover with dense concentrations of pavement, buildings, and other surfaces that absorb and retain heat).

Social equity through trees? Not so far-fetched, actually. The City of Syracuse announced recently it would allocate "$2 million in federal stimulus funding to plant 3,600 trees over the next three years in an effort to improve social inequalities across the city. Each tree will cost $400 to plant" (Baker, 2021). Of course, any evaluation will have to determine if all the trees were acquired and planted within the budget and assess the effort's potential economic, environmental, and public health benefits—and to complete the evaluation in each neighborhood that they were planted.

With these levels or categories of questions, how then does the public administrator decide what to emphasize, what kinds of questions to address, and what kinds of data are needed—on both the problem environment dynamics and the program actions? A logic model is often used by evaluation researchers to pull the design of a program evaluation together. A logic model is basically a graphic depiction that links the shared relationships among the resources, activities, outputs, outcomes, and impact for your program. It depicts the relationship between your program's activities and its intended effects. It adds a time dimension to the program to ensure that outcomes and impacts are being assessed in both the short run and the long term (illustrated by Figure 13.1).

This type of model integrates all of the four levels discussed. Compliance is ensuring the program is doing the right things, efficiency is doing things right, effectiveness is creating outcomes that matter, and equity adds to effectiveness in terms of assuring that program results are impacting the problem fairly and equitably for all.

Four key questions:

1. Is the organization doing the right things? (activities compared to resource allocation)
2. Is the organization doing things right? (outputs compared to activities)
3. Have the outputs made a difference? (outcomes compared to outputs) (internal)
4. Have the outcomes had impact? (impact compared to external results)

FIGURE 13.1
Evaluation and logic models

Source: Adapted in part from Knowlton amd Phillips (2009) The Logic Model Guidebook

While this is an excellent way of seeing evaluation designs holistically, one final and critical fifth element needs to be covered—ethics. Evaluation is inherently political, as many of the public programs and policies behind them involve choices and redistribution of benefits, but evaluation has a special obligation to protect the rights and privacy, and yes, even safeguard the lives of those who might be studied in the line of evaluation or affected by the results. Evaluation can involve experiments or trials where one group receiving a program benefit is compared to a control group that does not. In one medical evaluation, the US Public Health Service conducted an observational study on more than 600 African-American males in Tuskegee, Alabama, between 1932 and 1972 about the effects of syphilis. Tuskegee was chosen as the site for the experiment because it had one of the highest rates of syphilis in the country. The 400 African-American men who had the disease and were selected for the control group were not told about their disease nor provided treatment when it was discovered that the disease could be treated with penicillin. The study, which included recording the progress of disease and performing an autopsy on the deaths, caused a huge scandal and pointed to misuse of research in either prescribing treatment without informed consent or withholding medical cures once they had become available. In 1997, President Clinton issued a formal presidential apology while setting funding for a National Center for Bioethics in Research and Health Care at Tuskegee University.

Walter Broadnax provided a detailed assessment in his 1975 *Bureaucrat* article "The Tuskegee Health Experiment: A Question of Bureaucratic Morality?" His larger point was, "From a black perspective, the decisions and actions of the Public Health Service were, at the least, criminal. But the problem has more dimensions, taking us into the hearts and minds of the white majority population of the times" (p. 52). From an evaluation ethics perspective, he reminds us that this evaluation experiment created a dependency-control problem: "the dependency was created through the offer of free medical examinations, lunches, and so forth; the control through the fear that if the black males did not cooperate, they would no longer receive these benefits" (Broadnax, pp. 45–56).

As unacceptable as the Tuskegee study was and will hopefully never be repeated, evaluation researchers have argued that that ethics move beyond a narrow ethical focus on protecting study participants or survey respondents. Chris Barnett and Laura Camfield, writing in the lead editorial to a special issue on evaluation ethics in the *Journal of Development Effectiveness*, point to the issue this way—evaluation should expect organizational leaders and program managers to have a vested interest in

> what the evaluation says with findings that can sometimes reflect poorly on their organisation, programme or even personal career. It is this more direct interest in the results of an evaluation that shapes many of the relationships during an evaluation process, and yet all too often the power, values and norms that underpin these relationships are hidden or ignored.

Ethics in evaluation should pursue "a more encompassing view whereby ethics can inform judgements on who is included (and excluded) from the evaluation process, as well as how evidence, knowledge and different values are deliberated to the wider benefit of society" (Barnett and Camfield, 2016, p. 528).

Evaluation of public sector programs has undergone a significant transformation over the last two decades. Today's evaluators are all over the social sciences and specialized policy fields that cover everything from criminal justice and all aspects of

the social sector to defense, environment, foreign policy, and more. New influences are reshaping the scope, scale, processes, and methods of evaluation in government and the social sector. Much of this is due to how government policies, programs, and politics have changed in a new era of governance and globalization. But another set of influences in the form of more robust quantitative methods, economic behavioral research, and big data and analytics is impacting how and what is being evaluated. And bold claims of their capabilities are being made by different fields. A quote from Economics Nobel Prize winner Daniel Kahneman is instructive:

> Like it or not, it is a fact of life that economics is the only social science that is generally recognized as relevant and useful by policy makers. Given their monopoly, economists have become gatekeepers, and their analyses and conclusions have enormous weight in domains they do not seem to have any competitive advantages, as in health care and education. An obvious asymmetry in the distribution of competence contributes to the elevated status of economics; there are important policy questions that only economists are qualified to answer, but hardly any data of other social sciences that they cannot evaluate.
>
> (Kahneman, 2013)

As evaluation has become more complex and quantitatively sophisticated, whether driven by economic analysis or other branches of social science, it will need to be sure it is capable of understanding the complex settings of public policies and programs that constitute its environment.

WHAT IS AUDITING AND HOW HAS IT EVOLVED?

Audit is used to refer to any independent examination, any objective assessment of something.

In public administration, *audit* refers to either of two common activities:

1. The official examination of a financial report submitted by an individual or organization to determine whether it accurately represents expenditures, deductions, or other allowances determined by laws and regulations.
2. The final phase of the government budgetary process, which reviews the operations of an agency, especially its financial transactions, to determine whether the agency has spent its money in accordance with the law, in the most efficient manner, and with desired results.

In all cases, an audit connotes comparison with some standard. Administrators expect that their performance will be compared to that of other administrators with comparable responsibilities. And financial statements are audited to determine when they are in accord with generally accepted accounting standards. The essence of auditing is measuring something against a good example in order to make a critical, evaluative judgment.

Virtually all modern organizations, from a local tennis club to the US government, have auditors whose basic task is to certify that the financial accounts of the organization are correct. Auditing has become a major branch of the accounting profession, with complex professional standards and procedures for admission, practice, and reporting.

Large accounting firms are widely known throughout the developed world. In themselves they are multinational organizations of substantial size and complexity.

The audit certifications of such firms are attached to the formal financial reports of all major corporations. This independent examination of the financial accounts of organizations is a process designed to establish that they comply both with the law and with national accounting standards. These pictures of an organization's financial position are essential requirements for confident decision-making by executives, boards of directors, legislators, and the public. This does not mean that their own reviews aren't subject to error or misdeeds. Auditing firms are paid as consultants, after all, and when they miss fiscal malfeasance or wrongdoing, they are often sued and fined for improper auditing.

Auditing continues to evolve. The concept of an independent audit has not been limited to financial and managerial issues. Many other kinds of independent assessments are also called audits. For example, an environmental audit may seek to examine compliance with environmental laws and sound environmental practices. An energy audit may seek to independently assess how an organization uses or wastes energy. Water or telecommunications audits may do the same to help an individual or organization reduce its utility bills. And a social audit may assess social issues within an organizational context. Audit processes have in common a focus on the present and the immediate past. When the social or environmental effects of a future proposal such as a new airport or highway are examined, they are usually referred to as a social impact, or environmental impact, statement. Logically, an audit can't assess something that has not yet happened, although it is often possible to analyze or predict future impacts.

A Brief History of Auditing

Government auditing goes back to ancient times. There are records of a Chinese audit function in the 11th century bc and in Athens in the 4th century bc. Modern audits in government, though, really developed in the 19th century, when the growth of public sector activities became so complex that an independent and objective assessment of financial management became essential. With huge sums of money moving around global empires in the 19th century, the opportunities for corruption were effectively limitless. In this context, it made financial sense to create strong government audit units with clear links to the top of government. Great Britain created its Office of Comptroller-General in 1857. It had independent links to a Parliamentary Committee of Public Accounts and strong legislative backing to enforce access to accounts and the disclosure of information. The US General Accounting Office was established in 1921. Headed by the comptroller general of the United States, it is an agency of, and reports directly to, Congress. However, there were many other examples of government audit in the United States earlier than this. The progressive reform movement early in the 20th century fought, often quite successfully, for state and local governments to have an appointed civil service commission to curtail patronage abuses, as well as an elected controller/comptroller whose job it was to inhibit financial abuses.

The establishment of prestigious and relatively independent national audit organizations like the Comptroller and Auditor-General in Great Britain and the General Accounting Office in the United States helps the audit function to stand above corruption and apart from the political administration of the day. Often the prestige and renown of the individual in charge of an audit office can be important in personifying the integrity and credibility of the office—particularly when (as is inevitable) some of its findings turn out to be unpalatable to the ruling administration.

While most people assume that it is the president who is responsible for the performance and accountability of the federal bureaucracy, that was certainly not the case in the 19th century, when it was assumed that Congress had the overwhelming responsibility for the national administration. But Presidents Theodore Roosevelt, William Howard Taft, and Woodrow Wilson led a two-decade-long cry that the president be given greater authority over budgeting. Finally, after a variety of high-level commissions endorsed the notion that the president be given significant administrative responsibility, Congress passed the Budget and Accounting Act of 1921. The first half of the act (the "budget") gave in to the reform advocates by creating a Bureau of the Budget in the Department of the Treasury. This new bureau was authorized to prepare an executive budget and was given additional staff to conduct continuing studies of efficiency. So, long before the Bureau of the Budget was renamed the Office of Management and Budget in 1970, it had a significant management role.

Congress, however, was institutionally suspicious of presidential power. So, the second half of the act (the "accounting") created the General Accounting Office (GAO) as a congressional support agency to audit federal government expenditures and to assist Congress with its legislative oversight responsibilities. Because these two agencies have become so central to the administrative well-being of the federal government that Herbert Emmerich in *Federal Organization and Administrative Management* has called their creation "probably the greatest landmark of our administrative history except for the Constitution itself."

