

Governmental Core Functions and Departments— From the Case of the Homeland Security Department*

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“In September, 1998, after a meeting of more than 200 officials from across the country in Washington to discuss emergency preparedness in light of the growing fear of terrorism, the domestic preparedness coordinator in Atlanta was quoted as saying, ‘Even we often don’t know who to talk to at the federal level.’” — Senator Carl Levin**

1. Questions beyond swift action

Creating a new department in the American federal government is not an easy task. But the September 11th attacks of 2001 on American soil suddenly and deeply changed American policy and government. Congress passed and the President signed on October 26, 2001 a sweeping anti-terrorism law that affects basic civil liberties in the US just 25 days after the first version was introduced in the House. It was only a little bit more than five months since President Bush announced his intention to set up a new department to counter terrorism on June 7, 2002 that Congress later passed the bill, which the House passed 299 to 121 and the Senate passed 90 to 9.

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** Senator Carl Levin’s statement in a hearing of the Senate Governmental Affairs Committee on June 20, 2002. Accessed through Lexis system.

The new Department of Homeland Security (DHS) is the largest reorganization of the federal government since 1947 when Harry Truman was president. The new department, merging 22 agencies with combined budgets of about US\$ 40 billion, becomes a mammoth 170,000 employee organization. Major agencies transferred to the department include: Coast Guard, Customs Service, Border Patrol, Federal Emergency Management Agency, Secret Service, Transportation Security Administration, Immigration and Naturalization Service, and the border inspection part of Animal and Plant Health Inspection Service.

In terms of work force, DHS will be the third-largest department after Defense and Veteran Affairs. In terms of discretionary budgets, DHS still ranks fourth among cabinet departments. DHS has the responsibility for coordinating all intelligence agencies, for finding new ways to defend against nuclear, chemical and biological attacks, and also finding new ways to respond faster to those attacks on the scene.

DHS means a massive organization reshuffling to adapt to the new American and international environment that is imperiled by rampant terrorism. The swift action in establishing a new department to cope with terrorism attack raised some questions in governmental departmentalization.

Why the anti-terrorism task was regarded as a core governmental function and require cabinet department visibility? Other than the functional-institutional consideration, what are the factors deciding the departmentalization in the U.S.? Are there any international trend among OECD countries as to the establishment of cabinet departments? What functions are considered core governmental ones?

This paper tries to unravel these questions to present a general picture of international practices on departmental establishment and present a convergency theory of departmentalization.

2. The nature of Anti-terrorism Institution-building :

Anti-terrorism was declared to be a war with good justification after the September 11th attacks. From the traditional military perspective, the defense department has a clear mission in engaging in warfare with foreign invaders or sending troops abroad to defend U.S. interests in the broadest terms. However, from a non-traditional national security perspective, the U.S. is a nation without borders. About 350 million foreigners cross U.S. borders annually. Everyday, more than 250,000 people arrive in the U.S. from Canada, and 800,000 enter the U.S. from Mexico (Gorman, 2002: 3684). The complicated filter system, including border control, the visa system, airport and seaport system is notoriously outdated as a result of congressional neglect, outdated priorities, interagency turf wars, and economic globalization (Gorman, 2002: 3649). There are more than 11 departmental organizations and 27 agencies that are responsible for border control affairs (Gorman, 2002; 3652).

Counter terror efforts encounter insurmountable organizational division and communication barriers under the existing government structure. Unlike the military establishment, which follows orders from the defense department, in the event of an attack with chemical weapons, there are 43 government agencies that would be involved in counter measures (Freedberg, 2002: 3239).

If the anti-terrorism federal agencies represent fragmented governance, the sheer number of different forms and jurisdictions of government at the federal, state and local levels poses an even more daunting challenge to waging a concerted war against terrorist attacks. There are 87,453 different levels and types of governments in the U.S. (USDOC, 2001: 257). On the other hand, terrorists can cause numerous casualties and mass destruction at any time, at any place, and using unpredictable forms of organizations. They can use many kinds of weapons that can be easily deployed and

executed, whether biological, chemical, traditional, or nuclear devices. Terrorists can be foreigners as well as U.S. citizens. The impact of terrorist attacks could be as huge as September 11th or as small as kidnapping crimes.

