Bypassing Bureaucrats

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Abstract

Controlling bureaucrats is a vexing problem for political leaders. Although leaders need bureaucrats to implement their policy agendas, merit-protected bureaucrats can resist such directives. However, reliance on bureaucrats is not always necessary; contractors—private sector entities hired on a contractual basis—can sometimes serve as leaders' administrative agents. I argue that presidents and agency leaders bypass bureaucrats with contractors when an agency's bureaucrats are out of ideological lockstep and, therefore, less likely to comply with top-down policy directives. I test this argument using service contract spending data. The results show that ideological discord drives spending for policy-relevant contracts, but not for non-policy contracts and not for independent agencies, which are more politically insulated. Additionally, I demonstrate that bypassing does not require manipulation of procurement awards, suggesting that it occurs within the bounds of standard processes. In circumventing bureaucrats, contractors play an important and largely overlooked political role in implementation.

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In modern governance, bureaucrats and contractors—private sector workers who operate under the auspices of a procurement contract—are seemingly interchangeable. In the US, contractors perform substantive work that one might reasonably assume is carried out by bureaucrats. For instance, contractors at the Department of Transportation support that agency's acquisition function, providing cost analyses and recommendations related to new acquisitions (GAO, 2012*b*, 9). At the Food and Drug Administration, the management consulting firm McKinsey & Company has long held a contract that empowers the firm to give the agency strategy and planning advice relating to tobacco and drug regulation. And, across federal agencies, contractors assist with nearly all tasks involved in rulemaking, the process by which federal agencies create binding law. This support sometimes goes as far as preparing the first draft of a proposed rule (Dooling and Potter, 2022).

Contractors and bureaucrats are not interchangeable, however. Whereas bureaucrats swear an oath to uphold the Constitution, contractors do not (Verkuil, 2007). Scholars also ascribe different career motivations to the two sets of workers. Bureaucrats are driven by various goals, including policy, public service, professional norms, or even slack (Ahn and Resh, 2022). While contractors may share some of these motivations, they have a financial imperative that does not overlap with bureaucrats, one that can include individual remuneration, but also a desire for their firm to win the next contract. And because contractors are "obsequious" and "'yes' men and women" (Michaels, 2018, 129), they may be easier for political leaders to control than difficult-to-fire bureaucrats.

Accounts of why agencies outsource substantive work typically highlight technical reasons for choosing contractors rather than bureaucrats. For instance, a report from the Government Accountability Office (GAO, 2012*b*, 13) notes that "agency officials [point] to constraints on the use of federal employees such as limitations for hiring federal staff or budget restrictions as a factor that led to contracting for services." Yet, there are explicitly *political* reasons that an agency's leaders might prefer that contractors perform work in lieu of bureaucrats.

In this article, I evaluate the political calculus surrounding the use of contractors to perform substantive, policy relevant work. I argue that the president and her appointed agency leaders can use contractors to bypass bureaucrats when those workers present an impediment to implementation. When bureaucrats are less willing to carry out policy directives they disagree with (i.e., when there is ideological disagreement between career civil servants and leaders), contractors are an attractive alternative. Because these disagreements necessarily center on policy, contractors are not used to sideline bureaucrats in non-policy work. Further, because these disagreements involve strife within the executive branch, so-called independent agencies that sit outside the president's reach are not implicated in bureaucratic bypassing to the same degree.

I test these arguments using federal procurement data for service contracts, specifically a subset of policy relevant contracts where the government's policy interests are directly implicated. I find that spending on these contracts increases in the ideological distance between an agency's career civil servants and their appointed agency leader. This same result does not hold for spending on non-policy related contracts, nor does it hold for independent agencies, which are not subject to the same levels of presidential influence and which have greater managerial control over their hiring decisions. Additionally, I show that although ideological distance is a driver of increased *spending* on policy related services, bureaucratic bypassing does not carry over to contract award *procedures*, an area where previous scholars have found evidence of political manipulation and patronage (e.g., Dahlström, Fazekas and Lewis, 2021; Krause and Zarit, 2022). Taken together, these findings offer strong empirical support for the bureaucratic bypassing phenomenon.

This article advances two distinct strands of research. First, I contribute to the literature on the administrative presidency, research that highlights the ability of the president to advance her policy agenda through executive means, and the bureaucracy in particular. Tensions between bureaucrats and presidents or appointed agency leaders are a recurrent theme in this body of work, with leaders frequently frustrated by the intransigence of bureaucrats (Feinstein and Wood, 2021; Nou, 2019). However, as I argue here, bureaucrats are not an executive leader's only option—contractors can perform important work too. While scholars have taken an expansive view of the president's administrative toolkit (e.g., Kagan, 2000; Lewis, 2010; Lowande, 2014; Moe, 1985; Nathan, 1983), contractors as a political tool have largely eluded scholarly attention.[1]

Second, the article contributes to a growing literature on the politics of procurement (Brierley et al., 2023). Spending on public procurement accounts for a growing share of country budgets (OECD, 2021), raising questions about how politics infiltrates this slice of government activity. Applying a corruption or favoritism lens, scholars have focused on the politics of how contracts are awarded (Charron et al., 2017; Dahlström, Fazekas and Lewis, 2021; Fazekas, Ferrali and Wachs, 2022), where contracts are awarded (Dahlström, Fazekas and Lewis, 2021; Resh and Lee, 2022), and how well contractors perform (Gulzar, Rueda and Ruiz, 2022; Spenkuch, Teso and Xu, 2023). This body of work is critically important in understanding the role of money and influence in politics. However, it entirely ignores the substance of *what* is purchased via procurement contracts. In contrast, I highlight how the substance of what is obtained via a procurement contract can also feed into political agendas.

The Bureaucratic Control Problem

Controlling bureaucrats is a vexing problem for political leaders. Rare is the presidential policy that is self-executing; instead, most policies require personnel—typically, executive branch bureaucrats—to implement them. This creates a dilemma for the president, which the canonical principal-agent problem articulates in terms of *agency costs*, the idea that the delegation of work to a bureaucrat results in a less desirable policy outcome for the president (or her appointed agency leader) (Miller, 2005).

[1] A notable exception is Michaels (2010, 2018), who situates contractors within the president's purview and explores how contractors can be used as a workaround for various political constraints.

Recent work highlights how bureaucrats who are disinclined to carry out political directives—for ideological or other reasons— can leverage their informational advantage and expertise to thwart presidential goals. For example, Potter (2019) shows that, in the face of ideological disagreement, bureaucrats use procedural tools, including control over timing, how policies are drafted, and how the public is consulted, to secure regulatory policies closer to their preferred outcome (rather than the principal's preferred outcome). Also focusing on the rulemaking domain, Feinstein and Wood (2021) find that ideological rifts between an agency's politically appointed leader and the agency's career staff can affect how the rulemaking process unfolds; they find that "divided agencies-that is, those with ideologically opposed agency heads and civil servants-adopt a slower rulemaking posture than agencies that are more unified" (736).

Bureaucrats have many other tactics to disrupt initiatives with which they disagree, including leaking information to the press, slow-rolling agency policies, collaborating with congressional staff or interest groups, withholding important information from political leaders, exiting the agency in protest, and even outright disobedience (e.g., Nou, 2019; Richardson, 2019). Career civil servants are emboldened by the merit system, which makes firing them difficult, and their relatively long time horizons, wherein their careers are likely to outlast the current political administration. As Nou (2016) aptly summarizes, "Unsurprisingly perhaps, the federal bureaucracy takes the long view."

