

CLINTON'S UNBALANCED FEDERAL EMPLOYMENT POLICY

(Updating *Rolling Back Government: A Budget Plan to Rebuild America*, The Heritage Foundation, 1995.)

“Today our federal [work force] is 200,000 employees smaller than it was the day I took office as President.”

—President Bill Clinton, State of the Union Address, January 23, 1996

President Clinton wants to convince the American people he has pared back the bloated federal work force. The American people certainly have every reason to resent the large number of federal bureaucrats whose apparent mission is to turn their daily lives into the sort of nightmares described in the novels of Franz Kafka. These bureaucrats include auditors from the Internal Revenue Service (IRS) scrutinizing tax returns, regulators from the Environmental Protection Agency (EPA) undermining productive enterprises, and agents of the Bureau of Alcohol, Tobacco, and Firearms (ATF) trying to seize the guns of law-abiding citizens. Reducing the numbers of these bureaucrats should and will be popular with the American people.

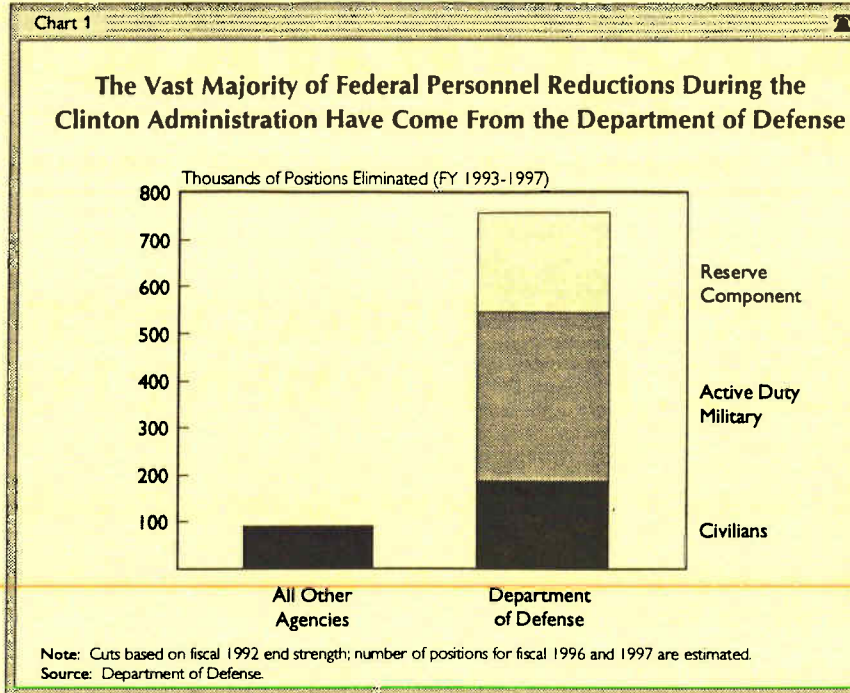
The disturbing thing is that most of the eliminated positions cited by President Clinton are not coming from the IRS, the EPA, the ATF, or similar regulatory or enforcement agencies. The vast majority of the positions being eliminated belong to the people who helped win the Persian Gulf War. In short, most are from the Department of Defense. For example:

- ☛ **Some 60 percent of the 200,000 eliminated positions cited by the President come from a single department, the Department of Defense.¹**
- ☛ **Personnel reductions at the Pentagon are even more severe than the President would have Americans believe.** The personnel reductions cited by President Clinton include only federal civilian employees, including those at the Department of Defense, but not active duty or reserve component military personnel. In fact, total federal employment, including both civilian and military personnel, as of the end of fiscal 1997 will have dropped by 849,000 positions from levels prevailing at the end of FY 1992.²

