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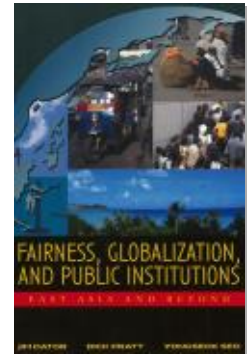
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# Administrative Reform in the United States

From Laissez-Faire to Empire

JIM DATOR

The United States was the first “new” nation,<sup>1</sup> the first nation to be specifically “constituted” by “the people” purposely coming together, throwing away a dysfunctional political design, and rationally inventing and creating a new one. The American example inspired a worldwide revolution in political design that has never been equaled, even though, as we will discuss later, creative new political designs are more sorely needed now than they were in 1787. But when this basic constitutional design was conceived and laid out in the late eighteenth century, America (though a “new nation”) was not yet a “modern” nation. America was founded in the latter days of the premodern, agricultural era. And so, though the constitutional impulse, cosmology, and structure was new, the initial duties of the officers of the new nation were not much different from the duties of the officers of any of the old nations. When called upon to flesh out the bare bones of the Constitution, the first US Congress in 1790 created only three “departments” (ministries) for the first president. What the three were (and what they were not) is tremendously revealing of how little government (any government, old or new) was expected to do at that time.

The first three departments created by Congress were War, State, and Treasury. At the same time, Congress created the Office of the Attorney General (the Justice Department itself was not created as a cabinet position until a hundred years later, in 1870) and the Postmaster General.<sup>2</sup> The first four are about as generic governance functions as one can imagine: “War” (not renamed the more politically correct “Defense” Department until after World War II) in order to enable the United States to fight other nations (the monopoly on and use of organized violence being the definitional hallmark of a “sovereign state,” then as well as now); “State” (Foreign Affairs) so that the United States could engage in diplomatic relations with other sovereign states and further its interests politically when it would not fight; and “Treasury” so that the finances of the nation could

be managed (though there was not yet a national bank). An “Attorney General” was necessary as the lawyer of the nation who would defend the United States in courts of law, especially important given the loose federal nature of the union.

These are all very fundamental governance functions. But a Postmaster General? Why in the world would the founding fathers need a Postmaster General? Why should the federal government be responsible for the delivery of mail? That does not sound like a “generic” function of governance equal to War, State, Treasury, and the office of the Attorney General, especially considering all the other governmental departments that exist now, but not then. The answer in part has to do with the importance the founding fathers gave to their own experiences during the colonial period with the various “Committees of Correspondence.” These had enabled them, often illegally and with considerable effort and danger, to communicate among themselves and to plan and foment their successful revolution for independence against England. Thus even the Articles of Confederation, the first attempt to create a kind of unified nation from among the several colonies after their independence, made the delivery of mail a duty of Congress and not of the individual states. Thus it was not a surprise that the US Constitution later specifically called for the creation by the federal government of “post offices and post roads” so as to enable the tiny, far-flung, and isolated communities of the vast, new nation to knit themselves together into a more perfect union.<sup>3</sup>

The first presidents led comparatively quiet lives. Their staffs were small and composed mainly of relatives, friends, and people to whom they owed some political favor. The staffs of the various departments also were miniscule and filled with political hangers-on who may or may not have been able to do competently whatever work was to be done. But there was not much work to do, and competence was seldom needed.

Frederick Mosher refers to the period from 1789 to 1829 as “Government by Gentlemen.” During that time, presidents operated with what Mosher terms “surprisingly little guidance” from the Constitution in building the foundation of public service. There is consensus among historians that George Washington established a positive precedent in emphasizing competence and fitness of character, rather than personal ties or nepotism. It is important to note, however, that the pool of persons from which Washington chose his appointments was small, homogeneous, and elite.<sup>4</sup>

This soon changed. “Jefferson articulated the first argument for patronage in the system when he contended that a limited number of offices ought to be divided between the parties and that party service was a valid criterion for appointment to public service.”<sup>5</sup> But President Andrew Jackson went even further in creating the “spoils system.” In his first presidential address, Jackson argued that “there was no need to confine offices to the highly educated few, for the ‘duties

of all public officers are, or at least admit of being made so plain and simple that men of intelligence may readily qualify themselves for their performance.’”<sup>6</sup>

Thus when an old president left office and a new president came in, the personnel appointed by the old president left and the relatives and cronies of the new president came in to take their places. “Public service” was seen initially as a duty that the elite should perform for a while and as a temporary reward for political loyalty. It was not viewed as a vocation, much less a profession for which one should be trained and to which one should devote his entire career.