Of course, presidents are not without recourse in the face of the agency costs problem; presidents have various ways to better align agencies with the administration or to monitor or sanction wayward bureaucrats. Moe (1985) suggests two chief bureaucratic control tactics: *centralization*, or moving an important function from an executive branch agency into the White House apparatus to allow for closer monitoring, and *politicization*, or deploying allies as appointees to prioritized agencies. Subsequent scholars have built on Moe's argument, fleshing out how these tactics function in practice. For example, Rudalevige (2002) adds an important wrinkle to the centralization argument: centralization is not an unfettered good for presidents. Instead, when formulating legislative policy proposals presidents weigh the benefits and costs of a centralized process (where there is greater control) against a decentralized one (where agency expertise can be brought to bear).

Politicization has received comparatively more attention. For instance, using data on presidential appointments across the bureaucracy Lewis (2010) demonstrates how presidents optimize the allocation of appointees, staffing them in agencies that are ideologically misaligned and not in scientific agencies whose competence would be threatened by politics. Others have complicated the politicization argument by suggesting, for instance, that vacancies in appointed positions can also be a form of control (Kinane, 2021).

Contractors do not fit neatly into these understandings of political control of the bureaucracy. They are not bureaucrats—although, as I explain below, they sometimes function like them. And, they are not considered part of a president's control arsenal—although presidents (and agency leaders) have considerable influence over them.

Contractors as a Management Solution

Procurement spending in the US accounts for more than 10% of GDP (OECD, 2021). At the federal level, the majority of this spending (63%) is allocated toward services, with the remainder spent on products (e.g., fighter jets, tents and tarpaulins, office supplies) (GAO, 2022).[2] Given the scale of money involved, the ubiquity of contractors in federal agencies is unsurprising. Indeed, public administration scholar Paul Light (2018) estimates that for every one federal bureaucrat there are two to three full-time contractors performing the work of government.

Like most things related to bureaucratic politics, however, the outsourcing of bureaucratic work to contractors mostly falls under the public's radar. One reason for this obscurity is that it is tremendously difficult to characterize government service contract

[2]The focus in this paper is on the procurement of services. Product procurement is beyond the scope of the paper, although the politics of this particular type of spending is ripe for future exploration.

work. Some contractors serve in a short-term capacity. Others have relationships with agencies that span many years, even decades. Some agencies hold their contractors at arms-length, while others integrate contractors into their workforce—sometimes even physically embedding contractors into the agency's office space and treating them like agency staff (Dooling and Potter, 2022, 750). This opacity is further compounded by the variety of government services provided by the contract workforce. Some contracts cover blue collar work like housekeeping services and fleet engine repair. Others involve the kinds of white collar work that is often outsourced in the private sector; for instance, at the Department of Education contractors manage call centers and loan servicing tasks associated with the repayment of student loans.

Contractors that perform work that touches on policy are a special category. Although there are legal limits on the types of work these contractors can perform, in practice the boundaries are poorly delineated and the enforcement infrastructure is thin at best.[3] So although contractors are not supposed to make policy decisions for agencies, in practice they they are often put in positions where the contractor does everything right "up to pushing the big red policymaking button" (Dooling and Potter, 2022, 747). This has led to speculative concern that agencies "outsource sovereignty," by rubber-stamping contractor-generated policies (Verkuil, 2007, 43).

When the issue of contractors' role in government does surface as a matter of public interest, it is often to highlight contractor conflicts of interest, rent-seeking, or abuse with respect to policy-relevant work. Consider the role of management consulting firms as government contractors. These companies—including big names like BCG, Deloitte, KPMG, and McKinsey & Company—are deeply enmeshed in the work of federal agencies,

[3]See Dooling and Potter (2022) for a discussion of the legal and ethical constraints imposed on contractors. The most salient legal restriction is the Inherently Governmental Function (IGF) test, which stipulates that there are certain tasks that are so core to government's mission that only government employees should perform them. However, the GAO has repeatedly found that agencies overrun or ignore the IGF line (e.g., GAO, 2020).

work that is, by its very nature, policy relevant. In fiscal year 2022, these four firms alone held contracts with 35 agencies, totaling nearly $4 billion.[4]

The enmeshment of management consulting firms can create problems in its own right. For instance, the introductory example of McKinsey's role in providing FDA with advice on regulating pharmaceuticals and tobacco became front page news when investigative reporting revealed that, at the same time that the consulting firm was advising the agency, it counted some of the nation's biggest opioid companies—the makers, distributors, and sellers of the drugs—as it clients. This meant that "McKinsey consultants helped [the] drugmaker clients fend off costly FDA oversight—even as McKinsey colleagues assigned to the FDA were working to bolster the agency's regulation of the pharmaceutical market" (MacDougall, 2021). A similar problem later surfaced with respect to the agency's tobacco contract and revelations that the firm simultaneously claimed big tobacco firms and e-cigarette company Juul as clients (Bogdanich and Forsythe, 2022). The issues are not limited to conflicts of interest. The inspector general at the General Services Administration detected problems of inflated pricing and favoritism towards McKinsey at that agency. And, at the outset of the COVID-19 pandemic, the Department of Veterans Affairs came under scrutiny for awarding McKinsey over $40 million to provide pandemic-related advice in a largely unvetted, no-bid contract (MacDougall, 2020).

McKinsey is just one firm. It accounts for only a small share of the market for government service contracts, a share that has dwindled in response to the attention these stories have wrought. Nevertheless, the case highlights the close access to policy some contractors routinely have (Bogdanich and Forsythe, 2022; Mazzucato and Collington, 2023), as well as the inherent stakes of choosing contractors over bureaucrats for this work.

[4] Author's calculations of data from `www.usaspending.gov`.

Contractors as a Bureaucratic Bypass

When presidents face a bureaucratic control problem, contractors present a potential solution. How do presidents strategically deploy contractors? It is not obvious on first inspection that they might do so; many scholars suggest that presidents rarely pay heed to implementation or administrative details (Kamarck, 2016), an observation that certainly applies to the procurement apparatus. In a study of when presidents invest in the administrative state, Bednar and Lewis (2022, 443) argue that, "neglect—rather than proactive building or deconstructing of capacity—is the norm for most agencies." Instead, presidents make policy edicts (Kamarck, 2016), leaving it to their subordinates to determine how such mandates should be carried out.

An example of an (attempted) bureaucratic bypass during the Trump administration helps to illustrate how bypassing might function in practice—and in spite of presidential inattention to the details. President Trump's contempt for the the Environmental Protection Agency (EPA) was widely known. Not only did Trump pejoratively refer to its workers as part of the "Deep State" and threaten to reduce the agency "to little tidbits," he also proposed to cut the agency's budget by a third, and appointed Scott Pruitt, an avowed critic of the agency, to its top post. Bureaucrats in the agency responded in kind; protesting Pruitt (and Trump) on their lunch breaks (Volcovici, 2017) and engaging in covert acts of sabotage like "embedd[ing] statistics and data in regulatory documents that [made the EPA's] rules vulnerable to legal challenges" (Davenport, 2020).

