

# The Neutrality of Government Economists

*How involved should agency economists and other bureaucrats be in policymaking?*

BY STUART SHAPIRO

**E**conomists are everywhere in government, or so it seems. Within the White House there is a Council of Economic Advisers and a National Economic Council. One of the most powerful institutions in government, the Federal Reserve, is run almost entirely by economists. Another powerful agency, the Office of Management and Budget (OMB), is populated by both economists and those trained in public affairs programs, which include courses on economics. Many cabinet departments have sub-agencies dedicated to economic research (e.g., the Bureau of Economic Analysis in the Department of Commerce), and even those that don't have specific economic research agencies have offices or sections of offices that employ economists (e.g., the National Center for Environmental Economics at the Environmental Protection Agency).

One of the central debates in the public administration literature is over the desire for “neutrality” in government officials. The field traces its founding in part to an 1887 *Political Science Quarterly* article by Woodrow Wilson (yes, that Woodrow Wilson), “The Study of Administration,” which argues for a separation between politics and administration. In the century and a half since then, scholars have debated what it means in practice to effectuate this separation, whether it is a good thing, and the meaning of neutrality among civil servants.

How should we think about the abundance of economists in positions of influence in government, considering these long-standing debates on neutrality? Some would immediately scoff at the idea that economists are in any way “neutral.” With a common training, there are some ideas that economists bring consistently to any debate, such as the ability of markets to improve human welfare. Those who oppose this viewpoint would be among the

most vocal detractors of characterizing economists as neutral.

But in many ways, some (but not all) economists represent the ideal of a civil servant as envisioned by the most classic interpretations of the politics/administration dichotomy. In recent research I conducted at several agencies, but most particularly the Congressional Budget Office (CBO) and the Economic Research Service (ERS) in the Department of Agriculture, the dedication of government economists to the principle of neutrality stood out. Below, I discuss the varying views in the literature on neutrality in civil servants and explain how the economists at CBO and ERS strive for something close to the longest-standing of these ideals.

## WHAT IS NEUTRALITY?

The desire for administrative neutrality in the late 19th century United States came from two impulses. One was a reaction to the Jacksonian spoils system, where the civil service was seen as a political tool of the president and the party machines that elected him. In other words, neutrality was seen as a counterpoint to partisanship, rather than neutrality on policy goals. This sentiment was embodied in the 1883 Pendleton Act, which gave rise to the modern civil service. The second impulse was the idea, embodied in the progressive movement and the “scientific management” literature, that there was a best way to accomplish the goals of an organization, whether that organization was a private business or the federal government.

However, as the federal government grew throughout the progressive era and particularly the New Deal era, the ideal of neutrality began to bump up against the realities of governing. The question of what it meant to be a neutral civil servant became increasingly prominent in the burgeoning field of public administration. Some conceived neutrality as meaning serving some ill-defined “general interest” as opposed to “special interests.” Others defined it as consisting of, in the words of the late political

scientist Hugh Hecla, “giving one’s cooperation and best independent judgment of the issues to partisan bosses—and of being sufficiently uncommitted to be able to do so for a succession of partisan leaders.” This largely became the accepted norm in public administration circles.

But over time, a pattern developed in partisan attitudes toward the neutral competence of the bureaucracy. Presidents who saw themselves as change agents—typically Democrats—worried about neutral competence morphing into passivity. They favored a vision of neutrality that emphasized technical expertise. Meanwhile, Republican presidents worried that bureaucrats in the executive branch were not truly neutral, arguing that, because of their training as experts in particular fields (and other factors), they favor programs that Republicans want to de-emphasize or perhaps even eliminate. Republicans emphasized the need for a bureaucracy that exhibits responsiveness to elected policymakers and the constituents they represent and equated responsiveness with neutrality.