The GAO, which officially became the Government Accountability Office in 2004, is directed by the comptroller general of the United States, who is appointed by the president with the advice and consent of the Senate for a term of 15 years. While the GAO originally confined itself to auditing financial records to see that funds were properly spent, during the 1960s it redefined its mission to include overall program evaluation. Its responsibilities include conducting financial as well as performance audits of all federal government agencies. Indeed, it was always intended that it be so. The 1921 act specifically authorizes the comptroller general to "make recommendations looking to greater economy or efficiency in public expenditures." And "all departments and establishments" are required by the act to turn over "any books, documents, papers or records" that the comptroller general "or any of his assistants or employees" requests. Long before President Ronald Reagan popularized the phrase "trust but verify" in regard to nuclear weapons treaties with the Russians, Congress was taking this attitude with the president. Think of the GAO as the "Office of Verification" for Congress. In a typical year, the GAO completes around 1,000 major reports for the members of Congress.

BOX 13.3 What's in a Name?

In 2004, the 83-year-old General Accounting Office officially changed its name to the Government Accountability Office. While still going by the acronym GAO, this organization's name change could be considered an act of "truth in labelling." While accounting has always been an important role for the GAO, this function is just one aspect of the office's broad mission. According to its comptroller general David Walker, only 15% of the GAO's workload dealt with the area of accounting. In reality, the GAO has been much more involved with the

evaluation and analysis of government programs than with keeping the government's books. An examination of the agency's personnel helps to demonstrate the multifaceted nature of the contemporary GAO.

You'll still find certified public accountants among the GAO's staff, but you're more likely to find economists, policy analysts, and lawyers inhabiting the agency's offices. The GAO's staff does conduct audits to make sure tax dollars are being spent appropriately, but more often its employees are engaged in projects that attempt to measure the efficiency and effectiveness of programs. For example, the GAO has been highly engaged in the evaluation of the Social Security system and other federal entitlement programs. In addition, the agency has been deeply involved in examinations of the logistics and resource allocation of the US military, as well as other federal programs where large contracts are entrusted to the private sector. In this capacity, it has evaluated the effectiveness of such endeavors from the security of its position within the legislative branch of government.

Source: Adapted from the GAO website, https://www.gao.gov/assets/2019-11/rollcall07192004.pdf

The GAO, with its $553 million budget and a staff consisting of 3,250 full-time accountants, lawyers, engineers, and other employees, is the largest government auditing agency in the United States. The GAO is vast in both size and reputation. Its national visibility and reputation for institutional integrity has made it a model for other levels of government. However, almost every major subnational government has its auditors. They range from the elected auditor general of a state government to the local accounting firm retained by a small school board. Indeed, the state-level auditor is effectively part of a plural executive, the *de facto* arrangement of most state governments, because many governors share executive authority with other independently elected officers, such as a secretary of state, treasurer, comptroller, attorney general—or an auditor.

Types of Audits

The GAO in its *Standards for Audit of Governmental Organizations, Programs, Activities, and Functions* maintains that a comprehensive **audit program** should include the following three types of audits:

1. Financial and compliance: Determines (a) whether the financial statements of an audited entity present fairly the financial position and the results of financial operations in accordance with generally accepted accounting principles, and (b) whether the entity has complied with laws and regulations that may have a material effect on the financial statements.
2. Economy and efficiency: Determines (a) whether the entity is managing and utilizing its resources (such as personnel, property, space) economically and efficiently, (b) the causes of inefficiencies or uneconomical practices, and (c) whether the entity has complied with laws and regulations concerning matters of economy and efficiency.
3. Program results: Determines (a) whether the desired results or benefits established by the legislature or other authorizing body are being achieved and (b) whether the agency has considered alternatives that might yield desired results at a lower cost.

The oldest and most traditional form of auditing activity is known as a **compliance audit**. Here the auditor is looking for the extent to which, in the financial management of an organization, financial inputs have been managed in compliance with the law and accepted standards and conventions for the treatment of accounting information. In the past, a traditional compliance audit was embodied by the annual visit of the auditor to remote parts of the organization, where the auditor would check each entry in financial journals and ledgers, making sure that arithmetic and balances were correct and that no mistakes had been made. At the end of this process, the auditor would certify that the financial records were correct.

The value of this traditional form of audit is clear. Officials dealing with funds could not simply dispose of them as they wished, keeping no records or records that could not be understood. The advent of traditional auditing meant that every public official had to (1) expect and prepare for a regular visit by the auditor, (2) keep accounts in a manner officially prescribed (often by regulations), and (3) make those records available for the auditor's scrutiny. In some jurisdictions the audit might be accompanied by an inventory of stores and equipment—hence, the at times derisive references to compliance audits as involving the counting of paper clips. In fact, the compliance audit was and remains a powerful primary tool for preventing many types of corruption.

The possibility of auditors extending their scope from assessing compliance with law and regulations to the wider role of assessing efficiency and effectiveness began to be discussed late in the 1960s. By 1972, the General Accounting Office was formally advocating adopting such a wider role, pushing for the **performance audit**. Efficiency and effectiveness audits are the two steps in the performance audit chain, but in practice they may be telescoped into a single performance or comprehensive audit of the organization. An efficiency audit compares the activities of an organization with the objectives that have been assigned to it. In a sense, an efficiency audit still entails a compliance notion—though it is now the extent to which the organization has complied with and realized its objectives that is being examined. Such an extension of the auditor's role is compatible with an instrumental view of administration, since it is implementation of the objectives set by political leaders that is being reviewed.

When the scope of audit is extended beyond the efficiency of an organization to its effectiveness, attention now turns from the extent to which politically set objectives have been achieved to the broader question of whether the objectives themselves were right in the first place. This further extension of scope has been controversial, since it places the auditor firmly in the role of policy evaluator. Is this an appropriate role for an auditor? Does it invite political controversy of a kind that might reflect on the independence of the audit function? If auditors criticize political leaders or suggest that government policies are inappropriate, the audit entity itself could lose the capacity to review programs in a way that will be perceived as not only objective, but also above the normal political fray. Effectiveness or performance auditing in government is thus an inherently political activity that must be dressed in apolitical clothes. It must be free of methodological bias as a matter of science at the same time that it is perceived to be free of political bias as a matter of strategy.

Over the last decade, another type of evaluation has emerged in the auditing lexicon: the social equity audit. This type of auditing emphasis has a parallel with the private sector as the increasing focus on environmental, social, and governance factors has led to what are called ESG reviews. The social equity audit being adopted for local communities and especially school systems follow this line of evaluation—to look for systemic patterns of inequity in terms of how programs are serving all groups to ensure fairness, justice, and equality, the audit must focus on program means and resource allocation as well as outcomes.

FRAMEWORK FOR SOCIAL EQUITY AUDIT FOR EDUCATION

The goal of an equity audit is to identify institutional practices that produce discriminatory trends in data that affect students. Linda Skrla developed a comprehensive model for a social equity audit for school systems in an article in 2004. Schools and districts conduct audits to analyze data in three key areas: programmatic equity, teaching quality equity, and achievement equity as illustrated in Table 13.2.

TABLE 13.2

Evaluating for Social Equity in Education

Social Equity Core Issues	Equity Audit Data & Standards
Teaching Quality • Are the most experienced teachers teaching the students with the greatest needs? • Are most of the new teachers teaching in the schools with the greatest needs? • Are there certain schools where there is high teacher mobility? Why? • Are teachers in the high needs areas, like special education and bilingual education, certified?	Teacher Quality (Less than 10%–20% difference between school and district average) • Teacher education (number or percentage holding a particular degree) • Teacher experience (number of years as a teacher) • Teacher mobility (number or percentage of teachers leaving or not leaving a campus on an annual basis) • Teachers without certification or assigned outside area of teaching expertise
Programmatic Equity • Which population groups are underrepresented in advanced placement classes or honors classes? • Which groups are overrepresented or underrepresentation in special education classes? • Which groups are disciplined more often and more severely than other groups?	Program Equity • Special education (e.g., over-assignment of students of color and students experiencing poverty, especially among the most severe categories of disability) • Gifted and talented education (e.g., underrepresentation of students of color and students experiencing poverty) • Bilingual education (e.g., percentage of English learner students making academic progress) • Discipline (e.g., overrepresentation of students of color receiving discipline that results in loss of time in classroom learning)
Achievement Equity • Where are the achievement and opportunity gaps among population groups based on the state assessment exam at each grade level?	Achievement Equity • State achievement tests (e.g., proficiency rates) • Drop/push out or graduation rate • High school tracks/curricula (e.g., percentage of students enrolled in basic, advanced, and/or college preparatory curricula)

- Which population groups are graduating at lower rates than others?
- Which students are being retained in grade?
- Which students are dropping out of school?
- College admission testing (e.g., scores on SAT, ACT, and/or AP exams)

(Calculated for groups of students based on gender, race/ethnicity, whether they are an English learner, whether they are experiencing poverty, whether they are in a disability school or a school district.)

Source: Adapted from L. Skrla, L. et al. "Equity Audits: A Practical Leadership Tool for Developing Equitable and Excellent Schools." *Educational Administration Quarterly*, 40:1, 2004.
The social equity audit in this model uses a comparison of individual schools to school district means for a standard. As more audits are conducted, it would invite comparisons to means of school districts or state school means.

CASE STUDY How Would You Evaluate Oregon's Pre-K Program?

Most case studies involve a narrative. They entail a story—usually told from a key actor's or major stakeholder's viewpoint. While the narrative can present details and discuss issues from an "all things considered" perspective, invariably there is some bias resulting from either the heroic efforts of the key actors or even more simply the good intentions of the proposed change effort. In this case study, just the facts will be presented in an outline form.

Your task is to assemble and discuss the merits (and possible issues) for a new program that has just been authorized by a voter's proposition. The program seeks to provide education for all pre-kindergarten children in Multnomah County, Oregon, which has a population of over 812,000 and includes the City of Portland (see map).

Here are some case facts and details to outline your program evaluation framework beginning with the Voter's Proposition and details on the program

and backup budget presentation information and ending with some evaluation studies on preschool education programs.

