

Government downsizing

Downsizing the Federal Government: The Management of Public Sector Workforce Reductions. By Vernon Dale Jones. Armonk, NY, M.E. Sharpe, Inc., 1998. 296 pp. \$76.95, hardcover; \$23.95, paperback.

Downsizing. The word may not appear in older dictionaries, but workers in both private and public organizations know the term. Since the 1980s, large organizations have used the term when reducing their work forces, and as its popularity spread, a similar concept took hold in the Federal Government.

Before downsizing existed in popular vocabulary, Federal workers were familiar with the term “RIF” which stands for reduction in force. In theory, downsizing is different than the normal workforce reductions (or RIF) that various Federal agencies have faced during their histories. Traditionally, reductions in staffs at Federal agencies were the result of changes in the agencies’ missions or as a result of reduced budgets that forced agencies to reduce their workforce. Agencies lowered their personnel levels because of cutbacks in work, such as the reductions that occurred in NASA when the manned space program experienced budget cuts.

While downsizing is also a plan for lowering personnel costs, this staff reduction is more designed to increase the agency’s efficiency by maintaining the agency’s core responsibilities while lowering its staffing level. The challenge of downsizing is not merely to reduce staff, but to reduce staff as a means to achieve some greater goal, usually defined as some improvement of agency productivity.

Downsizing the Federal Government examines the experiences of three Federal agencies, Defense Logistics Agency, Bureau of Reclamation, and Food and Drug Administration, as a means of examining downsizing in the Federal Government. In the book, Jones approaches the sub-

ject as an impartial observer conducting a scientific study—defining the problem, developing a theoretical model, researching the agencies through literature reviews and personal interviews, and developing conclusions based on his research.

In each of the three agencies reviewed in the book, Jones outlines the downsizing strategies used by the agency. He begins with a brief history of each agency, followed by the agency’s organizational environment at the start of the downsizing effort. One of his conclusions is that an agency’s history of reorganizations affects its reaction to downsizing. Agencies which had undergone restructuring prior to the present initiative, such as the Defense Logistics Agency, were able to adapt more readily to organizational changes. At the same time, these past experiences lessened the pain but did not remove it, and managers still struggled to complete the implementation process.

The personal interviews Jones conducted at each agency are a major asset of the book. He purposely chose to speak with agency executives and middle managers to gain their perspective on their agencies’ downsizing implementation strategies. Many of the executives and middle managers shared the view that the downsizing was an emotional event. They expressed concerns about workloads that did not decrease with the reorganizations and about managers who had trouble adapting to the new organizational structures. Towards the end of the book, the author summarizes his conclusions on management’s role in downsizing and lists those management practices that seemed to have the most positive affect on the process.

Downsizing the Federal Government is one of many publications that have been published both inside and outside the government on this subject. The General Accounting Office’s (GAO) report, *Federal Downsizing: Better Workforce and Strategic Planning*

Could Have Made Buyouts More Effective (GAO/GGD-96-62), covers much of the same information with similar conclusions. While the GAO report lacks the personal interviews and a list of successful management practices, it gives a better summary of the successes and shortcomings of downsizing. The GAO report also reveals that standard measurement of agencies success with downsizing may be misleading. It appears some agencies tried to meet the National Performance Review’s goals without making meaningful changes to their structures with different techniques, including reclassifying managers to nonmanagement positions without changing their salary grades. Jones does not report any subtleties such as these in his book.

Both documents speak for the need for increased strategic planning by agencies and identify lack of planning as a shortfall of the reinventing process. Interestingly, neither Jones nor the GAO determined whether downsizing is reaching its goals. While the process has been successful at lowering the total number of Federal civilian workers, the question as to whether downsizing is making Federal civilian workers more productive or effective is left unresolved. Similarly, while the employee buyouts made the restructuring more humane, it is unclear whether the buyouts furthered the goals of the agencies.

