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Opinions

Taming big government by proxy



By Michael Gerson Opinion writer February 16, 2015

For the six years of the Obama presidency, or perhaps the last 35 years since Ronald Reagan's election, American politics has been dominated by a debate on the size and role of the federal government. This argument, while intense and consequential, has often lacked one element: actual knowledge about the size and role of the federal government.

Into this gap, political scientist John DiIulio has thrown a slim volume titled "Bring Back the Bureaucrats." It is a reproof to everyone who hates government or loves government without understanding what it does — which covers most of the American ideological spectrum.

DiIulio describes two, seemingly contradictory trends. Since the 1960s, federal spending has increased by more than five times in real terms. But the number of federal bureaucrats in 2014 was smaller than at any time since Dwight Eisenhower was in office. The federal workforce (excluding the U.S. Postal Service) has essentially hovered around 2 million since just after World War II.

Some of this vastly increased level of spending per bureaucrat can be explained by improved productivity — computers, for example, have made it easier to administer Social Security. But mostly we have seen what DiIulio

terms "Leviathan by proxy." The federal government has expanded its mission without expanding its workforce — outsourcing the administration of programs to state and local governments, to for-profit businesses (i.e., the military-industrial complex) and to large social service nonprofits. It is, says DiIulio, "a uniquely American, superficially anti-statist form of big government."

Not all proxies are bad. But the weaknesses of this system were on full display in the launch of the Obamacare exchanges — in which the reputation of government was tied to the cinder block of contractor performance and thrown overboard. Hurricane Katrina revealed that the Federal Emergency Management Agency (FEMA) is a phantom organization that works mainly through contractors. Our system of government by proxy is often comfortable with high levels of fraud (as in Medicare and Medicaid), and content with low levels of information on outcomes.

Among political scientists, there is broad agreement on the problems associated with this approach. The recipients of federal funds — states and localities, for-profit contractors and the independent sector — are also powerful lobbyists for federal funding (preferably without annoying strings attached). During budget debates, proxies are built-in constituencies for the status quo.

This system also represents a not-so-subtle form of congressional corruption. Legislators enjoy taking action on popular issues. But they don't like to raise taxes or to increase the size of the federal workforce. So they fund programs with debt and implement them through proxies. This type of outsourcing is not properly called privatization. Instead, it is the creation of what DiIulio calls "a poorly trained acquisition workforce" that the federal government "struggles to monitor and manage."

As a result, America has a large public sector but often lacks strong, capable public administration. We have managed to build a big government that is frequently weak.

DiIulio's main proposed solution is to prune back the proxies and to hire perhaps 1 million more full-time federal civil servants by 2035. It is a policy idea in the best academic tradition — effectively highlighting the absurdity of our current system while itself being utterly disconnected from political reality.

Yet everyone should be upset with the problem DiIulio describes — both those who prioritize limited government and those who prioritize effective government. Congress has engaged a significant portion of the working public as implementers of federal policy without providing rational systems of oversight and accountability. Simply adding more people to these systems (with some exceptions) would do little to transform them. To be effectively run, they must be made runnable.

Some of this effort should involve the injection of greater rigor into existing and future programs — what has been called "moneyball for government." Instead of spending money, say, on youth development according to the hunches and enthusiasms of politicians, why not require serious evaluation and hold programs accountable for results?

Conservatives have something else to offer — reforms in which providers of services compete for resources by pleasing the people receiving services. Instead of asking the federal government to perform impossible management tasks, why not create systems that handle complexity from the bottom up, allowing for constant marginal improvements? (This is the theory behind school choice and conservative proposals to replace Obamacare.)

The responses to "Leviathan by proxy" will differ according to ideology. But any serious political movement on the right or left must now be a government reform movement.

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