Bureaucracy in the Twenty-First Century

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Abstract and Keywords

Although numerous scholars claim the eminent demise of bureaucracy, this article argues that bureaucracy will not only survive in the twenty-first century but will flourish. The core of the argument is that the large-scale tasks that government must perform—national defense, a social welfare system, political monitoring of the economy, etc.—will remain key functions of governments in the twenty-first century and that bureaucracies, likely public but possibly private, will continue to be the most effective way to do these tasks. Bureaucracy has weathered other calls for its demise before; current efforts are likely to meet similar fates. After a brief discussion of definitions and the meaning of bureaucracy, the major sections of this article deal with six challenges to bureaucracy. Some of these challenges are intellectual; others are part of real-world ongoing reform efforts in a variety of countries.

Keywords: bureaucracy, twenty-first century, national economy, bureaucratic reforms, social welfare system, governmental tasks

ALTHOUGH numerous pundits claim the eminent demise of bureaucracy (Lane 2000; Osborne and Gaebler 1992; Handler 1996; Kanter 1989), in this chapter we argue that bureaucracy will not only survive in the twenty-first century but will flourish. The core of the argument is that the large-scale tasks that government must perform—national defense, a social welfare system, political monitoring of the economy, etc.—will remain key functions of governments in the twenty-first century and that bureaucracies, likely public but possibly private, will continue to be the most effective way to do these tasks. Bureaucracy has weathered other calls for its demise before (Bennis 1966; Marini 1971; Thayer 1973); current efforts are likely to meet similar fates. After a brief discussion of definitions and the meaning of bureaucracy, the major sections of this chapter will deal
with six challenges to bureaucracy. Some of these challenges are intellectual; others are part of real-world ongoing reform efforts in a variety of countries.

3.1 Defining Bureaucracy

Reading much of the current literature on bureaucracy suggests that two highly inconsistent definitions are being used. The advocates of administrative reform tend to define bureaucracy by a series of stereotypes. According to Jreisat (2002: 38), “Conventional wisdom has it that bureaucracy is conformist, seeks standardization and routinization of work, and therefore, causes inflexibility and resistance to change in managing public organizations.” Bureaucracy, in this view, is slow, inept, and wasteful. Striking in the prescriptive literature is the degree that this stereotype is simply accepted without any empirical evidence other than an occasional anecdote (see Goodsell 1983 for an early critique and discussion). If one accepts this definition of bureaucracy, then the normative need to rid oneself of bureaucracy is self evident. Advocates of this view, however, are then left with the task of explaining why an institution with such a record of poor performance continues to persist in all modern societies. At best such explanations focus on rent-seeking and budget-maximizing bureaucrats who conspire to exploit the polity for their own ends (Niskanen 1971). Empirical evidence to support such claims and why such behavior would be tolerated by politicians and citizens, however, is lacking (see Blais and Dion 1991; du Gay 2000).

More promising than the stereotypical definition is to treat bureaucracy as an empirical organizational form and to determine if this organizational form has any competitive advantages over other organizational forms. In defining bureaucracy, one should go to the authoritative source, Max Weber (1946) who defined bureaucracy in formal, structural terms. Bureaucracy is characterized by the following.

1. Fixed and official jurisdictional areas ordered by rules, laws, or regulations.
2. The principle of hierarchy whereby structures are established with superior and subordinate relationships.
3. Management of the office relies on written files.
4. Occupation of offices based on expertise and training.
5. Full time employment of personnel who are compensated and who can expect employment to be a career.
6. Administration of the office follows general rules that are stable and can be learned.

With one exception, Weber's nineteenth-century definition will be applied to the twenty-first-century world of reinvented government. That exception is, of course, the requirement of written documents or files to guide the administration of programs. Technology has moved beyond paper so that many documents are written only in electronic form. Computer files and paper files, however, are equivalent in function even
though a poor transition from paper to computer files can create serious organizational problems (Pollitt 2000). At the outset, we should also note that Weber's definition of bureaucracy does not apply specifically to the public sector; one of his archetype bureaucracies was the Catholic Church, a nonprofit organization.

As we probe the contemporary challenges to bureaucracy, we need to keep these six characteristics of bureaucracy in mind. Some of the challenges to bureaucracy are intellectual and take place in the rarified world of academia; others are practical and take place in the political debates that shape the direction of governments and governance.

### 3.2 The Challenge of Politics

Bureaucracies are forged in the smithy of politics. The decision to create such structures and maintain them, whether conscious or not, is made by political actors involved in the process of governance. We assume here that modern democratic governance requires a supporting bureaucratic apparatus because only an effective and efficient bureaucracy can generate the surplus capacity to absorb the high decision and transaction costs inherent in democracy (Meier 1997; Suleiman 2003). A nation that cannot feed or educate its citizens is unlikely to be able to support a functioning democracy. This functional necessity, however, plays out in practice in a variety of ways.