The September 11th attacks, in addition to the over 3,000 deaths, struck a devastating blow to the U.S. economy, stock market. If the pre-911 U.S. life style is to be recovered, there are many tasks that need to be taken care of (Kenoglio, 2001: 2908). In order to ensure homeland security from terrorist attack, the U.S. government has to strengthen the security vacuum or chaos that the domestic security system (police, coast guard, intelligence, etc.) and international security system (Department of Defense and its related agencies) left behind. In fact, the terrorist attacks exposed the crude nature of terrorism that traditional national departments could not cope with. First, terrorism threat cannot be handled by government's functional division. Terrorist attack between the functionalities of agencies, at the divide between domestic law enforcement and military operations overseas. Second, US homeland security is not an easily bounded problem. Formulating a logical, effective division of labor is extraordinarily complex. Third, government structure of anti-terrorism requires an interorganizational approach that is both horizontal and vertical in design to integrate the functions of information gathering, sharing, prevention, resources supply, resources allocation and crisis management (Seiple, 2002: 260). The fact that the U.S. is a federal state with about ninety thousand government units, well differentiated units of border policing jurisdictions, vast area of territory and border line, all call for an integrated department to guard against homeland attacks (table 2). But if not for the continuing nature of terrorist attacks waged against the U.S., including 1993 World Trade Center bombing and 2000 USS Cole bombing based overseas, anti-terrorism function may not be regarded as a core function of American government to warrant a Cabinet-level department.

Table 2: Security Nature of Three Types of U.S. National Security Institutions

	Police System	Department of Homeland Security	Defense Department
nature of jurisdiction	local	domestic/border	international
crisis area impacted	local	unpredictable/place(s), domestic or abroad	foreign country
time frame of security problems	short	unpredictable duration	long
destruction of security	limited area	limited area to nation wide	national
nature of function/institution	well defined services	complex/varied, functions/institution	well-established armed forces
source of invader	criminal	terrorist	foreign government

The danger of terrorist attacks on American soil has loomed large in recent years for many reasons. One of them can be traced back to the abandonment of isolationism in American foreign policy. After President Truman decided to aid Greece and Turkey in 1947 to prevent them from falling under Soviet domination, the U.S. assumed the burden of leading the free world in a global confrontation with Communism. The ensuing Cold War meant endless, shadowy confrontations between the two superpowers and their respective allies. The hatred accumulated toward Americans and the American government influenced people in the Mideast and Afghanistan, Southeast Asia and Latin America and lead to terrorism all over the underprivileged world. After the September 11th attacks, the U.S. government has reached out to virtually every country in the world to ask for help in an all-out war on terrorism. Some 25 countries, mostly in the Mideast, Europe and Asia, are being asked to help in certain ways to curb the spread of terrorist attacks.¹

¹ "How Life Could Change." *National Journal*, 22 September 2001.

A core function of the government at some point in time may not sustain for the long term and justify governmental reorganization to establish a new department. But in view of the character of the foreign-induced terrorism, the anti-terrorism war will last for decades to come. The American involvement in the Middle East in the Israeli-Palestinian conflict has lasted more than half a century. Anti-American terror was steady, and its geography and targets bespoke resourcefulness and audacity (Ajami, 2002:2). Terrorists attacking American landmarks or symbols may or may not hate Americans. Neither may they care about American interest or culture. The terrorist attacks may just be a vehicle to draw attention or visibility for their own political/religious/territorial causes in the media age. The first massive attack, the 1993 truck bombing of the World Trade Center, was inspired by an Egyptian cleric who was eager to return to Egypt from the West and establish an Islamic state. The ensuing terrorist attacks, such as the 1996 explosions at the Khobar Towers in Saudi Arabia, the attacks on the U.S. embassies in Kenya and Tanzania in 1998, and the 2000 bombing of the U.S.S. Cole, all testified to the fact that terrorist attacks could happen anywhere, anytime and, ultimately, the responsible parties would be very difficult to identify (Ajami, 2002). Former U.S. Defense Secretary William Perry warned that if the terrorists who waged the 9/11 war against Americans had possessed nuclear or biological weapons, they could have produced a hundredfold more victims (Perry, 2001: 31). If history is a guide, the root of terrorism, primarily based in the Middle East area that is filled with religious confrontation and oil interest problems, will not disappear in the coming decades. The U.S., a free democratic country with tremendous inbound and outbound travel volume and the largest economic entity in the world, will have to endure the challenge of terrorist attacks from different sources and types for a long time. All these facts point to the fact that the federal government

needs a cabinet department to coordinate the anti-terrorism war.

