

Decentralization

IN TWELVE CROWDED YEARS I have never seen in Washington anyone who had a driving desire for the government to take over complete and detailed direction and management of business. There have been a few who have favored governmental ownership of particular industries, but, even all told, they were concerned with only four types of business. These sentiments are the sentiments of isolated individuals; there is no general sentiment for the governmentalization of business and no significant movement in that direction. Only two or three times have I ever heard either from so-called New Dealers or from other bureaucrats any speculation directly on the subject of what kinds of businesses government ought to own and operate, and even on these occasions only a few academic sentences.

Similarly I have found no cultivated advocacy of widespread governmental regulation of business. Most of our regulatory acts developed over a long period of years as governmental responses to popular recognition of particular evils rather than as the result of an effort to apply any fundamental theory. In my observation, government regulates business in much the same way that a parent spanks a small child: even as the spanking is administered, the parent has a sense that there should be something better to do, but does not know what it should be.

Contrary to a prevalent impression, people in government do not yearn for the responsibility of extensive and intensive control over economic activity. When any impingement on old ways of doing business is effected, it seems to me always to be a by-product of another, simpler purpose: to meet a national need for better housing, to extend electricity to rural districts, or to deal with some other similar substantive problem.

What most governmental officials would prefer is that government act in such a way as to exert a general influence and create a set of conditions under which citizens would find it advantageous to do

things in the social interest. As a practical matter they recognize, however, that it is often more fruitful for government to pursue the middle course of performing certain specific services which the public needs, particularly when neither individuals nor private groups seem able to provide those services.

Centripetal Force in Bureaucracy

Whatever the activities finally undertaken, it is the desire to make them manageable that dictates the expansion of delegation we call decentralization. As more policy decisions are made in Washington, more and more administrative determinations should be made in the field, where administrators are pulled and pushed by the affected citizenry. Effectuating those arrangements is not an easy matter. While it may be argued whether or not there is a centrifugal force in bureaucracy, the presence and power of a centripetal force is undeniable; decentralization is necessary and ultimately inevitable.

Field organization and structure will need, of course, to be determined by the work load. At the point of ultimate incidence there must naturally be some local organization. Whether or not there needs to be a state headquarters will depend upon many factors. Any program of size requires a regional organization, chiefly for two reasons: first, because a Washington bureau cannot deal effectively with forty-eight state offices; second, because regional reconciliation of various local and state interests forms an essential step in reconciling those interests with the whole public interest, which is, broadly stated, the responsibility of Washington. The problem is treated here from the standpoint of national administration because field considerations are for the most part so familiar to everybody as to be commonplace. Let me observe, however, that in another decade those states of the Union which have been inclined to be hostile to Federal regional offices will probably be their champions. The explanation is very simple: the states will be able to get quicker and easier consideration at regional headquarters than they can in Washington. Sound administrative decentralization consists in moving a part of Washington that is essential to them nearer to them, where it will be easier for them to get at it.

In the Department of Agriculture regional organization began

spontaneously long ago in the Forest Service. For some years it "just grew," without much departmental management or consideration. But as action programs grew in number, the experience and the problem were analyzed, and the Department's regional administrative map came to conform roughly to a map of the country's major agricultural regions. A program was developed looking toward the establishment of common regional headquarters for all of the Department's action agencies, and ultimately common regional boundaries. This was viewed as a part of the process of co-ordination. Achievement of the program has been retarded, however, by political considerations. It is extremely difficult to move a Federal office, particularly across state boundary lines.

What powers to delegate to a region, what to a state or area office, and what to local administrators, how to review and check field action, how to keep field people up to date on policy as developed on the national level—these are technical problems with which the Department and establishments in Washington have had much and varied experience. They are problems familiar to all executives in large organizations. It is vastly easier in government, however, to provide for the flow of stimulation from the field to national headquarters than to get an equally adequate flow from headquarters to the field.