Yet, Trump's antipathy toward the EPA required that he thread a very narrow needle. Another major component of his platform called for rolling back environmental regulations, work that required the technical and procedural expertise of EPA bureaucrats—the same workers he had maligned. Amid these tensions, reporting by *Politico* indicated that Administrator Pruitt was considering outsourcing the rewriting of the Waters of the United States (WOTUS) rule, a major EPA regulation that Trump had vowed to repeal, to a white-shoe law firm (Snider, 2017). Although contractors assist agencies with many aspects of rulemaking (Dooling and Potter, 2022), the wholesale soup-to-nuts outsourcing of a major rulemaking project to the extent envisioned in the *Politico* piece was unheard of, with experts suggesting that this kind of relationship would "stretch the limits of federal contracting law and present ethical questions" (Snider, 2017).

Following the media attention, the issue fizzled and the administration never hired the firm. Nevertheless, this example suggests that the Trump administration saw the private sector—or, more specifically, contractors—as a potential avenue to bypass hostile EPA staff. Although the stakes are rarely so starkly delineated as with the WOTUS rule, this case also demonstrates how the president's appointed leaders—like Scott Pruitt—can play an important role in allocating labor between bureaucrats and contractors. The appointment process empowers the president to select agency leaders who are closely aligned with her policy agenda, and who can more directly concern themselves with labor allocation decisions.

The budget also provides the president and her delegates with another tool to influence labor allocation. This power operates primarily through the Office of Management and Budget (OMB), the part of the Executive Office of the President that provides management and budgetary oversight for executive branch agencies. Although the Constitution affords Congress the purse strings, OMB exercises significant *ex ante* and *ex post* influence over spending (Berry, Burden and Howell, 2010). OMB prepares the president's budget, an important agenda-setting power; for example, each agency's budget includes an explicit line item for full-time equivalent bureaucrats, giving OMB purview over new bureaucratic hires and over labor allocation more generally. OMB's *ex post* powers come into place during budget execution, the phase after Congress has passed the budget. OMB's powers are considerable at this point, as Pasachoff (2015) explains: "OMB affects budget execution through two different levers: the formal *specification lever*, through which it 'apportions' and otherwise defines how agencies spend the funds Congress has appropriated, and the informal *monitoring lever*, through which it oversees agencies' implementation of their programs" (2182, emphasis in original).

Appointed leaders and budgetary oversight powers give the administration leverage over labor allocation decisions. Viewed within this broader framework, the political control problem can be potentially minimized by outsourcing bureaucratic work to contractors. Contractors are a useful implementation workforce, since they are "motivated to be hired, anxious to be retained, and eager to be assigned additional fee-generating responsibilities. They thus have every reason to internalize the agency chiefs' political priorities" (Michaels, 2018, 117).

These factors suggest that contractors will be most useful precisely when bureaucrats are unwilling to implement an administration's policy agenda. This opposition is most likely to manifest in the presence of ideological disagreement between an agency's bureaucrats and the agency's appointed leaders (or the president herself), as in the case of the WOTUS rule at the EPA. This logic suggests that *as the ideological distance between an agency's bureaucrats and its leaders increases, spending for policy-related contractors will increase.*

This hypothesis centers on policy work performed by agencies and ideological conflict; however, not all work that agencies do is policy-related or ideological (Richardson, 2024). When agencies do work that is not policy-relevant, ideological conflict is much less likely to be a concern. As Michaels (2010) notes "outsourcing tollbooth collection jobs will likely never alter programmatic policy because neither government toll collectors nor their private counterparts play any role in making substantive decisions" (775). Beyond blue collar work like toll collecting, contracts for white collar services that are not policy relevant (e.g., dentistry services, architecture services, chaplain services) are also unlikely to be implicated. Because agencies contract with private sector vendors for hundreds of different types of services, my expectation is that *spending for non-policy-related contractors will not be increasing in the ideological distance between an agency and its leaders.*

Not all agencies are subject to the same levers of presidential control, however. So-called "independent agencies" are designed to be insulated from influence by the executive.

No one feature separates an independent agency from a more dependent, executive branch agency. Instead, each agency's design includes a constellation of features that make it—relatively—more or less independent. Features that tend toward independence include a multi-member commission leadership structure, for-cause removal provisions, partisan balancing requirements for agency leaders, staggered terms for agency leaders, whether the president has budgetary or regulatory oversight over the agency (through OMB), and whether there are statutory expertise requirements for agency leaders (see Selin, 2015).

Agency design is not an impervious shield against presidential influence; the empirical results are mixed with respect to how much independent agencies remain responsive to the president (Arel-Bundock, Atkinson and Potter, 2015; Clark and Arel-Bundock, 2013; Devins and Lewis, 2022; Selin, 2015). Nevertheless, the president has less access to these agencies—and therefore, comparatively speaking, less influence over how these agencies approach questions of labor, outsourcing, and contract design. In short, because independent agencies are not subject to the same level of presidential oversight, they do not provide the same fodder for the executive's personnel machinations. For example, the Merit Systems Protection Board does not submit its budget to the president's Office of Management and Budget for approval, but instead submits its budget directly to Congress. This takes away a key lever by which the president maneuvers spending over agency policy choices.

Given their relative freedom when it comes to budgeting, hiring, and labor decisions, these agencies should be *comparatively* less likely to rely on contractors to perform policy-related tasks in the first instance. That is, I hypothesize that *independent agencies will spend less on policy related contractors than dependent agencies.* Rather their managerial autonomy should allow them to staff up to levels appropriate to the work they conduct. Control over hiring combined with features like partisan balancing requirements also suggest that these agencies should not need to resort to a bureaucratic bypass as an ideological workaround. It follows that *for independent agencies, spending for policy-related contractors will not be increasing in the ideological distance between an agency and its leaders.*

Data & Empirical Strategy

Testing these hypotheses requires data on contractors employed for policy-specific services. Granular data on federal agency procurement is available from `www.usaspending.gov`, a behemoth dataset that includes procurement transactions for everything from rocket parts and plumbing fixtures to consultant work conducted by the likes of McKinsey and Deloitte. I use the "Product and Service Code" (PSC) associated with each procurement transaction to separate service contracts from product transactions. Because it is not immediately obvious which service contracts are substantive (and might therefore be useful for bypassing bureaucrats) and which are more mundane procurement transactions, I identify two tranches of the data. Both tranches address substantive policy work performed by contractors.[5]

First, I focus on contract spending for 20 PSCs that the GAO (2012*b*, Table 6) has flagged as problematic for being high risk and having the potential to "inappropriately influence government decisionmaking" (i) and, therefore "requiring heightened [management] attention" (31).[6] Collectively, I refer to this group of services as "policy support services," as they include many policy-relevant functions, such as contractors performing work relating to policy review and development, program management, specifications development, and personal services contracts.[7] Table 1 lists the full set of services. Most of these services draw from the Professional Support Services (R400 series) and Management Support Services (R700 series) categories, the two categories which constitute the preponderance of work for major management consulting firms.

[5]The data collection and cleaning process is described in Section B2 of the Appendix.

[6]These tasks are considered high risk because they are "closely associated with inherently governmental functions" and because when contractors perform them they have the potential to unduly influence the government's decision-making authority (GAO, 2012*b*, 4-5). The GAO explains that "[u]se of these services can result in the loss of government accountability and control if proper oversight is not provided" (9).