In his introduction, Jones identifies his audience as both managers and researchers interested in organizational theory, although there is less theory in the book and more discussion of his research methodology. It is possible the author felt that this style made the book appear more “scientific” and impartial.

Unfortunately, Jones concludes with recommendations similar to those proposed by other business theorists. He finds that managers should be less controlling and practice greater human resource skills, and that downsizing does not come without costs to an agency’s effectiveness. Despite the extensive research, he was unable to recommend any

creative solutions to the problems identified by the agency managers. While the personal interviews set this book apart from other reports on downsizing, the well-written GAO report more clearly explains the successes and failures of the current downsizing effort. Readers interested in Federal Government downsizing efforts may wish to start with that report before tackling Jones's research.

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Environmental issues

The International Yearbook of Environmental and Resource Economics 1997/1998: A Survey of Current Issues. Edited by Henk Folmer and Tom Tietenberg. Lyme, NH, Edward Elgar Publishing Co., 1997, 255 pp.

Within the pages of this yearbook, the breadth of environmental and resource economics is explored. The collection of essays, written by the field's top researchers, identifies the staid past of the discipline, while bringing to the forefront new ideas, constructs, and analytical methods. The reader is made aware that issues and policies surrounding the environment entail (and require) more than externalities, exploitation, and valuation. While the collection is designed to help resource economists stay abreast in their field, others interested in environmental policy will be enriched by the topics and issues addressed. The spectrum of growth in the discipline is obvious in the essays included in this collection—property rights, tax interactions, sustainability, biodiversity, nonpoint pollution control, resource benefit identification and international trade.

The collection begins with Bromley's assertion that "environmental problems are property rights problems." The issue of property cannot come into play unless there is an authority system in place to influence behavior through norms. The difficulty, and if truth be told, key insight into environmental issues, which Bromley outlines, is that society and its authority systems change and evolve. The same recognition is not given property rights. Bromley aptly describes the relationship between the two through a discussion of the Endangered Species Act. This chapter provides a solid background from which discussion of issues involving the environment may begin and an eventual understanding reached.

The five middle essays run the gamut of environmental issues. Goulder broaches the topic of tax interaction through the relationship between environmental taxes and the means of production (labor, capital, and natural resources). Sustainability and the relationship between consumption patterns and national wealth are the subject of Hartwick's essay. Moran and Pearce address biodiversity with regards to land use change. The economic value of a diverse environment is based on the loss of the biodiverse environment. All value, not just use-value must be considered. Shortle and Abler argue that sources of nonpoint pollution (small businesses and households) should be held accountable for environmental quality just as are other large entities that manufacture or emit pollution (for example, pesticide and automobile manufacturers) as a by-product. The quality of the environment will continue to be adversely affected if all sources of pollution are not regulated and controlled; this includes large industries and factories as well as the landscape company

that sprays pesticides on your neighbor's lawn. While suggestions for pollution control mechanisms are given, and policy recommendations are made, it appears that information and education campaigns continue as the most cost effective. A summary and overview of research on nonmarket valuation of natural resources is the focus of Smith's essay. Outlining where the field of environmental and resource economics has been in this area, Smith suggests new research methods in the guise of calibration and conjoint analysis as a way of changing the focus and direction of environmental and economic policies.

The concluding essay on the relationship between environmental policy and international trade by Ulph brings one of the discipline's major debates to the reader's attention. More than ever in today's global marketplace, the economic policies (including international trade) of one country affect the economy and environment of another. Production and consumption patterns may be altered. Trade policy may be used as an enforcer for environmental agreements. The need to understand the issues and concerns raised in the previous sections culminate here, as international trade policies become environmental policies.

It is clear that the editors of this collection wanted to challenge the reader's traditional view of the environment and the policies enacted in protection of our natural resources from the outset. Their goal has been met. The reader comes away with a deeper understanding of the environment and the policies designed to protect our resources. As an annual publication, *The International Yearbook of Environmental and Resource Economics* holds promise.

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