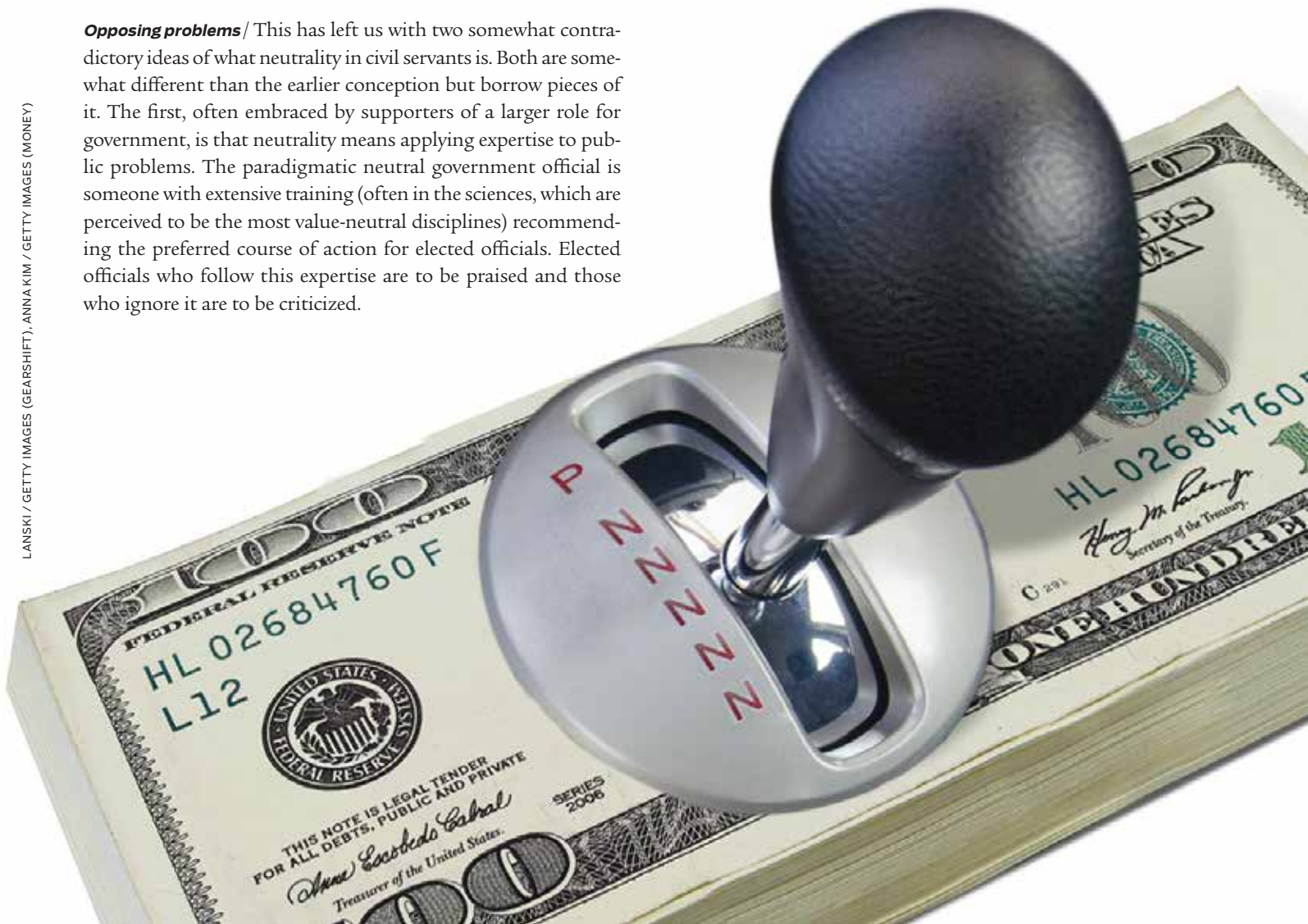
**Opposing problems** / This has left us with two somewhat contradictory ideas of what neutrality in civil servants is. Both are somewhat different than the earlier conception but borrow pieces of it. The first, often embraced by supporters of a larger role for government, is that neutrality means applying expertise to public problems. The paradigmatic neutral government official is someone with extensive training (often in the sciences, which are perceived to be the most value-neutral disciplines) recommending the preferred course of action for elected officials. Elected officials who follow this expertise are to be praised and those who ignore it are to be criticized.