Some of our leading scholars in the field of government make the mistake of selecting some single minor aspect of decentralization and giving it an emphasis that in my view is undeserved. Thus, for example, some stress the point that different bureaus and programs can stand at different degrees of control and proximity to departmental administration. This seems to me an elementary, commonplace detail, a self-evident necessity. Its undue emphasis, on the other hand, results in minimizing the necessity for central controllability. Even though it is true that an older bureau, carrying on a program that has become routinized, may be permitted for long periods to operate with relatively little attention from the Secretary, the ability to make that program respond fairly quickly to new national needs must not be lost to the Department. Decentralization as a general phenomenon has fundamental significance, but degrees and forms of decentralization are for the most part technical details.

Decentralization of administration must be carried on in such a way and with such a structure as to make for centralized policy control. The actual processes of decentralization must be fluid and reviewable. The usual tendency is for bureaus to become too autonomous.

Two Principal Aspects

Two points regarding decentralization are, I believe, especially important. The first is that decentralization is a physical necessity, therefore something that the public does not need to be much concerned to push, and a technical job of management that the public need not debate. The second is that Federal action programs can serve the *national* interest only if they are finally responsive to national political determination; because this is so, national decentralization should take place through a unified if dispersed organization, around a central core of direct national authority.

I have said that decentralized structure is a technical matter that cannot much profit from public debate. Chambers of commerce send delegations to Washington to ask that more field offices be placed in their respective cities. It is a silly business. If government agencies should locate units because of any such representations, it would be a confession of tragic administrative inadequacy. Administrative needs frequently involve intricate considerations, but they generally dictate location quite clearly; only rarely are there even two logical possibilities. In one region there is now an unpopulated place which, if it should suddenly become a city, would immediately be made a Department of Agriculture regional headquarters and would have a thousand Department employees. The city would not have to have a chamber of commerce at all in order for this to happen. Such a headquarters city does have to exist; it does have to possess certain facilities. Given these, location is almost automatic, except as political pressures prevent.

Related to the effort to get field offices to move to specific cities is the effort to get a whole department, or a whole bureau, moved from Washington to some other city. Since the war began, there have been some instances in which whole bureaus have been moved away from Washington. These moves were made in desperation, in order to make room in Washington for war agencies. But leaving out war

considerations, which properly were determining, each move of a complete bureau was definitely a bad move administratively and definitely contrary to long-time public interest. This is true because it was a move in the direction of irresponsible administration—administration less responsive to the total national will.

It is of tremendous importance that the President have his most important executives quickly available—and that they be in a position to obtain a quick response from their bureaus. This is important in order that responsibility may be made to center in practice in the person the public and the Congress hold responsible, the President. It is important that governmental agencies have quick access to department heads in the same way, else *governmental* administration and controls will become a fiction. It is important in order that public sentiments about operations of the bureaus may be brought into focus with other public sentiments, and the result used to modify and redirect policies.

Department heads similarly need to have *their* chief executives quickly available and quickly responsible. These chief executives in turn usually need their principal aides about them. While a decentralized structure is both possible and desirable, it very much needs to be developed carefully so that responsibilities are not impaired. The degree of close communication required may vary a great deal, but the maintenance in Washington of the four top levels is almost uniformly essential to good government: Presidential, department head, bureau head, division head. Occasionally an entire division can safely be moved to another city, but it is a rare case.

Decentralization is frequently confused with delegation of authority to persons or entities not responsible to the person who makes the delegation. That is, the two are thought to be identical; decentralization is felt not to be true or proper decentralization, for example, unless the functions are assigned to state agencies. While decentralization may include that kind of delegation, it certainly is not limited to it. Where the function, the responsibility, and the appropriation are national, that kind of delegation must be seriously questioned; for it makes for even more irresponsible administration than moving whole bureaus out of Washington. This is not necessarily because the United States government has a better structural arrange-

ment but simply because under the Constitution the state governments are not a part of the national government. They are parallel authorities on a different level. Where specific national purposes and interests are concerned, to farm out responsibility to forty-eight authorities not responsible to the national government is to abdicate responsibility and to ensure national and administrative confusion.

