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Bureaucracies

1. Discuss the portrait of FEMA bureaucrats presented in the video. Do these government workers match our general image of a bureaucrat?
2. Describe other government workers that do not match the stereotype of a bureaucrat.
3. Why was the EPA created?
4. What role does leadership play in creating an effective bureaucracy?
5. Can any bureaucracy operate effectively without any clear political guidance as to what goals it should pursue?
6. Why did the state department of labor move to prohibit children from serving as umpires?
7. Did the department have any options?
8. Looking at the compromise that was reached in the legislature, has it placed the department of labor in a position to enforce the law?

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**Why Can't the DMV Be More Like McDonalds?**

A popular myth is that bureaucracies are only found in governments. But in reality most, if not all, private organizations have bureaucracies too. This is because they also employ people with specific job titles and responsibilities, who work in a hierarchy of authority and within established procedures for operations and governance. In an influential article entitled, "What Government Agencies Do and Why They Do It," social scientist James Q. Wilson compares McDonalds to a city Department of Motor Vehicles office to help us understand the differences between public and private sector bureaucracies. After examining the synopsis of Wilson's argument, discuss how government bureaucracies resemble private bureaucracies. Discuss whether you think public bureaucracies should look and operate even more like private bureaucracies or that there are valid and important reasons for the differences.

A typical **Department of Motor Vehicles (DMV)** office has long lines that are slow-moving. Customers are often unsure about what line they are supposed to be in, and may get to the front only to find out they must wait in another line. Often, the clerks at the DMV must work with outdated equipment, and they frequently seem harried and dissatisfied with their jobs. Overall, the atmosphere is tense and unpleasant.

In contrast, the typical **McDonalds** fast-food restaurant has several short lines that are fast-moving. Customers can quickly scan the choices before them on a menu that is clear and attractive. The workers are polite and efficient, and the restaurant is immaculate. Overall, the atmosphere is friendly and good-natured.

What is the difference between these two organizations? Again, it is not that the DMV is a bureaucracy and McDonalds is not. On the contrary, both are bureaucracies with extensive rules and clear lines of authority. In fact, McDonalds regulates every aspect of its operation through its 600-page operations manual. Nor is it because the average line workers at McDonalds make more in salary than the average workers at the DMV. Instead, the opposite is true.

As Wilson explains, the crucial difference between the two organizations is that the DMV is a government bureaucracy (in this case state government), while McDonalds is a private-sector bureaucracy. Unlike private bureaucracies,**government bureaucracies** must operate under three important constraints:

* Government bureaucracies cannot lawfully retain for their members' private benefit the earnings of the organization. In other words, the workers don't share in any profits generated by the organization. When private firms make a yearly profit, part of that profit will often return to the workers, or at least the managers, in the form of bonuses or stock options.
* Government bureaucracies cannot allocate the factors of production in accordance with the preferences of the organization's administrators. For example, government agencies don't have total freedom and authority to take some of their profits or remaining budget resources and independently arrange to buy new equipment, or to hire or fire existing contractors. Moreover, government bureaucracies must hire, promote, and fire workers in accordance with strict and detailed rules that are created externally to the organization. These rules are usually the result of political decisions, not bureaucratic ones.
* Government bureaucracies must promote goals that are not of the organization's own choosing. Control over agency goals, revenues, and factors of production is vested in entities external to the organization including legislatures, courts, executives, and interest groups.

Do all government bureaucracies have to resemble the DMV described above? Not necessarily. Government bureaucracies at the national, state, and local level have experimented with incentives to deliver services more efficiently. These experiments include awarding employees bonuses for good work records, empowering line and lower management employees to make innovations in their local operations, and creating customer feedback forms to hear suggestions from those who rely on their services. Evidence suggests that many of these reforms, such as those developed under the Government Performance and Results Act, have had some positive results, such as streamlining procedures, cutting costs, and increasing "customer" satisfaction.

In other cases, politicians have decided to "privatize" some traditional government functions such as trash collection and prison administration in order to promote efficiencies that are typically associated with private bureaucracies. These programs, however, have had mixed results. In most cases, privatized trash collection has worked. But there have been serious problems with private firms that try to earn a profit by running prisons. In some cases, prisoners were crowded into facilities that were designed to hold fewer people, and some prison officials cut back on daily food rations to cut costs. In a few cases, prisoners rioted to protest the inhumane conditions and, as a consequence, some governments have concluded that privatized prisons don't work.