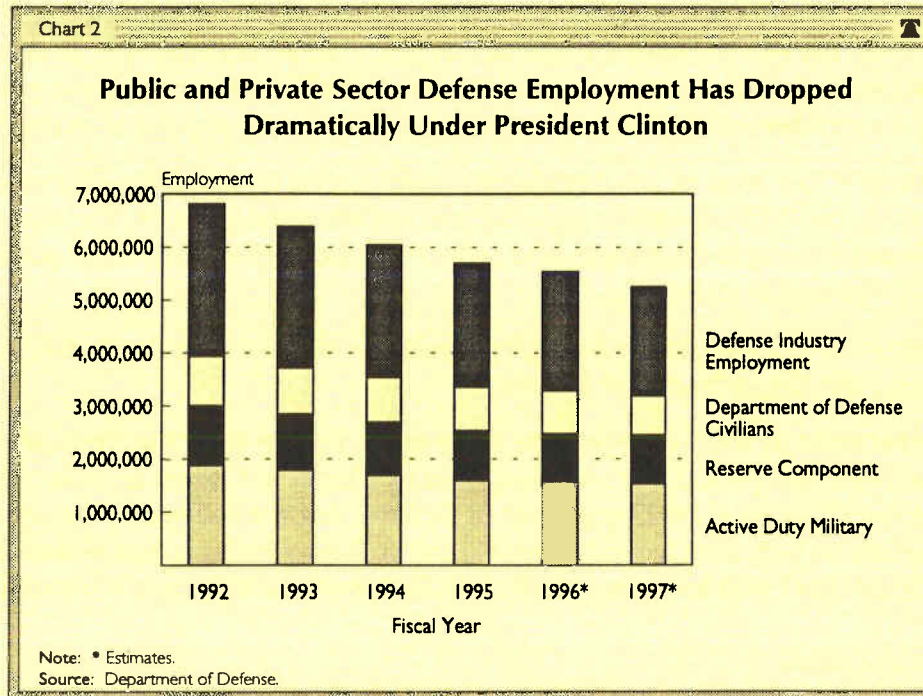
1 Office of Management and Budget, *Budget of the United States Government (Analytical Perspectives)*, 1996, Table 10-1. Employment is measured in full-time equivalents.

2 Department of Defense, *Annual Report to the President and the Congress*, 1996, p. C1, and *National Defense Budget Estimates for FY 1997*, 1996, Table 7-6. This covers a period somewhat longer than that described by President Clinton in his State of the Union Address insofar as it compares military positions existing at the end of FY 1992 with projected levels at the end of FY 1997. These figures include both full-time and part-time positions.

Of all federal civilian and military positions lost since the end of FY 1992, over 89 percent (almost 760,000) will have come solely from the Department of Defense (see Chart 1).

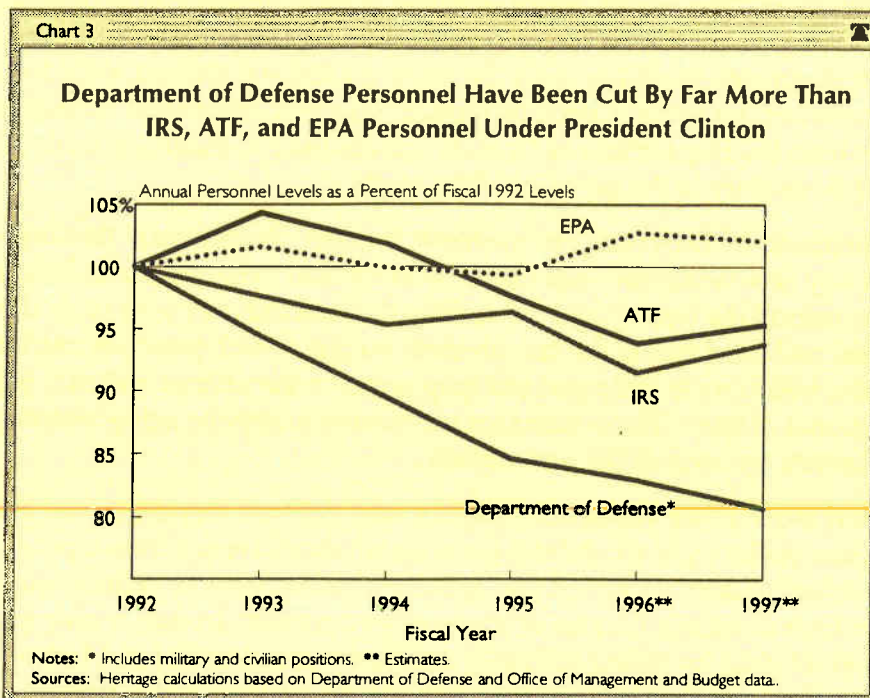


President Clinton's cuts in defense jobs have not been limited to the public sector (see Chart 2). Defense industry jobs by the end of FY 1997 will have dropped by 795,000 positions from levels prevailing at the end of FY 1992.³



³ Department of Defense, *National Defense Budget Estimates for FY 1997*, Table 7-6.