And as far as involvement in foreign affairs was concerned, Washington allegedly once remarked, “We have not heard from our Ambassador in Paris, Thomas Jefferson, for some time now. We should send him a letter.” No urgency. The communication over, and back, would take months.<sup>7</sup>

Overall, the spoils system was dominant from 1845 to 1865.<sup>8</sup> From Jackson’s time for many years onward, the powers and duties of American presidents were weak and few. They concerned themselves mainly with removing officeholders and appointing new ones. As McDonald says, “The nineteenth century presidents continued to be little more than chief clerks of personnel.”<sup>9</sup> “Paul Van Riper notes that federal employment grew from three thousand in 1800 to six thousand in 1816. By 1831 the number had reached twenty thousand.”<sup>10</sup> By 1870 the number of government functionaries had grown to more than fifty thousand.<sup>11</sup>

Relyea notes,

As the federal government embarked upon the first year of the 20th century, the US consisted of 45 states and [four] territories. Congress counted 86 Senators (four vacancies) and 389 Representatives (two vacancies). The Senate conducted its business with 55 standing and eight select committees; the House of Representatives performed its functions with 58 standing and four select committees. . . . Eight departments were represented in the Cabinet, and these, together with 10 other principal entities, . . . constituted the major units of the executive branch. The American public, numbering over 76 million people, were being served by some 231,000 executive branch civilian employees, 5,690 legislative branch employees and 2,730 judicial branch employees of the federal government.<sup>12</sup>

It is informative to chart American history by observing which new departments, after the first five, were created by Congress and in which order they emerged. It clearly tells the story of America’s transformation from an agricultural society to an industrial society to a post-industrial society.

1. 1849: Interior (Initially mainly concerned with Indian affairs and the redistribution of their stolen land.)
2. 1862: Agriculture (Farming was the primary occupation of most Americans, but the nation was already well on the way to industrialization, including the industrialization of agriculture, by 1862.)

3. 1870: Justice (Industrial society required the “rule of law” for its own “orderly” development.)
4. 1913: Commerce
5. 1913: Labor (Note the long interval between the creation of the Department of Agriculture and the creation of the Departments of Commerce and Labor. US departments always lagged well behind changes in society. Note also that the two were created together, balancing off the new interests of business and labor.)
6. 1953: Health, Education, and Welfare (Created twenty years after the New Deal!)
7. 1965: Housing and Urban Development (Most Americans now live in urban and not rural areas.)
8. 1966: Transportation
9. 1977: Energy (Created after the two “oil crises” of the 1970s.)
10. 1980: Health and Human Services
11. 1980: Education (These two were split from the Health, Education, and Welfare of 1953.)
12. 1988: Veterans Affairs (This had been a large “office” for years. Making it a department illustrates the central role of the military in America.)<sup>13</sup>
13. 2002: Homeland Security (Representing a fundamental change in America’s view of itself and its world.)

This list masks the fact that, from the late nineteenth century to the second third of the twentieth century, as part of global administrative reform movements discussed below, most of the new administrative offices of the US federal government were created not as cabinet “departments” but rather as “independent” regulatory commissions. The powers of these commissions are extensive, perhaps even greater than those of the departments, since the commissions are in fact substantially “independent” of political control.

### **American Political History as Continual Administrative Reform**

One way to read American political history can be as a never-ending series of attempts to find the right way to administer governance. There have been six major waves of administrative formation and reformation in the United States, with many surges and eddies between and among the waves. The major episodes (with a hint as to what might come next) are as follows:

1. 1789–1829: “Government by Gentlemen”: serving for short periods of time as their civic duty.
2. 1830–1883: “Government by the Common Man”: holding government

- office for short periods of time as a reward for political service; the “spoils system.”
3. 1883–1932: The “Progressive Era” of rational, scientific, professional, non-political, predictable (i.e., “bureaucratic” as a good word) globalized governance.
  4. 1932–1978: “We’re from the Government. And We’re Here to Help You.” And they were, and they did. New Deal through the Great Society; the heyday of the welfare state in the United States. “We’re all Keynesians now,” said Richard Nixon.
  5. 1979–2001: Government as your enemy: Reaganomics, Reinventing Government, and the New Public Management.
  6. September 11, 2001: Government by men and women in uniform; a new meaning of public “service.” Security is now more important than rights. The military and paramilitary part of government is good and growing. When will this wave end? What will the next wave be?

The following documents those waves and eddies:

Calls for reform of the system, emanating from a variety of sources, were being heard throughout the [earliest] period. Partly the calls were rooted in sheer disgust at the incompetence of government. . . . But there was in some quarters also a sense of moral outrage at the decadence of public life. . . . In 1838 the collector of the port of New York, Samuel Swartwout, had absconded with \$1,235,705.69, a sum that . . . would have been equivalent to about \$160 billion in 1992.<sup>14</sup>

Clearly, those were heroic times! But it took more than mere grand larceny to really get reform going. Military incompetence did the trick. In the initial stages of the US Civil War (1860–1865), many of the higher officers had attained their rank through the spoils system, and not as a consequence of their proven abilities. Thus “Congress created the Joint Select Committee on Retrenchment, one of whose tasks was to consider the use of examinations for entry to federal employment. The committee’s report was issued in 1868; it was a ringing condemnation of spoils. The alternative report proposed was modeled on the British civil service system. Elements of the systems in China, Prussia, and France were also discussed,”<sup>15</sup> hence showing that the first formal governmental reform efforts in the United States were informed by examples in other parts of the world, yet another sign that notions of “good governance” have been globalized for a long time.