The relationship of bureaucracy to the electoral (often misnamed the political) institutions of government influences bureaucratic structures, delimits the scope of its activities, and creates pressures to restrict or reduce bureaucracy. Hood (2002) argues that different combinations of political institutions result in different implicit bargains with the bureaucracy, thus defining bureaucracy's responsibilities and scope of action. Political systems vary in their concentration of political power and decision-making processes; some political systems are highly centralized with unitary governments, others are decentralized with semi-autonomous governments exercising power in a fragmented political system. In centralized political systems (e.g., UK, France), power is an accepted fact of life; and the role of bureaucracy in establishing and maintaining state power is generally recognized (Peters and Pierre 1998; Pollitt and Bouckaert 2000). Along with the higher status accorded to bureaucrats in these countries, bureaucracy is seen as a legitimate state actor. In France, as an illustration, the bureaucracy is viewed as the instrument by which republicanism seeks equality and other fundamental values (Suleiman 2003: 173–5). Such states provide a clearer “contract” with the bureaucracy by being more precise in defining political roles and accepting the idea of significant discretion among career bureaucrats (Hood 2002). Calls for the elimination of bureaucracy might be made in such countries, but they are more likely to fall on deaf ears since politicians will recognize that removing bureaucracy will directly limit the actions that they can take and undercut policies that they support. France, for example, has
increased the size of its bureaucracy by 25 percent in the last fifteen years (Suleiman 2003: 176).

Fragmented political systems create a different environment for bureaucracy because no political institution can generate sufficient consensus to make an enduring bargain with the civil service. In some cases a formal fragmentation of powers can be overcome by alternative institutions such as strong political parties or corporatist decision processes. In fragmented systems where electoral institutions fail to define a precise role for bureaucracy, the bureaucracy itself becomes a more political institution that seeks to aggregate political power in support of policies and their implementation. The classic case of a fragmented political system failing to provide the political consensus to create a relationship with bureaucracy is the United States (Long 1949). Because the formal institutions of government cannot concentrate power and thus define political ends, the bureaucracy is left with the task of building support for its own mission from the bottom up rather than via a principal—agent contract with political branches. In this situation bureaucracy is seen as a competitor for political power, and politicians perceive that running for election by campaigning against the bureaucracy is a viable political strategy. In such systems calls for the elimination of bureaucracy find receptive ears. The irony of decentralized systems such as the United States is that political principals shirk, that is, they fail to define political goals for the bureaucracy. Such shirking allows political attacks on the bureaucracy, but at the same time it creates the incentive for bureaucracies to generate their own political support. Rather than increasing political control over the bureaucracy, the process lessens it because the bureaucracy supplies its own political legitimacy.

The challenge of politics is more than American exceptionalism (or Anglo exceptionalism if one includes Australia and New Zealand) because of recent efforts to shape the structures of democracy. Via both international political pressures and direct economic pressures via the International Monetary Fund, non-European countries have both downsized their governments and decentralized authority to local governments. Particularly among the nascent democracies in Latin American, the argument is made that democracy is enhanced by creating more authority for governments closer to the people (that is local governments, see Blair 2000; Conaghan 1996). The argument is that via fragmented local governments, with each developing a unique set of services, individual citizens can vote with their feet to select the community that best meets their preferences for taxes and services (Tiebout 1956; Ostrom 1973; but see Lyons, Lowery and DeHoog 1992). The argument, however, has implicit in it that local governments have the capacity to provide effective services or can purchase them from the private sector. Without such capacity, decentralization is as likely to bring corruption and dissatisfaction, thus undercutting support for democracy. Building this capacity in a system that denigrates bureaucracy and generally lacks a competitive market system for providing local government services would appear to be virtually impossible.
The political-bureaucratic working agreement, itself a challenge to bureaucracy in terms of legitimacy, also affects the ability of bureaucracies to deal with each of the five other challenges to bureaucracy in the twenty-first century. It determines how much pressure there is to reduce or eliminate bureaucracy, and it influences how realistic politicians are likely to be in pressing for government reforms. The idea of a twenty-first century free from bureaucracy is a plausible one only within some political systems. Even in those systems, however, the idea flourishes because the implications for governance are not fully considered.

3.3 The New Public Management

The New Public Management both challenges and reinforces bureaucracy (Kettl 2000). One wing of NPM seeks to eliminate government, and thus government bureaucracy, by moving as many of the functions of government to the private sector (Lane 2000; Savas 1987). Government agencies become contract administrators rather than persons who deliver services; the quest is guided by the idea that private bureaucracies are more efficient than government bureaucracies (an open question despite the wealth of research on the topic, see Hodge 2000). Government employment in this scenario shrinks even as larger numbers of people indirectly work for government via contracts (Light 1999).

