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Introduction

The extent that income inequality has grown in the U.S. is disturbing. Only recently, in the wake of bank bailouts and the Occupy Wall Street movement, have Americans started noticing this disparity. Although protesters of the Occupy Wall Street movement demanded solutions, there were no clear signals on either side of the income gap what those solutions might be. Using a postmodern foundational approach, this paper explores the dynamics of income inequality. Highlighted are leading causes of the disparities entrenched in public policy with no solution. This paper submits that no single solution exists; rather a shift in American regime values is warranted. Looking through the lens of two key bureaucratic leaders, transactional and transformational leadership comparisons relative to unequal income injustices are explored. Finally, Mikesell's "New Performance Budgeting" (2007) is considered as an alternative to Wildavsky's budget strategies.

Theory Framework

Rational choice theory applications had a significant impact on the industrial revolution, applying positivist logic to U.S. bureaucratic organizations. It brought new focus to previously inefficient methods used to control the output of goods and service. But the pluralistic nature and increased complexity of bureaucracies have exposed the limitations of this theory. In a time of relative simplicity where the capitalist driven market from mid 1940s to the 1970s redistributed increasing income equivalently to all segments of the population (Bartels, 2008; Kopczuk, Saez, and Song, 2010; Domhoff, 2012), questioning the application of Rational Choice for income redistributive purposes was not need. As income disparity increased from the 1970s to present (Bartels, 2008; Kopczuk, Saez, and Song, 2010), exploring the causes of economic conditions through a different lens was justified.

Although Rational Choice assumes "only individuals, not collectives, make decisions" (Frederickson and Smith, 2003, p.187), individuals are lumped into meta-categories for purposes of producing quantifiable data for micro and macroeconomic purposes. The analysis of aggregate data, primarily using the Gini Index application, does enable researchers to identify clear trends in income inequality. Considering the complexity and multitude of variables, scientific inquiry is forced toward a hyper-bounded rational approach to determine the cause. This is where Postmodernism fills the gap through its devaluation of social constructs, seeking knowledge through the lens of the income-seeking individual.

The leading body of income inequality research presupposes that U.S. citizens value income. Postmodernism allows researchers to step back to reevaluate this single construct on the basis that individuals engage "in nonlinearities of thought and practice, in improbable behaviors, contingencies, and discontinuities" (Firat and Venkatesh, 1995, p.255). Some individuals may follow the rational "self-interested utility maximizer" (Frederickson and Smith, 2003, p.186) approach, and others follow thought patterns difficult to accurately predict. This is the frame of thought that has led to qualitative and mix-methods approaches, specifically narrative, phenomenological, case study and grounded theory research.

Further examining the construct of individual value as an input variable relative to the output of income inequality, a plethora of causes can result in nearly infinite speculation. Fox and Hugh argued that "names for phenomena intrude to become part of the phenomenon itself" (1996, p.104). Therefore, the term "value", "income", or "inequality" may serve to pollute the logically derived results. Once value is simplified and thoroughly defined, analysis of how one values income can be explored. Cultural norms may drive the importance of income value. Income value could be derived from genetic predispositions within barriers of classes. Perhaps public and private schools reinforce value of income differently, creating future teachers who, in turn, exercise value lessons. However outlandish these examples at face value may seem, they call into question the "known variables" assumed in scientific methodology and associated epistemological approaches.

Value is only one of many societal constructs that legitimately come into question when considering income inequality of individuals. Ambition, poverty, wealth, success, and class structure, to name few, are also constructs that could be questioned. This is not to suggest that every construct should be evaluated and redefined, essentially reconstructing language itself. The Postmodernist approach, instead, redirects the researcher toward alternative approaches, and away from mainstream methodological underpinnings.

Shortly before the 2008 economic crisis, Rational Choice underpinnings had tended to led researchers of the economic community to produce a body of research indicating technological change was the basis for the growth of inequality in the U.S. (Krugman, 2007). This research pointed to income injustices that put a halt to the "American Dream" (Krugman, 2007; Weinstein, 2000). Yet, bookstores continued to carry large stocks of business advice, such as Robert Kiyosaki's popular *Rich Dad Poor Dad.* When the 2008 economic crisis began, income inequality, such as corporate officer salaries and bonuses paid by banking bailout funds, was suddenly in the limelight. Even government wages, long thought to be below fair market value, was being publically ostracized. Rising unemployment and loss of retirement savings further accelerated recognition of systematic disparities. While some research explaining inequitable incomes was readily available, much additional research soon followed. Postmodernists view this public reaction as "sunspots potentially flaming up from any and all points….pulsating waves of energy….affecting the field as a whole, as well as other nodes of potential flame-ups" (Fox and Miller, 2006, p.101). While Rational Choice theorists may work to expel or, more likely, further accelerate the "pulsing waves of energy", Postmodernists recognize that flame will naturally extinguish to be replaced with another flame. Postmodernist may view the lack of response within the Executive and Legislative branches to the Occupy Wall Street movement (the flame from pulsating waves of income loss) as justified. Conversely, they may seek to explore the true nature of the flame through the lens of individuals affected by income distribution.