A. The Voter's Proposition

Multnomah County, Oregon, Measure 26–214, Income Tax to Fund Tuition-Free Preschool Program (November 2020)

Multnomah County Measure 26-214

Election date

November 3, 2020

A **measure to establish a tuition-free preschool program and to impose an additional income tax to fund the program** was on the ballot for voters in Multnomah County, Oregon, on November 3, 2020. It was **approved.**

> A "yes" vote supported establishing a tuition-free preschool program; imposing an additional 1.5% income tax on households with income over $200,000 and an additional 3% income tax on households with income over $400,000; and increasing the additional rate for households with income over $200,000 to 2.3% in 2026.

The ballot summary was as follows:

> Establishes "Preschool for All Program" providing up to six hours per day of tuition-free, developmentally appropriate early learning, reflecting best practices.

(*continued*)

CASE STUDY *Continued*

Mixed delivery model; half-day, full-day, year-round, school-year schedule options. All three, four-year-olds with parent, legal guardian residing in County eligible. Equitable access provided to people of color, historically marginalized communities. Before, aftercare for qualifying incomes. Board to establish provider credentialing requirements, compensation matrix including teacher pay on par with kindergarten teachers, assistants paid $19.91 per hour in 2022 with adjustments. County neutral on representation, collective bargaining on provider labor relations.

New tax on County residents and taxable income derived within County funds Program: 1.5 percent tax on taxable income over $125,000 (single) and $200,000 (joint), increasing to 2.3 percent tax January 1, 2026; additional 1.5 percent tax on taxable income over $250,000 (single) and $400,000 (joint).

Administration by Department of County Human Services (Program), Chief Financial Officer (Tax). Establishes Board appointed advisory committee for oversight, policy recommendations. Independent performance audits. Other provisions.

B. The Policy Process and Program in Brief

The Preschool for All policy, Measure 26–214, passed by voters in 2020, will give all three- and four-year-olds in Multnomah County access to free, high-quality, culturally responsive preschool programs. The Preschool for All Task Force was led by a Multnomah County Commissioner. The Task Force engaged a coalition of over 100 parents, preschool professionals, and stakeholders in public, private, and social sectors for two years, but the process that resulted in success at the ballot box began a decade prior.

The Program will be based on the following:

> All families will have access to apply for preschool slots beginning in 2022, with priority for the first-available slots given to families who currently have the least access. The policy also aims to recruit and retain early childhood educators by providing a living wage and professional development opportunities.
>
> The funding mechanism for this policy is a marginal income tax on high-income earners representing approximately the top 8% of income tax filers in the county.

Summary from Multnomah County Preschool for All evaluation report (2021)

Preschool teachers for the Multnomah County program measure will earn around $74,000 a year for lead teachers, up from $31,000, roughly the same as public kindergarten teachers. Teaching assistants will earn about $20 an hour. While there are currently about 11,000 preschool age children in the county, the programs expect to seat 12,000 preschoolers and 2,300 teachers and assistants.

The program is different in a key aspect from other state and city efforts specifically targeted for lower income families. As a Claire Miller in a *New York Times* review article explains:

> First, it will be universal, not aimed at children from low-income families. (The program will start with children with the greatest need and take full effect in a decade.) Proponents of targeted programs say they're most effective because children from low-income families benefit most from free preschool, and it costs less to make it free for a smaller group of students.
>
> Universal programs, though, are more politically popular and, research shows, have more benefits for children. They are less segregated, and children learn from spending time with peers from different socioeconomic and racial backgrounds. The programs are more effective, most likely because they are held to higher standards and families become more invested in them.
>
> (Miller, 2021)

In terms of assuring quality teachers—The Multnomah County measure requires that lead teachers have a college degree or its equivalent, and that assistants have an associate degree in child development. But it gives current teachers time and money to earn the qualifications, and includes a plan to partner with local colleges to train new teachers.

The program will begin in Fall of 2022, with the County hoping to have 1,000 children enrolled. The Budget Office has already charted expected costs and funding past the first decade as shown in Figure 13.2 (In millions of $).

FIGURE 13.2

County budget presentation chart (Multnomah County Preschool for all Pathway to Success Alliance 2021)

Source: Multnomah County, Oregon Annual Budget—FY 2022

(*continued*)

CASE STUDY *Continued*

C. What Is the Shape of the Problem the Pre-K Program Is to Address?

A large body of education research from various studies across the United States has made a convincing case for the value of preschool programs, especially for children from low-income families. Research has shown preschool helps them prepare for kindergarten—academically, socially, and behaviorally—and shrinks achievement gaps. A substantial body of evidence establishes that early-life deficits have persistent negative impacts on lifetime well-being.

This has led many states to fund preschool programs as a means to expand formal educational opportunities to poor children under the age of five. The share of US four-year-olds enrolled in state-funded preschool grew from 14% in 2002 to 34% in 2019. By 2019, 44 states and 24 of the 40 largest US cities operated large-scale public preschool programs, and nearly half of four-year-olds attended some form of publicly funded preschool.

The research—summarized here by Cascio and Schanzenbach—explains:

- Stark gaps in preschool participation by family socioeconomic status mirror the achievement gaps described earlier. The most recent data available show that only about 50% of four-year-old children in families in the lowest income quintile are enrolled in preschool.
- Among families in the top income quintile, on the other hand, the preschool enrollment rate of four-year-olds is considerably higher, at 76%. Nearly all (88%) of preschool participants in the lowest-income families are enrolled in public programs.
- Poverty has little association with the cognitive abilities of nine-month-old children. (By the start of kindergarten, however, not only do poor children perform significantly worse on tests of cognitive ability than do children from higher-income families, but teachers also report that these children have much more difficulty paying attention and exhibit more behavioral problems.) The poverty gap in school readiness appears to be growing as income inequality widens.

(Promoting Early Childhood Development Proposal 1: Expanding Preschool Access for Disadvantaged Children, Elizabeth U. Cascio, Dartmouth College, Diane Whitmore Schanzenbach, Northwestern University, Brookings Hamilton Project, 2016)

D. What Was Learned in a Recent Boston Study?

One recent evaluation study of pre-K programs has generated considerable attention. David Leonhardt of the *New York Times* explains why this study is of such interest—from an evaluation perspective:

> In the late 1990s, Boston expanded its public pre-K program, but it did not have nearly enough spots for every 4-year-old in the city. So, it used a lottery to help determine which children could enroll. That lottery created an

> opportunity for academic researchers. It meant that thousands of otherwise similar children would have different life experiences based on random chance. And random chance is a powerful way for social scientists to study cause and effect. It may be the closest thing to a laboratory experiment in the real world.
>
> Pre-K was a particularly good subject to study, because there has been a long-running debate about how much it matters. . . . The evidence about larger pre-K programs—like the federal Head Start program—was more mixed. Graduates of Head Start seemed to do better on math and reading tests during the early years of elementary school. As they got older, though, the positive effects often faded, leaving the value of universal pre-K unclear.
>
> (Leonhardt, 2021)

The following is the full abstract of the Gray-Lobe et al. study that compared the lottery-winning students who attended pre-school and those who did not.

> We find positive effects on several college preparatory outcomes. Preschool enrolment boosts the likelihood of graduating from high school by 6 percentage points. Preschool also causes a 9-percentage point increase in SAT test-taking and raises the probabilities of scoring above the bottom quartile and in the top quartile of the SAT distribution. We measure effects on academic achievement using scores on Massachusetts Comprehensive Assessment System (MCAS) tests, and study impacts on student behavior by looking at suspensions, attendance, and juvenile incarceration.
>
> We find no evidence of impacts on student achievement in elementary, middle, or high school: estimated effects on MCAS scores in grades 3 through 10 are uniformly small and statistically insignificant.
>
> In contrast, we find significant effects on disciplinary outcomes. Preschool attendance reduces the frequency of suspensions and the probability that students are incarcerated while in high school. Aggregating several measures into a summary index, we find that preschool enrolment improves high school disciplinary outcomes by 0.17 standard deviations (σ) on average.
>
> Our results corroborate these ideas by showing positive long-term impacts for an intervention that improves adolescent behavioral outcomes, but not test scores.
>
> Analyses of recent cohorts in the same Boston program studied here find initial test score gains during preschool that are no longer detectable in elementary school, a result that is consistent with our MCAS estimates for older cohorts. Our findings suggest that this pattern masks persistent effects on skill formation that ultimately result in higher educational attainment. More generally, our results highlight the importance of considering non-test score and long-term outcomes when assessing the effectiveness of education programs.
>
> (Gray-Lobe, Pathak, and Walters, 2021)

(*continued*)

CASE STUDY *Continued*

Case Discussion Questions

If you were hired to perform a program evaluation of the Massachusetts pre-K program—what would be the evaluation question you would include in your study, and what are the ethical issues that should be identified before conducting the study? Perhaps preparing a question matrix along these lines would be a useful start. A copy of the logic model is embedded in Table 13.3 for further consultation.

Case Question 1

TABLE 13.3

Evaluation Question Matrix

Evaluation Levels	Your Questions	Ethical Issues?
Compliance (doing the right things)		
Efficiency (doing things right)		
Effectiveness/Outcomes (outcomes compared to outputs)		
Impact/Equity (outcomes have equitable impact)		

Further Questions

2. If the findings (as some other educational studies have shown) from the Boston study were to prevail in your evaluation of Multnomah County that pre-K long-term impacts improve adolescent behavioral outcomes, but not test scores; is that sufficient for continuing the program?
3. Do you think having a universal program makes a difference as opposed to having the program focused on underserved communities and poor families?

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Multnomah County, Oregon Annual Budget—FY 2022.

E. Appendix Budget Outlook for the PEL—Preschool and Early Learning Program FY 2022

County Human Services

fy2022 **adopted** budget

Preschool and Early Learning

DCHS established the Preschool & Early Learning Division (PEL) in January 2021 in order to implement Preschool for All, as directed by Measure 26-214.

Preschool for All (PFA) will give 3 and 4 year olds in Multnomah County access to free, high-quality, developmentally appropriate, culturally affirming preschool experiences. The program is slated to grow over time, increasing the number of children and families that it serves each year. Families will be able to apply for slots in early 2022 and preschoolers will begin in September of 2022. All families in Multnomah County will be eligible to apply and families who currently have the least access to high-quality preschool will be prioritized for the first-available slots, including Black, Indigenous, and children of color.

Preschool & Early Learning Division staff will help create the foundation for Preschool for All's success, including the systems, processes and partnerships necessary to increase the number of high-quality, inclusive, and culturally affirming preschool slots in Multnomah County.