In recent years, the Trump administration presented the strongest argument for this view of neutral expertise. In areas from public health to foreign policy, the administration ignored and even actively disdained expert advice, often to its political detri-

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ment as well as the detriment of the American public.

But excessive reliance on this form of neutral expertise can also be problematic. Many if not all policy decisions contain components dependent on value judgments. The way a democratic society works through policy decisions where values conflict is through elected officials, not technocratic expertise. And given the



## BUREAUCRACY

complexity of many problems that require policy solutions, no discipline has sufficient expertise to consider all of them. “Follow the science” rings hollow when science presents no normative answers or social sciences such as economics present other dimensions to problems that cut against expert scientific solutions.

And just as the Trump administration’s negative example highlighted the benefits of relying on neutral experts, the decisions of the Centers for Disease Control and Prevention (CDC) during the COVID pandemic demonstrated such reliance’s dangers. The CDC swerved numerous times on issues such as masking and school closures (yes, in part because of pressures from political overseers, but also because of true uncertainty surrounding these measures). They also repeatedly ignored the economic consequences of their decisions.

The second model of neutrality is not much more satisfying, however. It puts all decision-making in the hands of elected officials and limits civil servants to implementing those decisions. In a world where we often criticize unelected bureaucrats for exercising too much power, this approach has the appeal of increasing accountability and democratic responsiveness. Some argue that this is what Wilson meant when he wrote about separating politics from administration. Indeed, I might argue that a substantial portion of the public views this framework as the definition of bureaucratic neutrality.

But what happens when the policies pushed by political leaders are objectively harmful? I’ll concede that the word “objectively” is doing a lot of heavy lifting in that sentence. Is a politically motivated decision to enable fossil fuel extraction objectively harmful? Perhaps to future generations, particularly those in areas vulnerable to climate change, but such a decision also results in lower energy prices and in employment opportunities. Still, even while we should rely on elected officials to balance these interests, we should hope that they do so in the presence of the best information possible about the extent of these tradeoffs.

The past several years also offer examples of the downsides of this approach to bureaucratic neutrality. We can use the same examples from above that demonstrated the strength of expertise to highlight the weakness of a completely subservient bureaucracy. Someone should tell the public that hydroxyquinoline and ivermectin do not cure COVID-19 and could harm those who consume it. Someone should say that defying congressional authorization for funding Ukraine is illegal before it happens rather than afterward. Unbridled actions by political actors are also dangerous.

This leaves us with a dilemma. What is the role of unelected officials in a democracy? Obviously, the answer lies somewhere in between the extremes of mere automatons carrying out policy handed down from above and controlling policy decisions without input or supervision from democratically accountable

officials. For a century we have struggled to find this balance.

**ECONOMISTS TO THE RESCUE?**

Never has this struggle been as intense or as public as it was during the Trump administration. In my research, I talked with 50 government officials about their views of their roles and of the idea that they are supposed to embody an ideal of neutral competence. Many of them served under the Trump administration and we discussed their experience and how it affected their perceptions of their roles. Many of them also had long careers in the federal government and could effectively compare experiences across administrations.

In choosing people to speak with, I deliberately avoided mis-

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sion-driven agencies like the EPA and Department of Labor. Finding that officials with the strongest preference for expert-driven decision-making chafed under an administration whose leader famously prized loyalty to himself above all else had a “dog bites man” feel to it.

Instead, I chose four agencies to focus on—two in the executive branch and two in Congress—to note the contrast with those under the executive branch. These agencies, which have been called “braineries” in the academic literature, have long prided themselves on both their expertise and their ability to stand apart from politics. The four agencies I examined were the OMB, ERS, Government Accountability Office (GAO), and CBO.

The OMB policy analysts practiced a form of responsive competence that, in the pre-Trump years, resembled the model of carrying out the wishes of the president they worked for. This model was blown up in the Trump years as their political superiors shut them out of decisions and refused to listen to information that contradicted their world view. Meanwhile, at the GAO, agency officials were sufficiently protected from political pressures and could continue to pursue the other model of neutral competence, plying their expertise to write reports evaluating government program effectiveness. Their expertise was largely in program evaluation and understanding how government works.

