

Economic Prospect

Systemic Incompetence

John Addison Teevan

March 19, 2021

China's Grand Canal was blocked by silt, long ago, in the very clever canal area of the Yellow River. Shipping stopped. The problem was easily cured by a government task force, the Yellow River Conservancy. They cleared the silt season by season. Soon the Grand Canal filled with silt again and rice boats could not reach Beijing. What went wrong? The Conservancy gained competency at other things, but not at removing silt. No one really cared about the ships. The silt won. (Paul Johnson. *The Birth of the Modern 780-82*).

What went wrong? Easy. There were no incentives to remove the silt. There were other incentives. Such as? Collecting fees from ships that traveled across the silt-endangered area enriching the employees. Plus making sure that all their friends join the Conservancy to be similarly enriched with jobs. What is easier than corruption (extorting fees) and cronyism (getting jobs for lots of their friends)? Easy but incompetent.

Does China seem too remote? Consider these examples of U.S. government incompetence.

- After we laugh about the \$400 Department of Defense paid for a hammer we should focus, instead, on the fact that a dramatic amount of U.S. military hardware in the mid-East was not merely left behind when we pulled out, much was air-dropped on ISIS-controlled turf. We did not even stop the bad practice.
- The Securities and Exchange Commission has many jobs, but a main one is to protect investors. The infamous case of Bernie Madoff was not only embarrassing, the SEC was tipped off and deliberately decided not to pursue him. The SEC learned that Madoff was arrested by reading about it in the papers.
- The Veterans Administration is famous for dramatic lapses in their effort to give good health care. If your job is to process appointments but it makes no difference if you actually do it well or if you respect the people you are scheduling, and if you cannot possibly lose your job, what's the rush? A few bad apples...ok.

Closer to home: In Indiana the BMV was a typical government bureaucracy that was cumbersome, wasteful, and inefficient, but entrenched. Governor Mitch Daniels led the transformation of the BMV from a government model to a business model. Instead of a hassle to get license plates renewed at the BMV office, Hoosiers now go on-line to renew them. Computers and mail. Simple and efficient. Competent.

Our Covid Year: At the Center for Disease Control and Prevention the early days of the Covid response revealed much incompetence, but it was fully politicized on both sides making it seem to disappear.

- Early statements by mayors and health officials now seem bizarre. "Come to the Chinese festival."
- Governor Cuomo's Emmy was fitting for an actor, but being governor requires real world skills.

In Great Britain during Covid-19 the Government Data Services lost track of almost 16,000 positive cases leading to a failure to do the required contact tracing. Overall, the GDS (praised for its competence by the U.S. and by the UN in 2015) reached a mere 60% of intended Covid contacts. (Economist)

What happened? It was not corruption and cronies, but turf control. The GDS, as the obvious experts, started writing computer programs. They were too good; too simple. Other agencies saw that they would lose many jobs from this simplification and that is where the political sabotage started. Stay off my turf!

Systemic Incompetence. Today with most aspects of public life politicized it is difficult to discuss issues like elections without having to sort through endless accusations of malice and deceit or just calm denials. Can voter registration be simplified and made more competent? Yes. At least one state does it right. Some say we should go back to the old hand-marked paper ballot in the old, curtained booth like I've seen in the small historical society in Cabot, VT. Rather than let a Mitch Daniels fix it, we may well federalize it.

Here's a rule of thumb: If you are a for-profit employee, and you are incompetent you will soon be fired. If you are in a government bureaucracy and you are incompetent, you will likely retire in your 50s with a well-funded pension. And if the silt builds up? Silt? Millions of black and brown kids have lost a year of school.