

Competition and Shirking in the Provision of Defense

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Abstract: The effective provision of national defense is thought to depend on the willing cooperation of separate military services with unique specialties. In reality, the services have interests that diverge from those of the civilians in charge of them as well as from each other. Solutions to this problem often involve more direct oversight of the services but these solutions have a mixed track record at best. The impediments to and possibilities for an alternative solution can be found in *Bureaucracy* (Tullock 2005), and this paper applies them to the bureaucracies in charge of providing national defense in the United States with an emphasis on the laws and customs that prohibit the services from competing with each other in a variety of military mission sets.

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SECTION 1: INTRODUCTION

Thus, the man who rises most rapidly will tend to be the one takes advantage of the weaknesses of his superiors (Tullock 2005, p. 58).

The problem of producing effective national defense while controlling costs and waste is a persistent one in the United States. Not only is defense difficult to produce, but those tasked with producing it have their own interests. The difficulty of determining when the agents tasked with producing defense are pursuing their own interests is increased by the fact that the defense produced by each branch of the military has many unique qualities. This means the ability to assess agent performance by comparison to agents producing similar kinds of defense is limited. Finding ways to enable this kind of comparison is exactly the type of reform that Tullock (2005) would have recommended in his work on bureaucracy. This paper explores the impediments to, and possibilities for, this kind of reform.

A layman looking at the Joint Chiefs of Staff might expect the head of each service to bring decades of experience in their warfare area to the table to be expertly combined into a cohesive plan for producing defense. If a ship-fired cruise missile could destroy a target at a lower cost than Army artillery supported by attendant infantry, then the Army would argue for the Navy's assets to be used over their own. A public choice analysis of the Joint Chiefs of Staff would predict something different. Each Chief is a self-interested bureaucrat seeking to maximize their own budget and prestige. Instead of impartial cohesive planning, we would expect the services to try to increase their budget and discretion at the expense of the other services. The Army, for instance, would be expected to argue for destroying a target with artillery and attendant

infantry even if the cruise missile were the lower-cost option. Civilian leaders want their military advisors to provide the single correct solution to military problems, but even if a single military solution exists it is unlikely to emerge from the representatives of different services fighting for the same budget.

Scholars of political science and history have produced an extensive literature on exactly this type of behavior among the Joint Chiefs of Staff (Cohen and Gooch 1990; Sapolsky 2000; Zagart 2000; Grissom 2006; Reardon 2012; Weiner 2023). A solution to this problem remains elusive in the political science and historical literature, but the framework provided by *Bureaucracy* (Tullock 2005) explains why a solution is elusive while also potentially providing one. The different services, headed by their respective Chiefs, enjoy considerable independence from their principals because direct monitoring of them is difficult and because they have multiple principals they can play against each other. This prevents the solutions proposed in the political science and history literature from being effective, but using expanded competition between the services as a solution holds promise.

This paper adds to the economics literature on the production of defense (Weida and Gertcher 1987; Brauer and Tuyl 2009; Klingen 2011; Coyne and Mathers 2011; Coyne 2020; Keupp 2021; Silwal et al. 2021). It also adds to the history and political science literature on defense reform (Armocost 1969; Cohen and Gooch 1990; McMaster 1997; Zagart 2000; Reardon 2012; Weiner 2022) as well as to the literature on innovation in the production of defense (Sapolsky 2000; Spinetta 2013; Grissom 2006; Zimmerman et al. 2019). It is an application of the insights found in Tullock (2005) to the particular case of defense bureaucracies and is situated in the literature on polycentricity and polycentric provision of defense (Ostram et al. 1969, Aligica and Tarko 2011, Alshamy et al. 2024).

I proceed as follows. Section 2 provides a brief organizational history of defense provision in the United States. Section 3 outlines Tullock's framework for understanding agent behavior within a bureaucracy and applies it to the agents responsible for producing defense. Section 4 explores the possibility of expanding competition between the services by increasing the similarity of the tasks assigned to them. Section 5 concludes.