Welfare related organizations, such as the Social Security Administration (SSA), perform the function of income distribution through the Supplementary Security Income (SSI), Retirement Insurance Benefit (RIB), Disability Insurance Benefit (DIB), and several additional programs. At first glance, these programs appear to increasingly favor poorer individuals. Based on income and resource tolerances, SSI is distributed to the poorest citizens. This amounts to a transfer of funds from income producing taxpayers to poor disabled clients. The RIB and DIB programs result in a higher ratio of repayment to taxpayers who have had lower lifetime earnings than those with higher earnings. Logic would drive the SSA administrator to believe that income redistribution, in these cases, is unfair to higher income producers. But the Postmodernist approach examines administrator fairness through the lens of the recipient, child of the recipient, the taxpayer in each social economic class, the politician, and the administrator.

For brevity sake, this paper will analyze only SSI payments viewed through the lens of the politician and the child of the recipient. The politician, seeking reelection and party continuance, must strike a balance between favoring SSI recipients and decreasing taxes of income producing citizens. An underlying factor in this is crime reduction (Pickett and Wilkinson, 2009). The 2012 Federal Poverty Level for family size of one is $931 monthly or $11,170 yearly (U.S. Department of Health and Human Services, 2012). SSI payments in 2012 for a single recipient without income are $698 monthly or $8376 yearly, well below the poverty line. A decrease in this benefit amount may result in criminal activity to subsidize money in order to attain minimal living standards. Resulting increases in policing and incarceration costs assumed by taxpayers would exceed the monthly SSI payments. Also, voter support would wane as the crime rate increased. Another underlying factor is health care costs. Typically, individuals that qualify for SSI also qualify for Medicaid. Increasing the benefit amount may lead to a high standard of living, serving to decrease Medicaid costs (Pickett and Wilkinson, 2009).

The child of the recipient often is left with few options. Dependent on the funds of the recipient, the child does not have adequate funds for books, tutors, better schools, preparation for standardized tests, transportation for academic activities, etc. Bowles and Gintis found that IQ was a primary factor in determining the positive relationship of parental income to offspring income (2002). In order to develop the cognitive skills necessary for a higher IQ, access to educational resources must be available. Given this lack of resources, it is no surprise that students planning to complete college from the highest quartile of social class were found six times more likely to graduate than those from the lowest quartile (Rumberger, 2010). The child who lacks educational resources most likely becomes the parent who can neither provide adequate resources nor give academic guidance. This loop then perpetuates for generations among the lower class.

In response to the lens viewed through the eyes of the politician and the recipient's child, seeking to provide the best possible service to the public, the SSA street-level bureaucrat has an obligation to provide the most favorable outcomes possible within the boundaries of the regulatory policy (Lipsky, 1980). SSA street-level bureaucrats must recognize that power to wield these policy shaping decisions lies with themselves, rather than the bureaucratic organization (Peters, 1996). Desires of powerful politically influential parties will trickle to the street-level bureaucrat. This can lead to the moral and ethical dilemmas of decision making between opposing parties of the income disparity classes.

Mid-level SSA managers also have an obligation of sharing the burden of assisting street-level bureaucrats in "overcoming the problem of "contravention"" (Peters, 1996, p.54). Behn explains that this leadership role is an obligation, not a right (1998). He recognized that the market does not perform as theoretically predicted, and is, therefore, the manager's responsibility to provide direction beyond ambiguous congressional legislation in order to fulfill public interests (Behn, 1996). In the case of unequal distribution of income, this entails "inventing (or reengineering) new systems and procedures" (Behn, 1996, p.216).

Public Policy

Unequal distribution of income extends beyond the borders of SSA policies, or even the U.S. welfare system. Welfare surely plays a significant role in income distribution. Yet the scope of this issue is much more broad, and encompasses every U.S. political, private, and public organization, every U.S. citizen, emigrant, and immigrant, and many worldwide organizations.

Taxes and transfers are interwoven into the fabric of society. It is at the heart of competing interests between powerful and elite groups and weak and segregated groups. From taxation of a multinational conglomerate overseas to the transfer of those taxes to the predestined child through food stamps provided by the Department of Health and Human Services, U.S. policymakers and bureaucratic administrators are subjected to immeasurable and convoluted policy outcomes. The nature of an increased complexity of networking groups and policies has evolved from Weber's disposition that public administration should focus on "detailed and systematic execution of public law" (Fry, 1998, p.2) to Waldo's disposition that "bureaucracies provide important support for democratic values" (Fry, 1998, p.236).

Munger identifies three competing tensions three competing tensions that shape public policy; markets, experts, and politics (2000). The tensions resulting from experts and the market dictate the efficiency of public policy; the tensions from markets and politics affect the equity of policies; and the tensions from the expert and political relationship form the institutional reform of public policy (Munger, 2000).

Experts have recognized growth in inequality well before 2008 economic crisis (The Economist, 2006; Krugman, 2007). They have also recognized the important role of market self-correction and efficiencies that the role of capitalism brings. So, politicians, faced with conflicting research bodies, are pressured more by market factors. APSA Task Force on Inequality and American Democracy points to the reality that, in 1990, 86% of individuals surveyed with family incomes over $75,000 reported voting and 52% with incomes under $15,000 reported voting, and, respectively, 17% and 4% reported campaign work, 56% and 6% reported campaign contributions, 50% and 25% reported contact with a politician, 7% and 3% reported politically related protest, and 73% and 29% were affiliated with a political organization (2004). Mikesell attributes low voter turnout to perceived citizen costs of voting as higher than expected return (2007).

Political parties increasingly have separated toward opposite ends of the political spectrum since the 1920s, where Democrats symbolize protection of the interests of citizens in lower income half and weak minority groups (Krugman, 2007). This is much of the cause for the election of President Obama, following the 2008 economic meltdown, where 63.7% of citizens with a family income less than $20,000 voted (Crissey and File, 2012).