3. U.S. Departmental Reorganization: Core Function and President-Congress Relationship

The 911 terrorists attacks on New York city and Washington D.C. in 2001 was considered a surprise attacks comparable to the Pearl Harbor invasion in terms of casualties, economic and psychological damages to the American public. With its catastrophic impact on American life and international security stake, the 911 attacks became an instant catalyst in establishing a fully integrated department upon President Bush's advocacy. The mission of DHS, according to the bill the Senate passed on Nov. 19 2002 is to

- A) prevent terrorist attacks within the United States;
- B) reduce the vulnerability of the United States to terrorism;
- C) minimize the damage, and assist in the recovery, from terrorist attacks that do occur within the United States;
- D) carry out all functions of entities transferred to the Department, including acting as a focal point regarding natural and manmade crises and emergency planning;
- E) ensure that the functions of the agencies and subdivisions within the Department that are not related directly to securing the homeland are not diminished or neglected except by a specific explicit Act of Congress;
- F) ensure that the overall economic security of the United States is not diminished by efforts, activities, and programs aimed at securing the homeland; and
- G) monitor connections between illegal drug trafficking and terrorism, coordinate efforts to sever such connections, and otherwise contribute to efforts to interdict illegal drug trafficking.()

All these objectives, except for item (E), are related to the prevention of terrorist attacks or dealing with terrorism. But why does the prevention of terrorist attacks justify the establishment of a cabinet department? Even after the September 11th attacks there was not much discussion about setting up a department for homeland security. Wise discussed three options for organizing homeland security: executive order coordinator, statutory coordinator and department (Wise, 2002). But he later advocated a dual track in pursuing homeland security. The dual tracks include: a national strategy and various networks of national, state, and local organizations of various types (Wise and Nader, 2002). He did not foresee that a new department had been planned by President Bush for several months before his announcement of the department proposal on June 7.

Departmental reorganization in the U.S. federal government after the Second World War was initiated and promoted by almost every president. But, the addition of DHS to the Cabinet is the only incidence in which a new department was promoted after a single, dramatic and catastrophic event. Departmental reorganization generally follows presidential (or prime ministerial) intention to restructure the governmental machine explicitly or implicitly expressed in his campaign platform or inaugural speech (Arnold, 1998).

The case of DHS shows that the departmental reorganization is more a product of escalated organizational restructuring than intentional planning on the part of President Bush. Although GAO issued numerous reports and made many recommendations on homeland security in recent years, there was only limited progress in organizational reform (GAO-02-957T). According to a GAO report completed just prior to the September 11th attacks, there were five major shortcomings in combating terrorism:

- 1) back of overall leadership and coordination;

- 2) back of a national strategy and related guidance and plans;
- 3) federal response capabilities are inadequate;
- 4) federal assistance to state and local governments needs to be consolidated; and
- 5) back of a strategy to counter computer-based threats.

Prior to the September 11th attacks, anti-terrorism work was engaged in through executive orders and presidential decision directives (PDD). PDD 39 of June 1995 assigned the Department of Justice, through the FBI, responsibility as the lead federal agency for crisis management, and FEMA as the lead federal agency for consequence management of domestic terrorist attacks. In May 1998, PDD 62 established the position of national coordinator for terrorism within the National Security Council. DPP 63 emphasized new efforts to protect the nation's critical infrastructure from attack. A number of blue ribbon panels or commissions were also convened prior to the September 11th attacks to study the government's structure and methods for anti-terrorism purposes. Panels led by former Senator Gary Hart and Warren Rudman made sweeping recommendations about remedying the anti-terrorism capability gaps. Their conclusions suggests the creation of a new department to consolidate many of the government's homeland security functions.()However, after the attacks, President Bush established the Office of Homeland Security to combat terrorism in October 2001.