[7]Federal regulations define a personal services contract as being "characterized by the employer-employee relationship it creates between the Government and the contractor's personnel" (FAR 37.104 (2008)). This type of contract raises acute ethics and accountability questions.

Table 1: Policy Support Services Provided by Contractors

Service Code	Service Name
R402	Real Estate Brokerage Services
R406	Policy Review/Development Services
R407	Program Evaluation Services
R408	*Program Management/Support Services*
R409	Program Review/Development Services
R411	Real Property Appraisals
R413	*Specifications Development Services*
R414	*Systems Engineering Services*
R421	*Technical Assistance**
R423	*Intelligence Services*
R425	*Engineering and Technical Services*
R426	Communication Services
R497	*Personal Services Contracts*
R498	Patent and Trademark Services
R499	Other Professional Services
R699	Other Administrative Support Services
R706	Logistics Support Services
R707	*Contract, Procurement, and Acquisition Support Services*
R710	Financial Services
R799	Other Management Support Services

Note: Table entries are policy support services performed by contractors as identified by the GAO. Italicized entries are those services flagged by OMB as being particularly high risk. The OMB identified another four PSCs outside the R series (Professional/Administrative/Management Support services); I exclude them here because they do not have the same strong tie to policy decisions.
* Technical Assistance services were the only service flagged by OMB, but not by GAO. I include them in both sets of data.

The second tranche of data focuses on a subset of 8 policy support services that the Office of Management of Budget (OMB) has identified as particularly high risk for agencies, even among policy support services. OMB deemed this smaller subset of services as problematic for "creating a potential risk of overreliance on contractors for critical activities related to the agencies' mission and operations" (OMB, 2011); the overseer noted that spending for these services has outpaced spending for all other contractor services and that agencies were more likely to use high-risk contracting vehicles to acquire them.

Both the GAO-defined and OMB-defined *Policy Support Services* variables reflect total agency spending on those sets of services in a given year.[8] All dollar amounts reflect millions of real 2020 dollars. Because the procurement data begin in 2001, my data begin in that year as well.[9] Figure 1 shows spending on these two service groupings over the time period. Spending on GAO policy support services increased over the time period. However, spending on OMB's set of policy support service contracts leveled off after 2010; this flattening can likely be attributed to the OMB's 2011 memo which called attention to the risks associated with these services.

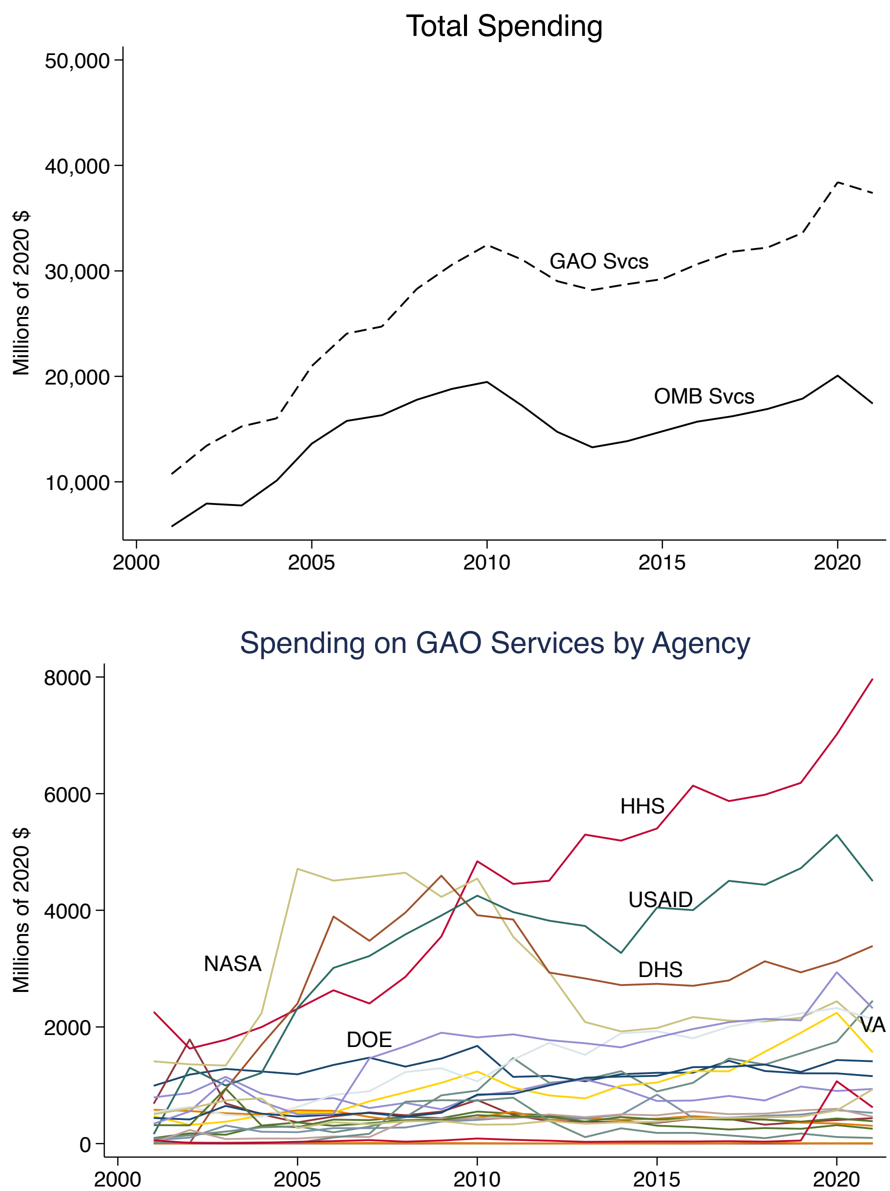
To test the ideological bypassing hypotheses, I pair data on contract spending for these two service groupings with data on the ideological distance between career bureaucrats and political leaders. In recent years, a cottage industry has emerged to measure the ideology of bureaucrats and federal agencies in the US (Bertelli and Grose, 2011; Chen and Johnson, 2015; Clinton et al., 2012; Clinton and Lewis, 2008; Feinstein and Wood, 2021; Richardson, Clinton and Lewis, 2018). Scholars have developed a variety of ways to measure agency ideology, but few cover many agencies and vary across time. Feinstein and Wood's (2021) data provide an exception.[10] Following Bonica's (2014) approach, they use career civil servants' and appointed agency head's political campaign contributions to determine the ideal point, or "CF-score," for each set of actors. The resulting variable *Careerists-Agency Head Distance* is absolute value of the ideological gap between the median CF-score of an agency's career civil servants and the appointed agency leader, with larger values indicating a larger gap and, therefore, greater potential conflict.

[8]The analyses exclude spending by the Department of Defense (DOD). As previously explained, the DOD is a major procurement outlier. Not only does it account for the lion's share of all procurement spending, the nature of its work means that some of its procurement spending is necessarily classified and therefore obscured from view. Additionally, there is missing data for some of the covariates in the analyses. For these reasons, I omit this agency from the primary analyses, although I do include it in later robustness checks.

[9]An earlier generation of the procurement database exists dating back to 1979. However, this early system was plagued by errors and underreporting. The federal government streamlined and improved its system with the fiscal year 2001 relaunch and so I focus my analysis on the more accurate data.