Leading up to Obama's Presidency, 15 of the top 20 highest campaign contributions were linked to big business and 2 linked to Ivy League schools (Center for Responsive Politics, 2011). 4 of the 15 of Obama's contributing business were U.S. banks that were among the top 6 of 734 to receive greatest amounts of 2008 and 2009 bank bailout funds (CNN Money, 2012; Center for Responsive Politics, 2011). The bailout funds, that have had repayment of 96 of 205 trillion (CNN Money, 2012), were a direct transfer of taxes to support politically powerful bank interests. This is only one example among many. This significant transfer, and others favoring wealth interest groups, reinforced the importance of lobbying and campaign contributions, effecting policy equity and institutional reform.

The combination of pre-election campaign contributions and high income voter involvement and contributions leads to political candidates that are essentially preselected and molded to protect significant supporter interests before the election takes place. This is, unless, once elected, the candidate takes a radically opposing position. Undoubtedly, this is political suicide. The increasing income equality gap only serves to provide lower income citizens with fewer resources needed to contribute to this political process. Welfare recipients, whose qualification is met if total income is well below the poverty line, are left without a voice until the vote is cast. It is not surprising that voter turnout among this group is dismal (APSA Task Force on Inequality and American Democracy, 2004), given that they must elect candidates selected and funded by more advantageous groups.

The bulk of all decision making of tax transfers leading to income inequality stems from the legislative and executive federal bodies. Explicit tax codes are administered and enforced by the Internal Revenue Service (IRS), but the tax policy originates in Washington. The IRS can implement additional enforcement and more stringent corporate reporting procedures to reduce potential Enron situations, off-shore tax shelters, and creative accounting. At what expense to the taxpayer? For example, this could result to outsourcing, further inflating unemployment; or, conversely, tax breaks of the wealthy may be reduced, serving to reduce income disparity. Welfare agencies are subject to more ambiguous legislation, but they are restricted by available tax transfers. The SSA, for example, has taken little action to preserve available funds due to political ramifications primarily from powerful interest groups, such as the American Association of Retired Persons (AARP). The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 resulted in a 2% Social Security tax reduction that served to further deplete Social Security reserves and guarantee retirement instability, a critical source of retirement income for the middle and lower class (Social Security Administration, 2012). The Securities and Exchange Commission (SEC) seeks to regulate investment and market activities. Before 2008, the SEC reduced market regulations that inevitably favored advantaged income groups. The SEC could have instituted policies that further regulated market conditions to reduce investor risk (and gains before the 2008 crisis). Perhaps this would have reduced the magnitude or delayed the outcome of tax transfer absorbed by taxpayers in the wake of the 2008 crisis.

Public organizational managers must manage and lead within the scope of legislation and available funds. Even Lipsky's street-level bureaucrat is bound to acceptable limits, whether legal or ethical (1980). Citizens and lobbying groups simply seek favorable outcomes from the political and bureaucratic processes. Arguably, citizens and bureaucrats have an obligation to preserve democratic principles through available avenues. In the case of the bureaucrat, this might be in the form of policy resistance, political influence, or policy implementation that bounds on illegality. Yet, the executive and legislative bodies ultimately determine the broader fate of citizens.

In the Federalist Papers, James Madison wrote, "In framing a government which is to be administered by men over men, the great difficulty lies in this: you must first enable the government to control the governed; and in the next place oblige it to control itself" (Light, 2011, p.S8). Surely Madison could not anticipate the level of complexity of competing forces and networked relationships that currently exist in government. The evolution of the pluralistic nature government does not validate inequities produced by institutional processes, nor the institutional inability to restrict powerful interest groups from obstructing the democratic process of policy design.

Policy design and outcomes of taxes and transfers can be analyzed comparing Institutional Rational Choice and Development (IAD) with Social Construction and Policy Design (SCPD). Ostrom explains that most development of the IAD framework involves "extreme assumptions such as unlimited computational capability and full maximization of net benefits" (1997). Given limited budgets of organizations, IAD is practical. Furthermore, IAD theories give researchers an excellent starting point to branch into more specific areas of research. Using game theory, one may conclude that payoffs (benefits minus effort) are greatest when individuals remain within socioeconomic classes. Yet, this may not explain Bill Clinton's impoverished beginnings in Arkansas to his eventual Presidency and accumulation of wealth, nor Motley Crue's bassist Nikki Sixx's fall from wealth and stardom. The IAD framework succeeds in providing researchers a baseline of pure and bounded rational approaches formed within a set of predetermined rules that can explain the expected economic impacts of levying additional taxes to the middle class, transferring additional wealth to the lower class, increasing capital gains taxes, comparing tax structures internationally, etc. The IAD framework fails in explaining the irrational human behavior and segmented interests, for example; the lack of voter participation from the lower and middle classes as a means to shift taxes to the rich, the overindulgence of credit from the middle class, political decisions to ignore the national deficit and dwindling Social Security funds, a child's decision to undervalue education, etc.

The SCPD framework is more fitting in analyzing the pluralistic nature of the institutions (Deleon, Ingram, and Schneider, 2007). SCPD framework realizes that policy feeds the politics that create and alter policy (Deleon, Ingram, and Schneider, 2007). The continuity of the SCPD framework ultimately serves to evolve "institutional culture, power relationships, and social constructions" (Deleon, Ingram, and Schneider, 2007, p.97).