SECTION 2: BRIEF ORGANIZATIONAL HISTORY OF DEFENSE IN THE US

Defense in the United States is supplied by individual services specialized in different areas of warfare. The Department of War (the Army), and the Department of the Navy were the early, co-equal executive departments charged with producing defense. They were not organized under a common department of defense, and the heads of both departments interfaced directly with the President and Congress. In 1903, in an attempt to improve the joint provision of defense by the two departments, they voluntarily created the Joint Army and Navy Board. However, the Joint Board was limited to studying only those issues given to it by the heads of the respective departments, had no enforcement authority, did not interface with outside authority, and was ignored whenever its recommendations were perceived to favor one department over the other even if the recommendation was considered militarily sound.

The services persisted in pursuing their own forms of defense with little cooperation between them until World War Two. As President Roosevelt coordinated military affairs with the British, he began to favor the advice of the British Combined Chiefs of Staff because of their more unified recommendations and the extensive staff studies supporting them. Seeing their influence waning, the US military services began cooperatively producing competing studies that supported more unified military advice. This early version of the Joint Chiefs of Staff and their supporting Joint Staff were ad hoc constructs, but served as the basis for the laws and orders that form the current day incarnation of the Joint Chiefs and the organizations and individuals around them. However, after the war ended, the services went back to pursuing their own forms of defense and cooperating with each other very little.

In 1947, in an attempt to better supervise the services and encourage truly joint production of defense, the services were organized under a single National Military Establishment (which later became the Department of Defense) and placed under a Secretary of Defense who served as the President's primary

assistant in defense related matters. The position of Secretary of Defense proved too weak to control the Joint Chiefs and verify the accuracy of their technical advice, so in 1949 the National Security Act was amended to formally create the position of Chairman of the Joint Chiefs of Staff to act as an independent military advisor to the Secretary of Defense in his dealings with the Joint Chiefs of Staff. Furthermore, the services would now be required to pass their advice to the President through the Secretary of Defense rather than being able to interact with the President directly. The Defense Reorganization Act of 1958 then removed the Joint Chiefs from the formal operational control of military units, meaning the President and Secretary of Defense no longer interfaced with their functional commands and regional commands through the Joint Chiefs but instead interfaced with them directly. The Defense Reorganization Act of 1986 then gave the Chairman of the Joint Chiefs of staff a Vice Chairman to serve as his assistant and placed the Joint Staff, the staff used by the Joint Chiefs to conduct studies as requested by the services, under the direction of the Chairman.

This brief history records efforts that were both voluntary and compulsory to make military leadership representing different services cooperate in defense planning that would comport with their principal's intent rather than preferences of those military leaders. In keeping with the recommendations found in the history and political science literature more staff, more legal controls, and more overseers have been put in place to keep military leaders in check. Despite this, their independence and pursuit of service interests still undermine their principal's intentions on a regular basis. Rather than applying still more layers of oversight, a change in the incentives these agents face may produce superior results.

SECTION 3: TULLOCK'S FRAMEWORK

Tullock's *Bureaucracy* provides a useful framework for understanding the challenges a principal faces in properly aligning the interests of their agents. In broad terms the more agent interests diverge from the principal's interests, and the more difficult to monitor an agent is, and the less agents depend on the principal for their position, the more the principal will struggle to fulfill their goals using the bureaucracy they are in charge of. The particular challenges that arise in these three categories will now be explored in relation to history of the Joint Chiefs of Staff, followed by the applicability of Tullock's solutions to these challenges.

3.1 Self-Interest

Doenitz, as head of the German Submarine Forces, vigorously opposed diversion of resources to the surface fleet. When he was promoted to command of the whole Navy, his 'view widened', and he took steps to protect the battleships (Tullock 2005, p. 47).

