Having raised a number of questions in the three preceding chapters, I am now going to try solving them. I do not think I will solve them completely, but, then, neither has anyone else. My strategy might impress the reader as unusual. Instead of looking at the whole hierarchy from the outside, I will attempt to look at it from the inside. We will consider the situation of a person within a large hierarchy.

This strategy must be based on the conviction that from the inside, most large hierarchies are the same. That is, a junior official in the marketing organization of General Motors and a vice-consul in Bogota really face similar situations. They must please their superiors if they want to be promoted. This involves a mixture of doing things that the superiors want done, and simply of politicking.

I mentioned earlier that William Niskanen went from a period of association with the Department of Defense into academe for a short time, and then into a corporate setting as director of economics for Ford Motor Company. He told me, “A bureaucrat from the government moving into Ford Motor Company is all set to hit the ground running.” In other words, these structures are much the same.
I can add my own personal experience in this respect since I was in the Department of State for a while, was in private business as a subordinate in a law firm for a short time, and since then, as a member of the board of directors in a small company, have been at the top. To quote Niskanen again “Sociologically, they are the same.”

Niskanen’s rapid change is hardly contrary to the general experience of mankind. People switch back and forth from government to private enterprise quite readily in the United States, in England, and in Japan. An extreme case is when generals or admirals become heads of corporations. Usually they do quite well.

According to historical judgement, the army of the Roman Republic was the best the world ever saw. It was commanded by successful politicians. Their consuls were roughly equivalent to our presidents, and the largest forces Rome sent out were called consular armies because they were directly commanded by consuls.

One significant difference between activity in private business and in government, however, is that the objectives in private business are better defined and measured. I pointed this out in my original The Politics of Bureaucracy. Building on that book, Anthony Downs produced a sensible terminology. He suggested that we use the word *bureaucracy* for an organization whose output is not evaluated in the market. The word *bureaucrat* would be applied to any individual whose output is not evaluated in the market.

This pair of definitions means that it is possible to be a bureaucrat in a nonbureaucratic organization (for example, someone in the general counsel’s office of General Motors), and to be a nonbureaucrat in a bureaucratic organization (for instance, the maintenance workers in a large government office building).

The basic problem is that private enterprises in general have a fairly simple straightforward objective: to make money. Furthermore, the accounting system provides a fairly decent way of measuring the impact of various divisions of the larger enterprise on the larger enterprise’s profits. Something like the general counsel’s office, to a large extent, escapes this measurement process because, although the costs can be easily evaluated, the benefits are hard to put a price on.

The government agencies, on the other hand, normally do not have as simple and clearcut an objective. Moreover, whatever it is, is hard to measure. Consider the U.S. Embassy in Mexico City. The formal instructions it has received are (1) not clear, (2) partially contradictory, and (3) not always being implemented.