In 1883, Congress passed the Pendleton Act, which created the Civil Service Commission, requiring competitive examinations in order to qualify for certain jobs in the federal government. “By 1928 almost 80% of the positions below policy-making levels were covered.”<sup>16</sup>

The first so-called “independent regulatory agency,” the Interstate Com-

merce Commission, was created in 1887 to regulate railroads. From that point on, such regulatory agencies grew apace. By 1990 there were thirty-two “major” and twenty-three “minor” independent agencies. “Contrary to a widely held misconception, regulation of economic activity . . . had been the norm in America almost from the outset, . . . but [initially] such regulation was at the level of state and local government. . . . And, contrary to another widely held perception, the [first agency] was ardently sought by most interstate railroad operators as a means of escaping the clutches of ignorant and avaricious state legislators.”<sup>17</sup>

Congress authorized President William Howard Taft “to study the bureaucracy to find ways of reducing expenditures.” As Taft told Congress, the real problem was that “the United States is the only great Nation whose Government is operated without a budget.” President Woodrow Wilson “laid the foundation for a managerial presidency of the kind Taft’s commission had contemplated.”<sup>18</sup>

“In December [1932, President Herbert] Hoover sent to Congress orders for changes in fifty-eight governmental activities.” In 1936, President Franklin Roosevelt “appointed a committee on administrative management chaired by Louis Brownlow,” which “complied by drawing a blueprint for reorganization that would place all federal agencies . . . under the direct and exclusive command of the president.”<sup>19</sup>

The offices and scope of the US federal government vastly expanded during World War II. “As soon as Congress convened in January 1947, it passed an act establishing a Commission on Organization of the Executive Branch of the Government. . . . The intention was to undo the economic and social programs that had been introduced by Roosevelt’s New Deal and Truman’s nascent Fair Deal. . . . The reports of the Hoover Commission, released to Congress during the first few months of 1949, made 277 specific proposals for shifting agencies and consolidating them to create ‘a clear line of command from the top to the bottom, and a return line of responsibility and accountability from the bottom to the top.’ More than half of the proposals, among them the most important ones, were enacted into law or effected by executive orders.”<sup>20</sup>

“Then, after the ill-starred Kennedy dream of Camelot, came two presidents whose design for the presidency knew no limits, and between them they reduced the prestige and power of the institution to a nadir it had not known since the days of Ulysses Grant.”<sup>21</sup> They were Lyndon Johnson and Richard Nixon. They were followed by two weak and generally discredited presidents, Gerald Ford and Jimmy Carter.

“Carter was successful in obtaining passage of comprehensive civil service reform, the first since the Pendleton Act had created the merit system in 1883. The Civil Service Reform Act of 1978 was intended to make the civil service, particularly at the top levels of management, more flexible, more responsive, and more productive. . . . Ten years after the reform, however, the director of the

Office of Personnel Management, one of the new agencies created by Carter's reform, declared that the civil service system remained burdened by thousands of pages of rules and regulations and did not work."<sup>22</sup>

The history of administrative reform takes a substantially different turn from that point on, however. The president whose name is most closely associated with substantially changing the abilities of the US federal government and the attitude of the American people toward its government is Ronald Reagan. Armed with what then-rival Republican Party presidential candidate George H. W. Bush called "Voodoo Economics" (the "supply side" economic theory and practices of Arthur Laffer),<sup>23</sup> Reagan succeeded in transforming the US government from the number-one creditor nation in the world (the country to whom most of the world was in financial debt) to the number-one debtor nation (owing more to the rest of the world than did any other country). This is still a major feature of the US government, made even more prominent by the presidential son of George H. W. Bush, George W. Bush.<sup>24</sup>

But it would be wrong to assume this transposition was a mistake. To the contrary, it was one of the intentions of Reagan's policies. As McDonald says, Reagan's "aim regarding the administrative machinery of the federal government was not to manage it efficiently and economically but to minimize its functions and return as many of them as possible to the states or to private enterprise."<sup>25</sup> It was the aim of Reaganomics, in short, to destroy most of the existing US federal government and to restore it, if possible, to its original size and functions of 1790.

While Reagan was not entirely successful in this, he did set the federal government on a trajectory of downsizing and privatizing of its nonmilitary functions that is still in place. While the overall personnel and budgets of US government have continued to grow, and recently very spectacularly, this growth is overwhelmingly in military or paramilitary areas and in servicing the national debt. The ability of the government to function in other areas has been substantially reduced as taxes and personnel have been reduced and (with the exception of a brief bit of fiscal nonsense at the end of President Bill Clinton's administration)<sup>26</sup> the national debt increased.

Nonetheless, the American voters continue to favor lower taxes and smaller governments, so "President Clinton declared government to be 'broke and broken' and advocated a complete 'reinvention' of government."<sup>27</sup> He asked Vice President Albert Gore to take the lead in this, and considerable time and effort was spent on "reinventing government." But the civil service system apparently is still not fixed.

When George W. Bush was chosen president by the US Supreme Court in 2001, government downsizing and reform were very much on his mind. The primary weapon he used for this was cutting a variety of taxes for the rich, thus



transforming the impressive budget surplus he inherited from Clinton into a massive and growing deficit in each succeeding year of his reign.

But it is hard to argue that the federal government downsized as a consequence. In fact, it grew as Bush created a new federal agency, the Department of Homeland Security, and then attacked, conquered, and occupied Iraq at great expense and for an indefinite duration. So, as with the Reagan era, the civilian parts of the US federal government under Bush continued to shrink while the military, paramilitary, and debt-servicing parts continued to swell.