In Tullock's analysis of bureaucracy it is assumed that agents have interests that diverge from, and sometimes conflict with, the interests of their principals. This divergence can be found in the behavior of the Joint Chiefs of Staff. Each Chief's career was shaped by the service they represented, and maximizing the budget, discretion, and prestige of that service improves the position of that Chief. For instance, when the Joint Chiefs were recommending expanding operations in Vietnam to include an additional 90,000 servicemen at a time when President Johnson wanted to minimize the US footprint there for reasons of electoral politics rather than military strategy, the Commandant of the Marine Corps saw an opportunity to break ranks and offer a plan for only an additional 5,000 Marines, and Johnson went with this plan (McMaster 1997, pp. 270-271).

Furthermore, the Chiefs have service informed preferences over how to provide defense that diverge not just from each other's preferences but also from the preferences of their principals. The Air Force sought to focus the Vietnam War around bombing campaigns to break the will of the North Vietnamese

without needing US soldiers on the ground, while the Army argued for a substantial ground presence in South Vietnam to combat the insurgency there and little to no bombing in the North and little to no involvement from the Marines, and the Navy considered Vietnam a distraction from other priorities (McMaster 1997, pp. 42-45). When the Air Force was directed to develop a bombing plan to slow a potential Soviet advance across Europe it instead developed plans for the strategic bombing of targets within the Soviet Union because strategic bombing was the service's preference (Reardon 2012, p. 134). The Army opposed a unified Pacific Command under the Navy in World War Two on the grounds that it would relegate the Army to the status of adjuncts and increase the budget share of the Navy, not because of strictly military considerations. This is especially illuminating given that the Army had at other times argued for unified command as the correct way to conduct military operations (Reardon 2012, pp. 81-85).

This leads naturally to Tullock's discussion of bureaucratic imperialism. Bureaucracies that do not have fixed budgets have a tendency to attempt to absorb the roles and assets of other bureaucracies in order to increase their own budgets and prestige. The Joint Chiefs behave no differently, despite the fact that they are each specialized in some particular type of warfare. The Air Force has sought to control all transport aviation across the services, the Army has sought to control amphibious operations and land-based anti-submarine operations, the Navy has sought the role of strategic bombing, etc... (Reardon 2012, pp. 81-85). A general restriction against this kind of bureaucratic imperialism exists in the roles assigned to each service in Executive Order 9877 and the National Security Act of 1947, but despite the intent to quell this type of behavior contestable roles and missions remain available and so the services continue to exhibit bureaucratic imperialist tendencies.

3.2 High Costs of Monitoring

One of the key insights found in *Bureaucracy* is that even in organizations with high rates of agent obedience to their principals, increasing size will cause the number of orders fulfilled by agents to fall quickly. Tullock imagines an organization with ten levels in its hierarchy and agents obeying 90% of their principal's orders. At the lowest levels of this organization the wishes of the principal are carried out only 35% of the time (Tullock 2005, p. 263). The Joint Chiefs of Staff has been a small organization for its entire history, though it does periodically expand. A president or Congress may be able to monitor such a small number of agents with less difficulty, but in assessing the Chiefs' compliance with their orders they must remember that the Chiefs oversee hundreds of thousands of agents themselves. The Chief of Staff of the Army oversees more than 450,000 active-duty personnel, the Chief of Staff of the Navy oversees more than 330,000 active-duty personnel, the Chief of Staff of the Air Forces oversees more than 320,000 active-duty personnel, the Commandant of the Marine Corps oversees more than 170,000 active-duty personnel, and the Chief of Space Operations oversees over 9,000 active-duty personnel. Even assuming high rates of agent compliance with the orders of their respective Chiefs, the frequency with which their wishes are actually fulfilled must be low. Principals monitoring the Chiefs will therefore have some difficulty determining whether the Chiefs have shirked or whether circumstances beyond their control have resulted in undesirable outcomes.