Two distinct approaches of this anti-bureaucracy New Public Management exist—the Westminster model and the US model (Pollitt and Bouckaert 2000). The Westminster model, so named after the United Kingdom but practiced in Australia and New Zealand also, starts with a fundamental question, what should be the proper role and scope of government (the starting premise of the field of public finance)? Once the overall size of government and the essential functions are defined, then government can rationally establish priorities for reducing government bureaucracy by paring those that do not fit within the defined function. As an example, the UK determined that operating a telephone system was not a government function thus leading logically to the divestiture of British Telecom (Durant, Legge, and Moussios 1998; Suleiman 2003: 199).

The US model of the New Public Management lacks this integrating coherence but rather simply acts to contract out or divest public functions (but see Hall, Holt and Purchase 2003). For example, nowhere in the periodic debates over US agricultural policy is the question of why we subsidize wheat farmers but not soybean producers raised, let alone the question of whether subsidizing agriculture is a government function. This lack of an overall plan, as a result, means that US governments often cut taxes without concern for which programs should be reduced or demand privatization without determining if sufficient private sector organizations exist to create a competitive market. The end result is both an inconsistent approach to government size and an erratic fiscal policy.
The second wing of the New Public Management seeks to liberate bureaucratic managers by freeing them from the rules and restrictions that government managers face. This second goal of NPM is clearly inconsistent and often contradictory relative to the first goal. The liberation of public managers requires the capacity to act, but the diminution of government reduces this capacity (Terry 2003). O'Toole's (1991) studies of local government waste water treatment contracting finds that cities that contract out these functions lose the capacity to restore them if the private contract arrangement does not work. Similarly Durant (1993) found Reagan administration budget cuts in natural resources agencies prevented that administration from implementing its policy changes. Even if private organizations retain this capacity on behalf of government, the different goals of private sector organizations render the capacity less flexible and less useful than it previously was for pursuing government ends (see O'Toole 1991). The privatization of government functions can also diminish government capacity in another sense; it can lead to increases in corruption and a loss of citizen faith in government efforts. In the United States, those federal government programs that rely heavily on private sector implementation are consistently marked by greater corruption than those implemented by government bureaucracies (Perry and Wise 1990; Meier 2000). An irony of the New Public Management, therefore, is its quest to rid itself of unresponsive government bureaucracies actually replaces them with private sector bureaucracies that are more difficult to hold accountable.

The liberation management version of NPM is often accompanied by benchmarking and performance standards with the idea being that public managers are free to experiment but will be held to a clear bottom line. Hall, Holt, and Purchase's (2003) assessment of benchmarking in the UK Next Steps agencies concludes that this generates a narrow accountability system that produces numbers but not necessarily better performance (see also Martin 2002). Goal displacement, as a result, is a distinct possibility as highly bureaucratic auditing systems create red tape for local administrators. The decline in bureaucracy in service delivery agencies is merely displaced to auditing and control agencies with the overall system becoming no less bureaucratic (Power 1997; Barberis 1998).

The New Public Management challenge to bureaucracy is to replace bureaucracy with liberated contract managers. They would substitute private bureaucracies for public bureaucracies thus creating institutions that are more difficult to control and oversee. In addition, stripping government of its action functions and replacing them with the mundane process of contract management is unlikely to attract the type of creative, risk-taking individuals that NPM envisions. The New Public Management challenge to bureaucracy, in short, is no challenge at all.

3.4 The Postmodern Challenge
Bureaucracy in the Twenty-First Century

Bureaucracy is an instrument of rationality; it seeks to order processes and produce outputs by regular means that are amenable to systematic analysis. Because postmodern scholarship is in large part a reaction to the rationality of positivism, it logically includes the consideration of bureaucracy within its purview (Farmer 1995). Denhardt (1993), for example, begins his assessment of bureaucracy by disputing the positivist distinction between facts and values and moves on to a critique of bureaucracy. Although postmodernists range widely in views, united only in their temporal relationship with "modernism," they frequently advocate the same set of reforms to counter the problems of bureaucracy—decentralization, greater participation, and client-driven organizations.

In Denhardt's view, if the distinction between facts and value does not hold, one needs to look elsewhere for knowledge about organizations and how they operate (see also Blankenship 1971). In his view organizational rationality is replaced by individualized understanding linked to individual actions. All views become subjective and none has primacy. Reasoning in this view works via dialectical thinking in an effort to understand the dynamic patterns of organizational life. "Such an approach," Denhardt (1993: 204) contends, "would reveal certain contradictions inherent in hierarchical organizations."