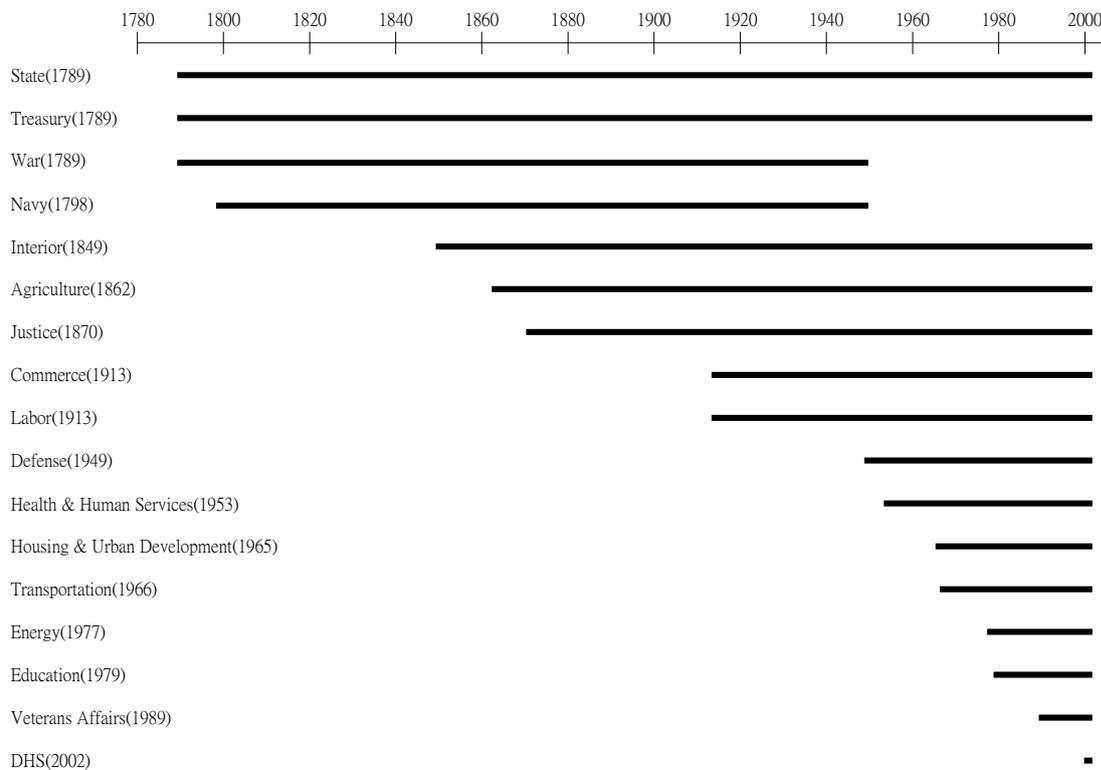
The office has broad responsibilities in anti-terrorism functions:

- 1) working with federal, state, and local governments as well as private entities to develop a national strategy and to coordinate implementation of the strategy;
- 2) overseeing prevention, crisis management, and consequence management activities;
- 3) coordinating threat intelligence.

But the Office was not institutionalized in law and the head was not confirmed by the Senate. Homeland Security Director Tom Ridge can best be described as a paper tiger who works extremely hard in promoting homeland security precaution to the public, including the controversial color-coded threat warning system.

However, the long history of US departmental reorganization presents three distinct patterns in comparison with parliamentary countries, especially Westminster countries. First, congress played an important role in the establishment of a new department. Second, the cabinet department system was formed incrementally over the past two hundred years rather than reorganized in a grand scale or constant reshuffling (Figure 1). Third, the establishment of a new department generally has taken a long time to become reality.

Figure 1: Changes in US Departments (1789-2002)



Among the present departments, five departments were established before the

turn of the twentieth century. They are State, Treasury, Interior, Agriculture, and Justice. The then War Department and Navy Department were not incorporated into a unified Defense Department until 1949. In the whole last century, the remaining departments were added to the cabinet rank in sequence: Commerce (1913), Labor (1913), Defense (1949). Health, Education and Welfare (1953, later renamed Health and Human Services due to the branching out of Education Department), Transportation (1966), Energy (1977), Education (1977), Veteran Affairs (1989). The cabinet structure that comprised few departments before the twentieth century reflects three governing facts: constitutional principle of separation of powers, the dominance of Congress and the comparatively small size of the federal civil work force. The separation of powers is not a scheme to pursue an optimal model for creating an efficient, modern state. Justice Brandeis' opinion is widely quoted as: "The separation of powers was adopted.....not to promote efficiency but to preclude the exercise of arbitrary power." (Myers v. U.S. 272 U.S. 52(1926)).

President Hayes wrote in his diary that it was the intentions of constitution that the president appoint officials and that the Senate confirm them. The reality was that, "We (senators) will appoint the officers and our officers shall rule the party, and our party shall rule the country." (Williams, 1964: 137) Not only that the president could not manage the federal government as they wish, the federal government was relatively small in size. The total work force in 1816 had been 4,837, with just 535 employees worked in Washington, D.C. (Arnold, 1998: 9). In 1899, the federal work force surpassed the mark of 200,000. After 1900, the federal government grew at an intensified speed to response to the growth in population and demand for federal functions (Peng, 1998).

US departmental reorganization in the last century centered on the principle of "major purpose." (Arnold, 1998) The 1949 Hoover commission reports brought about

unparalleled executive reorganization in the American history, including the establishment of Defense Department, National Security Council, and numerous departmental reorganization. It recommended that all federal departments be organized by major purpose, that departmental administrative regions be made more comparable in geographic terms, and that department heads be given the authority vested by statute in their departments (Arnold, 1998: 152).