Where IAD lacks, SCPD achieves in explaining the input power dynamics of groups leading to the output of biased taxing and transfers. Deleon, Ingram, and Schneider recognize that all groups fall into a spectrum of social construction that rest within the four quadrants of the "advantaged": groups that are politically powerful and viewed positively by society, "contenders": groups that are politically powerful and viewed negatively by society, "dependents": groups that are not politically powerful and viewed positively by society, and "deviants": groups that are not politically powerful and viewed negatively by society (Deleon, Ingram, and Schneider, 2007, p.102). Groups that have the greatest influence on taxes and transfers that fueled income inequality are big business, CEOs, experts, the upper-class, and the middle class. While Big business, CEOs, and the upper-class contenders tend to be in the spotlight for self-satisfying efforts to manipulate tax and transfer policies, a portion of their accumulate wealth has created significant political advantages through lobbying and campaign finance. The advantaged bureaucratic and economic experts have provided empirical evidence that free market systems, deregulation, and the "trickle-down" effect (Bartels, 2008, p.14) had and will continue to create economic gain and prosperity for all. The middle class, lying between the advantaged and dependents, derive political power through aggregate political participation. Before 2008, their disposition was fueled by expert opinion, their belief in the "American Dream", and their ignorance of the extent of income inequality. Clearly, after 2008, the middle class disposition has begun to change, most notably in the Occupy Wall Street movement that failed to result in change of how the wealthy 1% was taxed. The dependent lower-class have previously failed to exercise their vote to gain power or mobilized in an effort to redistribute transfers.

Deleon, Ingram, and Schneider explain, "Policymakers, especially elected politicians, respond to, perpetuate, and help create social constructions of target groups in anticipation of public approval or approbation" (2007). By this rational, politicians would attempt to limit links to contenders in response to social construction. They would publically attack deviants (Bernie Mack) and support the advantaged and dependents in an attempt to gain public support. Bureaucratic leaders must be aware of these dynamics in order change policy.

Bureaucratic Leadership

Given the realities of the pluralist government, U.S. bureaucratic leaders must become a competing force in order to initiate worthwhile change. Katz and Kahn describe leadership as "an influential increment over and above compliance with routine objective" (Bass, 2008, p.19). This definition is often associated with difference between a manager and a leader, or transactional and transformational leadership.

After employment in the Justice Department, Immigration and Naturalization Service, and American National Can (a Chicago based factory), Mark W. Everson was appointed Commissioner of the IRS by the President Bush in 2003 (Olson, 2007). From May 1st, 2003 to May 28th, 2007, Everson had held the position of IRS Commissioner. In March of 2004, Everson spoke to the National Press Club, indicating that he sought to provide increased customer service by providing taxpayers with increased internet options, decreasing wait time, and simplifying the tax process (IRS, 2011). By 2006, all areas of customer service ratings had increased. While commendable, these achievements represent components of transactional leadership. These were previously established measures lacking vision. In an effort to bring back taxpayer confidence to the IRS, Everson targeted "corrosive activity by corporations, high-income individuals…..other contributors to the tax gap…. attorneys, accountants….other tax practitioners….domestic and offshore-based criminal activity" to be targets of IRS scrutiny (IRS, 2011). By October of 2004, the IRS had a 15% increase in enforcement revenue than the previous year, including a 40% increase in enforcement of individuals earning $100,000 or more, and, with the assistance of the Department of Justice, a 20% increase in recommended prosecutions, primarily from white-collar crimes (IRS, 2011). By 2006, average sentences increase from 19 to 22 months (IRS, 2011). This significant achievement was essentially a response to external elements. Everson took action on the basis that public scrutiny had redefined his role. Bass defines this as "passive management by exception" (2008). Selzer, Numeroff, and Bass found that this leadership style is positively correlated with stress and burnout (Bass, 2008), which may help to explain why there was such a variance in organization characteristics of Everson's jobs leading and following (The American Red Cross and Alliant Group) his IRS appointment.

After the Bernard Madoff Ponzi scheme the SEC faced heavy criticism. Appointed by Barrack Obama on January 20th of 2009, former Financial Industry Regulatory Authority CEO Mary L. Schapiro became the 29th Chairman of the SEC (U.S. Securities and Exchange Commission, 2012). Schapiro had stated she would be, "reinvigorating a financial regulatory system to protect investors and vigorously enforce the rules; and working to deepen the SEC's commitment to transparency, accountability, and disclosure while always keeping the needs and concerns of investors front and center" (Tsetsi, 2011). Schapiro could have reacted to market conditions by simply providing additional SEC oversight. Instead, Schapiro exercised Bryman's "change-oriented leadership" (Bass, 2008) through; restructuring several operations, including enforcement and examinations, creating a flatter organization by removing an unnecessary layer of management, placing attorneys closer to the public, and adopting rules to protect investors by restricting liquidity and risk of money market funds (U.S. Securities and Exchange Commission, 2012). Also, Schapiro is currently working with the CFTC to counter previous problems that resulted from over-the-counter derivative market failures (U.S. Securities and Exchange Commission, 2012). This, and many additional projects, Howell, Shea, and Higgins informs is "persisting under adversity", one of three factors of champions of innovation (Bass, 2008). While Schapiro ultimately is viewed as the responsible figurehead, she must share decisions with four additional appointed Commissioners by majority rule. Although innovations many not necessarily stem from Schapiro, she champions ideas and recommendations from subordinates and peers to respond to political pressures, allowing her strategy and vision to evolve. These examples above, and many others, mirror characteristics found in the ideal Transformational Leader.