Postmodern critiques of bureaucracy have some of their roots in the human relations school of organization theory, an approach critical of the formal, structural approach of Weber and his descendants. Harmon (1981), for example, grounds his critique of bureaucracy in organizational development, an applied organization theory that focuses on organizational change by non-structural means. The stress on the informal side of the organization quite naturally leads to a rejection of "bureaucracy" for more participatory, decentralized organizational processes. Postmodern approaches also view organizational boundaries with some skepticism, seeking to incorporate clientele within the organization (see Waldo 1971: 263). Clientele not only have a say in what the organization produces but perhaps even in the actual production of organizational outputs.

Bureaucracy can marshal several counter arguments to the challenge of postmodern views of organization. First, one of the more interesting markers of a postmodern bureaucracy is the effort to make the organization client-centered rather than bureaucrat-centered. The charge is essentially that bureaucracies are self-serving and emphasize making the lives of bureaucrats easier rather than serving the clientele (Marini 1971, but see Frederickson 1997: 130-1 on evidence to the contrary). The emphasis on client-centered organizations, which is similar to the New Public Management's emphasis on customer-oriented bureaucracy, reflects postmodernism's roots in social welfare bureaucracies. Ignored in the argument is any recognition of some of the most classical, non-postmodern bureaucracies that are client-centered such as US Department of Agriculture or the Japanese Ministry of Industry and Trade. Such agencies are both client-centered and elitist, thus using "postmodern" techniques for decidedly non-postmodern ends. Client-driven organizations, in fact, are only possible when the social construction of the client population is positive (Schneider and Ingram 1997); in numerous cases, felons, some businesses, welfare recipients, negative social constructions are reinforced by strong public views that are unlikely to change.
Bureaucracies in such areas are to be kept separate from clientele; their mission is to manage and perhaps to subjugate clientele not to serve them. Postmodernism lacks this recognition of political realities; social constructions reflect the political power of powerful interests, not just bureaucratic whims.

Second, one postmodern movement, the feminist critique of bureaucracy, directly challenges the notion of hierarchy, a defining characteristic of bureaucracy (Thomas and Davies 2002). Hierarchy forces women to take on the role of organizational advocate if they wish to succeed in the organization; in the process a woman's identity as woman is submerged beneath her identity as a bureaucrat (Ferguson 1984; Stivers 2002). The solution, in feminist theory, is to restructure bureaucracies as flat, decentralized organizations that operate via norms of consensus. The ideal feminist bureaucracy, however, clashes with the practice of women managers who actually lead organizations. Nicholson-Crotty and Meier (2002), examining the behavior of school superintendents, found that their behavior could be characterized as political rather than decentralizing. Women top-level managers actually increased the level of bureaucracy in the organization, according to the authors, so that they could exert control over an organization that might be hostile to women managers. Further evidence in support of the political rather than the feminist view was that women managers added less bureaucracy in organizations where more women held managerial roles (interpreted as allies in this research); and as women managers spent more time at the helm of the organization, they gradually decreased the levels of bureaucracy, a finding consistent with the notion that such strategies were temporary efforts to exert control and that they would be reduced when supporters held key positions of authority.

Third, the postmodern critique of bureaucracy seeks to separate organizational form from organizational function. It advocates the equivalent of the old scientific management “one best way” to design and organize work processes. Much of organization theory (Thompson 1967) counsels the exact opposite, that organizations need to be structured based on their tasks and the degree of environmental turbulence. Joan Woodward's (1980) classic studies of organizational structure showed that the most effective structures fit fairly clear patterns depending on the organization's environment and its internal processes. Some of these structures were highly bureaucratic; others were not. More recent work on structural aspects such as span of control (directly linked to decentralization) also found that there were optimal levels of hierarchy in educational organizations, organizations that are normally considered relatively unbureaucratic (Meier and Bohle 2003).

Finally, the postmodern view of bureaucracy may contain the seeds of its own demise as a criticism of bureaucracy. Postmodern approaches are strongly opposed to empirical research unless that research is based on subjective methods that are unlikely to transfer from one scholar to the next. As a result, the approach can be charged with presenting bureaucratic stereotypes, much like the New Public Management, but unlike it in rejecting any efforts to determine if their views represent a significant portion of the world. Virtually every scholar of bureaucracy points to the informal aspects of the
The challenge of principal-agent models is the contention that bureaucracy as an organizational form does not matter; all relationships can be reduced to contractual ones. Although principal-agent models are purely an academic enterprise, they generally support the conclusions of the New Public Management. After all if there is no need for bureaucracy as an intellectual concept, then the NPM effort to contract out functions and move to non-hierarchical, market-like implementation is a good thing.