Dick Pratt showed in the previous chapter that “the New Public Management” movement continues to advocate even more stringent reforms, as though for the very first time. Yet it is clear that demands to reform the administration of American government are not new. They have been a continuing feature of American history. What can explain that? What have been the major causes for these almost endless calls for reform? The answer to that is as contentious as the calls for reform themselves, but the following seem to be among the major factors: the experience of the American frontier; the emergence of industrialization, rationalization, routinization, and legalization, and of progressive ideologies; and the evolution of an America as a permanent war economy.

### **The American Frontier Experience**

One reason governmental reform is a continuing theme may have to do with America’s early history. People came (or were sent or brought) to what appeared to them to be a vast and empty North American continent. Many of the early pioneers were victims of political or religious persecution elsewhere and wanted nothing more than to be left alone to live, work, and worship in their own way. Some held religious convictions based upon the belief that God spoke directly to them and not through any intermediary of priests or pastors. If they heard God tell them to do something their pastor or other members of their congregation disagreed with, then it was their God-given right, and duty, to move out, move on, and found their own congregation of like-minded believers somewhere else.

The frontier was always there, enabling them—indeed, calling them—to drop whatever obligations they found stifling and go and create a new life somewhere else, free of government restrictions or government aid. America was seen as a nation of independent cowboys who loved only themselves, their horses, and their freedom. “Give me liberty, or give me death!” “That government is best which governs least!” “God and my rights!” “Don’t tread on me!” Until 9/11, these were the dominant American mottoes. Of course, they were based entirely on myths.

While there have been some cowboys and some episodes of rugged pioneers, almost all American families (even those of the cowboys and pioneers) have been supported by government (often military) policies from the very beginning.

Stephanie Coontz tells the true story very well.

The myth of family self-reliance is so compelling that our actual national and personal histories often buckle under its emotional weight. . . . Few families in American history have been able to rely solely on their own resources. Instead, they have depended on the legislative, judicial, and social-support structures set up by governing authorities, whether those authorities were the clan elders of native American societies, the church courts and city officials of colonial America, or the judicial and legislative bodies established by the Constitution.

Pioneer families could never have moved west without government-funded military mobilizations against the original Indian and Mexican inhabitants or state-sponsored economic investments in transportation systems. In addition, the Homestead Act of 1862 allowed settlers to buy 160 acres for \$10—far below the government’s cost of acquiring the land. . . . In the twentieth century, a new form of public assistance became crucial to Western families: construction of dams and other federally subsidized irrigation projects. During the 1930s, for example, government electrification projects brought pumps, refrigeration, and household technology to millions of families.

The suburban family of the 1950s is another oft-cited example of familial self-reliance. According to legend, after World War II a new, family-oriented generation settled down, saved their pennies, worked hard, and found well-paying jobs that allowed them to purchase homes in the suburbs. In fact, however, the 1950s suburban family was far more dependent on government assistance than any so-called underclass family today. Federal GI benefit payments, available to 40% of the male population between the ages of twenty and twenty-four, permitted a whole generation of men to expand their education and improve their job prospects without forgoing marriage and children. The National Defense Education Act retooled science education in America, subsidizing both American industry and the education of individual scientists. Government-funded research developed the aluminum clapboards, prefabricated walls and ceilings, and plywood paneling that comprised the technological basis of the postwar housing revolution. Government spending was also largely responsible for the new highways, sewer systems, utility services, and traffic-control programs that opened up suburbs.

In addition, suburban home ownership depended on an unprecedented expansion of federal regulation and financing. Before the war, banks often required a 50 percent down payment on homes and normally issued mortgages for five to ten years. In the postwar period, however, the Federal Housing Authority, supplemented by the GI Bill, put the federal government in the business of insuring and regulating private loans for single-home constructions. FHA policy required down payments of only 5 to 10 percent of the purchase price and guaranteed mortgages of up to thirty years at interest rates of just 2 to 3 percent. The

Veterans Administration required a mere dollar down from veterans. Almost half the housing in suburbia in the 1950s depended on such federal programs.

Historically, the debate over government policies towards families has never been over whether to intervene but how: to rescue or to warehouse, to prevent or to punish; to moralize about values or mobilize resources for education and job creation. Today's debate, lacking such historical perspective, caricatures the real issues.<sup>28</sup>

So it is not the case that most Americans have been on their own and done things on their own without governmental help or regulation. But such has been the American myth, and strongly held, until the events of September 11, 2001, sent them once again back to the comforting arms of their militarized homeland with its well-defended borders, internal security, and police.

However, it is the case that the size and scope of the US national government has grown over the years from what it was in 1790. So why might that be? Probably the most compelling force was the globalizing influence of a new wave of technology, and of the software and orgware that went with it, that raced out of England and swept across the face of the planet over the nineteenth and twentieth centuries, changing everything in its path: industrialization.

### **Industrialization, Rationalization, Routinization, and Legalization**

With industrialization, different attitudes and behaviors became possible, easy, and popular. Work was needed less and less on the farm and more and more in the cities, in factories where processes became increasingly routinized, rationalized, legalized, and scientific. Schools were needed to train workers for these routine jobs, and universities were needed to do the science that would enable them to invent new routines as well as new technologies. By the end of the nineteenth century it had become easier to communicate (via telegraph) and to move (via train or steamship) around the nation and across the globe.

