

REMARKS BY PAUL A. VOLCKER  
CHAIRMAN OF THE VOLCKER ALLIANCE  
BEFORE THE  
PRESIDENTIAL RANK AWARDS RECEPTION  
THE DEPARTMENT OF STATE DIPLOMATIC RECEPTION ROOMS  
WASHINGTON, DC - JUNE 5, 2014

"A CALL FOR ACTION"

Fellow Bureaucrats:

After 30 years in the federal government, I can reasonably claim to be one of you - we share a vocation.

To me, whatever we call it - a bureaucracy, civil service, government officials - we have devoted most of our working lives to public service, making government work. These days we are currently reminded that can be hard and challenging, requiring unremitting effort to get it right. No doubt, we have faced frustrations. But, in the end, there should also be a sense of satisfaction in devoting our energies and talents to the public good.

You here are a part of a very large organization. The United States government and its agencies have multiple objectives, often hard to measure and with built-in conflicts. Management requires familiarity with technical complexities and

understanding of human relations. Those of you here this evening have been recognized by your peers for providing the leadership, the dedication, the skills that our federal government so much needs.

We are celebrating you amid surroundings that carry a message of their own. From the outside, the power - and the seeming stodginess of government - is reflected in a massive, architecturally unimaginative federal office building. Inside, it is mostly characterized by seemingly endless corridors and plain offices. But in those corridors and offices, men and women are struggling with some of the most serious challenges facing this nation - this nation with its unavoidable responsibilities for international leadership in a troubled world.

Then, right now, on the eighth floor, we are appropriately reminded of our nation's proud heritage - the paintings, the furnishings, and most importantly the documents that are a part of the nation's foundation more than two centuries ago.

This is certainly the appropriate place to recognize the exceptional contribution that each of you, whatever the location and furnishings of your own offices, have been making to our democracy. I realize that I cannot substitute for the monetary

awards that have customarily been part of this celebration - awards that were dropped in a gesture toward budgeting restraint. Happily, I understand you are still eligible to qualify next year for another award when that that tangible expression of appreciation will be restored.

There is one thing of which I am certain. The nation owes you respect and thanks for the work you are doing, for the leadership you provide of the entire civil service upon which we depend.

I am also certain that you need help. This government, this Congress, our presidents have not been as engaged as they should be in reforming some of the structures of administration, in supporting efforts to recruit and train your successors, and in providing incentives to implement the best management practices.

Nor, for that matter, have our great universities, the plethora of "think tanks", or our political leaders generally respected the time and effort necessary for the effective and efficient execution of public policy.

In contrast, it is "Public Policy" that is the preoccupation of our intellectual journals, our most prestigious

academic institutions and honored professors. It is, of course, quite right that the large issues of social programs, of the environment, of healthcare, of international relations are matters of debate. But I fear we tend to lose sight of a basic question: what good is policy without effective administration? I have learned to my regret that even the words "public administration" are dropping from common vocabulary, or at best receive a yawn or even derision as a matter of dull routine.

Some time ago, I ran into an aphorism of Thomas Edison, our great and innovative inventor of a century ago. "Vision" he said, "without execution is hallucination." I am reminded, too, of the emphasis that some of the nation's founders placed on the importance of administration. Alexander Hamilton summed it up: "the true test of a good government is its aptitude and tendency to produce a good administration."

In that spirit there have been a series of successful efforts - and some not so successful - at administrative reform, going back to the Franklin Roosevelt Administration and before. I have been around long enough to have studied the work of the Hoover Commission after World War II. The Ash Council in the early 1970's among other things succeeded in placing the "M" in OMB. The Civil Service Reform Act of 1978 created the Senior

Executive Service of which you are members. Vice President Gore's efforts to reinvent government, with its emphasis on performance, still has some resonance. I can't resist noting that, in my own way, I have been involved in two privately-sponsored efforts calling for certain reorganizations and important improvements in personnel practices. (Incidentally, I take some satisfaction that within the past week, two federal judges upon meeting me accidentally thanked me for helping to get judicial salaries increased some 25 years ago!)

I know each of you in this room can list programs of the federal government - programs essential to our well-being - that are well administered, efficient and taken for granted. Some of you, I feel sure, are working within the framework of your own responsibilities to adapt and reform to changing needs.

But I also know that we are reminded too often about some critical administrative failures, failures damaging not only to particular programs involved but to public perception of the efficiency and effectiveness of government generally.

We can debate among ourselves about why the reputation of most governments - and most especially of our federal government - is at an historical low point. A certain skepticism about

government is part of our heritage, but when that skepticism degenerates into a corrosive cynicism, then we are in trouble. Deep rooted ideological differences are playing a part. So does the increasing influence of money, of special interests in government processes. Intractable complexities of international affairs and rapid technological change provide difficult challenges. But we cannot avoid the fact that glaring deficiencies in the administration of some government programs is an important part in the evident distrust.

The issue for me is not whether the government is too big or too small, the objectives of particular social programs, the urgency of environmental concerns, the size of the military and the proper scope of the NSA. Those are truly policy issues to be resolved by political processes and public debate. But, however those choices are made, we had better respect Edison's warning about the indisputable need for execution.

Yet, the simple fact is that a sense of urgency about administrative reform seems to be lacking. Strong political support is absent. Even within the traditional bastions of research and education - our public and private universities - public administration has lost prestige.

A year or so ago, I decided I still had time for one more effort to help restore a sense of greater trust in government - trust which in the last analysis must be the bedrock of any successful democracy. Administrative reform can be only one part of that effort, but it is critically important.

That is true, for instance, with respect for a project we have undertaken to review the financial regulatory structure which clearly failed in the run up to the financial crisis. It is also true of a smaller effort we have initiated to fix the problems that have made it hard for federal agencies to attract their fair share of the "best and brightest." At the state and local level, financial reporting standards, including provision for pensions, are sadly lacking. More fundamentally, reforms of the educational process with respect to training and research need consideration.

I know in those respects, I am preaching to the choir. What we need is a congregation - a large congregation.

That is why the new institution I founded has taken the name "The Volcker Alliance" - the only important word in that title is Alliance.

We need to engage our universities and their policy programs. We need to extend our concerns to state and local governments. Most critically we need to engage the political process - the Congress and the Executive Branch more fully.

And we will need leadership at the top. Why should we not raise the priority for reform to the highest political level? I'd like to hear some of the candidates for the House and Senate debate the issue, and commit to considering needed reform.

Looking further ahead, shouldn't our candidates for our highest office - the Presidency - explain how he or she will obey the constitutional imperative to "take Care that the laws be faithfully executed?"

There is a lot to do. You people here today are in the front lines. You are honored for what you have done. More than that, we at the Volcker Alliance look forward to you, and your distinguished predecessors and associates, to join with us in the never ending challenge for a more effective government "of the people, by the people, for the people." And I for one, look forward to your understanding and contributions to what yet needs to be done.