Despite the influence of these models in academia, the argument here will be that such models are woefully incomplete in that sphere and not particularly useful in practical situations. First, by presenting all relationships in contractual terms, the models miss the

organization that facilitates bureaucratic action. Bureaucracy in practice, therefore, is likely to be far less rigid and unchanging than it is in postmodern rhetoric (how much, we will not know if we rely on postmodernists for an answer).

3.5 The Principal-Agent Model Challenge

Principal-agent models are the antimatter to postmodern approaches. Where postmodernism rejects rationality and empirical analysis, principal-agent models revel in both. The basic idea behind principal-agent models is that all relationships can be reduced to contractual terms (see Mitnick 1980; Evans 1980; Moe 1984). Based on a modest set of assumptions about the individual actors involved, a series of relatively simple propositions are derived. Principal-agent models were originally established to describe voluntary relationships between peers as they enter into market-like exchanges (originally used for physician-patient relationships and used car sales). The principal in essence is buying something from the agent, but the transaction differs from the normal market place of pure competition in one key way. Like private markets, the model assumes goal conflict (e.g., the patient wishes to be made well and the doctor would like to maximize income, or at least charge a higher price than the patient would select), but unlike such markets it assumes information asymmetry, that the agent has specialized knowledge that the principal does not have. Such a situation creates an incentive for the principal to “shirk,” to sell more services or sell them at a higher price than actually needed. The solutions are to draft a contract that seeks to control such behavior before the fact (McCubbins, Noll, and Weingast 1987) or to invest in monitoring the agent as the contract is implemented.

The principal-agent model has developed an extensive theoretical base as scholars have modeled various aspects of bureaucracy and its relationships to political actors in principal-agent terms (Banks and Weingast 1992; Bendor, Taylor, and Van Gaalen 1985, 1987; Niskanen 1971; Woolley 1993). There is also an extensive empirical literature that references the principal-agent model but in actual practice does not engage the model in any significant way or use it to derive research hypotheses (Wood and Waterman 1994; Moe 1985, but see Krause 1996).

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informal side of bureaucracy, the relationships among individuals that are based on affect and trust. Agents will frequently provide what the principal wants for normative reasons or because the principal's demands are within the agents' zone of acceptance (Simon 1997). The important questions are what values are resident in the bureaucracy and how those values compare with both those of electoral institutions and those of the general public. Second, the language of principal-agent models often prevents its broader use. Goal conflict and information asymmetry inevitably lead to shirking. The common language meaning of shirking is that the agent will not act. In many cases, the real problem is the agent will act even more than the principal seeks. Third, the principal-agent model misses the element of coercion in bureaucracies. The model was designed to examine voluntary relationships between equals in a market-like setting. In this case it is applied to mandatory relationships between unequals in a nonmarket-like situation. Although bureaucratic relationships contain more than coercion (see Barnard 1938), at the end of the day bureaucracies are an ordering of power. The utility of principal-agent models in these situations is open to question. This position also applies to the use of principal-agent models to describe relationships between bureaucracy and electoral institutions.

3.6 The Rise of Networks

An increasing body of scholarship argues, and in some cases demonstrates, that public management often takes place via networks of actors rather than solely within the confines of a single, hierarchical bureaucracy (Agranoff and McGuire 2003; Bogason and Toonen 1998; Bressers, O'Toole and Richardson 1995; Milward and Provan 2000; O'Toole 1997; Scharpf 1993). A network is a pattern of two or more units in which not all major components are encompassed within a single hierarchical array (O'Toole 1997). Program success, in these settings, requires collaboration and coordination with other parties over whom managers exercise little formal control. Actors in networks are often located in bureaucracies that are in turn connected with other organizations outside the lines of formal authority. Many of these complex arrangements are required or strongly encouraged by policy makers; others emerge through mutual agreement among organizations or individuals who find common interests served by working together on a regular basis (Gains 1999).

Networked arrays may include some combination of: agencies (or parts of agencies) of the same government; links among units of different governments; ties between public organizations and for-profit companies; and public-nonprofit connections, as well as more complex arrangements including multiple types of connections in a larger pattern. Networks range in complexity from simple dyads to bewilderingly complex arrays entailing dozens of units (see Provan and Milward 1991). Networks are generally designed to deal with “wicked problems” that will not fit within a single jurisdiction or
that for political reasons cannot be placed within a single bureaucracy. The latter occurs when policy makers wish to take action but still be able to distance themselves from the policies that might develop (see Pollitt and Bouckaert 2000, 175).

Networks pose a major practical challenge to bureaucracy. To the extent that policy makers create networks rather than bureaucracies to deliver public services, then the persistence of bureaucracy as an organizational form is called into question (Peters and Pierre 1998). Networks lack one fundamental defining characteristic of hierarchy—the ability to compel performance. Ferlie and Steane (2002) go so far as to contend that networks undercut the hierarchical nature of New Public Management control systems.