The federal government was thus expected to change in order to keep up with the rapidly changing and diversifying demands of the globalizing, rationalized, legalized scientific economy and society. McDonald says,

The civil service reformers gained ever-widening popular support as the nineteenth century wore on, for the disruptions attending the technological and industrial revolutions, together with massive urbanization and immigration, left millions of Americans feeling that they lived in a strange new world in which they had lost control over their lives. On the positive side, the new technology included such devices as the typewriter and adding machine, which appeared

to bring “scientific” administration within reach, and the emergence of gigantic corporations seemed to provide models of scientific management and also to necessitate scientific federal regulation. . . .

Similar forces were at work throughout the industrializing world, and American reformers were in communication with like-minded people in England, France, Germany and New Zealand. . . . A host of social scientists emerging from the newly instituted graduate schools formed part of an international network of champions of change. Their prescriptions varied in detail, but in essence what they sought was to remove power from professional politicians and legislative bodies, concentrate it in the executive branch, and place it in the hands of experts.<sup>29</sup>

“Bureaucracy” was thus the “New Public Management” movement of the nineteenth century (it was the solution to the dreaded “spoils system”), and Weber was its major theoretician. Weber developed an ideal-type bureaucracy that has the following characteristics.

- Hierarchy
- Impersonality
- Written rules of conduct
- Promotion based on achievement
- Specialized division of labor
- Efficiency

Lewis Coser states of Weber that

[b]ureaucratic coordination of activities, he argued, is the distinctive mark of the modern era. Bureaucracies are organized according to rational principles. Offices are ranked in a hierarchical order and their operations are characterized by impersonal rules. Incumbents are governed by methodical allocation of areas of jurisdiction and delimited spheres of duty. Appointments are made according to specialized qualifications rather than ascriptive criteria. This bureaucratic coordination of the actions of large numbers of people has become the dominant structural feature of modern forms of organization.

Yet Weber also noted the dysfunctions of bureaucracy. Its major advantage, the calculability of results, also makes it unwieldy and even stultifying in dealing with individual cases. Thus modern rationalized and bureaucratized systems of law have become incapable of dealing with individual particularities, to which earlier types of justice were well suited. The “modern judge,” Weber stated in writing on the legal system of Continental Europe, “is a vending machine into which the pleadings are inserted together with

the fee and which then disgorge the judgment together with the reasons mechanically derived from the Code.”<sup>30</sup>

This statement by Weber, more than any other, captures the essence of what is desired from a bureaucrat. It is this feature of automaticity and predictability (a “government of laws and not of men”) that is the most admirable and desired feature of bureaucracy and its most detested as well.

[The calculability of decision-making] and with it its appropriateness for capitalism . . . [is] the more fully realized the more bureaucracy “depersonalizes” itself, i.e., the more completely it succeeds in achieving the exclusion of love, hatred, and every purely personal, especially irrational and incalculable, feeling from the execution of official tasks. In the place of the old-type ruler who is moved by sympathy, favor, grace, and gratitude, modern culture requires for its sustaining external apparatus the emotionally detached, and hence rigorously “professional” expert.<sup>31</sup>

### **Progressive Ideologies and Attractions**

Another factor in the growth of governmental size and services in the United States during the latter half of the nineteenth century and the first half of the twentieth was the spread across the globe of something else that had been invented in Europe: socialism and communism.

The United States, of course, never had a significant socialist or communist movement, compared to Europe (and elsewhere), but the appeal (or threat) of communism led many Americans to embrace ideas and practices that borrowed from communist/socialist theory and practice or were intended to co-opt those theories (and their followers) by partially embracing them. The high water mark of this “liberal” expansion of governmental activities in the United States was the New Deal during the period of the Great Depression.

If the United States had not adopted the “progressive” rhetoric and policies of the New Deal, it is highly likely that there would have been substantially more violence and bloody conflict, with significantly larger numbers of Americans embracing communism than there were. The New Deal successfully blunted the appeal of more radical actions.

### **Permanent War Economy**

But the New Deal did not end the Depression. That must be attributed to World War II, which saw massive powers sucked toward the center in Washington.

But this was not new. This was also a continuing American experience. As a consequence, in addition to the global spread of industrial ideas and practices themselves, war itself played a major role in the expansion of the US federal government, especially from the Civil War onward. Of course, mass warfare itself is a by-product of industrialism, but war eventually became an independent variable in the expansion of governance. The US government expanded and centralized its powers with each war, and while there would be some relaxation and decentralization afterward, the federal government always ended up with more power after each war than it had had beforehand. This was especially the consequence of World War II.<sup>32</sup>

In part this is because the war never really ended. Since World War II, America has simply moved from one war to another, with periods of wartime concentration being briefly interrupted with short interludes of “peace” and decentralization before war and centralization came again—the Korean War, the Vietnam War, the Gulf War, and now the never-ending “war on terror,” with the Cold War being the underlying motif until the 1990s. America was a permanent war economy (and hence polity) from 1941 until the fall of the Berlin Wall and the collapse of the Soviet Union.<sup>33</sup>

There was a ten-year interlude of comparative “peace” during the 1990s when nonmilitary economic forces and theories became more prominent. But military forces and theories were neither weakened nor abandoned. Military spending remained a substantial factor in the American economy and bureaucracy throughout the 1990s, even during the height of the high tech, dot-com “New Economy” era.