Significant Changes

Preschool for All spent two years on a community planning process prior to the November 2020 election, which is the foundation for the work of the Preschool & Early Learning Division. Early implementation projects in FY 2021 include:

- Finalizing the PFA tax code and establishing an agreement with the City of Portland, which will collect the tax.
- Finalizing an agreement with Child Care Resource & Referral of Multnomah County for preschool provider coaching.
- Starting the development process for an application and database system for families who would like to participate in Preschool for All. This work will continue in FY 2022 and is reflected in program offer 25200.
- Establishing the Preschool for All Advisory Committee outlined in the Preschool for All ballot measure.

Based on estimates that incorporate the details of the newly adopted tax code, DCHS anticipates $96.3 million dollars of revenue from the Preschool for All (PFA) tax in FY 2022. Personal income tax can be a volatile revenue source, so 15% of PFA revenue in FY 2022 will be allocated to a reserve fund. An additional 10% will be budgeted as contingency funds to address any cost increases or new program expenses.

The Preschool & Early Learning Division will build capacity in FY 2022, bringing on an additional 7.00 FTE. Key investments during this first full year of implementation include:

- Coaching & Provider Supports to increase preschool quality and strengthen providers' businesses (PO 25204).
- Family Connector & Intermediary Organizations who will partner with small in-home providers and with Black and Indigenous families and other families of color to ensure their participation in PFA (PO 25202).
- Preschool Infrastructure & Early Educator Workforce Development funds to increase the number of preschool spaces and the number of diverse early educators (PO 25203).

(*continued*)

CASE STUDY *Continued*

F. Appendix ECONorthwest Budget Framing Analysis

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Multnomah Preschool for All – Phase 1 Budget Framing

Thinking About Costs

Costs for preschool programs should be thought about in two parts: costs to providers to provide direct services to children, and system costs to administer the program, including implementing and overseeing activities to ensure program quality.

Provider Costs (Cost per Child) – $12,000 to $13,000

These are the costs related to meeting preschool classroom program standards and provider costs of doing business. This is typically communicated as "costs per child" or "costs per slot" for preschool program reporting. This amount is often either the average payment to providers or a flat reimbursement rate for providing preschool programming. These costs constitute the amount needed for providers to provide programming at the standards set by PFA.

The majority of cost per child rates reported across similar preschool initiatives range between $11,000 and $13,000 for budget years between 2015 and 2017. Given the PFA recommendation of an additional assistant within each classroom (typically, high-quality preschool programs have one teacher and one assistant per classroom), we can expect to be on the higher end of this range - $12,000 to $13,000 – if implemented today.

System Costs (Preschool for All Program Costs) – an additional 30% and 45%

These costs are those associated with the administration of the program, such as contracting, payments, etc., and program support associated with ensuring program quality and accountability. These supports can include things like workforce development initiative, infrastructure investment initiatives, program marketing and community outreach, and provider business support.

The scaling of these costs does not always have a direct relationship with the number of children served in the program. For example:

- The number of providers overall and number of new providers each year will determine the need for administrative staff for contracting and staff support for on-boarding new providers.
- Early investments in data systems will be required in the first few years, regardless of the number of children served in those years.
- Workforce development investments may be higher in early years to create new training pathways to build out the workforce to reflect the PFA Task Force recommendations and will be more closely related to the educational needs of interested providers over the long term.

Given research on universal preschool programs with similar supports for programs operating at-scale (roughly 5 to 10 years after the beginning of their universal preschool initiative), we have estimated that between 30% and 45% of total program costs will come from these systems costs.

PFA Initial Cost Estimation – $150 - $250 million

Working with the understanding of the elements of high-quality preschool program costs as described above, we estimate that annual program costs if implemented at scale today would require between $150 million and $250 million per year.

GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Audit An independent examination; an objective assessment of something—typically the financial reports of an individual or organization—to determine whether they accurately represent expenditures and are in compliance with accounting standards and laws.

Audit program The detailed steps and procedures to be followed in conducting the audit and preparing the report. A written audit program should be prepared for each audit, and it should include such information as the purpose and scope, background information needed to understand the audit objectives, and the entity's mission, definitions of unique terms, objectives, and reporting procedures.

Compliance audit The traditional form of auditing where the auditor is looking for the extent to which an organization's funds have been managed in compliance with the law, and that accepted standards and conventions for the treatment of accounting information have been used.

Performance audit An audit that compares the activities of an organization with the objectives that have been assigned to it.

Program evaluation The systematic examination of any activity undertaken by government to make a determination about its effects, both short-term and long-range.

Staats, Elmer (1914–2011) The comptroller general of the United States from 1966 to 1981. Under his leadership, GAO broadened and professionalized the practice of program evaluation and made GAO's evaluation studies as influential as its audits and standard financial reviews.

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CHAPTER 14

Leadership and Followership in Public Administration

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KEYNOTE: Rethinking Leadership Through Mary Parker Follet

> Let me speak to you for a moment about something of the utmost importance, but which has been far too little considered, and that is the part of the followers in the leadership situation. Their part is not merely to follow, they have a very active role to play and that is to keep the leader in control of a situation.
>
> Mary Parker Follett, Speech at the London School of Economics and Political Science, 1933

Mary Parker Follett's work on organizations and administration was concentrated in a 15-year period prior to her death in 1933. While most of the early management literature, influenced by Henry Fayol and Frederick Taylor, focused on work accomplishment and the rationalization management effort, Follett provided an important counterpoint about the nature of work and the relationships of workers as a social environment. Though her viewpoints differed from what is regarded as the classical management tradition, it is important to note that her work was

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Source: Wikimedia Commons Mark Parker Follett (1868-1933)

not ignored—it was included prominently in these beginning efforts in early management thought. Public administration historians make much of the *Papers on the Science of Administration* edited by Gulick and Urwick published in 1937, but among the contributions in those papers was a selection from Follett on "The Process of Control," along with another selection on the "Social Environment of Organizations" by Elton Mayo and other early human relations thinkers.

Follett is considered one of the first management scholars who examined and discussed the relationship between supervisors and subordinates, but it is her concept of "followership" that has led to a renewal of interest in her work. She saw followership as a special and interdependent (as opposed to the dependent) role in the supervisor–subordinate team. This relationship she felt was critical for how organizations would affect coordination on all levels—especially noting its significance in determining work-group behaviors and thus overall organizational performance.

For Follett, it was the dynamic between the leader and follower that was essential for control and necessary for both the supervisor and the subordinate to master and manage situations, not the ability of the leader to dominate the follower. Follett's management advice was prescriptive—she understood how organizations following

command-and-control precepts operated—in that she advanced ideas about how they could work and be much more effective. Indeed, one might say that she was one of the earliest voices for what today would be called participatory management. Her writings advanced the advantages of exercising "power with" as opposed to "power over."

As the behavioral movement began, with its development of new constructs to explain motivation, respect for authority, and informal and formal group behavior, Follett had already advanced the argument for the need of workers to exercise self-control and the importance of superiors and subordinates learning to manage with each other. Wrapping up her conclusions in "The Process of Control," she concluded, "The aim and the process of organization of government, industry, and international relations should be, I think, a control not imposed from without the regular functioning of society, one which is a coordinating of all of these functions, that is a collective self-control" (Gulick and Urwick, p. 216). This organizing concept of "collective self-control" was essential for feedback of all information, lateral as well as vertical coordination of controls. Her emphasis on the interaction of individuals and groups within the work environment was critical for leaders and followers to be able to jointly manage the "situation."

Mary Parker Follett would be pleased to see the recognition of her important contributions to contemporary study of modern organizations, organizational behavior, and human relations. She might be less impressed, however, at the paucity of scholarship and research that has ensued over her concept of the "leadership–followership" relationship. Although followership is now better "established" in the various domains of leadership theory and organizational behavior, most of the attention has only come in the last decade, a fact that that Nicholson Spisak and Van Vugt (2011), in a recent chapter entitled "Leadership in Organizations: An Evolutionary Perspective," lament that despite the concept being recognized by Mary Parker Follett a century ago,

> followership is a surprisingly little understood or discussed aspect of leadership . . . Considering the overwhelming amount of time we spend in followership roles, research is needed to reach a deeper understanding of the motives, attributes, and interests of people who consent to being led.

However, she might be more pleased to see that the "new" interest in her work now extends to blogs and postings. No longer when you google Mary Parker Follett are you redirected to Wikipedia for an assessment of her scholarly work. Now you can find "15 Quotes by Mary Parker Follett—Guidance for Today's World."

Here's a sample (from a website by Jesse Lyn Stoner):

- Leadership is not defined by the exercise of power but by the capacity to increase the sense of power among those led. The most essential work of the leader is to create more leaders.
- The best leader knows how to make his followers actually feel power themselves, not merely acknowledge his power.
- That is always our problem, not how to get control of people, but how all together we can get control of a situation.
- Whereas power usually means power-over, the power of some person or group over some other person or group, it is possible to develop the conception of power-with, a jointly developed power, a coactive, not a coercive power.
- Coercive power is the curse of the universe, coactive power, the enrichment and advancement of every human soul.
- The most successful leader of all is the one who sees another picture not yet

actualized. He sees the things which are not yet there . . . Above all, he should make his co-workers see that it is not his purpose which is to be achieved, but a common purpose, born of the desires and the activities of the group.

- The best leader does not ask people to serve him, but the common end. The best leader has not followers, but men and women working with him.
- Leader and followers are both following the invisible leader—the common purpose.

LEADERSHIP IN PUBLIC ADMINISTRATION

There are many characteristics of public sector management that call for knowledge and skills somewhat distinct from those required in private sector management. To begin with, there are the political context and governance arrangements that exist in the public sector, the present constraints, and frameworks of decision-making that must be understood, and, in many respects, "managed" by public officials. Also, there are the challenges and complexities in public sector strategic management of converting political programs and policy imperatives into a well-sequenced path to be followed. Adding to this are the external and internal structures of governance—intergovernmental relations, the various networks in the social sector, and partnerships surrounding the institutions of government—that create a framework that public sector managers must acknowledge and collaborate through if they are to work effectively.

All of these areas, however fundamental, really amount to parts of the context in which the public sector manager is to operate. But the question above all that is—how is the public manager to lead? What then does administrative leadership mean?

To understand this question, a definition of leadership is essential. And here the problem begins because there isn't just one accepted definition—there are many. And many of these definitions come prepackaged to reflect dimensions and aspects of the different schools, styles, and approaches to leadership that have emerged over the past century. So, a simple seemingly straightforward definition such as "leadership is the exercise of authority, whether formal or informal, in directing and coordinating the work of others" is woefully inadequate.