Several reasons, however, call into question whether networks will replace bureaucracy as the implementation organization of choice. First, a large number of programs are still provided in what are traditional bureaucracies. National defense is consistently operated via bureaucracy even if individual combat units are created to somewhat avoid the perceived problems of bureaucracy. Delivering pensions, regulating business, enforcing criminal laws, and numerous other functions remain the province of bureaucracies.

Second, pundits may simply have misread the movement to networks. A systematic study of US legislation by Hall and O'Toole (2000) examined the legislative output from two sessions of Congress, one in the 1960s and the other in the 1990s. Rather than an explosion in the number of mandated network relationships, they found that program design was relatively constant in regard to creating networks. These findings suggest that not only are networks not a new phenomenon in program design, but that networks are not used to the exclusion of formal bureaucracies.

Third, bureaucracies and networks are not mutually exclusive categories. Many networks are composed of, at least in part, individual bureaucracies (many public sector but some private or nonprofit); a key network in US reproductive health policy links local health departments, nonprofit service providers such as Planned Parenthood, advocacy groups such as abstinence only organizations, physicians in private practice, and the regional offices of the Public Health Service among others (see McFarlane and Meier 2001). Similarly, all bureaucracies have within them formal or informal networks that facilitate task accomplishment. These network ties might remain in the organization or they might be to other organizations with people who perform similar duties (e.g., a network of school superintendents or local government managers).

Fourth, the distinction between networks and hierarchies in practice might be significantly less than in theory. In their series of studies of mental health networks Milward and Provan (2000) find that those networks that develop long term relationships that mimic the stability of bureaucracy actually perform better than those that remain more fluid. Similarly, O'Toole and Meier (2003) in their studies of educational networks find that stability of personnel and management, both traits more associated with
bureaucracy than networks, were strongly and positively correlated with higher performance on a wide variety of organizational outputs and outcomes. In short, networks may be more effective to the degree they take on bureaucratic traits.

Rather than a challenge to the continued existence of bureaucracies, therefore, networks are more likely to provide greater focus on a range of relationships both formal and informal. Neither networks nor bureaucracies are likely to disappear as policy instruments. They each provide useful functions in implementing public policy so policy makers will continue to use them.

### 3.7 The Architecture of Complexity

Recent work by Bryan Jones (2001) contains an argument that bureaucracy is inherently unstable in the long run. Although radically different in method, a similar argument is made by those advocating chaos theories of public management (Kiel 1994; Bergquist 1993). Jones is interested in dealing with several issues raised by Herbert Simon (1997) concerning the construction of complex systems. What complex systems do is break down complex tasks into simple ones, deal with them as simple problems, and then aggregate these solutions back together. Such a process, common to bureaucracy, assumes that aspects of problems can be treated in isolation from each other without endangering the overall solution. One key aspect of the architecture of complexity is that complex systems narrow the range of processes and outcomes. Jones's (2001) concern is that the distribution of outcomes tends to be leptokurtic, that is, have a very narrow dispersion about the mean. The theoretical distribution, however, is not purely leptokurtic but combines a very narrow range with potentially an increase in highly extreme values that do not fit the normal processes. His analogy is from tectonics. The earth has under its surface a set of large continental plates that gradually move over time. The movement of these plates creates pressures that can lead to earthquakes if the pressures are not relieved. What complex systems do in Jones's argument is try to contain pressures rather than release them. In tectonics, this would prevent frequent and relatively minor quakes but result in more rare but significantly more severe quakes in the future because the underlying pressure between plates continues to build.

Jones then applies the tectonic analogy to human-designed systems arguing that systems that resist environmental changes, that are sticky in translation of inputs to outputs in his terms, will result in much less change in short periods of time, but that pressures will build up on the system that may at some point overwhelm it. Jones tests these ideas by looking at political and economic institutions from elections to Congress, to stock markets. His work shows that such systems that are more complex (or sticky) do generate patterns of outputs that resemble his theoretical distributions. The more complex the system, the more likely that it will narrow the range of outputs in the short run and the more likely that pressures will build up that can result in major catastrophic change.
Jones's work is directly relevant to the future of bureaucracy simply because bureaucracies are the archetype of complex systems. The complexity and stickiness that Jones describes in terms of political and other institutions reaches a much higher level in the bureaucracy than it ever does in political systems. Weberian bureaucracy is designed to be stable, to take varying inputs and generate outputs that are relatively uniform. The implications of Jones's work, therefore, is that bureaucracies have an inherent Achilles' heel that will lead to their demise.\(^\text{5}\) Even if these characteristics do not lead to system failure, they suggest, as does much of the organizational theory literature, that more flexible, fluid organizations are more likely to flourish in turbulent environments (Thompson 1967; Kiel 1994).