The overall size of the US federal bureaucracy has continued to grow, rather than shrink, in spite of the fact that the budgets for most civilian agencies have been reduced and many personnel fired or not replaced after retirement. But the size and expense of government grew overall during the period of Reaganomics and with its Bush successors because the size of the military and paramilitary branches of government grew so rapidly in budgets and personnel, a trend now greatly exacerbated by the war on terrorism and the creation of the Department of Homeland Security.

## So What?

But why are we spending so much time telling an entirely American story in what is supposed to be a volume focusing on globalization, public institutions, and fairness in East Asia?

It is first of all because of America’s role as the “first new nation” that greatly influenced new nations. And it is mainly to show that fashions and fads in governance have always been subject to global pressures. “Constitutionalism,” “de-

mocracy,” “bureaucracy,” and all the rest have been “glocal” phenomena—local adaptations to global forces. As with all aspects of globalization, contemporary attempts to create a New Public Management are not really new in purpose or in global sweep. They are merely the latest in a long line of global attempts to reform governance and especially to reduce the costs and personnel of the administration of government.

That is to say, America’s story is by no means unique. That is the point of our telling it. The US story is just one variation of a global stimulus and local response (as well as one of many local stimuli provoking global responses).

Each of the European countries went through the same transformation from having, until the eighteenth century, decentralized, “irrational,” “ad hoc” governance by titled and/or landed elites on a largely agricultural economic base to creating a centralized, rationalized, bureaucratic governance system with elites chosen by “merit” or “democratic election” responding to the rapid emergence of the global industrial systems during the nineteenth and twentieth centuries. While each nation did its own unique things, the underlying impulse and the resulting fundamental structures are remarkably similar.

And the story is not only European and American. It had its counterparts everywhere in the world, including China, Korea, Japan, Vietnam, and Cambodia, as we show elsewhere in this book. However, much of the non-European world (Africa, Asia, South and Central America) during this period was under colonial rule by Western nations. Thus none of them was free to develop a modern state its own way or for its own sovereign purposes. Rather, they were modernized and rationalized only to the extent this served their colonial masters. This resulted in enormous distortions from which most of these colonized nations, once freed, have not yet recovered. Most of the “underdevelopment” of the South today is a direct consequence of the “de-development” policies and practices of the North during the nineteenth and early twentieth centuries, exacerbated perhaps by the neocolonial, neoliberal global policies of the late twentieth century.

In short, all modern governments of the so-called “developed” nations, including those in East Asia featured in this book, have gone through remarkably similar transformations from what they were in agricultural times through industrialization and now to post-industrialization. Though there are important differences between them (primarily in terms of the relationship of the educational system to the merit system of the bureaucracy, and when bureaucracies are open for recruitment),<sup>34</sup> the fact is that they all followed similar paths from governmental administration by an elite and/or by political hacks who may or may not be competent to a period of Weberian bureaucracy by meritorious professionals, and now to pressures toward downsizing, entrepreneurial behavior, and privatization. These were global responses to global pressures then, just as they are now.

## Fairness, Globalization, and the New American Empire

But what are the futures of fairness, globalization, and public institutions in light of the “New American Empire?” There is clear evidence, since September 11, 2001, and especially since March 19, 2003, the day the United States attacked Iraq, that the United States is determined to see that the world is ruled primarily in its interest and that the countries and the peoples of the rest of the world will either become part of that empire or enemies of it. Writing in the authoritative journal *Foreign Affairs*, John Ikenberry puts it the following way.

In the shadows of the Bush administration’s war on terrorism, sweeping new ideas are circulating about U.S. grand strategy and the restructuring of today’s unipolar world. They call for American unilateral and preemptive, even preventive, use of force, facilitated if possible by coalitions of the willing, but ultimately unconstrained by the rules and norms of the international community. At the extreme, these notions form a neoimperial vision in which the United States arrogates to itself the global role of setting standards, determining threats, using force, and meting out justice. It is a vision in which sovereignty becomes more absolute for America even as it becomes more conditional for countries that challenge Washington’s standards of internal and external behavior. It is a vision made necessary (at least in the eyes of its advocates) by the new and apocalyptic character of contemporary terrorist threats and by America’s unprecedented global dominance. These radical strategic ideas and impulses could transform today’s world order in a way that the end of the Cold War, strangely enough, did not.<sup>35</sup>

Somewhat later, Leon Fuerth, writing in the *Washington Post*, observed that “[t]he word ‘empire’ has been used fairly often as a metaphor to convey the global scope of American interests and of American military, economic and political influence. After the conquest of Iraq, however, it can be fairly argued that we shall have created not a figure of speech but a concrete reality.”<sup>36</sup> Indeed, “empire” has become a term of pride (and by no means a pejorative) for some observers. Dinesh D’Souza wrote “[i]n praise of American empire,” stating, “America has become an empire, a fact that Americans are reluctant to admit and that critics of the United States regard with great alarm,” while concluding, after a survey of America’s imperial actions and intentions, “If this be the workings of empire, let us have more of it.”<sup>37</sup>