There is also the difficulty of monitoring the particular type of work the Chiefs do. Tullock notes that mental work is harder to monitor than physical work. A quick inspection may be sufficient to observe whether or not a tire on a car has been replaced but a quick inspection does not reveal the effort that went into a war plan. This combines with Tullock's direct observations about the military in the pages of *Bureaucracy* that it faces little pressure, or need, to be efficient. This is because wars are usually too infrequent to provide a reliable outside test of how much work military leaders have done, and because their civilian principals usually lack experience in military affairs. Additionally, militaries actually only need to be less inefficient than their enemies in order to be successful. Tullock's insights help explain why the Joint Chiefs initially struggled to have President Roosevelt's ear during World War Two. When the US and Britain collaborated on war plans, the Joint Chiefs interacted with their British counterparts, the

Combined Chiefs, and each offered competing ideas on how to prosecute the war. The Joint Chiefs favored more direct and aggressive action, but President Roosevelt opted to listen to the more defensively minded Combined Chiefs because their plans were backed by more staff studies as compared to the plans of the Joint Chiefs (Reardon 2012, pp. 28-29). The lack of mental effort by the Joint Chiefs was not detected by Roosevelt until he was exposed to the Combined Chiefs.

Some of the effort of the Chiefs can be monitored by reading the reports and studies they and their subordinates produce. These are voluminous, and Tullock notes that it is common in a bureaucracy for only a small fraction of the information contained in studies to rise up through the organization (Tullock 2005, pp. 148-152). The information produced by a wargame, for instance, can lead to a report hundreds of pages long. With hundreds of such games being played a year it is unsurprising that the upper levels of the defense bureaucracy often do not read them if for no other reason than the opportunity cost of doing so is very high (Wood 2022). More directly, the Chiefs have simply refused to share logs of their internal deliberations over issues of procurement and strategy with the Secretary of Defense in order to maintain their favorable information asymmetry with those put in charge of monitoring them (Weiner 2022).

Tullock also observed that it is more difficult to monitor agents performing different tasks than it is to monitor agents performing the same task. Agents performing the same task can be compared against one another and their effectiveness can be more easily determined, at least in relative terms. While the Joint Chiefs are all members of the military in charge of producing defense, they differ greatly in both the types of resources they have and the particular tasks they are assigned. Ground operations differ from naval operations, air operations, amphibious operations, and space operations even controlling for margins such as budget and number of personnel. These differences are created, and maintained, by the force of law through Executive Order 9877 and the National Security Act of 1947. The services fight to maintain this separation of duties, and even attempt to extend them. For instance, the Air Force and Army both have legal claims to the use of air assets, though the missions for which they can be used differ. The Air Force and Army collaborated to produce the Pace-Finletter Agreement to require further specialization in the types of defense each service produced, with the agreement forbidding the Army from using fixed wing aircraft while binding the Air Force to reliably provide close air support to troops on the ground with their fixed wing aircraft (Grissom 2006). The more distinct each branch becomes by law or agreement, the more difficult it is to ensure they are performing effectively for simple lack of a reference performance. This kind of difficulty in monitoring then provides more room for the branches to pursue their own self-interest without detection by their principals.

Reforms have long taken the approach of empowering the monitors and managers of the Joint Chiefs, and this is the usual recommendation from history and political science scholarship (Cohen and Gooch 1990; Sapolsky 2000; Zagart 2000; Grissom 2006; Reardon 2012; Weiner 2023). These reforms have added not only new offices but larger staffs and larger budgets for those agents monitoring defense production for the President. Nevertheless, the hoped-for cost-reducing joint military planning has not emerged. The Chairman's research is ignored by the Joint Chiefs unless it mirrors their preferences (Weiner 2022), the services continue to spread budget cuts and increases as evenly as possible (McHugh 2011), protect their pet systems (Dahl 2003), and divide up command between themselves without truly integrating their plans. The First Gulf War, for instance, was more a display of the superiority of American spending and weapons than a display of joint planning. War planning was supposed to be separated from the parochial interests of the Joint Chiefs by being given to an independent Combatant Commander who reported directly to the Secretary of Defense. However, planning for the First Gulf War still broke down along service lines, with the Army and Marines being given their own areas of operations over which they squabbled, and the Air Force being given control of most air efforts in the operation but being constantly undermined by the Army, Navy, and Marines who each had their own priorities for their own air assets or targets they wished to see struck (Wietz 2004).