Gini suggests that "without the active intervention of effective moral leadership, we are doomed to forever wage rear guard action" (1996, p.30). Public discontent due to rising income inequality existed before Everson and Schapiro were appointed. Unlike Everson, Schapiro intervened to alter and create a more regulatory market atmosphere and create a more horizontal organization, reducing an "unhealthy concentration of power and dictatorship by the majority" (Bass, 1996, p.174).

The organizational culture that Schapiro enhanced was reflected in SEC policy changes and a shift in the tone of SEC public messages (SEC, 2012). These systematic changes served to chip away at the inequities of income absorbed by big business (particularly banks) and elite investors, and income lost by the middle class. They amounted to more than Everson's whack-a-mole techniques. Further, enhancing market stabilization reduced risk of another market failure that could have led to added tax transferred bailouts, additional unemployment and welfare payments, and increased borrowed money to be repaid primarily by the middle class. These actions helped to narrow the income gap.

Schapiro's actions had aligned most internal and external stakeholders of the SEC (Bass, 1996). Politicians, investors, and citizens were content with market stabilization actions. After buy-in, SEC employees were no longer the focal point of public scrutiny.

Everson did not intervene to reduce the income gap through unfair tax advantages. His is position to protect capital gains taxes emerged later as Alliant Group's CEO (Bloomberg, 2012; CNBC, nd). It is easy to blame the organizational hierarchy and strict bounds of the IRS, but bureaucratic leaders must at least attempt change when it is warranted. There are no indications that Everson went beyond increasing "economic efficiency and instrumentalism" (Ciulla, 1996) by way of influencing political leaders, gaining public support, or proposing policies to increase fairness of income and capital gains taxes.

The "rhetorical persuasiveness" of Everson (Bloomberg, 2012; CNBC, nd; Hollander, 1996, p.54; Solomon, 1996, p.96) surely resulted in followership and had led him to his appointment. This "extraordinary power" (Soloman, 1996, p.95) might have been better served toward less narcissistic tendencies of policy preservation and right-winged political appeasement.

Everson's ethical values tended assume the role of a charismatic "taskmaster" (Bass, 2008, p.196) of the Bush Administration, rather than a leader seeking political support in the interest of the public. Since the IRS has typically been a conservative, rule-centric, hierarchical organization, followers continued down a beaten path. Weber's philosophical view would further highlight that leadership gained on the basis of charisma is "loose and unstable" (Fry, 1998, p.27).

Everson attended Phillips Exeter Academy and Yale before he was launched into his first position at SC International Services as the finance vice president in 1988; and then several corporate officer positions followed at Pechiney Group (Yale Alumni Association, nd). After his sister was murdered in 1982, he gained employment at the Justice Department for Attorney General Ed Meece (Olsen, 2007). His affluent life leading to top government and corporate positions likely explained his inability to recognize and/or act on the unbalanced tax structure. In addition to Everson's resume, the murder of his sister likely altered his disposition. Kets de Vries explains that this psychological damage may result in a sense of entitlement leading to narcissistic behavior (Kets de Vries, 2003).

Narcissism isn't necessarily problematic for a bureaucratic organization. Rejai found that 23 of 32 revolutionary leaders were "egotistical, narcissistic, and searching for personal fame and glory" (Bass, 2008, p.196). Kets de Vries also recognized that some degree of narcissism is needed for a leader (2003). He warns that an overabundance of narcissism leads to an inability to self-criticize, fueling the "leader-as-mirror effect" (Kets de Vries, 2003). Surrounded by the Bush Administration and a select subordinate staff, exceeding IRS preordained goals, and shielded from the public led to further inflation of the self-aggrandizing nature of Everson's narcissistic behavior.

Schapiro, too, was narcissistic. Without this need for "power and prestige" (Bass, 2008, p.232) she may not have decided to earn a Juris Doctor degree from George Washington University after she had attended Franklin and Marshal College (U.S. Securities and Exchange Commission, 2012). However, public scrutiny, reorganization, and majority rule decisions reduced the "leader-as-mirror effect" (Kets de Vries, 2003, p.25).

Schapiro's lack of self-deception may have been over-shadowed by a need to leave a legacy (Kets de Vries, 2003). Labeled as "The Edifice Complex", Kets de Vries explains that leaders nearing retirement often have a strong desire to fulfill a vision (2003, p.34). At age 57 and Schapiro's second appointment as Commissioner, this may be the case. If this is the driving force, do the ends justify the means? She has, after all, realized transformational changes with permanency; and her changes were to the extent that she had "limit(ed) the loss of reality based decision making" (Kets de Vries, 2003, p.66).

The outcomes of Schapiro and Everson's appointments were entirely different. American actors and non-actors held a stake that resulted in monetary and/or political gains or losses. The examples also suggest how bureaucratic leadership can be instrumental in shaping the outcome of organizations, political decisions and society. Leaders clearly have to ability to reverse the trend of inequality, but to what extent?

Bureaucratic Change toward Fairness

The land of opportunity is increasingly becoming the land of limited opportunity. As the U.S. has become more globally competitive, the bulk of economic gain is going to the top one percent of income earners. The difficulty that the bottom 99% faces is that there is no single solution to solving this problem, albeit taxes and transfers is a primary source of income inequality. This section explores beyond the specific public policy target of taxes and transfers and relative bureaucratic leader responses to examine changes in societal outlooks of equality and acquisitiveness through the lenses of a fragmented population. This paper will use fictional characters to describe social perspectives, and then offer guidelines to reverse the trend of inequality as a regime change through policy making.