[10]Chen and Johnson (2015) also generate time-varying measures of bureaucrats' and president's ideal points using campaign finance data. I use their measures as a robustness check in later sections.

Figure 1: Procurement Spending on Policy Support Services, 2001-2021



Note: Author's analysis of data from `usaspending.gov`. Dollar values reflect millions of real 2020 dollars. The top panel reflects total agency spending on policy support services, as defined by GAO and OMB respectively. The bottom panel shows spending over time on GAO-defined policy support services by executive branch agencies.

The Feinstein and Wood (2021) measure is not without limitations. First, their data rely on campaign contributions, and while many appointees give to political campaigns, by the authors' own calculations, only 7% of career civil servants do.[11] Thus, their approach requires the assumption that career civil servant donors are not significantly different than career civil servant non-donors. However, as they explain, this assumption is less relevant in cases where the research design requires a comparison of the relative differences between civil servants over time, as is the case here. Second, their data end in 2014, limiting the time period of analysis. Nevertheless, these scores suit this analysis well; in addition to varying across time and within agency, they also map to the theoretical argument, by characterizing conflict that occurs within an agency (i.e., with an appointed leader) rather than between an agency's bureaucrats and the president, a less direct form of friction.

The analyses also require distinguishing independent agencies from those in the executive branch. While scholars have devised continuous measures of agency independence (Arel-Bundock, Atkinson and Potter, 2015; Selin, 2015), I dichotomize agencies into independent and executive branch agencies. I code an agency as independent if it is has control over its own budget (i.e., it does not require an annual appropriation from Congress) or if it is exempt from OMB review (i.e., OMB does not oversee its regulations, budget, or communications). All other agencies are coded as executive branch agencies.[12]

Finally, I include several control variables that have the potential to influence spending on these kinds of services. First, I include a count of the logged total number of employees in the agency. This measure accounts for the size of an agency's workforce, since in-house capacity is an important consideration in outsourcing decisions. Next I include two variables that address the professionalization of an agency's procurement officials (Dahlström, Fazekas and Lewis, 2021): one measure is the logged count of the number of

[11] They note that this is higher than the 5% of the general public that donates (752).

[12] These codings are based on data from the Sourcebook of United States Executive Agencies (Selin and Lewis, 2018). A list of agencies and their independence codings is in Table A-1 of the Appendix. In the robustness section, I take continuous independence measures into account.

contracting officers in an agency-year and the other is a dichotomous measure indicating whether any of the agency's contracting officers draw from the Senior Executive Service (SES), a cadre of highly-professional agency management officials. Additionally, I control for an agency's spending (logged) on procurement products, since these expenditures may demonstrate an agency's comfort with the procurement process and also be indicative of the agency's budgetary situation. Finally, I include a dummy variable for presidential election years, since electoral politics has the potential to skew decisions about outsourcing. Descriptive statistics for all model variable are included in Table A-2.

To test the primary hypothesis regarding ideological bypassing, I rely on the following model specification:[13]

$$Y_{it} = \alpha_i + \beta|\text{Careerists-Agency Head Distance}_{it}| + \gamma X_{it} + \delta_T + \epsilon_{it} \tag{1}$$

The dependent variable Y_{it} indicates the policy contract spending measures, *Policy Support Services*—as defined by GAO and OMB, respectively—for executive agency i in year t. The primary coefficient of interest is β, which is associated with *Careerists-Agency Head Distance*, as measured by the Feinstein and Wood (2021) data. X is a matrix of the time-varying control variables. The α_i are agency fixed effects, δ is a set of presidential administration (T) fixed effects, and ϵ is the error term. In this specification, identification comes from the movement in ideological distance in an agency within a presidential administration, variation which is driven largely by changes in agency leadership that may occur at presidential transitions or at other points during an administration; see Figures A-1 and A-2. I use ordinary least squares to estimate the model, and cluster the standard errors by agency to address autocorrelation within agencies over time.

[13]The remaining hypotheses are tested by swapping policy contract spending for non-policy contract spending, or executive agencies for independent agencies.

Evaluating the Bureaucratic Bypass Hypothesis

The results are shown in Table 2. Model 2 shows the estimates from specification (1) for the GAO set of policy support services and Model 5 shows the same specification for the subset of OMB services. Models 1 and 2 show the models without controls, while Models 3 and 6 add a lag of the dependent variable to the model, since prior values of contractor spending may influence current values (Wilkins, 2018).

Across all models, the core variable of interest *Careerists-Agency Head Distance* is positive, statistically significant, and substantively meaningful, although the magnitude of the effect varies considerably between the models with and without the lagged dependent variable. The coefficients indicate that moving from the minimum ideological distance to the maximum distance can increase spending by between $106 and $319 million dollars for GAO policy support services and between $87 and $259 for OMB policy support services.[14] While few agencies move from the minimum to the maximum ideological distance, ideological swings can be large, particularly at the point of an administration shift. These results provide strong—albeit imprecise—support for the main hypothesis linking bureaucratic bypasses to ideological disagreements between career civil servants and their appointed agency heads.

The control variables provide inconsistent results. Most notably, the coefficient for the number of full-time employees is mostly positive, but only significant in Model 2. This suggests that the addition of more bureaucrats is not strongly associated with a decrease in spending on outsourcing, an important result in the context of outsourcing explanations that focus on reduced agency capacity as the driving force to outsource.

[14] The results I present are robust to using logged dollar values; I present unlogged dollars for ease of interpretation.

Table 2: Effect of Ideological Distance on Policy Outsourcing

	(1) Policy Support Svcs (GAO) $	(2) Policy Support Svcs (GAO) $	(3) Policy Support Svcs (GAO) $	(4) Policy Support Svcs (OMB) $	(5) Policy Support Svcs (OMB)	(6) Policy Support Svcs (OMB)
Careerists - Agency Head Dist	259.776*	318.523*	105.705*	240.388*	258.990*	87.445*
	(116.415)	(118.146)	(45.758)	(90.524)	(92.500)	(39.116)
Employees (ln)		1,468.422*	175.419		891.384	124.773
		(687.816)	(199.672)		(528.906)	(203.460)
# Contracting Officers (ln)		354.594	111.028		-17.306	-41.958
		(273.692)	(149.399)		(194.427)	(107.342)
Any SES Contracting Officers		110.542	84.689		10.567	28.612
		(155.096)	(71.777)		(101.224)	(72.031)
Product Spending (ln)		27.701	20.357		21.966	17.879
		(48.451)	(29.789)		(36.919)	(23.312)
Election Year		37.750	-49.955*		25.519	-20.951
		(35.359)	(22.867)		(23.765)	(20.314)
Observations	316	316	293	316	316	293
R-squared	0.183	0.298	0.723	0.111	0.160	0.614
Number of Agencies	24	24	24	24	24	24
Administration FE	YES	YES	YES	YES	YES	YES
Agency FE	YES	YES	YES	YES	YES	YES
Lagged DV	NO	NO	YES	NO	NO	YES

Note: Table entries are OLS coefficients. The dependent variable in Models 1-3 is spending on GAO-identified policy support services; in Models 4-6 it is spending on the subset of policy support services flagged by OMB. Models include executive branch agencies only. Robust standard errors clustered on the agency level are in parentheses. Two-tailed tests: ***p<0.001, ** p<0.01, * p<0.05. FE = fixed effect.