3.3 Independence and Multiple Sovereigns

Tullock puts subordinates into two categories: courtiers and barons. Courtiers depend entirely on the principal for their power. They do not have sufficient wealth, charisma, or technical expertise to attain significant independence from the principal and can therefore only maintain their positions or rise by furthering the principal's interests. Barons do have sufficient wealth, charisma, or technical expertise to pursue their own interests at the expense of their principal's interest at least some of the time. The Joint Chiefs may appear to be in the position of courtiers as their position depends on presidential appointment. However, the Joint Chiefs hold decades worth of experience, technical knowledge, and connections related to the specialty of their branch and are therefore difficult to replace. This difficulty is reinforced by the fact that alternative sources of those factors are severely limited by formal and informal mechanisms protecting a service's specialty from competing provision by other services. Moreover, friction with the Joint Chiefs can be politically costly. The military as an institution is generally well regarded by the voting public (Rubin 2023), which makes disagreement or hostility with the Chiefs a drain on the President's limited political capital and has ended several presidential attempts at reforming the Department of Defense (Lynn 1985).

Additionally, attempting to rein in the Joint Chiefs is difficult because the President is not the only principal the Chiefs serve. Tullock wrote that agents with multiple principals over them are in a more advantageous situation than agents with only one principal over them. Agents with multiple principals have more degrees of freedom as an action that would be punished by one principal may be rewarded by another, and principals seek to attract agents to support them in their competition with other peer principals. Congress is one such principal the Joint Chiefs may turn to when defying the President. Appointment to the Joint Chiefs requires Senate confirmation, and the Chiefs retain legal authority to speak before Congress. Congressional hearings provide an opportunity for a Chief to reveal information that is damaging either to their rival branches or to the President or both. For instance, when defense budget cuts were being proposed in 1949 the Navy and the Air Force clashed over the roles each service could have in strategic bombing. Provoked by the cancellation of the USS *United States*, several retired and active-duty admirals as well as the Chief of Naval Operations publicly aired their disagreement with the other Joint Chiefs and the President. Their disagreements were openly voiced in Congressional hearings, they leaked Air Force acquisition information to popular newspapers, and this led to a Congressional inquiry into ethics concerns around the Air Forces acquisition of the B-36 (Naval History and Command Heritage 2024). Though President Truman and Secretary Johnson were ultimately successful in cutting the USS *United States*, public opposition and the threat of public opposition from the services has repeatedly resulted in unwanted defense budget increases to appease them (Zagart 2000; Weiner 2023). Additionally, Congress has been responsible for helping shape the legislation governing the Joint Chiefs, enshrining norms like their co-equal nature in general and norms like the Navy's role in land based anti-submarine aviation in particular (Reardon 2012, p. 84).

SECTION 4: TULLOCK'S RECOMMENDATIONS

Even if the results can be readily observed, and even if a particular individual's contributions can be measured, it is not easy to reward or punish any one inferior unless his performance can be compared with that of some of his peers. If two people are doing quite different things, their comparative efficiency cannot be judged in terms of results, since the results cannot be compared. How, for example, would one compare an author and a mechanic? The performance of two authors or two mechanics could be compared, but not the performance of widely heterogeneous tasks (Tullock 2005, p. 207).