Suzie is an 18 year old African-American female born into a *median* middle class family. At an early age her parents claimed she could accomplish anything, reaching the status of Bill Gates or the President. Although she was a top academic performer in her class, her parents are not able or willing fund further education.

First, her parents couldn't have possibly afforded to send her to a private elite school or provide SAT tutoring. Billitteri notes that in 2008, 25% of the middle class reported that they have trouble paying their bills, 51% have trouble saving for the future, and 50% planned to reduce household spending (2009). He also points to the 80% of the middle class who felt living standards were tougher now than 5 years earlier, compared to 65% in 1985 (Billitteri, 2009).

Second, her parents were unsure that accumulating more debt would be worth the risk and payoff of college. Of 25,000 eighth grades surveyed in 1988, 66% of the middle class group claimed they planned to complete college and by 2000 24% actually had completed college, compared to 89% and 60% of the upper class respectively (Rumberger, 2010).

Finally, Suzie's parents do not recognize the extent income inequalities (Domhoff, 2012; Bartels, 2008) nor do they have great concern (Porter, 2012), and archaically view the inequality that they do recognize "as a legitimate result of differences in individual talent" (APSA Task Force on Inequality and American Democracy, 2004).

James is an 18 year old Caucasian male born into a family that has accumulated much wealth and draws an income categorized as the top 0.1%. Valuing education, his father, who went to an Ivy League School and is currently a Republican Senator and former CEO of a multinational corporation, sent him to an exclusive private schools and "extensive SAT tutoring" (Gabler, 2012, p.1). Although James's grades were mediocre, he scored higher on his SATs than his average peer score of 1702 (compared to 1461 for students with families earning between $40,000 and $60,000, and 1321 for students with families earning less than $20,000) (Rampell, 2009) and was accept into the college that his father attended.

Planning to follow in his father's footsteps, as a child generally does (DeParle, 2012), James is confident that he will have limited competition. Bowels and Gintis found the offspring of parents at highest decile had a 2.4% probability of attaining earnings at the lowest decile, and parents of the lowest decile had a 1.3% probability of reaching the highest (2002). Pew research found that 36% of the mid income quintile move up, while 41% move down. Still, James has adopted his father's conservative disposition that "everyone can climb the latter" (DeParle, 2012).

If James is able to fill his father's shoes and political conditions remain the same, his votes would likely be biased by a ratio of three to one toward "wealthy constituents" (APSA Task Force on Inequality and American Democracy, 2004, p.14). Likewise, he could continue to resist egalitarian values in face of foreign counties that have proved to benefit from such values (Domhoff, 2012; Pickett, K. and Wilkinson, R., 2009). Egalitarian advocates question if ""equality of opportunity" can exist when there are large differences in wealth and social status in society" (Hudson, 2010). Logically, there will always be a segment of the population that views economic conditions as unfair.

The concept of "fairness" itself is entirely subjective and can be view differently through separate lens; the social worker, the impoverished, the CEO, etc. However, any individual would have a difficult argument defending the extent that income inequality has shifted (Domhoff, 2012; Heathcote, Perri and Violante, 2010). The greatest difficulty that James will face is promoting fairness through the art of listening to all of his constituents equally, rather than powerful groups primarily. Forester indicates that “failing to listen means allowing the ideology of everyday life to go unchallenged” (Fox and Miller, 1996, p.158). James’s ideology has already been shaped by the wealthy, through the schools he has attended, peers that he is exposed to, and family life that he encounters. Ignoring or staving off the needs of fragmented, ill-represented groups will come easy in the future.

James and Suzie’s situations are indeed not anomalies of American culture realities. They are trapped in a difficult web to untangle. In James situation, there is no real incentive to reverse the trend of income equality. In Suzie’s situation, there is little hope from defeating the network of injustices that she is confronted with. In seeking to limit these barriers, bureaucrats must refrain from seeking solutions for the politically powerful, less fortunate, or the majority. They must seek solutions that are equitable for all parties involved. Is this the right of the bureaucrat to seek and implement such a solution?

Richardson would say yes, based on the founders’ of the Constitution submissions that there is not separation between public administration and politics (1997). Politics includes everyone in governance (Fox and Miller, 1996). Founders indicate that “elective and appointed posts” should be created and filled by “virtuous public servants” as “disinterested governors”, seeking to limit self-interested actors that “diffuse and limit governmental powers and frustrate the tyrannical propensities of factions” (Richardson, 1997, p.108). Opposing the views of Wilson and Taylor, Richardson pointed that to remove administration from politics was “to remove questions of character and ethics from the field” (1997, p.109). Conversely, Richardson recognized that founders’ sought to limit the powers of bureaucratic control to the extent that regime values were not compromised (1997). While “virtuous public servants” were desired by founders, the quantity of virtuous citizens likely could not fill all governing positions (Richardson, 1997).

Bureaucratic leaders must go beyond the mechanistic routines of simply carrying out laws in order to meet the intentions of founders. They must recognize that they, like politicians, represent the needs of citizens, and then take action to solve the complex problem of income inequality, among other demands. They must also recognize that they themselves are not elected leaders, and therefore must adhere to limitations of “popular consent, no matter how virtuous or benevolent they might be” (Richardson, 1997, p.120).