From the study of US reorganizational history one can clearly find that the principles of “core function” and “span of control” were at work at each stage of departmental addition and reorganization. Below the neatly arranged Cabinet departments, the federal bureaucracy was a mess as President Carter described in his campaign. Before Carter’s reorganizational effort, a “Current Inventory of Organizational Units Within the Executive Branch” prepared by Harrison Welford reveals that there were 2,104 organizational units in the federal government. Excluding those entities with no budgets and low-activity levels, the organizational count still included eleven cabinet departments and 335 sub-units within these departments, and it specified 55 non-cabinet agencies, containing 66 subunits.² According to the before-DHS organizational chart, sent to Congress by white House, that detailed the units involved in the homeland security affairs, there were 138 units under 12 departments’ jurisdiction. The establishment of DHS showed that the “core function” and “span of control” principle at work again.

² *New York Times*, June 30, 1977 and Ronald C. Moe, “The Carter reorganization Effort,” *Congressional Research Service*, Report No. 80-172. *GOV*, Sep. 16, 1980.

New US departments mostly took a long time from advocating the establishment to become a reality. The proposal to set up a unified Defense Department was initially advocated in the report by President's (Taft) Commission on Economy and Efficiency in 1912. It took 37 years and Second World War to gradually forming the consensus of establishing Defense Department.³ The idea of a new Department of Education and Welfare was seriously discussed by Harding administration in 1922 (Arnold, 1998: 68). It took 31 years that the new Department of Health, Education and Welfare was established in the Eisenhower administration. Department of Education and Employment A unique case to show the expanded time required in establishing a new department is Department of Veterans Affairs. The Veteran Administration was created by Executive Order 5398, signed by President Hoover in 1930. It took 59 years that the new department was upgraded after a long progression that the function and the size of its original organization could not fulfill adequate coordination work as it used to be. The prudent process of establishing cabinet-level department in the U.S. process that, under the check and balance system, between president and congress, only the core functions of government could become the function of a new

³ U.S. Congress, *Congressional Record*, 62nd Cong., 2d session 1912, vol. 48, part1, 1,026-1,032.

department. And American government departmentalization obviously adopts incremental approach to change cabinet structure, vastly different from the constant reshuffling of cabinet department in parliamentary countries.

4. Departmental Reorganization in Parliamentary Countries

While the number of the U.S. federal departments were quite small, that is eleven departments before Carter administration, and rarely increased, the department composition in parliamentary countries are more diverse and often changed as prime ministers see fit. The architecture of ministers (the word of department as used in Westminster countries) tends to reflect the policy priorities of the new cabinet in achieving policy outcome through new organizational arrangements. New ministries may be created while other ones scattered or reorganized. In a detailed and graphical study of the departmental reorganization in Australia, Canada and the United Kingdom between 1950 to 1997, Davis concluded that departmental reorganization is a prime ministerial prerogative (Davis et al., 1999: 37). Sometimes a new prime minister announces departmental changes before cabinet is sworn into office. Even in established governments, departmental changes can come as a surprise for the ministers.

Although in Davis' article described that, in Australia and UK, the majority of departmental change in the total number of departments occurred gradually, that is, increasing or decreasing by one or two departments at a time, the longitudinal changes of the number of departments is dramatic when compared with the U.S. experience (Davis, 1999: 29). Australia changed the total number of departments and the structure of departments so often that the consistency of department structure almost could not be recognized. In the past three decades, every prime minister changed most departments in names and in organizational functions. In Australia, the number of

departments swang between 17 and 37, in Canada between 20 and 32, and in U.K. from 17 to 29. Many departmental studies on parliamentary countries agree that departmental reorganization are initiated as a policy instrument of the respective prime minister. Wettenhall argues that government machinery is linked to the “overarching policy direction set in accordance with the conception of the public interest held by the government of the day.” (Wettenhall, 1986: 240) Departmental reorganization thus is based on the “dynamic of political purposes,” and resembles a pendulum constantly swing from centrist to decentrist solutions, from consolidation to fragmentation, reformism to skepticism.

The intensive frequency of departmental reorganization in parliamentary countries obviously reveals the power and flexibility that prime minister enjoys in the constitutional environment. The “Next Steps” program in the U.K., which changed the whole civil service and organizational landscape in the last decade, also proves that organizational shuffling is a widely accepted convention of the country. So, are there any applicable principles or tendency that can successfully explain the governmental core function and the ensuing organizational structure when we conduct international comparison?