These results are robust to a number of alternate specifications, which I present in the Appendix. First, I exclude the General Services Administration from the analysis, since, by virtue of its mission, that agency is responsible for a high volume of procurement transactions and sometimes is used as a pass-through for procurement transactions for other agencies; see Table C-1. Next I include the Department of Defense in the analyses in Table C-2, an agency that is excluded from the primary analysis due to its outlier status. The coefficients remain positive in this specification, although they are no longer statistically significant, a result which may be attributable to that agency's unique role in the contracting space. In Table C-3, I relay results from separate analyses for the two presidential administrations included in the time series. The results suggest that the effects may be driven largely by the George W. Bush administration; the coefficients remain positive and statistically significant for the Bush years (albeit at the $p < .10$ level) and lose significance in the Obama term. However, this is relatively weak evidence since Obama's term is truncated in the data.[15] Finally, in Table C-4 I reestimate the models using Chen and Johnson's (2015) estimates of the ideological distance between career civil servants and the president. Although these measures are less precise for the purposes here (since they focus on distance to the president and not the agency head) and they cover a shorter time period (i.e., they end in 2012), the positive effects of ideology persist, although they are only statistically significant at the $p < .10$ level in some models.

Next, I consider the role of procurement officials in making decisions about outsourcing policy work. Because agency heads rarely *directly* oversee procurement decisions, implementation of outsourcing decisions must be done by procurement officials lower in the agency's hierarchy. Procurement decisions are typically "overseen by a a group of high-ranking officials comprising career bureaucrats and political appointees" (Lee, 2024, 8). In practice, some agencies fill the chief procurement role, known as the Chief Acquisition Officer (CAO), with a political appointee and others have a careerist in the role (GAO, 2012*a*). In the bureaucratic bypassing context, having an appointed procurement official who is aligned with the administration's policy goals may reduce the potential for agency loss. In Section D of the Appendix, I show that CAOs are more likely to be politically appointed in agencies that have high values of *Careerists-Agency Head Distance*, suggesting that political appointees are more valuable in procurement roles when ideological friction is high, a point when bureaucratic bypasses are also potentially more useful.

Finally, I consider whether, rather than supplanting bureaucrats, in the face of ideological discord contractors serve to supplement bureaucrats. For instance, contractors can help smooth an agency's workload during times of sudden workload increases. If these workload increases coincide with points of increased ideological discord (e.g., an election year), then the observed spending increases would be suggestive of contractors fulfilling staff extension roles, rather than replacement ones. To evaluate this, I look for evidence of

[15] Additionally, the aforementioned OMB memo was issued during Obama's tenure suggesting a dampening of policy support spending that may be independent of the factors considered here.

whether agency policy output increases in the periods following increased spending on policy support services. Specifically, I look at the volume of final rules issued by an agency in each year. Although agencies serve many functions beyond rulemaking, it is a standard activity that all agencies engage in. The results, shown in Table C-5, provide no evidence of contractors fulfilling a support role. Increased spending on OMB or GAO policy support services is not associated with an increase in an agency's rulemaking output; in some cases it is significantly associated with a *decrease* in rule output, although this result is dependent on model specification. This finding is robust to the inclusion of different lags in spending timelines and when spending is interacted with ideological distance, indicating a lack of support for contractors playing a staff extension role.

Comparing Policy and Non Policy Services

I next consider whether ideological distance is an important feature of contract spending for other services beyond policy support services. As laid out in the second hypothesis, the argument about bureaucratic bypasses is expected to hold for policy support services, but not for other types of services that the government procures since bypassing bureaucrats is less likely to return policy gains to agency leaders in such cases. For example, it is unclear why an agency's leadership would direct more (or less) funding toward contracted janitorial services in the presence of ideologically distant in-house janitorial staff. Were such a relationship to be found, it would call the bypassing argument and mechanism into question.

To evaluate this, I conduct a placebo population test, or "a test that replicates the core analysis in a different population" (Eggers, Tuñón and Dafoe, 2021, 4). Specifically, I collect annual data on agency procurement spending in areas beyond policy support services. For each agency-year, I aggregate the amount spent on three separate categories: other white collar services (e.g., education and training services, medical services)[16], blue

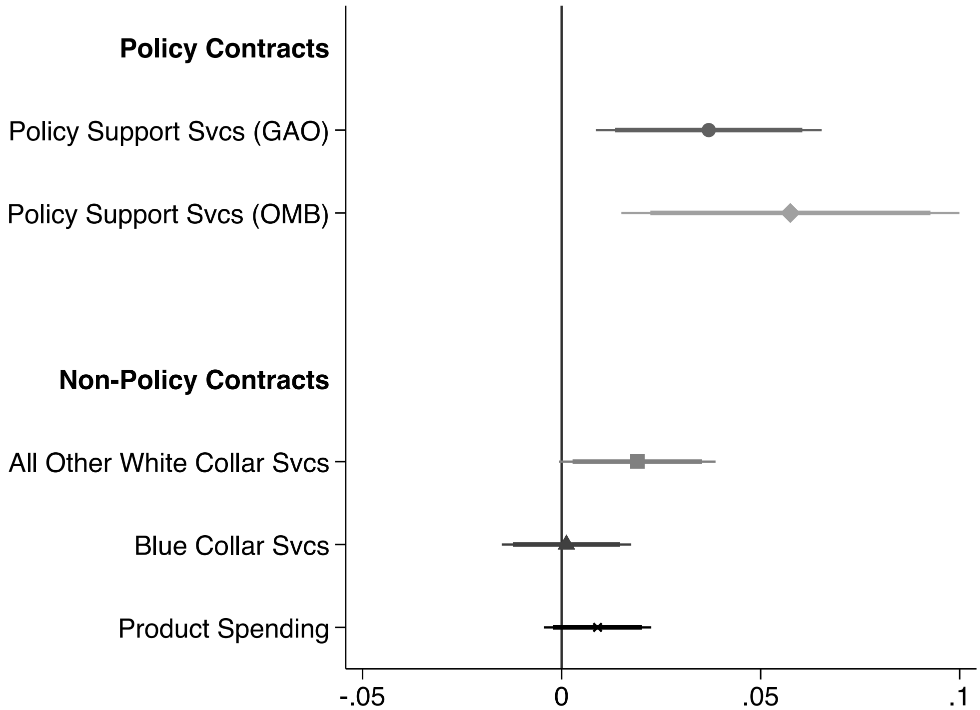
[16]Specifically, I include in this category all services that are white collar, but not policy support services. These services are: architect and engineering services, education and training services, information technology

collar services (e.g., equipment installation services, salvage services, and maintenance and repair of structures and facilities), and product spending (e.g., funds spent obtaining weapons, syringes, and copy machines). I then estimate Equation 1, swapping the dependent variable iteratively for each alternate type of procurement spending. To make the analyses more comparable, I report standardized coefficients for all models.