Contemporary thinking and research argue that any definition of leadership has to recognize that there's more to leading than being an authority figure. In short, leadership is not just about the leader, it does not assume it's part of a certain position or role (i.e., you can be an executive and not a leader, and vice versa, you can be a leader without being an executive), and it has to be able to include leading a team, network, project, alliance, or even a virtual organization. So, leadership goes beyond coordinating the work of others.

The key to the definition is that it even goes beyond influencing others—it creates an environment in which key stakeholders are to operate and seek to accomplish personal, team, and organizational objectives. Note that it also opens the door to leadership doing this badly—what will later be discussed as "destructive leadership."

BOX 14.1 Are Supervisors Leaders or Managers?—The Leadership Versus Management Debate

For years, there has been a debate among management and organizational theorists over whether there is a difference between leadership and management. Some equate leadership with management, whereas others view them as entirely separate, and still others view them as

complementary. Obviously, in terms of roles and functions, the two can overlap, but that's not what the debate is about.

The debate probably begins with Harvard University Professor Abraham Zaleznik (1977), who in an influential article expressed his belief that "managers and leaders are very different kinds of people. They differ in motivation, personal history and in how they think and act." Leaders for Zaleznik would use their ability and talent to direct change, change course, and resolve crises, while managers would use their analytical abilities and work knowledge to mind operations and stay on course. John Kotter (1996), one of the most influential organizational change theorists, took this even further stating that "leadership and management are two distinctive and complementary systems of action" in his argument that leadership was the vital factor needed for successful organizational change. He still hasn't changed his mind, as a recent short article attests:

> Leadership is entirely different. It is associated with taking an organization into the future, finding opportunities that are coming at it faster and faster and successfully exploiting those opportunities. Leadership is about vision, about people buying in, about empowerment and, most of all, about producing useful change. Leadership is not about attributes, it's about behavior. And in an ever-faster-moving world, leadership is increasingly needed from more and more people, no matter where they are in a hierarchy. The notion that a few extraordinary people at the top can provide all the leadership needed today is ridiculous, and it's a recipe for failure.
>
> (Kotter, 2013)

On the other side of the debate is Henry Mintzberg, a professor of management at McGill University. Mintzberg's original work, *The Nature of Managerial Work* (1973), saw leadership as one of 10 diverse roles that a manager must be able to perform to be effective: "figurehead, leader, liaison, monitor, disseminator, spokesperson, entrepreneur, disturbance handler, resource allocator, and negotiator." Mintzberg, in a 2011 interview for *Strategy & Leadership*, restated his position on what he calls the mythical distinction between leadership and management:

> The notion that one can be a leader and not a manager, originally postulated by Harvard Business School professor Abraham Zaleznik, is wrong. An executive cannot lead without managing. If they're not coupled, the organization becomes dysfunctional . . . ever since the distinction was made between leadership and management—leadership somehow being the important stuff and management being what surgeons call the scut work—attention focused on leadership. My view is that management without leadership is disheartening or discouraging. And leadership without management is disconnected, because if you lead without managing, you don't know what's going on. It's management that connects you to what's going on. We can make the distinction between leadership and management conceptually, but in practice I don't think we should.

Because these are two very different and still opposing viewpoints, one can only take sides. As for the original question—are supervisors leaders or managers?—the answer is "it depends." Leadership has been applied so broadly that in terms of behaviors it now extends to all forms of organizational effort—present and expected future. Thus, supervisory training includes lessons about leadership, just as graduate courses in public administration do for students expected to be the next generation of leaders and managers.

THEORIES OF LEADERSHIP

The subject of leadership raises many complex issues that have plagued the behavioral sciences for generations. For example, what gives a manager or a leader legitimacy? Simply put, legitimacy is a characteristic of a social institution, such as a government, a family, or an organization, whereby it has both a legal and a perceived right to make binding decisions. Thus, managers presumably have legitimacy because of the

legal and perceived rights that accompany their organizational positions. In contrast, the legitimacy of a leader—separate and distinct from the legitimacy of a manager—cannot be addressed without introducing the concept of charisma, leadership based on the compelling personality of the leader rather than on formal position.

This last concept was first articulated by Max Weber—who distinguished charismatic authority from the traditional authority of a monarch and the legal authority one receives by virtue of law, such as the authority that legitimizes organizational executives. The word **charisma** is derived from the Greek word for divine grace. Weber defined these three categories of legitimation strategies used to justify the right of rulers to rule:

- Legal authority is based on a system of rules that is applied administratively and judicially in accordance with known principles. The persons who administer those rules are appointed or elected by legal procedures. Superiors are also subject to rules that limit their powers, separate their private lives from official duties and require written documentation.
- Traditional authority is based on a system in which authority is legitimate because it "has always existed." People in power usually enjoy it because they have inherited it. Officials consist either of personal retainers (in a patrimonial regime) or of personal loyal allies, such as vassals or tributary lords (in a feudal estate). Their prerogatives are usually similar to those of the ruler above them, just reduced in scale, and they too are often selected based on inheritance.
- Charismatic authority is based on the charisma of the leader, who shows that he possesses the right to lead by virtue of magical powers, prophecies, heroism, etc. His followers respect his right to lead because of his unique qualities (his charisma), not because of any tradition or legal rules. Officials consist of those who have shown personal devotion to the ruler, and of those who possess their own charisma.

(Weber, "The Three Types of Legitimate Rule" (*Die drei reinen Typen der legitimen Herrschaft*) Essay written by Max Weber. Originally published in the journal *Preussische Jahrbücher* 187, 1–2, 1922.)

Weber was one of the first theorists to state that leadership itself was situational in nature, and that effective individuals needed to move dynamically from one type of leadership style to another to remain successful. Weber also believed there were two basic paradigms within which leaders worked: transactions and transformations. Transactional leaders were those that worked within the existing systems or environment to achieve results. Weber theorized that bureaucrats were transactional leaders who were effective in using their knowledge, or legal authority, to achieve results. Charismatic leaders were transformational in Weber's model. These individuals were almost divine in nature and were often compared to heroes. A transformational leader was not afraid to approach things from an entirely different perspective, and in Weber's theory, leaders used personal charm or charisma to help them achieve their goals.

Weber's charismatic leadership work has in its own right continued to generate research and discussion of how such leaders succeed. These studies are important not just for leadership development but also for our understanding of what successful change via transformation entails. Jay Conger, one of the leaders of this school, posits that there are distinguishing characteristics of charismatic leaders, both in their perception of the environment and their communication of an idealized vision for change. Conger and Kanungo's list includes the following, but

Conger also carefully changes the context to point not to charisma in the sense of a set of personality traits but to a set of behaviors that define *exceptional leadership*:

- Sensitivity to environmental constraints and their ability to identify deficient and poorly exploited opportunities sin status quo.
- Ability to formulate idealized future vision and articulate that vision clearly and sharply.
- Deployment of innovative and unconventional means to achieve their vision—use of personal power to influence followers.

(Conger and Kanungo, 2013)

Chester I. Barnard, in his 1938 classic work The *Functions of the Executive*, defined leadership in terms of an organizational function. In a later more comprehensive work, *Organization and Management* (1948), he focuses more specifically on the nature of leadership. Here Barnard simplifies the definition of leadership by seeing it as relationship between individual followers and conditions, which he argues is far more important than all the talk of qualities, capacities, talents, and personality traits—which to his mind overemphasizes the "individual" dimension of leadership.

Barnard stated that there are four sectors of leadership behavior—or functions, if you will:

- determining objectives
- manipulating means
- coordinating the instrumentality of action
- stimulating coordinated action

But even he can't resist adding his own comments on what are the essential requirements of the individuals—what he called the "active personal qualities of leaders": vitality and endurance, decisiveness, persuasiveness, responsibility, and intellectual capacity. He had further comments about recruiting and selecting leaders and even leadership training, but his seminal contribution was his insistence in seeing leadership as a multiple relationship—the independence of three complex variables: the individual, the group of followers, and the conditions.

While he was ahead of his time in arguing that the most critical function of a chief executive is to establish and communicate a system of organizational values among organizational members, he still saw this in terms of "command and control." Note his choice of words in explaining executive power as dealing with the "inherent difficulty in the operation of cooperative systems: the necessity for indoctrinating those at the lower levels with general purposes" (Barnard, p. 233). Here, Barnard is referring to the necessity for top management to develop and instill a strategic vision for the organization that would require "sensitive systems of communication, experience in interpretation, imagination, and delegation of responsibility."

EARLY THEORIES OF LEADERSHIP: TRAITS, TRANSACTIONAL, TRANSFORMATIONAL, AND CONTINGENCIES

Leadership has been the subject of extensive study and discussion across many social science and professional disciplines. These studies and the various schools of thought about what constitutes leadership is especially pronounced for leaders of nations and movements, the military, business executives, and even coaches of sporting teams. Especially popular are biographies (and autobiographies) by

individuals made famous or even infamous by their leadership experiences in one form or another, but most often as "Leadership Secrets of X."

Before taking on any of these works, one should have some kind of outline of the main schools of leadership thought that support what effective leadership supposes and what their case is based on.

Trait theory: One of the earliest approaches to leadership assumed that leaders possess traits—personality characteristics—that make them fundamentally different from followers. Advocates of trait theory believe that some people have unique leadership characteristics and qualities that enable them to assume responsibilities not everyone can execute. This approach thus argues that leaders are born—not made. The arguments against trait theory are persuasive and come from a number of points of view. First, trait theory has fallen out of favor because reality never matched the theory. Instead, starting in the late 1950s, it became standard practice to view leadership as a relationship, an interaction between individuals. The interaction was called a transaction, so that the term *transactional leadership* became the umbrella label encompassing many theories of leadership. Second, the transactional and also the transformation view recognized that the situation influences leadership. The situation would determine the qualities, characteristics, and skills needed in a leader.

But probably the most damaging criticism of trait theory was its lack of ability to identify which traits make an effective leader. Even among the traits that have been most commonly cited—intelligence, energy, achievement, dependability, and socioeconomic status—there is a lack of consensus across studies. Tied to the recognition that leadership involves more than possessing certain traits was accepting that a leader might be effective in one setting and ineffective in another. Winston Churchill, the great leader of the United Kingdom during the Second World War, was a case in point. While he prevailed in his greatest test, he was largely a failure in other situations at other times.

