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Richard W. Rahn  
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### **GOVERNMENT WORKERS LESS PRODUCTIVE?**

Which group of workers contributes most to GDP? One could have a lively debate about this question. As one who is a firm believer in small and limited government, I argue that two of the most productive workers are elementary school teachers, who teach children basic reading and math skills, and honest and wise judges. It is hard to see how we could have a productive civil society without those who provide the basic training for our citizens, and those who enforce contracts and property rights. Most of the people who hold these positions are government employees.

It is also obvious that some of the least productive people, and in many cases counterproductive people, are also government employees. Examples include INS employees, for letting in and failing to monitor the whereabouts of some of the September 11 hijackers, who were ineligible to be in the U.S. at that time. Despite possibly causing the death of several thousand Americans because they failed to do their jobs properly, none have been fired.

Other examples of government employees who do great damage are IRS officials who promulgate regulations that unnecessarily drive needed foreign investment out of the U.S., or who write regulations in such an incomprehensible manner that millions of man hours are wasted trying to decipher them. These actions cost the economy hundreds of billions of dollars, thus making all Americans a bit poorer. For several decades HUD employees so poorly designed and mismanaged government housing programs that they quite literally created slums rather than eliminating them, causing millions to have inferior lives.

It is not just federal government employees who cause great economic damage. State and local government workers do as well. For instance, schools and universities are extremely inefficient. New technologies that could greatly increase the productivity of learning are resisted. As a former college professor and administrator, I saw first hand how the incompetent were protected and students suffered as a result. Just one small example, in most universities students are herded into large lecture halls where they can barely see the teacher let alone have any interaction with him or her. Would not students who are studying economics be far better off receiving the "lecture" portion of their courses from great classroom performers like Milton Friedman and Walter Williams through video feeds? Millions rather than hundreds of students would

then benefit from the extraordinary lucidity of their explanations, rather than listening to many mumbling incompetents who pretend to teach economics. Yes, this would reduce the employment of some who teach economics, but more would learn to everyone's betterment. The examples are almost infinite.

The private sector also has infinite examples of incompetent and corrupt behavior, as we have seen with the recent corporate scandals. The difference between private and government sectors is that people who perform poorly in the private sector usually eventually lose their jobs, whether they be top management or workers at the bottom end of the wage scale. Companies that don't root out the incompetent and wasteful are driven out by competition. Government has no equivalent self-correction mechanisms. Civil service unions and civil service regulations have made it almost impossible to fire incompetent workers. In 2001, only 434 civilian federal government workers, out of a workforce of approximately 3 million, were fired. This is a firing rate of only 0.02 percent or approximately 1 in 5,000.

The inability to get rid of poor performers has a debilitating effect on the vast majority of workers who do an adequate or superior job, and undermines the public's respect for government workers in general. The inability to fire or adequately punish poorly performing employees, or sufficiently reward outstanding employees, greatly limits management's ability, hence the lower productivity levels normally found in government versus the private sector.

The solution is to realize that most of the legitimate functions of government do not have to be done by government employees. Most government functions can be performed by private companies who compete on the basis of competency and cost effectiveness. Expansion of educational voucher programs would enable us to adequately reward great teachers and get rid of the incompetent. Simplification of the tax code would allow tens of thousands of IRS workers to find productive and meaningful employment in the private sector rather than being a dead weight loss on the economy. Almost every area of government is capable of being simplified and contracted out. The problem is not "the government worker"; it is the system under which "government work" is done.

The Bush Administration has announced a program to greatly expand the amount of "government work" contracted out, particularly in the Defense Department. This is a good first step, but the challenge to every elected official is to think outside the box about how to get the desired results from every legitimate government program without creating the damage that comes from socializing the work force.

*Richard W. Rahn is a senior fellow of the Discovery Institute and an adjunct scholar of the Cato Institute*