☛ In 1997, there will be 1.5 million fewer defense jobs (including those in the military, the civil service, and industry) than in 1992 (see Chart 2).⁴ In total, defense sector employment is down by 22 percent. Meanwhile, IRS employment has dropped by only 6 percent, ATF positions have dropped by less than 5 percent, and EPA positions have *increased* by over 2 percent (see Chart 3).



President Clinton's federal employment policy is unbalanced. One department, the Department of Defense, bears a disproportionate share of personnel reductions. The President's policies punish defense employees in the private sector as well. The American people do not need federal bureaucrats from agencies such as the IRS, EPA, and ATF watching their every move and telling them how to live their lives. But they do need the sort of skilled people that contributed to victory over Iraq in the Persian Gulf War.

RESTORING BALANCE TO FEDERAL EMPLOYMENT POLICY

To restore balance to federal employment policy, the Clinton Administration should:

- 1 **Freeze military personnel reductions at the level recommended by the Clinton Administration in its 1993 "Bottom-Up Review" of defense policy.** This amounts to about 2.4 million positions, including active troops and reserves. A military of this size should be adequate to handle the nation's future military requirements. However, within these limits, the Pentagon should be flexible in dividing the number of billets for active and reserve forces. The Administration should decrease personnel strength in the Army National Guard and increase the number of active duty personnel, who are better suited to addressing the short-notice conflicts likely to arise in the post-Cold War world. Moreover, since the Navy's power projection capabilities are particularly suited to the post-Cold War security needs of the U.S., the Administration should ensure that the number of naval personnel is relatively higher than the number for other services.

4 *Ibid.*

- ② **Limit further reductions in civilian positions at the Department of Defense to those achieved through privatization efforts.** The current excessive reliance on public sector civilian employees to perform such routine services as depot maintenance of equipment for the Department of Defense and the military services should be reduced. Current law requires that public employees perform no less than 60 percent of this work. The private sector certainly is more efficient in performing maintenance and other services. Savings can be achieved by privatizing a significant number of services and allowing defense contractors greater flexibility to do the work. Additional civilian work force reductions outside the privatization effort, however, should be limited. This will ensure that civilian support and management positions within the Department of Defense are adequate to meet the needs of the military force required for U.S. security in the post-Cold War world.
- ③ **Increase the Department of Defense procurement budget.** Procurement funding—the money the Pentagon spends to buy new weapons—has fallen by more than two-thirds in inflation-adjusted dollars since 1985. This has caused the loss of over 1.3 million defense industry jobs since the employment peak in 1987. Annual real increases in the procurement budget, which provides much of the money for defense industry jobs, will reverse this trend and help preserve the defense industry jobs that are necessary for a strong national defense. These increases are needed to replace aging weapons and equipment that will become obsolete by early in the next decade.
- ④ **Concentrate federal work force reductions within non-defense departments.** Further reductions in non-defense civilian positions in the federal government should result from a policy of eliminating unnecessary and outdated federal programs and agencies. Putting caps or ceilings on the federal civilian work force does little to reduce the size or scope of government. In fact, it may lead to the poor delivery of government services by failing to distinguish between successful and failed federal programs. Instead, work force reductions should come from eliminating unnecessary agencies, consolidating similar programs, devolving authority to the states, simplifying taxes, and pursuing a policy of deregulation. The Heritage Foundation's budget plan, *Rolling Back Government*, would reduce the federal government from its current level of 14 cabinet-level departments to five.⁵ The plan also would reduce the non-defense federal work force by approximately 10 percent over the next five years (FY 1997-2001).

CONCLUSION

Reducing the federal work force is an appropriate goal. The American people should demand the elimination of wasteful bureaucracies. But cutting into America's fighting force and then claiming credit for downsizing the government is not only misleading, but damaging to national security. In essence, Clinton's federal employment policy is a cloak hiding the Administration's policy of weakening America's military strength.

Now that the true impact of President Clinton's federal employment policy has been revealed, Congress should set about the task of restoring balance to the federal work force. It should limit further reductions in the defense sector and focus instead on dealing with the real cause of waste in government: the bloated non-defense federal bureaucracy.

Baker Spring
Senior Policy Analyst
and
John S. Barry
Policy Analyst

⁵ Scott A. Hodge, ed., *Rolling Back Government: A Budget Plan to Rebuild America* (Washington, D.C.: The Heritage Foundation, 1995).