As shown, principals face several challenges in monitoring the Joint Chiefs. Tullock's recommendation to reduce monitoring costs and align agent interests with principal interests is straight forward. Agents with similar resources and tasks are easier to monitor, so making as many agents as possible similar along these margins will reduce monitoring costs. At first, this seems inappropriate for the military, but it must be remembered that the different branches are typically called on to co-produce defense. The branches are expected to combine their disparate abilities and methods into a cohesive plan for war. They often fail to do so as they instead pursue their own interests, but they are nevertheless expected to coordinate their efforts. If resources and plans can be coordinated between branches then it stands to reason that similar coordination could happen within a single branch if that branch was also allowed to have the resources and missions of its sister branches. This would foster closer competition between the branches and in the process would reveal inefficiencies and shirking to the monitoring principal.

The fact that service resources and tasks are kept separate by law makes it more difficult to implement Tullock's recommendation, but not impossible. Competition between the services for both new and existing roles shows that this is the case. Competition between the services can occur on a wide variety of margins. Some are more concrete, such as competition over methods of delivering nuclear warheads. Some are more conceptual, such as the competing plans for defeating Japan at the end of World War Two. A blockade by Navy forces could have drained Japan of the resources and will to fight, while a ground invasion by Army forces could have ended the war faster than a blockade but at a higher cost in Allied lives and may have required the use of controversial poison gas. Ultimately, another competing solution in the form of nuclear bombs was delivered by the increasingly independent Army Air Forces at a cost to the United States that was much lower in terms of Allied lives, time, and money (Jeffreys 2024). Competition can occur at the technical and tactical levels up to the grand strategic level of defense production, with resources and control directed by principals away from inefficient suppliers to more efficient suppliers.

As mentioned earlier, the Air Force was given the formal role of achieving air superiority, but it was not given exclusive rights over close air support of troops in contact with the enemy. This role had been performed by fixed-wing aircraft, often working close to the ground. The Pace-Finletter Agreement effectively caused the Army to abandon fixed-wing close air support to the Air Force in exchange for an Air Force agreement to lift all weight restrictions on helicopters the Army could operate and the promise that the Air Force would dedicate some of its budget to providing sufficient close air support to the Army. When the Air Force shirked on this promise to further pursue its preferred mission of strategic bombing, the Army pushed the development of helicopters specialized for close air support. Army competition for this mission then led to the Air Force developing the A-10 Warthog, one of the most successful close air support weapons ever created. The Air Force has kept the A-10 in service, despite a strong desire to spend those funds elsewhere, for fear of losing that mission altogether (Grissom 2006). Competition constrains the parochial interests of the services in those areas where they are not formally protected from each other, and reveals that the services are capable of performing at least some of each other's tasks.

Nuclear weapons development demonstrates this point even more strongly as these weapons were never formally assigned to a single service and so competition to provide them was open to all. According to some political science scholars, this resulted in wasteful duplication of effort between the services (Weiner 2022), but under Tullock's framework we would expect the pursuit of nuclear weapons by each branch to produce more easily assessed efforts, and therefore better efforts. The Air Force initially enjoyed great success with its Minuteman nuclear missiles, and this caused the Navy to cut bureaucratic delays in the development of the submarine-launched Polaris missiles which were completed in 1960 (Sapolsky 2000). The Polaris introduced a type of nuclear weapon that effectively guaranteed the ability of the United States to conduct retaliatory strikes even if the United States itself had been completely destroyed, changing the entire calculus of the Cold War (Morgenstern 1959). Armacost (1969) notes a similar competition between the Air Force and the Army over intermediate-range ballistic missiles causing the development of better missiles more quickly by reducing bureaucratic obstructions and by shifting resources away from less important weapons systems during the latter half of the 1950s. When the Navy developed the Polaris

missile system in 1960 as a competitor to the Air Force's Minuteman it discovered a solid rocket fuel with superior properties to the liquid rocket fuel then commonly used by each service. The success of the Polaris system then contributed to the widespread adoption of solid rocket fuels for competing missile systems in both the Army and Air Force (Cape Canaveral Space Force Museum 2024). Not only did this type of competition shift resources away from less important weapons systems and produce higher quality defense, it also forced the services to be more responsive to the demands of their civilian leaders. When nuclear weapons were being considered for tactical rather than strategic use in blunting a Soviet advance across Europe, the Air Force had been strongly opposed because of its preference for strategic bombing deep into enemy territory. The following quote explains the Air Force's ultimate capitulation:

A veteran of the roles and missions quarrels after WW2, Norstad easily perceived that unless the Air Force paid closer attention to retardation bombing and other non-strategic missions, it would open opportunities for the Army and the Navy to develop their own "tactical" nuclear capabilities and challenge the Air Force's dominant position in atomic warfare (Reardon 2012, p. 134).