5. Core Functions and Number of Departments of OECD Countries

There are five types of literature on the subject of government organization (Davis, 1999: 9-11). First, there are government reports and statements that explain the decision of government reorganization. Second, literature assesses organizational change in particular government departments. Third, literature that focusing on evaluating and comparing wide-scale government reorganization. Fourth, theoretical literature on operation and structure of government. It often deals with dilemmas that resulting from confrontation between demands of governmental efficiency,

accountability, and popular sovereignty. Reorganization driven by political reasons may not be avoided (Peters, 1988: 10). Fifth, longitudinal and cross national studies on government organization of some particular countries.

The later part of this paper intends to discuss about the general pattern of core functions of the government departments. It is hypothesized that there are certain functions should be dealt with at the cabinet level. It is then hypothesized that the core functions of the central government could not be too few or too many. The more developed a country become, the more administrative functions will grow accordingly. On the other hand, if the perceived functions become so diverse that call for too many departments to fulfill their missions, cabinet level discussion will become inefficient and out of control on the part of the top executive. The cases of OECD countries are chosen for the reason that these countries have evolved from various cycles of governmental reorganization since their constitutional democracy.

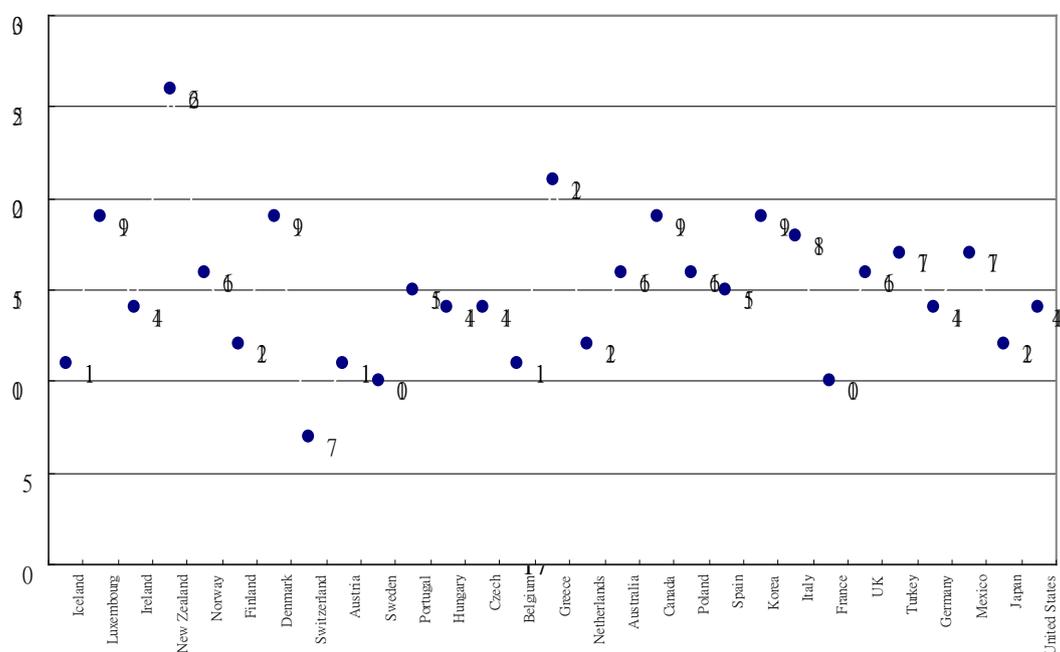
Brian Chapman identified five traditional core functions of government, foreign affairs, justice, finance, defense and war, and internal affairs, -----since the Roman Empire period (Chapman, 1959: 48-61). When the governmental services expanded to accommodate the societal development and various citizen needs in the western countries, new department are gradually added to the cabinet list, such as education, agriculture, transportation, social security. Richard Rose reports that, after studying the number of central government departments in many Western countries between mid-nineteenth century to the early 1980s, the average has gone from 9.4 to 19.2 per country (Rose, 1984: 157). Jean Blondel points out that the most rapid expansion was from the late 1940s to the mid-1970s. when average number of departments rose from about 12 to almost 19 (Blondel, 1982: 176).

Ferrel Heady states that central government departments normally number from around twelve to about thirty, depending upon country specific consideration.

Relevant factors include preference on specialized or composite units, the range of governmental program areas, the size of the country's population, ideological considerations, geographical location, and other factors (Heady, 2001: 80). Heady also points out that parliamentary governments tend to have higher numbers of departments and more short-range fluctuation.

In 2001, the number of departments among OECD countries ranges from 7 (Switzerland) to 26 (New Zealand). It may be speculated that countries that have fewer population will have less departments in the central government. But the truth is spread of the number of departments has not been influenced by the size of the country (table 3). Other than some countries that have very few departments (like Switzerland, 7) or many departments (like New Zealand, 26, and Greece 21), the number of departments among OECD countries spreads from 10 to 19, with one third (10) of the OECD countries centered at 14 to 16 departments (see Figure 3). Detailed examination of the departments reveal that there is a remarkable resemblance of the structure of the departments.

