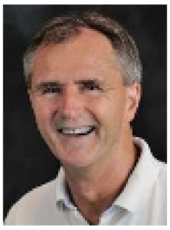
US presidents exercise centralized control over the bureaucracy primarily through reactive oversight.



More than 2.5 million people work across the entire executive branch of the US government in hundreds of agencies and commissions. **William West** *takes an in-depth look at how the President is able to oversee this vast bureaucracy. He writes that centralized influence over agency policy making is mostly reactive and based around the practice of regulatory review. He argues that Presidents lack the organizational capacity to monitor and influence what agencies do in more than a selective way, and that this reactive strategy allows the White House to focus its limited resources on agency initiatives that are problematic while ignoring the majority that are not.*

Scholars have offered very different assessments of the U.S president's role in the administrative process from both an empirical and a normative standpoint . Whereas some stress the president's ability to shape policy by appropriating authority that Congress has delegated to agencies, others argue that the White House lacks the legal and organizational resources to direct the bureaucracy on more than a highly selective basis. Whereas some stress the coordinative benefits of centralized direction by a "unitary actor" over a fragmented government, others contend that presidents and those closest to them care little about the management of bureaucracy. Greatly under-appreciated in different assessments of the administrative presidency is the fact that centralized executive oversight of agency policy making is primarily reactive.

Presidents can influence the bureaucracy indirectly through the appointment of seven-hundred or so political executives who share their views. Although this process is important and has become increasingly systematic over the past half century, it is also a limited means of control for reasons that are well-documented. Accordingly, recent presidents have asserted direct and centralized influence over administration by requiring the Office of Management and Budget (OMB) to review agency rules before they go into effect. As the exercise of delegated legislative authority, rulemaking is the most important way in which the U.S. bureaucracy creates policy. It is used to regulate business as well as to establish standards governing the administration of government loans, grants, subsidies, benefits, and the like.

So-called regulatory review has been the responsibility of OMB's Office of Information and Regulatory Affairs (OIRA) since early in the Reagan presidency. Oversight by a staff of about thirty analysts has always been selective, and indeed the process has been formally confined to "significant regulations" since the Clinton administration. These are defined as rules that have an anticipated economic impact in excess of $100 million/year or that meet one of several other criteria. Regulatory review nonetheless allows the Executive Office of the President to screen and in many cases influence roughly 500-700 agency policies per year.

Established by executive orders, regulatory review is the most important extension of the president's administrative authority in many decades. Its emergence as a reactive means of oversight stands in contrast to the much-more-limited proactive role of the White House in agency policy making. In a recent study, for example, Connor Raso and I found that only 7 out of 276 rules published in the spring 2007 Unified Agenda of Federal Regulations were White House initiatives. Moreover, these had to do primarily with internal agency management practices as opposed to substantive policy. Our findings are roughly consistent with other available evidence and the impressions of agency officials. Although the White House occasionally advances its policy agenda through the bureaucracy in a proactive way, those efforts pale in comparison with its reactive involvement.

The observation that centralized executive oversight is primarily reactive has important implications for our understanding of the administrative presidency. It is ironic in this regard that, although the notion of "fire-alarm oversight" was developed with Congress in mind, it applies more accurately to the institutional incentives and constraints that define the president's relationship to the bureaucracy. Presidents lack the organizational capacity to monitor and influence what agencies do in more than a selective way, and in any case they do not particularly care about administrative management as an end in itself. Reactive oversight thus allows the White House to focus its limited resources on agency initiatives that are problematic while ignoring the majority that are not.

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What kinds of agency initiatives are problematic? In part, these consist of actions that inconsistent with the president's policy goals. Under Reagan and the two Bushes, for example, regulatory review was generally used to further those presidents' anti-regulatory agendas. Much as fire-alarm oversight by Congress is allegedly cued by complaints from the constituents legislators wish to serve, attention to agency rules by OIRA and other actors within the White House has sometimes been triggered by appeals from those who are opposed to regulatory requirements. Indeed, such appeals have been explicitly invited from the business community in at least two documented instances.

To a greater extent, however, centralized executive oversight is a device that allows the White House to addresses conflict within the bureaucracy and the larger political system. Its most important function is thus to vet bureaucratic policy initiatives within the executive branch and White House, itself, and to facilitate the resolution of conflict through negotiation and the escalation of issues to a level where they can be resolved. This addresses an underappreciated institutional need of the presidency that has grown in importance with the continued expansion of government and the devolution of policy-making authority to the bureaucracy. It is instructive that the origins of regulatory review can be traced to the creation of the Environmental Protection Agency (EPA) in the Nixon administration and to accompanying concerns that EPA's rules would impinge on the programs and constituents of other agencies.

Descriptive theory in turn speaks to analyses that endorse the centralization of executive authority as a needed source of coordination. Although not everyone shares their premises, these arguments have become increasingly popular with the piecemeal growth of a fragmented administrative state since the New Deal. Their practical manifestations have included Congress's establishment and expansion of an Executive Office as well as court decisions affirming the president's administrative prerogatives in a number of respects.

An understanding of the reactive dynamics of presidential oversight lends perspective to these arguments. Although vetting produces a kind of coordination, it is not the kind implied by those who stress the advantages of top-down planning and control by a unitary actor. Presidents rarely become personally involved in the conduct of centralized administrative oversight for reasons that should be apparent. Instead, executive coordination occurs primarily through ad hoc negotiation among agencies and White House officials with different priorities. Although this can be salutary, it does not tend to involve the comparison of agency programs in any systematic way. Because it focuses on discrete issues, moreover, there is no guarantee that the effects of reactive oversight will be consistent from one case to the next.

This article is based on the paper, 'The Administrative Presidency as Reactive Oversight: Implications for Positive and Normative Theory', in Public Administration Review.

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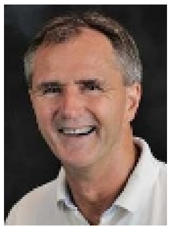

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