To the extent these actions and policies become a long-term feature of American policy (or made impossible because of the structural limitations of the US economy), this fact will have profound implications for the meaning of “fairness, globalization, and public institutions” in East Asia and everywhere



else. Bruce Nussbaum, writing in *Business Week*, is not the only one to observe that “[c]hief executives are beginning to worry that globalization may not be compatible with a foreign policy of unilateral preemption. Can capital, trade, and labor flow smoothly when the world’s only superpower maintains such a confusing and threatening stance? U.S. corporations may soon find it more difficult to function in a multilateral economic arena when their overseas business partners and governments perceive America to be acting outside the bounds of international law and institutions.”<sup>38</sup>

Nonetheless, the intentions of the Bush administration are clear, and they are not the result of some irrational, knee-jerk reactions to 9/11. Rather, they are the realization of plans initiated by people in think tanks outside of government during the 1990s who were able to bring their plans to fruition through a combination of their own visionary foresight, strategic positioning, and good luck. In many ways, the administration’s current actions are an example of futures studies successfully undertaken and implemented.

The visionary foresight can be seen most brilliantly in the “Statement of Principles” of a group called “The Project for the New American Century,” promulgated on June 3, 1997. The statement opens,

American foreign and defense policy is adrift. Conservatives have criticized the incoherent policies of the Clinton Administration. They have also resisted isolationist impulses from within their own ranks. But conservatives have not confidently advanced a strategic vision of America’s role in the world. They have not set forth guiding principles for American foreign policy. They have allowed differences over tactics to obscure potential agreement on strategic objectives. And they have not fought for a defense budget that would maintain American security and advance American interests in the new century. We aim to change this. We aim to make the case and rally support for American global leadership.<sup>39</sup>

The “Statement of Principles” then concludes,

- we need to increase defense spending significantly if we are to carry out our global responsibilities today and modernize our armed forces for the future;
- we need to strengthen our ties to democratic allies and to challenge regimes hostile to our interests and values;
- we need to promote the cause of political and economic freedom abroad;
- we need to accept responsibility for America’s unique role in preserving and extending an international order friendly to our security, our pros-

perity, and our principles. Such a Reaganite policy of military strength and moral clarity may not be fashionable today. But it is necessary if the United States is to build on the successes of this past century and to ensure our security and our greatness in the next.<sup>40</sup>

The statement was signed by Elliott Abrams, Gary Bauer, William J. Bennett, Jeb Bush, Dick Cheney, Eliot A. Cohen, Midge Decter, Paula Dobriansky, Steve Forbes, Aaron Friedberg, Francis Fukuyama, Frank Gaffney, Fred C. Ikle, Donald Kagan, Zalmay Khalilzad, I. Lewis Libby, Norman Podhoretz, Dan Quayle, Peter W. Rodman, Stephen P. Rosen, Henry S. Rowen, Donald Rumsfeld, Vin Weber, George Weigel, and Paul Wolfowitz.

When the US Supreme Court declared George W. Bush the president of the United States and Richard Cheney vice president, and when Cheney then became the head of the transition team responsible for choosing the major figures in the Bush administration, many of these same people found themselves in positions of governmental power that enabled them to move even closer to the opportunity to turn their principles into reality. In order to move beyond the principles, in September 2000 the group published *Rebuilding America's Defenses: Strategy, Forces and Resources for a New Century*.<sup>41</sup> The “Key Findings” of the report are as follows:

Establish four core missions for U.S. military forces:

- defend the American homeland;
- fight and decisively win multiple, simultaneous major theater wars;
- perform the “constabulary” duties associated with shaping the security environment in critical regions;
- transform U.S. forces to exploit the “revolution in military affairs.”

To carry out these core missions, we need to provide sufficient force and budgetary allocations. In particular, the United States must

MAINTAIN NUCLEAR STRATEGIC SUPERIORITY, basing the U.S. nuclear deterrent upon a global, nuclear net assessment that weighs the full range of current and emerging threats, not merely the U.S.-Russia balance.

RESTORE THE PERSONNEL STRENGTH of today’s force to roughly the levels anticipated in the “Base Force” outlined by the Bush Administration, an increase in active-duty strength from 1.4 million to 1.6 million.

REPOSITION U.S. FORCES to respond to 21st century strategic realities by shifting permanently-based forces to Southeast Europe and Southeast Asia, and by changing naval deployment patterns to reflect growing U.S. strategic concerns in East Asia.

MODERNIZE CURRENT U.S. FORCES SELECTIVELY, proceeding with the F-22 program while increasing purchases of lift, electronic support and other aircraft; expanding submarine and surface combatant fleets; purchasing Comanche helicopters and medium-weight ground vehicles for the Army, and the V-22 Osprey “tilt-rotor” aircraft for the Marine Corps.

CANCEL “ROADBLOCK” PROGRAMS such as the Joint Strike Fighter, CVX aircraft carrier, and Crusader howitzer system that would absorb exorbitant amounts of Pentagon funding while providing limited improvements to current capabilities. Savings from these canceled programs should be used to spur the process of military transformation.