Transactional leadership-style-oriented **approaches** followed coming out of studies by Lewin, Lippitt, and White (1939) of the effectiveness of leadership styles on the group efforts of 10-year-old children engaged in hobby activities. The leader in each group was classified as having an authoritarian, a democratic, or a laissez-faire orientation.

- Authoritarian leaders determined all policies, set all work assignments, were personal in their criticisms, and were product (or task) oriented.
- Democratic leaders shared decision-making powers with subordinates, left decisions about assignments up to the group, and participated in group activities but tried not to monopolize. They exhibited high levels of consideration for others.
- Laissez-faire leaders allowed freedom for individual and group decision-making, provided information (or supplies) only when requested, and did not participate in the group except when called upon. They functioned more as facilitators.

Groups with democratic leaders were by far the most satisfied and productive. The authoritarian-led groups showed the most aggressive behavior and were the least satisfied, but they were highly productive (possibly because of fear of the leader). The groups with laissez-faire leaders showed low satisfaction and low production, and they were behaviorally aggressive toward group members and other groups. Numerous subsequent studies essentially presented the same findings. Of course, the strong alignment between democratic leadership styles and participatory decision-making was also consistent with public administration ideas and values, adding to its attraction.

However, transactional leadership approaches assumed that leaders could be trained to act in the appropriate way as called for by their organization. This proved to be more unworkable in practice. One obvious implication was that changes needed to be introduced into an organization as a whole—not just to certain employees. In practice, leaders apply different styles in different situations. Thus, the "pure" leadership style emphasis has given way to contingency approaches.

Contingency approaches: unlike the trait theory and transactional leadership approaches, contingency approaches take into consideration the many factors that may influence a leader's style. As noted, there was already recognition that a successful leader in one type of organization may not be successful in another simply because it differs from the previous one. Each situation (or context) is different, and the choice of a style needs to be contingent on the situation. As leadership historian Ralph Stogdill (1974) noted, the contingency theories stress

- the type, structure, size, and purpose of the organization
- the external environment in which the organization functions
- the orientation, values, goals, and expectations of the leader, his or her superiors, and subordinates
- the expert or professional knowledge required of the position

The situation (not traits or styles themselves) determines whether a leadership style or a particular leader will be effective. Thus, contingency theorists maintain that there is no "one best way" of effective leadership. Professors Robert Tannenbaum and Warren Schmidt conducted one of the first studies that actually indicated a need for leaders to evaluate the situational factors prior to the implementation of a particular leadership style. They concluded, "the successful manager . . . can be primarily characterized neither as a strong leader nor as a permissive one." Indeed, he or she "is one who maintains a high batting average in accurately assessing the forces that determine what his most appropriate behavior at any given time should be and in actually being able to behave accordingly" (Tannenbaum and Schmidt, 1973, p. 170).

While Tannenbaum and Schmidt assert that leaders should adjust their styles to accommodate followers, University of Washington professor Fred Fiedler found that the opposite was often true. It is sometimes easier to change the work environment, the situation, to fit a leader's style. The underlying leadership style depends on personality. According to Fiedler, a leader's personality is not likely to change because of a few lectures or a few weeks of intensive training. Therefore, an organization should not choose a leader who fits a situation but should change the situation to mesh with the style of its leader. But this is easier said than done.

Transformational leadership: a fourth leadership approach is often attributed to a 1978 Pulitzer Prize–winning book *Leadership* by James McGregor Burns, who examined historical examples of how leaders used power to lead change effectively. In his work, the transformational leader is one with the ability to change an embedded organizational culture by creating a new vision for the organization and marshalling the appropriate support to make that vision the new reality. Social scientists Noel Tichy and David Ulrich describe transformational leaders as those rare individuals who can lead employees through their fears and uncertainties to the realization of the new vision. This requires strategic leadership that successfully changes people's perceptions of the organization.

Transformational change is more than a rational, technical, incremental approach to change. The leader's primary function is to lead and support through carefully conceived change stages, acting as a cheerleader and as a belief

model—verbally and nonverbally communicating belief in the benefits to all that will accrue from the changes. Whereas the transactional theories of leadership apply primarily to leadership roles, functions, and behavior within an existing organizational culture, transformative leadership is about leadership to change a culture. Sometimes the radical changes call for co-optation, the inclusion of new, potentially dissident group members into an organization's policymaking process to prevent such elements from being a threat to the organization or its mission. More often, it is the implementation of a new strategic vision.

It is interesting to observe that transformational leadership theories have many similarities with the trait theories of leadership. Transformational leadership borders on "great person" theory—the belief that such leaders have innate strengths and character (very much like Weber's charismatic leader). The comment has been made that in many ways, leadership theory is once again involved in seeking to find the basis of leadership in traits—rather than in relational and cultural factors.

BOX 14.2 Four Public Leadership Strategies

How do effective administrative and civic leaders—but also political leaders—exercise their leadership?

One way is through **purposeful presencing**. What leaders spend their time on is going to determine what they are going to achieve. By not attending to certain settings, domains, issues and people, they effectively vacate the stage for other actors and forces; but in those they do attend to they at least give themselves a fighting chance to make their mark.

Another avenue is through **purposeful commitment**. Leadership is about more than office-holding; it is about communicating values and translating them into behavior. It is difficult to exercise leadership if one does not really care about the issues involved. Having a clear value commitment helps leaders and leadership teams to articulate and embody the joint purpose they seek to rally others behind. Subordinates, followers and adversaries alike constantly monitor, query and test leaders about what it is that drives them and what they really want to achieve. Commitment is hard to fake: people who monitor leaders systematically see through their ad hoc whims or lofty statements of intent that are not backed up by actions.

Thirdly, **purposeful provocation** is an essential tool for public leadership. Provoking people and systems by "teaching reality"—naming what is really happening—is a necessary step towards getting constituents thinking, learning and ultimately changing what they think, what they value, what they do and how they operate.

Finally, what public leaders need in their toolbox is **purposeful timing and pacing of their efforts**. Seizing the moment when it presents itself is one such tool. But that tool can only be wielded effectively if a leader is also a master at waiting, observing, keeping their powder dry, and patiently laying the groundwork for reform . . . An effective leader is in there for the long haul and has the patience as well as the sheer physical and mental stamina to see things through even when others have lost interest or moved on. ('t Hart and Tummers, 2019)

WHY LEADERSHIP MATTERS

Perhaps the best way to understand the importance of leadership in contemporary organizations is to look at the effects of bad leadership inside organizations and especially in public sector organizations, and the impacts outside the organization on partners, stakeholders, and the public.

This can be seen in numerous ways—if organizations are struggling, unable to cope with environmental changes, and especially facing a crisis, there is often a demand for change in leadership. In short, leadership is being held responsible for the organization's problems or failures and the failure to right the course. But we are also increasingly cognizant that the power of leadership, when practiced for evil or immoral purposes, can lead to terrible outcomes. One need only think of Hitler, Stalin, Pol Pot, or any number of leaders who have taken their followers—indeed whole communities and states—down a path of destruction.

Thus, leadership theory now includes an examination of what is loosely labeled as destructive leadership. Professor Barbara Kellerman opened the door somewhat on this assessment of the dark side of leadership with her 2004 book *Bad Leadership* (2004). Besides naming names of bad leaders (including former president Clinton along with several other US CEOs), she set up various categories—incompetent, rigid, intemperate, callous, insular, corrupt, and evil—and distinguished between ineffective and unethical.

Craig and Kaiser (2013), in a more systematic assessment, have taken destructive leadership further. First, they provide a definition that clearly identifies harmful effects and doesn't just measure along some continuum of unsuccessful to successful:

> Systematic or repeated behavior by a leader, supervisor, or manager that knowingly violates or inappropriately risks violating the legitimate interests of the organization, its members or other legitimate stakeholder—by undermining, or sabotaging goals, tasks, resources, motivation, well-being, job satisfaction, or effectiveness of such stakeholders.

Note that they include leaders, supervisors, and managers in terms of where this can be applied. To be even clearer, they add that destructive leadership is about behaviors that caused deliberate harm—intentional on the part of the leader or the leader intentionally disregarded the harm their actions effected. Second, the harm is not limited to their own organization, but includes harm (especially knowingly) to external stakeholders.

Their assessment then elaborates on six different areas of destructive leadership. These categories are briefly described in Figure 14.1.

It's also important to keep in mind destructive leadership also includes the behaviors of followers. Yes, those organizational members who accept the leaders' orders are also responsible as willing participants for the results.

All areas of destructive leadership are not equally negative. This can be seen in the toxic leadership area. There are divisions, not just differences. Being guilty of shameless self-promotion (marketing oneself) is far less serious than abusing the staff. Likewise with another type of destructive leadership, what is called *negligent or laissez-faire leadership*. Here, there may not be evil intentions or unethical or immoral behaviors in full pursuit of winning or consolidating power. Still, negligent leadership—as the label implies—involves the deliberate disregard for the well-being of organizational members and the larger public. (And yes, that would include the protection of the rights of minorities and/or the lack of insistence on the **rule of law** and due process.)

FIGURE 14.1
Six areas of destructive leadership

TABLE 14.1

Destructive Leadership Categories Defined

1st Unethical Leadership	devious, manipulative, and dishonest behavior
2nd Dark Charisma (corrupting influence)	cause followers to replace organizational goals with personal goals circumvents normal organizational checks and balances, covers up transgressions
3rd Narcissistic Leadership	dysfunctional personality syndrome . . . arrogance, self-absorption, and entitlement A near constant and frantic need for attention and admiration
4th Abusive Supervision	sustained display of hostile, verbal, and nonverbal behaviors (excluding physical contact) to subordinates
5th Toxic Leadership	abuse/neglect of followers' well-being authoritarianism or intimidation self-aggrandizement or narcissism self-promotion unpredictability
6th Negligent/ Laissez-Faire	passive leadership abdicate their authority or avoid their responsibilities

Source: Craig and Kaiser (2013)

BOX 14.3 How Much Do We Know About Leadership Anyway?

Try googling "leadership"—you will see (as of December 2021) about 2.75 million entries. While we may not know as much as we think we do about leadership, there is general agreement among management, organizational, and social science scholars that leadership is very important. James Meindl, a professor at Georgia Tech, wrote what many consider the best explanation ("The Romance of Leadership," 1985) of why leadership matters, noting the consensus belief that good leadership is associated with and significant in determining organizational outcomes. So, whatever style/approach is chosen, the assumption is that the search for what makes an effective future leader (or who will be an effective leader) makes a difference. Thus begins the debate about what makes leadership work and how institutions (especially universities, which make developing the leaders of tomorrow a keystone in their branding efforts) develop leadership (skills, traits, capabilities, etc.).