Although Bryan Jones's innovative theory has not been tested on bureaucratic organizations (the tests are in the form of kurtotic distributions which require thousands of cases to demonstrate a pattern), proponents of bureaucracy have some theoretical arguments to suggest why results might differ from predicted. Basically, the argument relies on the difference between physical systems and human systems. Human systems, unlike physical systems, can learn and adapt. Events that deviate too far from normal (e.g., the great depression, hyperinflation in Latin American countries) trigger the study and redesign of complex systems. Their design frequently contains an intelligence gathering and research function. Rather than waiting for the next problem that cannot be solved, organizations can look to their micro failures, the smaller failures on programs and processes (that is, the build up of pressures) and learn from these errors. A significant portion of public policy is designed in such a way. Welfare reform in the US relied on a series of pilot projects, many of which failed or failed to meet policy makers' goals and were abandoned. The New Public Management reforms in the UK seem to be following a similar process at the local level as the Best Value Indicator System is being transformed by the Comparative Performance Assessment process.

While such a trial and error process might not be an every day occurrence in public policy, organizations are managed systems. Management can adjust organizational procedures, fill in the gaps where regularized procedures are lacking, grant additional discretion to street-level workers who must make immediate decisions, or generate slack capacity that can be devoted to learning and numerous other activities. These actions should allow bureaucracies to continue to transform uneven inputs into relatively stable outcomes.

Both the arguments of Jones and the counter arguments presented here are strictly theoretical as applied to bureaucracies. Systematic tests of these arguments have not been done, and such tests are likely to be difficult. The degree of challenge that Jones's theory holds for future bureaucracies is very much an empirical question.

### 3.8 Back to Weber
Six challenges to bureaucracy have been discussed. We need to return to Weber's definition of bureaucracy to determine how well it has held up in light of these challenges. Are there parts of the various challenges that make some characteristics of bureaucracy less viable? If so, does the organization change so much that it can no longer be considered “bureaucracy”? Weber, of course, was constructing an ideal type, and we should expect bureaucracy to vary from the ideal type simply because the demands of actually operating an organization are likely to generate some unique problems that need to be solved.

Fixed and official jurisdictional areas ordered by rules, laws, or regulations, the first characteristic of bureaucracy, is so ingrained in modern governance that realistic alternatives simply do not present themselves. One of the building blocks of contemporary liberal governments is defining (and limiting) the sphere of government and correspondingly the power of the state as exercised through its organizations. If anything, this principle of bureaucracy has spread further with the growth of democracies in Eastern Europe, Latin America, and elsewhere (and with the Westminster approach to NPM). While Weber may have oversold the need for bureaucracies to have regularized processes and procedures at the time he was writing, since then it has become even more a part of bureaucracy and will likely continue through this century.

The principal of hierarchy is perhaps the aspect of bureaucracy that has been subjected to the most challenge either intellectually via postmodern challenges or empirically by the creation of networks. The persistence of bureaucracy and hierarchy in the light of the numerous critiques clearly demonstrates that hierarchy must perform some vital function. As Jaques (1990: 127) concludes, “Thirty-five years of research have convinced me that managerial hierarchy is the most efficient, the hardiest, and in fact the most natural structure ever devised for large organizations.” The reason is simple: accountability. Although it takes many forms, one of the basic building blocks of modern governance is accountability (see Power 1997). Hierarchy is the default option in creating accountability systems—A is accountable to B for performing task C. To the extent that policy makers seek to create governance systems that can be held accountable, we are likely to see hierarchy as a basic principal. That practical notion has not changed since the time of Weber's writings.  

Management of the office relying on written files, as noted in the introduction, seems quaint if only because written files have largely been replaced by electronic files. The functional uses of files in terms of organization memory, definition of process and procedures, and planning work processes have not gone away. Permanent records generate efficiency and equity by making sure similar cases are treated in similar manners. To the extent that equity and efficiency are valued, bureaucracy is a predictable way to obtain them.
The occupation of offices based on expertise and training, if anything, has increased dramatically. The days of politicians running for office contending that anyone could fill a government job are long past. Even those US politicians who relish running against the bureaucracy generally propose New Public Management schemes that rely even more heavily on expertise and training. Government functions continue to expand, the systems government operates continue to increase in complexity, and the net result is the education and training levels of bureaucracies continues to rise year after year. The skills gap between developed and developing nations generates a bureaucratic capacity gap that severely limits what governments without effective bureaucratic capacity can do. If anything, Weber underestimated the role of expertise and training in perpetuating bureaucracies.