Figure 3: The Number of Departments in OECD Countries (2001)



There are thirteen obvious core functions that represented by government departments among OECD countries. They are: foreign affairs, finance, economic affairs, defense, justice, agriculture, health and social affairs, environment, education, transportation, labor, interior and culture. Among them, three core functions are represented by departments in all countries although wording may be slightly different: foreign affairs, finance, and economic affairs (Table 2). Some core functions are represented by all governments except one or two countries. Iceland does not have defense department. UK does not have justice department. Swiss does not have agriculture department. Swiss and France don't have health and social security department. Austria and US don't have environment department, although the US does have Environment Protection Agency. Other core functions are not represented in more than three countries: education (federal countries tends to delegate education to local government), transportation, labor, interior, and culture (see table 3). Although six countries do not have culture department in their central government, culture is still represented in eighty per cent of the countries.

Christopher Pollitt argues that there are six reasons of governmental reorganization:

- 1) to mark a change in emphasis.
- 2) To create an impression of reform or dynamism.
- 3) To adapt to changes in the outside environment.
- 4) To achieve efficiency, savings or co-ordination.
- 5) To administrator a new government function.

6) To ease the prime minister's cabinet problems.

These reasons can be grouped into three: political necessities (1, 2, 5, 6); administration (4); and external necessity (3). The case for DHS establishment can be easily explained by external necessity (terrorism environment) and administration (coordination and command). But the political necessity also could not be ruled out as a vital factor.

Table 2: Core Function Departments of OECD Countries

	Population (1000)	No. of Departments	Foreign Affairs	Finance	Economical Affairs	Education	Defense	Justice	Interior	Transportation	Labor	Agriculture	Health and Social welfare	Culture	Environment
Iceland	280	11	✓	✓	✓	✓		✓		✓		✓	✓	✓	✓
Luxembourg	430	19	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ireland	3,710	14	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓
New Zealand	3,800	26	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Norway	4,460	16	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
Finland	5,180	12	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Denmark	5,330	19	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Switzerland	7,410	7	✓	✓	✓		✓	✓	✓	✓					✓
Austria	8,080	11	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Sweden	8,900	10	✓	✓	✓	✓	✓	✓			✓	✓	✓	✓	✓
Portugal	9,790	15	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Hungary	9,810	14	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓
Czech	10,190	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Belgium	10,260	11	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓
Greece	10,600	21	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Netherlands	15,870	12	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Australia	18,840	16	✓	✓	✓	✓	✓	✓		✓		✓	✓		✓
Canada	30,680	19	✓	✓	✓		✓	✓		✓	✓	✓	✓		✓
Poland	38,730	16	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Spain	39,800	15	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Korea	46,880	19	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Italy	57,460	18	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
France	59,060	10	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
UK	59,450	16	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓
Turkey	65,730	17	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Germany	82,690	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Mexico	98,880	17	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
Japan	127,130	12	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
United States	280,000	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓

※The number of departments may not be the numbers checked on the right columns because some departments include more than one core function and some departments are not tabulated in the columns.

Source: OECD Report, PUMA/HRM (2002) 7, 03-Oct-2002 and *The Statesmen's YearBook* 2002.

Table 3: Countries without One or More “Core Functions” Department

Department	Country
Defense	Iceland
Justice	UK
Agriculture	Switzerland
Health and Social Welfare	Switzerland, France
Environment	Austria, US
Education	Switzerland, Belgium, Canada
Transportation	Sweden, Portugal, Spain
Labor	Iceland, Ireland, Switzerland, Hungary, Australia
Interior	Iceland, Ireland, Norway, Australia, Canada, Japan
Culture	Finland, Switzerland, Belgium, Australia, Canada, Germany, Mexico, US

In the past two decades, the general trend of governmental reorganization seems to converge on the thirteen core function-department cluster. The outside environment forces OECD countries to rearrange their departmental structure to constitute a more lean and neat cabinet. For the former Communist regimes, they increased the number of departments from 5 to 7 departments to the dominant 10 to 19 departments to accommodate modern governmental functions. For all other countries, the restraint of financial resources, the rise of public management movement, and especially information sharing through OECD research and globalization foster a strong current of administration reform.