The results are shown in Figure 2; full model results are in Table C-6. Following the results from Models 1 and 3 in Table 2, ideological distance is positive and significant for policy support services, as identified by GAO and OMB. This pattern does not hold for the other spending areas. The coefficient for other white collar services is positive, but not statistically distinguishable at the $p < .05$ level; this effect may lean positive since there is imperfect delineation around policy support services and some white collar services in this category may touch on policy indirectly (e.g., education and training services). Additionally, the small magnitude of the coefficient on other white collar services is notable, since spending on this slice of services is 1.3 and 2x larger than spending on GAO or OMB policy support services, respectively. The other two procurement spending areas—Blue Collar Services and Product Spending—are also insignificant. In all three cases, the coefficients are small in magnitude.

and telecommunications services, medical services, social services, and special studies and analysis. It also includes any services in the category of professional/ administrative/ management services that are not explicitly mentioned by OMB or GAO.

Figure 2: Effects of Ideological Distance on Contract Spending for Policy and Non-Policy Services



Note: Figure shows standardized coefficients for *Careerists-Agency Head Distance* from models with the dependent variable listed on the left. Full model results are shown in Table C-6. Thick bars represent 90% confidence intervals; thinner bars represent 95% confidence intervals.

These results provide confirmation for the second hypothesis and suggest that bureaucratic bypasses are strongly linked to ideological concerns in policy areas. Other areas of procurement spending do not seem to grow in ideological distance; that pattern is unique to policy support services.

The Independent Agency Counterfactual

The expectations about independent agencies acknowledge that these entities can be thought of as a counterfactual of sorts: what if the president and her appointees had less influence over agency policymaking? What if agencies had more control over their own hiring practices and were relatively insulated from politics? Because independent agencies have these features, they allow us to explore these questions.

The third hypothesis predicts that, by virtue of their greater autonomy, independent agencies will spend less on policy support services than executive branch agencies.To operationalize this, in Models 1 and 2 of Table 3 I compare annual policy support service spending at independent and more dependent agencies. The results suggest that independent agencies spend significantly less on these services than dependent agencies. One concern with these results is that independent agencies tend to be smaller, on average, than dependent agencies, thus the difference could be attributed to agency size rather than a meaningful institutional difference. To explore this, in Table C-7 I reestimate the models with the dependent variables operationalized on a per capita basis (e.g., spending on GAO policy support services per agency employee). I also consider whether more nuanced conceptualizations of the concept of agency independence affect this takeaway. Specifically, I evaluate the models using continuous measures of agency independence as created by Arel-Bundock, Atkinson and Potter (2015) and Selin (2015), respectively. In all of these estimations, the large and negative effects persist; independent agencies seem to simply spend less on policy support services.

Table 3: Policy Outsourcing in Independent Agencies

	(1) Policy Support Svcs (GAO) $	(2) Policy Support Svcs (OMB) $	(3) Policy Support Svcs (GAO) $	(4) Policy Support Svcs (OMB) $
Independent	-157.662*	-82.440*	–	–
	(63.509)	(39.595)		
Careerists-Agency Head Dist	–	–	-0.545	0.132
			(2.456)	(3.126)
Employees (ln)	-85.554	-65.420	22.967	16.728
	(190.119)	(143.080)	(23.663)	(15.414)
# Contracting Officers (ln)	197.033	136.130	8.901	-1.947
	(106.775)	(81.777)	(9.298)	(7.576)
Any SES Contracting Officers	565.371*	237.291	-1.196	-3.796
	(250.511)	(202.395)	(3.152)	(3.640)
Product Spending (ln)	-4.969	-3.410	0.991	1.086
	(4.196)	(2.668)	(0.649)	(0.657)
Election Year	25.786*	11.486	1.162	1.052
	(10.335)	(6.289)	(0.904)	(2.380)
Observations	1,685	1,685	170	170
R-squared	0.424	0.342	0.251	0.075
Number of Agencies	38	38	14	14
Administration FE	YES	YES	YES	YES
Agency FE	YES	NO	YES	YES

Note: Table entries are OLS coefficients. The dependent variable in all models is spending on policy related contractor services, as defined by GAO and OMB, respectively. Models 1 and 2 omit the Feinstein-Wood ideology measure, allowing examination of a larger set of agencies. Robust standard errors clustered on the agency level are in parentheses. Two-tailed tests: ***p<0.001, ** p<0.01, * p<0.05. FE = fixed effect.

Finally, I turn to the fourth hypothesis, which states that when independent agencies do spend money on policy support services, it should not be increasing in ideological distance between career civil servants and the appointed agency head. The results in Table 3 (Models 3 and 4) suggest that, among independent agencies, spending for policy support services does not increase in ideological distance—if anything the results indicate a potential *negative* effect. While independent agencies do purchase policy support services from contractors this spending does not seem to be in service of bureaucratic bypasses.

Considering Favoritism in Contract Awards

Research on the politics of procurement often focuses on *how* the award process can be manipulated for political ends. Favoritism in procurement awards manifests in myriad ways. It can mean that contracts are awarded with limited or no competition in the bidding process, that the bid is only open for an abbreviated window, or that there is only one bidder once a competition is announced. It can also mean that, once a vendor is selected, the contract is structured with terms that are more favorable to the vendor (e.g., a time and materials contract rather than a firm fixed price contract). By manipulating these procedural levers, political favoritism is understood to infiltrate procurement as bureaucrats and their appointed political leaders reward allies, copartisans, and donors, among others (for a review, see Brierley et al., 2023).

In contrast, the argument in this paper centers on *what* is obtained via procurement contracts, specifically policy-related services. One implication of my argument is that contracts awarded for bureaucratic bypasses for policy work need not be directed towards ideologically sympathetic contractors or via a patronage mechanism. After all, if contractors are "obedient and enthusiastic" (Verkuil, 2005, 397) by virtue of their institutional arrangement, then they may not require additional inducements to perform their work. Instead, "[e]nticements of remuneration or prestige may be enough to influence even apolitical contractors, leading them to tell the agency chiefs what they want to hear" (Michaels, 2010, 748).

For instance, when engaging new government clients, large management consultants often follow a strategy of lowballing their tenders in order to get their foot in the door (Mazzucato and Collington, 2023, 59,67). Further, contracts can be written in such a way that the "regulatory posture" expected by leadership can be written into the contract itself (Michaels, 2010, 749).

Additionally, one way that agencies bring on extra labor quickly—a feature that may be desirable in a bypass situation—is by tacking on work orders to existing contracts, which may or may not be held by allies and which may or may not have been awarded favorably. Together, this suggests that ideological distance between an agency's bureaucrats and its political leaders should *not* be a driver of favoritism in the procurement award process.

To evaluate this implication, I turn to contract-level data for GAO and OMB policy related services, respectively.[17] I code two instances of potential favoritism: whether a contract was awarded in a noncompetitive manner and whether it had a vendor-favored contract structure. The variable *Noncompetitive Award* is coded as "1" if a policy support service contract was awarded non-competitively, and "0" if the award was subject to competition. The dependent variable *Favorable Terms* is coded as "1" if the contract terms were favorable to the vendor (and therefore riskier to the government), and "0" otherwise. Specifically, I code a contract as non-competitive if it was listed as not having been subject to "full and open competition." Twenty-four percent of contracts in the sample were non-competitive. This includes sole-source contracts. I code a contract as favorable if it had a cost, cost sharing, cost plus fees, time-and-materials, or labor hours structure.[18] Contracts with a firm fixed price structure are coded as non-favorable (to the vendor). Forty-three percent of contracts were favorable to the vendor.