Two caveats might be kept in mind. First, research about leadership effectiveness also encompasses success in organizational performance. In recent years, especially among business management scholars, there's been renewed interest in how much difference CEOs make in determining corporate success. Walter Frick, a senior associate editor at the *Harvard Business Review*, posed this as a question in a 2015 article asking if leadership is simply a matter of luck. In summarizing the research to date, he concludes, "A series of recent papers help answer that question, by quantifying the roles of luck, ability, and experience in CEOs' success. Together they suggest two conclusions: first, no single trait or skill seems to explain CEO performance; and second, luck plays a very large role." So, it's not as simple as saying that if the organization isn't doing well, bring in a new leader.

(*continued*)

BOX 14.3 *Continued*

That leads to the second caveat. Many of these studies about leadership use the business world as the primary environment for lessons learned about leadership. And the business world in these times is facing numerous challenges, which means that in many cases, today's pacesetters are tomorrow's roadkill. You won't remember, as many academics do, a 1980s' book about highly successful corporations called *Pursuit of Excellence*, which a decade later proved to not have the secrets to successful sustained corporate performance. Many of the chosen success stories failed. So, any time you use the turbulent business world for case studies of leadership excellence—you may want to wait a bit. That doesn't mean the *Harvard Business Review* or other business journals are going to give up on trying to understand what leadership is all about. It does mean, especially in the public sector, that it's important to know what we know—and not forget what we don't know.

That, plus it's important to keep a sense of humor. One of our favorite major research studies on organizational performance and leadership is a highly regarded Harvard Business School 2015 study by Renée Adams, Matti Keloharju, and Samuli Knüpfer that examines Swedish business leaders. They collected data on the traits of more than one million Swedish males from a mandatory military enlistment test they took at age 18 and compared it with data on their service as a CEO of *any* Swedish company decades later. (Yes, they are all White males.) So, what was the difference? Three, actually: "CEOs have higher cognitive and non-cognitive ability scores and are taller than typical members of the population." However, in terms of cognitive and non-cognitive abilities, the researcher found many others (more than 100 times) in the companies who had better abilities than those who became CEOs. As they concluded, the CEOs were "hardly exceptional." But they were tall.

LEADERSHIP FOR TEAMS

To be fair to leadership thinking and research, most of the schools of leadership were developed in the 20th century during the primacy of the vertical organization. Some organizations were using project management and other forms of horizontally based work structures, but these were mostly exceptions—in the form of projects and workgroups that were seen as temporary. What has changed significantly in the 21st century is the recognition that horizontal forms of organization—social networks, teams, alliances, and other forms—are the primary means for organizing work and empowering workers, both in the pursuit of improvement and innovation.

So, leadership thinking has had to regroup and consider how leadership functions as a process, a responsibility, and a shared relationship in teams, where the members usually function as equals. This is where that broader definition of leadership that strives to create an environment in which key stakeholders are to operate and seek to accomplish personal, team, and organizational objectives is important. Leadership must begin by jettisoning the idea that the team leader is some sort of facilitator or work manager and rethink how it helps create better teams.

While some of the issues involving team leadership are familiar, the demands and requirements for team leadership are quite different. Leaders have to be able to address the functioning of the team as a whole. Leadership must be seen as dynamic, changing over time with different tasks and even different team members and that reflect the teams' development of critical capabilities. Alex Pentland, in his 2014 pathbreaking work *Social Physics*, points to a new set of activities and skill and knowledge that are essential for team development. Team leadership must drive exploration, idea flow, and above all engagement. The focus is on the needs of the whole team, not individual relationships.

Leadership thinking about teams is in the midst of a change, in part because new concepts of teams have emerged. There has always been a functional leadership approach where the purpose of leadership is to establish goals and set a direction that will lead to the accomplishment of the goals. This functional team leader also encompasses looking at how the team is functioning as a team—but sees as a primary role getting the work to be accomplished on schedule. If that necessitates replacing a team member who is underperforming or lacks the skills to carry their share, that is within the functional team leader's purview.

But what if the needs of a team are dynamic and changing within the team itself? This has led to new thinking about shared team or emergent leadership. The shared leadership model posits that leadership should be a group quality essentially as a set of functions that must be carried out by the group itself. Leadership is either rotational or dispersed across all team members, based on expertise and skills. In a reversal of conventional thinking, at the top of the team there might be a team overall manager presiding over a shared rotation of team member leaders according to emergent states and processes. While this may seem a bit ambitious, one should remember that there's some research that shows that the most effective teams are those who receive team training as a group before assembling. This model of shared or emergent leadership could be built into that development process.

Another development—especially spurred by response to the COVID pandemic—is the virtual team. Virtual teams are interdependent groups of individuals that work across space, time, and organizational boundaries with communication links that are heavily dependent on internet communications and technology. They are teams in every aspect except that they see each other mostly in Zoom meetings, not in the office. Leadership thinking has already produced numerous articles expounding on what makes a good virtual team leader:

- felt need to perceive, predict, and control events in one's work
- available colleagues up, down, and across who share the same need (and can provide additional support to cope)
- mutual respect for competence, trust of motivations, ability to engage and maintain long-term commitments to each other and the mission

(Hollander, 2013)

Looking through the prior list, one sees leadership behaviors that follow a popular leadership model—what Hollander calls inclusive leadership. Again, this flows back to a definition of leadership about creating a positive environment. Hollander's virtual team leaders are responsible for ensuring that the positive team environment embeds respect, recognition, responsiveness, and responsibility as core values.

In summary, we can expect that more and more leadership thinking will focus on how leadership works in the horizontal form of organization, whether in the office or online.

Concurrent with this will be the widespread replacement of the already endangered legions of supervisors in vertically oriented organizations. Flatter organizations will be dominated by teams, and the role of the team leader will be elevated dramatically. Models like shared or emergent leadership will dictate integrating leadership skill building with inclusive leadership behaviors for all members of the workforce, not just those who rose through the ranks to the top of the hierarchy. Indeed, leadership theory may well have to give more credence to those blogs and popular media articles that come out at times with the provocative title—"Aren't we all leaders now?"

BOX 14.4 The Myths of Team Leadership

George Graen, a leading leadership theorist who has written extensively about the importance of networks and alliances for effective leadership, has posited four myths that must be deflated before leadership thinking can be applied to teams:

1st Team performance can't be measured just by outputs

(That won't capture who makes positive and who makes negative contributions.)

2nd A team is not a team leader in charge and a small group of subordinate functionaries

(Rather, it's a person formally in charge, a small group of self-interested partners, and a network of interpersonal strategic alliances.) Team performance equals team networks, competence, motivation, and opportunity in situation.

3rd Daring leadership (Meindl's explanation of romantic leadership) is all nonsense

(Team leadership is essential. It entails serious negotiations involving all team members regarding what each can do and will do in various team situations.)

4th All executive talent is leadership talent

(There is a clear separation between administrative competence and team leadership competence—one is mastering operating and business systems while team leadership is forging and maintaining strategic alliances, and then using them to plan, organize, implement, and adapt goals of innovating beyond business as usual.)

Source: Adopted from George Graen, 2013

FOLLOWERSHIP—WHY IT MATTERS

Good leaders or bad leaders—leadership thinking has always relied on labeling or categorizing type of leaders to make its case about what determines effectiveness. Despite criticisms over the lack of methodological rigor, the literature is replete with leadership styles and typologies that have dominated leadership development schools. Thus, it's understandable that efforts to understand the dynamics of followership and its meaning and significance for organizations use followership typologies that were developed in the 1990s.

Followership, as per the keynote on Mary Parker Follett, is the other side of leadership—that "dynamic between the leader and follower that was essential for control and necessary for the both the supervisor and the subordinate to master and manage situations, not the ability of the leader to dominate the follower." Of course, the field progressed to focus on leadership as the independent variable and followership an outcome. When articles appeared on followership, they were often couched with labels that could hardly be seen as complimentary. As an example, Abraham Zaleznik at Harvard University, in a 1965 article entitled "The Dynamics of Subordinacy," set the tone. Zaleznik's model of followership was based on the two dimensions of submission vs control and activity vs passivity. It should be

noted, these were all tied to Zaleznik's Freudian perspective. Essentially, he opined, "Controlling followers want to control their superiors, while submissive followers want to be told what to do. Active followers initiate and intrude, while passive ones sit back and let things happen." While the 1960s was still a period in organization life where command and control was dominant, one might see why despite Zaleznik's reputation as one of the most influential leadership writers, this model was neither well received nor admired.

But the need to see followership in its own light was beginning to be recognized. As one overview noted:

> Researchers continue to lament the lack of work surrounding followership and its origins. Considering the overwhelming amount of time we spend in followership roles, research is needed to reach a deeper understanding of the motives, attributes, and interests of people who consent to being led. Given that both leadership and followership can vary enormously in their manifestations, does followership have any defining feature?
>
> (Spisak and van Vugt, 2011, p. 5)

The first model of followership is usually credited to Robert E. Kelley in 1988, when he developed a typology of followers using five types: conformist, passive, alienated, exemplary, and pragmatic. Kelley emphasized behaviors and thinking characteristics that he set up as the dimensions to arrange types of followers. Followers thus were divided into four different behavior types in a two by two matrix using passivity and critical engagement. Essentially, he opined, "Followers are more or less active or passive in terms of activity—(doing things) and more or less active or passive in terms of (critical and creative) thinking." One might argue that these descriptions weren't all that different from Zaleznik's Freudian typology, but in terms of "branding," the vocabulary was certainly better received.

Figure 14.2 shows Kelley's model as he illustrated it in his book.

Kelley's pragmatist followers were those responsive thinkers who would change their positions based on their understanding of the policy, goal, or situation.

A decade later, Ira Chaleff developed another followership typology based on the extent to which subordinates support leaders as opposed to how much they challenged them. It should be pointed out that by the 21st century, leadership theory was also changing and moving beyond the 1980s' transformation models to more complex and interactive theories like leadership–member exchange, authentic leadership, servant leadership style, and the like. Ira Chaleff's *Styles of Followership* (1995) fit into this mode, and he proposed four distinct follower types: resource, individualist, implementer, and partner. He concluded, "Good followership is seen as a skill that requires courage and that blind obedience is not good followership. Good leaders are also good followers and vice versa." Chaleff was also picking up on the emerging theme of the "leadership team," which required that the senior managers of organizations had to see their dual role in leading their units and following the lead of the executive leader and the board of directors.