Richardson recognized that virtuous bureaucratic leadership would naturally rise to upper positions in the form of a “natural aristocracy” (1997. P.110). Bureaucratic leaders are not merely puppets to manipulated by politicians; they share the responsibility of the hand that shapes public policy.

In former IRS Commissioner Everson’s case, he could have supported Richardson’s interpretations by promoting more of a bottom-up approach and reducing the hierarchical controls. The very nature of a centralized organization will delimit public values to emerge from within the organization. Barnard’s views support this approach on the basis that the individual opportunities for choice within an organization can be limited or expand choice itself (Fry, 1998). Decisions emanated from this opportunity to change would undergo the constitutional checks and balances in place visa-vi popular consent (Richardson, 1997). For instance, had Everson acted as an agent of the people to change the corporate tax structure within the scope of legislation, corporate entities could have challenged the constitutionality of his changes through judiciary proceedings. If Everson’s actions were deemed far too liberal for the Bush administration, he may have been removed from his appointment, supporting Weber’s view that political leaders should maintain supremacy over the bureaucracy (Fry, 1998). Everson’s removal, however, would be subject to public scrutiny and possible backlash.

American Forefathers’ realized that bureaucratic leaders could not be entirely disinterested (Richardson, 1997). Richardson recognized that private interests could conflict with virtuous agendas, preserving regime values, of bureaucratic leaders (1997). It is assumed that there is a higher degree of virtuousness in public servants. This is the underlying factor that draws citizens from private to public service. The bureaucratic leaders that emerge must seek to reverse the trend of income inequality on several different fronts. Bureaucratic leaders, however, do not *emerge* to the apex of large and powerful organizations.

There is a fundament shift in the American regime that must occur for Richardson's views to fully reach fruition. A change from the political practices of selecting governors who are expected to be virtuous and simultaneously are concerned their own and others wealth to selecting governors who emerge as leaders after a life of public service must occur. This is not to say that wealthy governors do not have that capacity to act virtuously. It's a question of virtuousness on whose behalf? An individual who been rewarded by manipulation of competitive market structures has very different definition of virtuousness than an individual rewarded by a lifetime of self-sacrifice through public service.

Hart wrote, "The primary motivation for public service must be a profound commitment to the founding values of our inception, which includes an extensive and active love of others" (Richardson, 1997, p.113). Here too, the wealthy and the career public servant's definition of "others" are skewed in opposite directions. A wealthy individual may have the capability to realize income equality exists. His/her disposition prevents him/her from truly embracing the consequences from the lens of the 99%. The career public servant most likely has a foundational viewpoint congruent with the 99%. Unlike the wealthy individual, the view of "others" is likely to have been molded from birth in an environment more in tune to public needs.

In addition to this critical change in the American regime, a plethora of additional changes must accompany political leadership's willingness to submit to such changes. The primary concern in these changes is how to reverse evolving thought of how best to allocate resources.

Public Budgeting

The fundamental shift in organizational appointees by political leaders assumes that a reversal in income equality can be achieved by movement away from previously held capitalistic viewpoints toward a welfare state. The remainder of this paper will consider organizational and institutional shifts toward previous viewpoints in reference to Wildavsky's *The New Politics of the Budgetary Process* (1988), inform why these viewpoints are no longer applicable, and then recommend an alternative approach in the form of "New Performance Budgeting" (Mikesell, 2007, p.214-232).

Wildavsky informed that the Keynesian economics applications of 1960s and 1970s required budgets to be balanced, unless during wartime or a depression (1988). Politicians reached consensus on annual budgets, and then they were adhered to throughout the year (Wildavsky, 1998). Welfare and Defense budgets were fairly fixed (Wildavsky, 1998).

This is not the case in the current economic and political climate. One needs only to recognize the growth in the national deficit to realize that budgets are no longer based on Keynesian theories. Powerful interest groups now cause budgets to result in "deadlock or delay" (Bartels, Heclo, Hero, and Jacobs, nd). This results in continuation of previous budgets and associated problems, serving to further inflate income inequality.

Also, wartime is no longer an exception to the rule; it is the rule. Since 2001, the U.S. has been engaged in conflict with Iraq and Afghanistan; only recently has the war in Iraq ended, decreasing projected government expenditure for war from $115.1 billion in FY 2012 to $88 billion in FY 2013 (Amadeo, 2012). These costs weigh heavily on American taxpayers and increase the National Deficit. These burdens represent pasted, present and future funds that could have otherwise been left in the pockets of Americans.

Wildavsky wrote, "there must be an agreement on the general direction of public policy, at least on most past policies, or Congress would be swapped with difficult choices" (1998). Republicans and Democrats are increasingly moving away from middle ground since the 1980s (Krugman, 2007). This has led to clear delineated lines in which Republicans support conservative programs and Democrats support liberal programs (Krugman, 2007). Krugman claims that it is inequality that binds both parties (2007). This is logical, considering federal politicians are surrounded by wealthy groups, and themselves often wealthy. ABC News reported in 2011 that 47% of Congress members were millionaires, with a median net worth of $2.56 million (Shine, 2011). The resulting budgets tend to "encourage economic restructuring through globalization, deindustrialization, and downsizing, with little attention on (policymakers) differential impact on incomes" (Hudson, 2010).