Full-time employment of compensated personnel who can expect employment to be a career is one aspect of bureaucracy that has been eroded at the margins. Governments in the past twenty years have moved many public bureaucrats to private organizations via contracting. Careers in government are not looking nearly as long or as secure as they once were; a US state government (Georgia), in fact, has reintroduced the concept of employment at will thus removing protections against removal from office (see also the 1997 German reform of their civil service, Suleiman 2003: 148). At the same time, one would still characterize bureaucratic employment as a career rather than an a vocation. That career might be spread out over several different organizations, but the skills needed (knowledge, managerial ability, etc.) fit the pattern of a career.

Administration of the office following general rules that are stable and can be learned also appears to be ingrained in both structure and management. Despite the great calls for managers as change agents and visionary leaders, organization members operate best in a stable system of expectations where they know the types of problems they will have and the tools they have to address those problems (O'Toole and Meier 2003). Consistency and stability have great value in organizations, even in organizations that seek radical change simply because whatever changes are adopted will need to be implemented over a longer period of time.

3.9 Conclusion

Bureaucracy as an organizational form is nothing if not persistent. To the degree that it does not meet the governance needs of societies, we would expect that bureaucracy would be replaced with other organizational forms. In this chapter we noted a wide variety of factors that will contribute to the continued need for bureaucracy. The need to organize large scale tasks will not disappear; even under the most optimistic view of the New Public Management, a fairly extensive bureaucracy will need to manage the contracts that actually implement policy. In this scenario, however, private bureaucracies (and they are bureaucracies in every sense of the term) will grow and flourish. With
globalization of the economy, smaller organizational forms will need to adapt a broader scope and thus are also likely to grow.

The need to breakdown complex problems into more simple ones and solve them a step at a time will continue. As of yet, no one has developed an alternative to the architecture of complexity—that is, breaking down large complex tasks into smaller ones that are amenable to solution. The conservative nature of the architecture of complexity means that risk-averse policy makers will continue to opt for bureaucracy.

Consistent, stable administration will still be highly prized. If governments continue to seek equity in processes, and continue to seek equity over time, then bureaucracy remains the most effective way to do so. What for many in the management reform movement is the weakness of bureaucracy is also its strength. The dominance of one organizational form or another, as a result, is merely the product of the types of problems that must be handled. As long as current performance is adequate, stable and consistent administration should be highly valued.

Public policy will continue to demand expertise. While the ability to contract for expertise is widely available in many western democracies, the knowledge of what to contract for needs to reside in the permanent government. In addition, not all expertise is technical, some of it is administrative, related to the problems of implementation and how they can be circumvented. Bureaucracies are exceptionally good at storing expertise since they are built around the principle of specialization.

Accountability concerns will also favor the continuation of bureaucracy. The easiest solution to problems of accountability is hierarchy, establishing that A is to be accountable to B for task C. Although long chains of accountability result in some slippage between the top and the bottom, such hierarchical chains remain the best way to fix accountability in a system. While some argue that bureaucracy defuses responsibility and makes accountability harder (Bauman 1989), others taking the same extreme cases (the German bureaucracy and the Holocaust) come to different conclusions (Lozowick 2000). Governance systems are headed by politicians, in many countries amateur politicians with little experience in governing. To such novices, hierarchy is an accountability concept that is easy to grasp. In practice this requires consistent applications of accountability to make such hierarchical processes work.

In short, bureaucracy will continue to flourish in the twenty-first century for many of the same reasons that it has flourished in the last century, it facilitates the governance process in ways that other organizational forms do not. Challenges to bureaucracy will always be challenges at the margin, moving tasks from a public sector bureaucracy to a private sector one, for example. Underneath these cosmetic responses to reforms, however, one will still see Weberian bureaucracies continue to perform a myriad of tasks.

References


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Notes:

(1.) See du Gay (2000) for a similar Weberian analysis that takes a more normative approach concerning what bureaucracy should be and examines bureaucratic ethics rather than its survivability.

(2.) Political systems can be fragmented horizontally with different political institutions sharing political power (that is, independent branches of government) or they can be fragmented vertically in a federal system that permits autonomous or semiautonomous local governments.

(3.) This discussion will be limited to the more moderate of the postmodern scholars since they are more likely to posit reforms of bureaucracy than more radical elements who would reject the imposition of values on others.

(4.) Not all of those who study gender and organizations are postmodern (e.g., Guy 1992). Feminist theory and the work cited here on feminist critiques of bureaucracy clearly fall within the postmodern camp.

(5.) This is our implication of the work of Jones not his, however, in conversations with Bryan Jones he has generally agreed that these are the implications of his work.

(6.) Some propose that consumer accountability or client accountability will replace downward political accountability. The shortcoming of these proposals is that they fail to consider the idea that the general public (as opposed to the agency's clientele) might have some interests in governance and fail to consider the unrepresentative nature of most clientele (Peters and Pierre 1998).

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