I pair this contract-level data with the same independent variables introduced in the earlier sections. I include an additional variable, *Politicization Ratio*, since prior research has suggested that agencies with more politicized leadership structures may be more prone to use contracts for patronage purposes, in terms of both competition (Dahlström, Fazekas and Lewis, 2021) and award structure (Krause and Zarit, 2022). This variable is the ratio of politically-appointed leaders over the number of career managers in an agency-year. I also include service type fixed effects, to account for variation that may be specific to

[17]Following Dahlström, Fazekas and Lewis (2021) I focus on contracts that have a value of $150,000 or more, since these contracts are subject to greater oversight controls.

[18]There is general agreement that these contracting vehicles are higher risk for agencies. For example, OMB (2011) describes time-and-materials contracts as "put[ting] the agencies – and therefore the taxpayers – at greater cost risk than when fixed prices are used." See also Zients (2011).

the particular type of policy support service being procured. I estimate linear probability models with agency and administration fixed effects and cluster robust standard errors on the agency level.[19]

The results are shown in Table 4; full models are available in Table C-8. Across both dependent variables and all four models the effect of *Careerists-Agency Head Distance* is negative, suggesting that agencies that are ideologically misaligned are less likely to engage in contract award favoritism. However, agencies with *close alignment* between the appointed agency head and career civil servants are more likely to give favorable award terms, in terms of reduced competition and more favorable terms. These effects are only suggestive, since they are not statistically significant in any of the models. While not predicted by my theoretical argument, this is consistent with broader arguments in the literature suggesting that procurement favoritism is linked to agencies that are favored (i.e., where ideological conflict might be lowest).

Table 4: Favoritism in Awarding Policy Support Contracts

	(1) Noncompetitive Award (GAO)	(2) Noncompetitive Award (OMB)	(3) Favorable Terms (GAO)	(4) Favorable Terms (OMB)
Careerists-Agency Head Dist	-0.012	-0.014	-0.018	-0.004
	(0.011)	(0.011)	(0.032)	(0.035)
Observations	159,392	65,611	162,253	65,999
Number of Agencies	22	21	22	21
Controls FE	YES	YES	YES	YES
Administration FE	YES	YES	YES	YES
Agency FE	YES	YES	YES	YES
Service Type FE	YES	YES	YES	YES

Note: Table entries are coefficients from linear probability models. Two-tailed tests: ***p<0.001, ** p<0.01, * p<0.05. FE = fixed effect.

[19]Logit models yield similar results. The linear probability approach is preferred for ease of interpretation.

Stepping back, the patronage considerations that characterize so much of procurement politics do not have the same hold when it comes to bureaucratic bypasses. Instead, bureaucratic bypasses persist without requiring manipulation of procurement awards. This suggests that politics in procurement may be underestimated in current accounts, since politicking can can occur *within* the bounds of standard bureaucratic procedures.

Conclusion

Contractors are ubiquitous in the contemporary administrative state. Yet, simply observing contractors' presence is not informative in terms of their *function*; the presence of a contractor can be a way to augment bureaucrats' work or a way to supplant it. In this paper I identify a set of conditions that are consistent with a supplanting mechanism, what I refer to as a bureaucratic bypass. I point to ideological conflict between career civil servants and appointed agency leaders as a motivation for outsourcing particular kinds of work—particularly policy work—to private sector contractors.

I empirically test these expectations using data on agency spending on policy support services, a set of outsourced functions that government oversight bodies have flagged as potentially problematic due to their proximity to policymaking. These data allow me to test the expectations about bureaucratic bypasses across dozens of agencies in two presidential administrations. The results show that, in executive branch agencies, spending for policy support services increases in the ideological distance between career civil servants and their leaders, as estimated with two different measures of ideology and two different measures of policy services. These same patterns do not hold for independent agencies nor do they hold for other types of contract spending. Additionally, I show that although bureaucratic bypasses appear in spending, they do not manifest in terms of manipulation of the procurement award process, an area where prior scholars have found evidence of political patronage and favoritism. This suggests a lower barrier for bureaucratic bypasses; leaders need not reward allies in order to get contractors to perform the desired tasks—the contract alone may provide a sufficient incentive. Overall, this analysis does *not* imply that policy outsourcing does not occur for the banal reasons discussed in the introduction—constraints on hiring, workload increases, demand for expertise, and the like. Rather, it suggests that policy outsourcing *increases* in the face of ideological discord.

The use of contractors to bypass bureaucrats has significant and far-reaching normative implications. First, amidst growing concerns over democratic backsliding, many have pointed to career civil servants as ballast against populist or anti-democratic headwinds (Moynihan, 2022). Yet, if leaders can sidestep bureaucrats by using contractors instead, bureaucrats are unable to provide a bulwark against partisan or even extremist maneuvers. Second, the use of contractors to perform policy-related work—tasks that are core to what government agencies do—raises questions about the long-term capacity of an agency to ably serve the public, what some have called the "hollowing out" of government. Such risks are exacerbated in the context of policy support services, since as Mazzucato and Collington (2023) insightfully note, "[t]he use of consultants to develop or deliver a core function... assumes learning in the contracting organization is not an incremental and collective *process*, but a *transaction*" (157, emphasis added). Put simply, if agencies are not put in charge of solving their policy problems, particularly in times of heightened tension with leadership, they will not have the opportunity to learn how to solve difficult problems. Over the longer term, this can stymie organizational growth and innovation.

Finally, the use of contractors as a strategic workforce deployed to accomplish particular policy objectives has implications for presidential power writ large. In recent decades conservative ideologues have advanced theories of the so-called "unitary executive," wherein the president should exercise absolute control over the executive branch. While debates about the unitary executive have aroused partisan disagreements (see Skowronek, Dearborn and King, 2021), the use of contractors to stealthily expand the president's implementation workforce merits additional attention and research.

Of course, the research presented here is subject to limitations that future research should remedy. The limited number of years studied and the selection on observables approach deployed here impedes the ability to pinpoint precise causal effects. Additionally, the focus of this study is on prime contract awards, but many contractors delegate work to subcontractors, an action that further limits transparency since it is unclear what actors are doing what work and when.

This research has explored one situation where contractors can be used to work around structural constraints—in this case bureaucrats. However, others have suggested that contractors can be used to hobble future administrations (Michaels, 2010) or to sidestep accountability provisions. For example, in the case of Brazilian outsourcing, Rich (2022) highlights this accountability differential noting that "[w]hen policy makers outsource bureaucracies, they buffer government agencies from other arms of the state that would otherwise serve as a check on their power" (839). In the US, the use of contractors rather than bureaucrats to do work results in an "accountability blindspot" (Dooling and Potter, 2022, 20), since contractors are, for the most part, not subject to the Freedom of Information Act, the Federal Records Act, and the Government in the Sunshine Act, among other disclosure laws. Exploring these other avenues for bypasses is a fruitful way to further unpack the political role of contractors.

Political scientist Francis Fukuyama (2020, 118) predicts that "[w]e are going to continue to rely on contractors because of dysfunctions in the existing, seemingly unfixable civil service system." If he is right—and many observers seem to think he is—then questions about the role of private sector contractors in governance, and particularly how politics intersects with different contractor arrangements, urgently warrant greater exploration.

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