There is a clear downsizing development of government reorganization at work among OECD countries in the past two decades. The table 4 reveals that all 6 countries with more than 20 departments in 1980 have decreased the number of departments dramatically. New Zealand, Australia, Italy, France Turkey, and Japan significantly reduced their departments. Japan and France cut their departments by 10 and 11 respectively. France now has only 10 departments with its 60 million

population. Japan has a meager 12 departments with a huge population of 127 million.

Table 4: Number of the Departments converged in OECD countries (1980-2001)

Country Category (1980)	Country	No. of Departments Change (1980 to 2001)	No. of Departments in 2001
Former Communist Regime	Hungary	+7	14
	Czech	+7	14
	Poland	+11	16
Has 10-20 Departments in 1980	Austria	-3	11
	Sweden	-4	10
	Belgium	-6	11
	Netherlands	-1	12
	Spain	-4	15
	Korea	-1	19
	UK	-1	16
	Germany	-2	14
	Greece	+3	21
	Canada	+3	19
	Mexico	+1	17
	US	+2	14
	More than 20 Departments in 1980	New Zealand	-6
Australia		-9	16
Italy		-8	18
France		-11	10
Turkey		-4	17
Japan		-10	12

For countries that had 10 to 20 departments in 1980, most of them also curtailed the number of departments to some extent. Eight countries, including Austria, Sweden, Belgium, Spain, Korean, UK, and Germany, reduced 1 to 6 departments in the past twenty years. Other than the former Communist countries, there are only five countries have increased the number of departments: Greece (increased 3 departments), Netherland (1), Canada (3), Mexico (1), and US (2).

Considering the population size of the country, core functions representation and the downsizing trend, there are only two exceptional cases that deserve further observation. Greece, with only 10 million population, increased the number of departments to 21. New Zealand, with only 3.8 million population, although reduced

6 departments, still keeps 26 departments⁴.

After the OECD countries comparison, there are two points stand out for the U.S. departmental structure. First, the U.S. federal government will become the only country that has three national security related departments: Defense, VA and DHS. Combining, these three departments will consist of 40 percent of the total U.S. federal civilian work force of 2.68 million people. The three national security related departments will also consist of 66 percent of the whole departmental work force of 1.6 million people. This fact reflects that national security has become the predominant concern of the cabinet structure. The budget allocated to these three departments is 58 percent of the 2003 federal budget plan sent to Congress for ratification. These facts reflect that the U.S. federal government has become a military empire that puts majority of its human and financial capital in defending national security. Second, the U.S. is the only country that has three departments that related to national security among OECD and other countries in the world. Canada has a Department of Veteran Affairs. France has a Department of Defense and Veteran Affairs. Mexico has a Department of Navy, like the U.S. used to have. It is really extraordinary that the U.S. has three national security departments in an organizational structure of 15 departments.

6. Conclusion

The establishment of DHS is primarily a case of government reorganization after the September 11th attacks. The escalated and widespread terrorist attacks toward the American homeland and establishment abroad in the last decade have forced American citizens and the government to set up institutional organizations to counter terrorism. The anti-terrorism war thus has become a core function of the government

⁴ New Zealand is a unique case that, including prime minister, 19 ministers are named for 50 ministerial titles at the time of writing. OECD report lists 26 ministries and departments for 2001 (OECD, PUMA/HRM, (2002) 7).

that demands a coordinating department in order to muster the necessary resources to prepare for and combat terrorist attacks.

However, it will take years to make the DHS fully operational and effective. There are many types of organizations that need to be transferred and merged into DHS. There are many types of functions that need to be integrated to achieve the DHS missions. Beyond all these administrative difficulties, DHS has to cultivate an organizational climate that is hard to come by. It is instructive to note that the creation of the Defense Department, which has the most similar missions and functions among the reorganization cases, still required Congress to make several amendments to its organization in 1949, 1953, 1958 and 1986 to improve its structural effectiveness. After more than 50 years of the Defense reorganization, the Government Accounting Office still found serious management challenges and high risk areas in its report on the Defense Department (GAO, 02-886T: 5).

The GAO recommends that, since the creation of DHS is one of the largest, most complex restructurings ever taken on by the federal government, the DHS has to adopt an integrated approach in forming the new organization. Critical factors in implementation of the reorganization plan include: strategic planning, organizational alignment, communication, building partnership, performance management, human capital strategy, information management and technology, knowledge management, financial management, acquisition management, and risk management (GAO, 02-886T: 24-35).

In the final analysis, the anti-terrorism effort has just become a core function of the central government of the U.S. It is still too early to say whether this function will join the other 13 functions to become a part of the departmental structure base in other countries. It may all depends on whether international community can fundamentally eliminate the roots of terrorism.

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