Barbara Kellerman at Harvard, having stirred up quite a bit of discussion in her bestselling book *Bad Leadership*, followed this work in 2007 with a typology of followership based on the levels of engagement: isolates, bystanders, activists, participants, and diehards. The labels are less significant, however, than is her use of "levels of engagement" to create the dimensions. Engagement is not only something that there is some consensus over what it means; there is a huge body of statistical data—beginning with the Gallup surveys on the American workforce—that is available to measure it with.

Robert Kelley's followership styles

Source: From *The Power of Followership* by Robert E. Kelley, copyright © 1992 by Consultants to Executives and Organizations, Ltd. Used by permission of Doubleday, a division of Random House, Inc.

FIGURE 14.2
Kelley's Followership Styles

Rounding out this review of typologies, it's useful to include a model by Bridget Hyacinth (2014), a prominent business management consultant. Using loyalty and engagement as her dimensions, she established seven categories: sycophants, critics, realists, loyalists, traitors, spectators, and opportunists. Her choice of some not very flattering title lines notwithstanding, she offered a refreshingly candid assessment of fluid typologies:

> Followership type is not a fixated state, an individual might move from one "type" to another depending on the external conditions, changing perceptions as well as leaders conduct. For example, an opportunist could easily become a critic if he sees things are certainly not going in his favor. All this research is geared toward answering one question: Why do people follow their most influential leader?

The five typologies cited are summarized in Table 14.2.

It should be noted that the followership types in the table are generic—even though they all have business management origins. An excellent public sector assessment of followership can be found in Kim and Schachter's (2013) empirically based research. In a highly detailed, well-defined approach, they used employee survey data and extensive interviews to develop measurable variables to examine employee work satisfaction, engagement, and the strength of the supervisory–subordinate relationship. While they used Kelley's model for constructing types of followership, they reduced followership types down to three categories: (1) passive implementer, (2) active supporter, and (3) critical advisor.

TABLE 14.2

What Kind of Follower Are You? Followership Typologies:

Author	Zaleznik (1965) Harvard, Freudian Psychology	Kelley (1992) Carnegie Mellon Business School	Chaleff (2003) Business Management Consultant	Kellerman (2007) Harvard Business School	Hyacinth (2014) International Business Consultant
Dimensions	Two—submission vs control and activity vs passivity	Two—dependence and critical thinking	Two—supporting and challenging	One—level of engagement	Two—loyalty and engagement
Categories or Types of Followers	controlling submissive passive active	alienated passive conformist exemplary pragmatic	individualist resource implementer partner	isolated bystanders participants activists diehards	sycophants critics realists loyalists traitors spectators opportunists

Going forward, followership will demand and receive more attention. Partly this will be driven by changes in organizational structures that have been flattened and networked and more information given to followers with increased empowerment through information technologies. These changes in work environments will require more active followership roles.

Compared to the industrial age with rigid command-and-control structure, the lines between who exactly is leading and following in the information age will blur and meld—demanding in turn more flexible leader–follower relationships. Any view of followers as "compelled subordinates" will not work. Lastly, followership can be considered as a prerequisite for leaders since leaders are in some way still followers (Williams and Miller, 2002). In other words, all leaders need effective followership so that they can contribute to their organizations as followers as well as leaders.

In summary, it is more than fitting then to end this chapter harkening back to Mary Parker Follett, who reminds that above all leadership and followership are about taking responsibility.

> [This is the] dilemma which has to be met by everyone who is in what is called a position of authority: how can you expect people merely to obey orders and at the same time take that degree of responsibility which they should take. Indeed, in my experience, the people who enjoy following orders blindly without any thought on their own part are those who like thus to get rid of responsibility. But the taking of responsibility each according to his capacity, each according to his function in the whole . . . this taking of responsibility is usually the most vital matter in the life of every human being, just as the allotting of responsibility is the most important part of. administration.
>
> (Follett, 1926, p. 81)

Case Study—Now it's your turn to write the questions!

CASE STUDY Case Study: Leadership in a Time of Plague—How Would You Assess Leadership Effectiveness?

The COVID-19 pandemic and now its variants have caused over 6 million deaths since April of 2020. But that is not the most severe pandemic in modern times. The Spanish flu or influenza epidemic of 1918–1919 infected over one-third of the world's population and caused an estimated 50 million deaths worldwide. There was no vaccine for the influenza virus and no antibiotics to treat patients. Even the public health measures taken of quarantine, isolation, restricting gatherings, school closings, and use of disinfectants that were used were not in effect across all regions and states.

Given the lack of scientific knowledge about what even the cause of the Spanish influenza was, it's hard to fault public leaders for failing to address the pandemic more effectively. Even President Wilson was offered conflicting advice when he asked about rising death tolls among the military as troops were in training and shipment to Europe in the last stages of World War I, with American soldiers clearly making a difference to bringing that war to an end. Assured by the military leadership that the best precautions were being taken, Wilson continued with troop deployments. The war was won and concluded—but historians fault Wilson for the final result. More American soldiers died from the "Spanish flu" during World War I than on the battlefield.

What might be considered good leadership under these conditions? One city that public health experts and historians point to is St. Louis—where a public health commissioner and a mayor took aggressive action in closing schools and restricting all forms of social gatherings. A summary of what was achieved by these two leaders is provided in *The Influenza Encyclopedia* produced by the University of Michigan Center for the History of Medicine and University of Michigan Library.

Led by a strong-willed and capable health commissioner who had the foresight to act quickly and decisively, and supported through home nursing by an organized local Red Cross, St. Louis fared well in its battle against influenza. Despite persistent pressures from various constituents, Health Commissioner Max C. Starkloff and Mayor Kiel moved beyond their differences to execute an open-minded, flexible approach to social distancing measures. Among their innovations was a health officer (Jordan) dedicated almost exclusively to stakeholder communications, an advisory committee, and age-appropriate restrictions for children.

When discussing the history of the tragic 1918 influenza epidemic, St. Louis is often held up as a model city. Because of the quick and sustained action by its leaders, St. Louis experienced one of the lowest excess death rates in the nation, just 358 per 100,000 people. Only six cities—Grand Rapids, Minneapolis, Indianapolis, Milwaukee, Toledo, and Columbus—had better outcomes.

Looking back at the actions they took—with great resistance from the citizens, churches, businesses, and other social organizations—they were able to close schools (the death toll from influenza was especially severe on the young [under 20]), establish restrictions on gatherings, take quarantine measures, and even impose lockdowns. Part of their leadership effectiveness,

as the summary notes, was creating an environment that engaged other stakeholders in networks to combat the spread of the pandemic.

How Would You Define and Assess Leadership Effectiveness?

Mumford and Barrett in their assessment note that too many "definitions" point to leadership as the effective use of influence that is (rather) independent of the authority bestowed upon one's position. This might be considered successful leadership: but in their view—leadership effectiveness is more. Thus leadership "involves the discretionary induction of changes," changes unfolding over time, through the exercise of influence—and what effective leaders do is bring about change, in some dimension of a social system—or in the case of a plague, bring people together to combat and overcome circumstances. They note in their critique that leadership effectiveness is about outcomes: and these outcomes can be measured (social, performance, psychological, interpersonal, team, and organizational). In the case of a global pandemic, those outcomes would be measured in terms of societal well-being (Mumford and Barrett, 2013).

The COVID-19 pandemic has now migrated into new variants—first Delta, now Omicron, and then whatever follows. It is too soon to tell who will be seen as effective leaders, such as the St. Louis public health commissioner and mayor.

But you can begin by looking at both political-elected leaders and especially public administrators for who demonstrated foresight, conviction, and a willingness to do what was needed in terms of action. To look for who articulated a vision for change and development of plans, who influenced changes of behavior in individual persons and influenced changes of behavior in organizations, indeed communities and states (Mumford and Barrett, 2013).

You might also look for courage. Albert Camus noted as much in his famous novel—much read during these pandemic times—*The Plague* (1948). In the novel, Dr. Rieux is the narrator and is one of the first people in the city to urge that stringent sanitation measures be taken to fight a rising epidemic. As the death tolls mount in the city, Rieux contacts the prefect (the chief officer invested with the superintendence of the administration of the laws) and has this exchange:

> Rieux decided to ring up the Prefect.
> "The Regulations still don't go anywhere near far enough."
> "Yes" the Prefect replied, "I've seen the statistics, as you say they're most perturbing."
> "They are more than perturbing, they're conclusive.
> "I'll ask the government for orders."
> When Rieux next met Castel, the Prefect's remark was still wrangling.
> "Orders" he said scornfully "when what's needed is imagination."
>
> (Camus, 1948, p. 62)

Case Discussion Questions

Rather than trying to judge who was effective or whose leadership was destructive, your last case asks you to create your own questions. What would be your test for assessing leadership effectiveness? Your test should include some metric for public well-being, of course.

(*continued*)

CASE STUDY *Continued*

You might compare two public leaders in different but comparable circumstances. But for this case study, at this time, you need to determine the criteria you would use to judge effectiveness; to determine as Alice Rivlin admonished us over 50 years ago in her lecture series turned classic book *Systematic Thinking for Social Action*—to be effective, you first must be able to determine between better and worse.

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GLOSSARY OF SELECT TERMS, SUBJECTS, AND CONCEPTS

Charisma Leadership based on the compelling personality of the leader rather than on formal position. The word *charisma* is derived from the Greek word for divine grace. The concept was first developed by Max Weber, who distinguished charismatic authority from both the traditional authority of a monarch and the legal authority given to someone by law.

Contingency approach An approach to leadership asserting that leadership styles will vary in their effects in different situations. The situation (not traits or styles themselves) determines whether a leadership style or a particular leader will be effective.

Rule of law A governing system in which the highest authority is a body of law that applies equally to all (as opposed to the traditional "rule of person," in which the personal whim of those in power can decide any issue).

Trait theory An approach to leadership that assumes leaders possess traits that make them fundamentally different from followers. Advocates of trait theory believe that some people have unique leadership characteristics and qualities that enable them to assume responsibilities not everyone can execute. Therefore, they are "born" leaders.

Transactional approaches Any means of analyzing leadership style that focuses on how leaders interact and how they treat those they seek to lead.

Transformational leadership Leadership that strives to change organizational culture and directions. It reflects the ability of a leader to develop a values-based vision for the organization, to convert the vision into reality, and to maintain it over time.

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