On the basis that government revenues should be equal to expenditures, Wildavsky viewed that incremental change was needed for budget changes (1998). In the 1960s and 1970s this was practical since competition for budget allocations was equivalent. Since this time, competition for resources has favored interests that secure political attention, whether from lobbying or public outcry. Mikesell wrote, "Democratic government will not treat everyone with equal deference in a world of imperfect knowledge" (2007, p.20). The result has been incremental adjustments that favor powerful interest groups. Hudson informs, "Social welfare programs ranging from food stamps to energy assistance have borne the brunt of cuts in discretionary federal spending since the 1980s" (2010). Perhaps a method to combat this issue is to separate private from public allocations. This would create greater transparency for all interested parties. This would allow for greater understanding of how and extent that incremental changes are altering income. Also, when public and private allocations are lumped together a political decision to increase the budget of one organization may directly result in an increased budget of a private organization. It can't be assumed that the private organization will grow at the same rate as the public organization.

According to Wildavsky, governmental agencies receives a "fair share….(that)…. reflects a convergence of expectation on roughly how much an agency receives in comparison to others" (1998, p.83). This application would serve to work against income transfer agencies. First, this assumes that all agencies are similar, and therefore should grow at the same rate. A decentralized agency, such as the Department of Health and Human Services (DHHS), would require additional funds at a similar rate that its population increased. A centralized agency, such as the Federal Reserve System, does not need to expand on the basis of increased revenue or population. Second, this assumed that citizens needs will remain stagnate. Naturally, the American culture changes, as should the policies and budget that they depend on. Finally, this assumes that the magnitude of agencies will remain stagnate and that additional private entities will not be added to the budget. As additional agencies and private entities are added to the budget, existing agencies must suffer the consequences of politicians who must redefine "fair share".

This "fair share" concept combined with incremental adjustments has a direct negative impact on tax transfer organizations serving to combat income inequality. The 99% would be better off with the Gini Coefficient or income distribution measures as a metric to be used for funding for tax transfer than previous and equivalent allocations. Among other competing forces, incremental adjustment and "fair share" allocations are based on political climate, government accounting and financial reports, audits, and executive budget plans. Government reporting standards tend to create transparency of internal outcomes (Mikesell, 2007). Financial and performance audits that determine "illegality, inefficiency and, irregularity, and ineffectiveness" (Mikesell, 2007, p.54) are also focused primarily on internal measures. These measures do not represent the full scope of income inequality. For example, the SSA has increasingly been measured by internal measures of customer service goals (a measure that often resorts in reallocation of resources by the agency), such as customer wait time calls and in-office visits, application process time, and appeal decision wait time. When economic conditions are bad these times will naturally increase due to increased customer flow, indicating that the SSA programs are less effective. Both government reporting and audits are useful for the purposes of preventing fraud, waste and abuse, and providing oversight for the Legislative and Executive bodies.

Executive budget plans are prepared for legislative consideration well over one year before the budget is executed (Mikesell, 2007). Recommended budgets of tax transfer organizations are based on information that organizational leaders had available from the previous fiscal year, representing a two year lag (Mikesell, 2007). This significantly delays the response to economic shifts reducing income equality. This can be a double-edged sword. When times are getting worse politicians may accept budget proposals on the basis of better economic conditions. When times are getting better politicians may reduce the budget requests on the basis of current economic conditions and political climate. Further, Wildavsky indicates that members of the House Appropriation Committee reach the point of resisting proposed budgets (1998) due to the bureaucratic tendency to "systematically….seek higher budgets each year" (Goodsell, 1994). This sword incrementally slices away at income equality.

Mikesell offers recommendations through "New Performance Budgeting" (2007, p.214-232) that are viable solutions to reduce income inequality. He redirects measures to recognize performance from archaic draconian outputs to societal outcomes (Mikesell, 2007). This shifts away from focus of bureaucratic decision making efforts that seek internal efficiency and effectiveness toward external intended outcomes. Seeking external performance measures does preclude bureaucratic accountability through reporting and audits, but refocuses bureaucratic efforts toward meeting legislative goals that directly benefit citizen majorities. Bureaucratic leaders and legislative decision makers are able to evaluate programs with timely data, using metrics of economic and social indicators.

Consider a legislative goal that seeks to reduce income inequality through welfare provided by DHHS in the prototype state of Michigan. Currently, emphasis is on program costs and mechanisms of implementation. A shift to new goals to reduce inequality may result in entirely new programs or reinforcement of previously existing programs. DHHS might find that diverting funds towards boosting high school achievement standards in low income areas, providing community college and trade school grants to applicant in low-income families, and linking welfare recipients with employers achieves this. Income inequality could be measured relative to surrounding states and those states' rates of growth or decline (at the national level, the Gini coefficient). Mikesell notes that cost of implementation are less emphasized than the outcome it achieved (2007). Success in these applications may result in National application, reducing income inequality.

Wildavsky's budget strategies, to varying degrees, shaped and are used in the process of fiscal administration. These strategies no longer address all wealth distribution stakeholders. Politicians are forced to make critical budget decisions with limited information in a rapidly changing competitive environment. These politicians would better serve their constituents by applying New Performance Budgeting. These new performance measures would assist politicians and bureaucratic leaders alike in making more informed decisions.

Conclusion

The dynamics of income inequality is a complex social problem involving many actors that play a role. A single solution to the problem does not exist. Bureaucratic leaders must be aware that every decision may alter the tide of inequality. They should examine decisions through the eyes of all stakeholders involved before taking action. They must be aware that fundamental shifts in political culture and the American regime must occur for the tide to be reversed. Finally, they must realize that they not only should have, but do have, a foundational obligation to take corrective action.

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