DEVELOP AND DEPLOY GLOBAL MISSILE DEFENSES to defend the American homeland and American allies, and to provide a secure basis for U.S. power projection around the world.

CONTROL THE NEW “INTERNATIONAL COMMONS” OF SPACE AND “CYBERSPACE,” and pave the way for the creation of a new military service—U.S. Space Forces—with the mission of space control.

EXPLOIT THE “REVOLUTION IN MILITARY AFFAIRS” to insure the long-term superiority of U.S. conventional forces. Establish a two-stage transformation process which

- maximizes the value of current weapons systems through the application of advanced technologies, and,
- produces more profound improvements in military capabilities, encourages competition between single services and joint-service experimentation efforts.

INCREASE DEFENSE SPENDING gradually to a minimum level of 3.5 to 3.8 percent of gross domestic product, adding \$15 billion to \$20 billion to total defense spending annually.<sup>42</sup>

Still, even with the policy and people now in place, the authors admitted they were not likely to be able to make the kinds of sweeping change they envisioned without a major stroke of luck. As they put it, “Further, the process of transformation, even if it brings revolutionary change, is likely to be a long one, absent some catastrophic and catalyzing event, like a new Pearl Harbor.”<sup>43</sup>

And then, strangely enough, the incidents of September 11, 2001, occurred, and the world changed for America. Citizens’ rights, long considered almost sacred in their inviolability, were swept away by a compliant Congress in the so-called “USA PATRIOT ACT” of 2001;<sup>44</sup> Bush articulated his doctrine of the right of preemptive war;<sup>45</sup> and on March 19, 2003, the United States attacked Iraq, and America changed for the world.

On the basis of various official statements by Bush and others, John Ikenberry concludes that America’s “new grand strategy” has seven elements.

1. “[A] fundamental commitment to maintaining a unipolar world in which the United States has no peer competitor.”
2. “[T]errorist groups cannot be appeased or deterred . . . so they must be eliminated.”
3. “The use of force . . . will therefore need to be preemptive and perhaps even preventive—taking on potential threats before they can present a major problem.”
4. “[T]he new grand strategy reaffirms the importance of the territorial nation-state. . . . On the other hand, sovereignty has been made newly conditional: governments that fail to act like respectable, law-abiding states will lose their sovereignty,” with the Bush administration “leaving to itself the authority to determine when sovereign rights have been forfeited, and doing so on an anticipatory basis.”
5. “[A] general depreciation of international rules, treaties, and security partnerships” that are “just annoying distractions.”
6. “The United States will need to play a direct and unconstrained role in responding to threats. . . . A decade of US defense spending and modernization has left allies of the United States far behind.” As a consequence, in the words of Rumsfeld, “The mission must determine the coalition; the coalition must not determine the mission.”
7. “[T]he new grand strategy attaches little value to international stability. . . . [I]nstability might be the necessary price for dislodging a danger and evil regime.”<sup>46</sup>

It is by no means clear that the United States has the will or even the ability to sustain this strategy over a long period of time. It requires the United States not only to conquer, but also to rebuild destroyed communities. America did this after World War II, and that example is sometimes used to suggest that it will do so again. But the two situations are quite different. First of all, in many ways it can be said that the United States was the only true “victor” among the major powers after World War II. While the rest of the industrialized world was devastated by bombing, killing, and looting, America was totally unscathed. It emerged from the war with its industrial base intact and spending power, pent up since the Great Depression and the rationing during the war, bursting at the seams. Also, the period after the war (and before the Cold War) was the high point of American global liberalism. It should not be forgotten that even the Republican candidate, Wendell Willkie, ran against then President Franklin D. Roosevelt in 1940 on the platform of (and wrote a book titled) “One World,”<sup>47</sup> a world in which the United States was a major partner, but not a hegemon. During the immediate postwar period, this kind of liberal globalism was exemplified in the economic and political policies the United States followed not only in creat-

ing the United Nations, but also especially in assisting the rebuilding of both Germany and Japan, two tremendous success stories (indeed, the constitutions of the two countries, and especially of Japan, may be the best examples of old-fashioned constitution writing in modern times).<sup>48</sup>

But the present American economy is “mature” rather than “robust,” to say the least, and the political economy is overwhelmingly oriented toward enriching the rich while beggaring all forms of public activities not directly related to military and paramilitary force and/or directly in support of the rich themselves.<sup>49</sup> Whatever can be said for the policies otherwise, this is definitely not a good time for the United States to embark unilaterally and preemptively on global military destructive and nation-building activities. The burden these policies place on the poor and middle classes in America now will be exceeded only by the extreme burden (psychological as well as fiscal) placed on future generations to pay for them.

Nonetheless, the policies and actions of the first Bush administration were endorsed by a significant majority of the American voters in the national election of November 2004. Not only did George W. Bush win a clear majority of both the popular votes and the Electoral College votes this time, but Republicans made significant gains in both Houses of Congress. Thus issues of fairness, globalization, and public institutions in East Asia must be rephrased within the uncertain shadow of America’s expanding imperial future. Most of the discussions of globalization during the 1990s have greatly diminished utility unless the United States can once again become a partner instead of a bully, and there is no sign of that occurring any time soon.

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