Factors Governing Devolution upon States

On the other hand, there obviously are matters which can be very fully delegated to the states or assigned to them. Some of the considerations that enter into the differentiation are these:

1. Whether or not the activity has a substantially controversial aspect. (The national government cannot be responsible, for example, for a national program that would allow or encourage each state to make modifications fully according to its attitudes on the racial question.)

2. The degree to which state sentiments and interests would conflict with the national interest and national opinion. (Any one wheat state, for example, would try to get the largest possible wheat quota in a Three-A program, whereas the national necessity would be to reduce it in adjustment to the reduced quotas of other states. With respect to conservation in general, the Federal interest can take a longer view than local interest can; the local interest tends more toward immediate exploitation.)

3. The extent to which a particular program requires or would profit from integration and co-ordination with other national programs.

4. The character of the activity in terms of the probability of continuing Congressional concern. (If Congress appropriates for and authorizes by law a particular program and if its members may be expected subsequently to hear often from constituents with respect to it, the program must be directly controllable by a national department.)

5. The degree to which organization and activities may be more efficient and duplication may be avoided, if the program is nationally administered.

These points all apply to matters with respect to which Congress

has legislated and appropriated—matters that thereby are actually national activities.

In cases where considerations of this kind dictate national administration, the role of interested state agencies should be consultative or, in some instances, co-operative. What state agencies do in such instances is to *influence* the program in the direction of adjustment to state and local concerns, but they do not *determine* the program nor do they administer it.

Where the relationship is consultative, as I have indicated elsewhere, it cannot be an exclusive relationship. Planning by non-Federal agencies is a desirable and important procedure; these agencies should stand in a consultative relationship to the corresponding national agency. But they should not do more.

Where the relationship is co-operative, it will inevitably be uneven, and, for the national administrator, undependable to a considerable degree, depending upon the type of program, because the co-operating agencies will be responsible to forty-eight different state authorities, none of which is in turn responsible to any national authority. The degree of success attained and the amount of friction generated will depend a great deal on the type of program in which the co-operative relationship exists.

There are, however, some activities that definitely can be delegated to state entities. In these the amount of influence nationally retained and exercised in deference to the national source of funds will vary according to the degree of difference between national interest and state interest. A great deal of research—and probably more than is now so delegated—falls readily into the category where the difference in interest is small. There is not a little research, however, that must be done in close association with action agencies, and this type of research cannot be delegated. Field education of a promotional character similarly has its administrative and general aspects. Sometimes the function of handling the general phase can safely be delegated, but not the other.

Decentralization and Centralization

Decentralization cannot be discussed adequately without saying something about centralization. Leaving out rather complete delega-

tion to agencies not a part of the national structure, no proper decentralization can take place except around a core of central authority. Nothing can be decentralized properly which has not first been centralized. The basic essential is national controllability.

Perhaps the chief fear citizens have in mind when they talk of the evils of bureaucracy is that bureaus often seek to acquire enlarged powers and functions and that they will be permitted to do so without restraint. In my opinion this danger is not nearly so great as many citizens believe it to be. Bureaucrats want their jobs to be manageable. They have much of the feeling of those who dislike big government in general because, like all finite human beings, they like simplicity. They have no violent thirst for complexity, but rather a positive urge to simplify. Although there are selfish urges, where bureaus seek more money and more authority, they do it generally because they see ways in which to do a better job and to handle uncertain responsibilities. These urges are reflections of the urge to simplify. Yet they do have something of the result feared, the building of bigger bureaus. Related to this is the natural tendency of bureaus to resist "interference" and to seek autonomy. This is the real danger; for control of this second tendency will, as a by-product, furnish adequate control of the first. It is therefore of fundamental national importance that bureaus be actually controllable and controlled by departments, and that departments be controllable and controlled by the President and the Congress. In that control, considerations of budgetary requests, competitive interest, and general national sentiment all have their proper influence. The red tape involved in these relationships is the means by which the administrative and political controls that should be determining have their effect.