This capitulation came in 1951, meaning that not only was the Air Force compelled to provide defense more in line with guidance from the President, it also failed to prevent the successful challenges to its dominant position in atomic warfare that were just discussed.

Assigning agents similar tasks tends to harness the self-interest that produces bureaucratic imperialism in ways that ease the task of the monitoring principal. This can even be true in those areas of defense that are supposed to belong to one service. Despite differences in size, funding, armaments, and mission sets, the Army and the Marine Corps are competing suppliers of infantrymen. Their similarities allow for competitive testing of those margins on which they differ, with battle exposing which service has adopted superior methods. For instance, during the Korean War units from both the Army and the Marine Corps were subjected to the disastrous retreat from the Chosin Reservoir. Army units suffered heavily due to lack of discipline compared to their Marine counterparts, a failure to establish adequate supply dumps and supporting airfields compared to their Marine counterparts, and a failure to adopt successful tactics employed by the Marines such as aggressive patrolling and entrenching each night which were better suited to the unique challenges posed by their unconventional Chinese adversaries (Cohen and Gooch 1990). Both services were also tested during the Vietnam War, with the Army preferring search-and-destroy style missions meant to take the fight to the North Vietnamese and Viet Cong forces, and the Marine Corps preferring operations to secure contested hamlets and populations against communist influence and retaliation. The repeated failures of the Army's approach eventually led the United States to shift more toward the approach favored by the Marines, though by this point American support for the war was dwindling (Brush 1999). In both cases, the Marine Corps was used in roles that belonged to the Army by the letter of the law, but this is what allowed for a higher fidelity test of each service's performance in the task at hand.

SECTION 5: CONCLUSION

Bureaucracy offers many insights into how organizations succeed and fail to carry out the orders of those in charge of them. Comparing managers by how much profit they earned is a reliable way to check their performance in a market, but this mechanism does not apply to much of what the government does, and defense is no exception. An alternative mechanism for discovering inefficient behavior lies in assigning managers the same task and then comparing relative performance, and here the production of defense can benefit from Tullock's insights. The different branches already perform some tasks that are very similar, but most of their tasks are made different by law and agreement rather than the effects of organic specialization. Niskanen (1975) predicted that combining bureaucracies that were previously distinct and competing with each other into a single monopoly provider of those services would have the result of increasing their

total budget while controlling for other factors such as output. The strongest confirmatory result he got for this prediction was the joining of the Army and Navy under the Department of Defense.

There is an opportunity, then, to improve the provision of defense by simplifying the monitoring problem. By removing as many restrictions on which branch can produce which type of defense as possible, a principal could expect each branch to experiment with new forms of defense in those areas where they believe their sister branches are operating inefficiently. This may mean forms of defense that are superior in their technical or strategic aspects, or it may mean providing similar forms of defense more cheaply. In practice, this would mean letting the Army conduct strategic bombing campaigns or letting the Air Force operate fleets of blue water ships or letting the Navy conduct ground invasions. This alleviates one of the chief problems that principals who lack technical expertise in the fields their agents operate in have. The technical expertise of the Chiefs would be turned against each other and become less of a source of independence from the President or Congress. Realistically, however, reformers would have to be concerned with the potential for the defense budget to simply rise sharply in response to this suggestion as services gain new mission sets and equipment. If the President, Congress, and voters do not use the information revealed by greater competition between the services to actually shift funds from the less efficient services to the more efficient ones, then it may be preferable to remain under the current system.

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