Controlling Bureaucracies: Crash Course Government and Politics #17

Crash Course: U.S. Government and Politics
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Hey! I'm Craig and this is Crash Course Government and Politics and today, I'm gonna cut through the red tape with common sense reforms to get our government back on track. Actually no we're not gonna do any of those things although if you pay attention to American politics you may have heard that bureaucracies are a problem. And that they're strangling American innovation. And that they must be dealt with, and soon.

Part of the reason you may have heard this is that Americans just seem to hate bureaucracies for reasons I've mentioned and probably one that I haven't - federal bureaucracies are funded by taxes, and the only thing Americans hate more than bureaucracies is taxes! Except for maybe public transportation and eating healthy food.

Okay there's a lot of other things that Americans hate but taxes, hoo boy! They're definitely near the top of the list.

(Crash Course intro music)

So today we're gonna look at the ways bureaucracies can be controlled and we'll start with two broad categories - those controls that seek to limit the discretion of bureaucrats, and those that seek to shrink the size and number of bureaucracies.

The first type, limiting the activities of bureaucracies without actually getting rid of them, is easier and therefore more common. So congress can attempt to control the behavior of bureaucracies in two ways - they can institute before-the-fact controls or, wait for it, after-the-fact controls!

Before-the-fact controls are attempts to limit bureaucrats discretion through the way that the bureaucracy itself is set up. I limit the discretion of eagles by doing this! The best way to do this is through careful drafting of the legislation that creates bureaucracy itself. If for example congress didn't want NASA to search for extraterrestrial life, they could have written it into the law establishing NASA in the first place.

A more realistic example is that congress frequently forbids agencies from funding or even discussing abortions or abortion counselling. This type of bureaucratic control is called procedural. One of the main procedural controls on bureaucracies are reporting requirements, which are forms that agencies have to send back to other oversight agencies detailing what the original agencies actually did.

This is where a stereotype of the Kafka-esque bureaucracy comes from, other than you know, Kafka. Another before-the-fact control that congress can exercise is in the appointment of agency heads, although the senate can only veto them, not actually appoint them. Of course, the executive branch will usually take congress' preferences into account in nominating agency heads, so this is also a sort of control.

Influencing the appointment process however is a weak control because once appointed and confirmed, congress does not have the power to remove the agency heads or threaten their jobs security much, although congress can make an agency's head ache through after-the-fact controls. (Ba dum tss) See what I did there Stan?

After-the-fact controls are often just called oversight but extend a bit beyond this. Congress can exercise very public oversight by holding hearings. If there's some blockbuster allegations people might pay attention, but the more hearings congress decides to hold, the less attention the public will pay. Probably the best known congressional hearings involve Nixon's impeachment which was a very special case and the Army-McCarthy hearings of 1954, when senator McCarthy held hearings to determine if the army was full of communists. Spoiler, it wasn't.

Congress has it's own watchdog organization that checks on how bureaucracies are spending their money, the general accounting office. Congress can also institute investigations which are less public than hearings, and result in a report. A report. We all hate doing reports, right? Oohoohoo.

The Warren Commission report on JFK's assassination, the 9/11 report and the senate report on CIA torture are examples of this. The best way to control what a bureaucracy is able to do is through the appropriations process. Congress has to set aside operating funds for most agencies and one of the best ways to get an agency to do less is by giving them less money to do things, or at least threatening to do so.

Of course the absolute best way to get an agency to do less of whatever it does is by limiting its growth, or in some cases getting rid of it altogether. Limiting its growth is sometimes called taming the bureaucracy but that makes it sound like some kind of wild animal and I don't know about you but wild animals are not the first thing that comes to mind when I think about IRS agents. Well, I mean, being attacked by a bear and being audited are similar, but let's go to the Thought Bubble.

Of all the ways to limit the growth of bureaucracies, the absolute best is to get rid of the agencies completely. This is called termination and despite the calls of politicians to get rid of executive departments, it almost never happens. This is for two reasons. One is that bureaucracies create constituencies for themselves and they can often lobby persuasively for the continuation of the agency.

More to the point, lots of agencies are useful and getting rid of them would mean that some important functions might not get done. Like who would oversee America's failing schools without the Department of Education.

More common than termination is deregulation which is when congress limits the number of regulations that an agency is allowed to enforce. Often the thought behind this is that market forces will step in and keep whatever the agency had been regulating under control. But often it doesn't work out as we, or congress, might expect.

In the 1970s, congress deregulated the airline industry, and one result has been much cheaper airfares although it doesn't seem like it. Another result has been fewer airlines and greatly improves service. We can all agree that no one has ever had any bad service ever on an airline.

The point of deregulation is that it's supposed to lower costs, but this isn't always the case especially when you figure in externalities which are the social costs of an activity that are not paid for by the industry. The best example of an externality is pollution but we'll talk more about that later.

Another way of shrinking bureaucracies that has become popular since Nixon and new federalism is devolution. Devolution is when congress shifts, or devolves, the task, or burden, of regulation from a federal agency to states and local municipalities. Devolution is a bit of a bait-and-switch because while it may shrink the federal bureaucracy, the total level of bureaucratic function remains the same. Unless congress cuts funding along with the devolution, creating an unfunded mandate. Thanks Thought Bubble!

So, congress has attempted to scale back bureaucracy by privatization. This means turning over bureaucratic functions to

private entities, usually corporations. What happened to my jacket? President George W. Bush proposed doing this to social security, essentially allowing individuals to invest their retirement funds with private companies. But this proposal went nowhere, mainly because it seemed risky and looked like a giveaway to banks, which may be even less popular than bureaucracies or congress.

Another example has been handing out some of the jobs that had previously been done by the army to private military contractors. Privatization looks great politically to some and it gives the appearance of shrinking the size of the bureaucracy because employees are off the government's books. But they still have to be paid, so whether privatization actually works is debatable.

In the long term it may be less costly because many federal employees receive deferred compensation in the form of pensions, but in the short run in can cost a lot more for a private company to drive a truck in a war zone than for an army to do it. So if you wanna limit the power of bureaucracies, those are some of the ways to do it. But before you get too excited about cutting government down to size, there are a few things to remember.

First, bureaucracies are huge and they do a ton of things. Bureaucracies have grown since the new deal and they don't show much sign of slowing down. I blame the eagle. Stop it! Even under Republican presidents like George W. Bush, bureaucracies have grown and along with them, government spending. In fact President Bush even added a cabinet agency, the Department of Homeland Security.

Second, once created, bureaucracies create political constituencies by making themselves necessary to people. Ugh, people. So annoying. It's so much easier without people! The idea of getting rid of social security just to limit social security is scary to a lot of people who rely on social security. I said social security a lot.

The thing to remember here is that no matter what we think of them, bureaucracies are political entities and subject to political pressure despite efforts to keep them out of politics. But in case you haven't noticed, you can't really separate politics and government. But we'll talk about politics in another episode.

Thanks for watching, I'll see you next time.

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