



## **Government Policy YES, Bureaucratic Implementation NO!**

by Dr. Don Racheter

Many Americans today believe they are caught between a rock and a hard place. They dislike the way government bureaucrats seem more interested in making life easy for themselves than in helping the needy, more interested in managing problems than solving them. On the other hand, when they see exposés on television of people getting ripped off by swindlers, they often react by saying “There ought to be a law against that!” What people seem to want is the uniformity and protection of government policy combined with the customer-service orientation of the private sector.

One example where this combined approach, or “middle way,” is possible is building inspection. Currently in the United States we have adopted building codes to ensure that contractors don’t build with substandard materials which will cause accidents that kill or maim innocent victims. Local governments hire building inspectors to make sure the codes are followed. In France, by contrast, they passed a law that contractors are liable for damages if a building fails and hurts people within ten years of construction. Since builders don’t want to have to worry about lawsuits, they take out insurance policies against liability just like doctors do here. In order to make sure the contractors don’t leave them holding the bag, the insurance companies send out inspectors to make sure the builders don’t use substandard steel, concrete, etc. in erecting the buildings.

So in both systems there is a uniform rule that builders are to attend to the safety of their construction and customers. However, in the U.S. case, only monopoly government inspectors are allowed, while in France, the implementation is farmed out to the private-sector inspectors hired by the competitive insurance companies. What difference does it make?

First, taxpayers are not footing the salary and benefits of the inspectors in France as they are here. Second, since there are multiple insurance companies competing for the liability policy business of the contractors, they are willing to send the inspectors when the builders want them, not just 9-4 Monday through Friday as in the government monopoly situation here. Builders don’t have to pay drywall installers to stand around waiting until the plumbing and electrical work has passed inspection. This both speeds up the work and saves the contractors money, which results in lower costs for the customers and the economy as a whole. Third, if an inspector takes a bribe to look the other way while sub-standard materials are used, the insurance company, and not the taxpayers or customers, is on the hook for any damage or liability that results.

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Another example of using non-governmental enforcement of government policies is the use of “bounty hunters” or “citizen enforcers” with regard to catching criminals, hunting down prairie dogs, or other undesirables. With as few law enforcement officials as we have, and with all the jurisdictional barriers to chasing down malefactors, governments often put up a reward for those who bring in a criminal or provide leads to the police. Having 300 million people on the lookout for the “ten most wanted” is more likely to result in apprehension than if just a few policemen are hunting them.

This concept could be extended into other areas of policy. We have laws that our ground beef, ground turkey, hot dogs, and sausages are to contain only meat and approved meat by-products, but then we hire an insufficient number of inspectors to police all the production facilities. However, if you bite into a hot dog with a foreign object in it, the company that produced it can use as a defense in a lawsuit you bring against them that they were “government inspected.” Would it not be better to get rid of the “government inspected” defense and give triple damages to anyone who catches a lax producer and reassign the inspectors to other duties?

We invite our readers to tell us about other ways in which Americans could benefit from uniform government policies which are enforced by non-bureaucratic means. We will publicize the best ideas in our publications.

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