The other two agencies, the ERS and CBO, were populated with a particular type of expertise. In both agencies, most of the people I spoke with were Ph.D. economists. Individuals in both agencies felt a kinship as much with their academic economist

peers as they did with fellow government employees. What the employees at the ERS and CBO also had in common was an attitude about their roles and their vision of neutrality within government service.

The missions of the two agencies reflect and help inculcate this ethos. There are few statements that better lay out the tradeoff between neutrality and responsiveness than founding CBO director Alice Rivlin's original memo to her staff. She wrote, "I want to emphasize once again that CBO must be, and must be perceived to be, an objective non-partisan professional organization in the service of the Congress." She went on to say, "It will not be a help—indeed it will be a harm—if we appear to take sides, for then the trustworthiness of the information we provide will be in doubt." Meanwhile, at ERS, the mission statement reads, "The mission of the Economic Research Service (ERS) is to inform and enhance public and private decision-making on economic and policy issues related to agriculture, food, the environment, and rural development."

Below are a few quotes from economists whom I interviewed at these two agencies that illustrate how they aspire to hold up these missions and the ethos they bring to their jobs:

- "I actually thought it was the best of government. It really is people trying to get it right and trying to recognize all the different arguments. I don't want to make it seem that they are trying to get the exact right answer. They are trying to recognize the range of answers and making sure that range is fully reflected in the work."
- "Very professional. Nonpartisan all the time. Everyone is aware of politics but that should not enter into your mind. Everyone is encouraged to get the right answer."
- "Our job is to produce the best analysis of whatever Congress wants to consider. I'm going to advise you on how this works and then the choice is yours."
- "Do the best work you can do, be honest, be transparent and be independent and insist on being independent, that your research is not influenced by slants of any kind."

I would summarize the attitude of the economists at the CBO and ERS as follows:

- They would produce reports on questions ranging from broad, society-wide effects such as the impact of repealing the Affordable Care Act, to particular questions such as agricultural organization. Where the reports dealt with policy options, numerous alternatives were examined, but the agencies never made recommendations.
- Those reports would be delivered to decision-makers (often upon the request of the decision-makers, but not always) with the understanding that policymakers may or may not use them and may or may not agree with their conclusions.
- Interference from political officials with the content of the reports was understood to be forbidden. But agency career

officials also understood that it was not up to them as to how the reports would be used or received by elected officials.

The folks at the CBO and ERS were not engaged in "administration" in the sense thought of by Wilson and other early scholars in public administration. But their attitude toward their roles would be recognizable to those scholars.

The economists at the two agencies appear to take this role seriously. From my experience of more than 25 years in studying and working with federal civil servants, I have encountered few who embrace this view of neutrality this genuinely. This is not to say that no one besides economists ensconced in agencies with serious research agendas aspires to neutrality, nor do I claim that economists throughout the government are perfect avatars of neutrality. Indeed, economists in mission-driven agencies like the EPA and Small Business Administration are as likely to be affected by (or to independently embrace) the mission of those agencies as many others.

But if the ideal of neutrality is to be taken seriously, I can think of few better examples of it than the economists at agencies dedicated to providing research and analysis for policymakers like those at the CBO and ERS. Within the discipline of economics, the willingness (and indeed the imperative) to analyze all aspects of a policy question and all relevant alternatives create a professional mindset that makes it ideal for a reasonable range of concepts of bureaucratic neutrality. When that mindset is placed within a federal agency with neutrality central to its mission, the result is workers who strive for excellence in their work products and understand that their job is to advise officials and then step back and accept the decisions of elected officials.

Both the CBO and ERS have been attacked by elected officials. Most notably, during the Trump administration the ERS had its headquarters moved to Kansas City in what can only be interpreted as an attempt to overhaul the agency personnel. But attacks on the fundamental nature of these agencies inevitably say more about those complaining than those producing the work. Valuing good and objective analysis is not universal, but we should remember that attacks upon the very practice of it are in service to the idea of government that is based on ideological whim at the expense of making decisions in the presence of the best information available. R

#### READINGS

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