REPRESENTATIVE BUREAUCRACY
Examining the Linkage Between
Passive and Active Representation
in the Farmers Home Administration

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Despite the extensive literature on representative bureaucracy, only a few studies have examined empirically whether bureaucracies with different levels of representativeness produce different policy outputs. This study adds to the growing body of empirical research by focusing on active representation of various groups of federal civil servants (African Americans, Hispanics, Asian Americans, and Native Americans) in district offices of the Farmers Home Administration (FmHA). The analysis shows significant relationships between African American, Hispanic, and Asian American representation and the share of program resources allocated to those groups. The positive findings for African Americans, Hispanics, and Asian Americans suggest that these groups obtain larger allocations of resources as their representation increases, supporting the underlying assumptions of representative bureaucracy. The relationship between passive and active representation, however, is not statistically significant for Native Americans.

The literature on representative bureaucracy spans more than 50 years and its staying power in the academic literature gives ample demonstration of a provocative, important idea in public administration. Mosher (1968) introduced the key distinction in the definition of representation: He divided representation into two spheres, passive and active. Passive representation pertains to the similarity in demographic backgrounds of bureaucrats and the public. Representativeness is active when individuals, or civil servants, advocate the interests and the desires of groups sharing their demographic origins. The central tenet of the theory of representative bureaucracy is that passive representation, or the extent to which a bureaucracy employs people of diverse demographic backgrounds, leads to active representation, or the pursuit of policies reflecting the interests and desires of those people (Meier, 1993b; Meier & Stewart, 1992).

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**TABLE 1: Empirical Research on Representative Bureaucracy**

<table>
<thead>
<tr>
<th>Examples of Empirical Research</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Passive representation:</strong></td>
</tr>
<tr>
<td>The extent to which bureaucracy reflects the demographic composition of society</td>
</tr>
<tr>
<td>Subramanian 1967; Hellriegel and Short, 1972; Nachmias and Rosenbloom, 1973; Gibson and Yeager, 1975; Grabosky and Rosenbloom, 1975; Meier, 1975; Hall and Saltzstein, 1977; Rose and Chia, 1978; Cayer and Sigelman, 1980; Smith, 1980; Dometrius, 1984; Lewis, 1988; Kellough, 1990a; Kim, 1993; Page, 1994</td>
</tr>
<tr>
<td><strong>Determinants of passive representation</strong></td>
</tr>
<tr>
<td><strong>Potential for active representation:</strong></td>
</tr>
<tr>
<td>The relationship between demographic origins and policy-relevant attitudes</td>
</tr>
<tr>
<td>Garham, 1975; Meier and Nigro, 1976; Rosenbloom and Featherstonhaugh, 1977; Rosenbloom and Kinnard, 1977; Thompson, 1978</td>
</tr>
<tr>
<td><strong>Active representation:</strong></td>
</tr>
<tr>
<td>The relationship between passive representation and active representation, as measured by policy outputs and outcomes</td>
</tr>
<tr>
<td>Meier and Stewart, 1992; Meier, 1993a; Hindera 1993a, 1993b</td>
</tr>
</tbody>
</table>

These two concepts defined by Mosher (1968) have guided empirical research. The bulk of empirical scholarship has concentrated on passive representation (see Table 1). Scholars continue to probe and debate the degree to which the rates of employment of minorities and women in government agencies are congruent with their proportions in the general population, and how proportionality changes at lower and higher strata of the bureaucracy (e.g., Cayer & Sigelman, 1980; Dometrius, 1984; Gibson & Yeager, 1975; Grabosky & Rosenbloom, 1975; Hall & Saltzstein, 1977; Hellriegel & Short, 1972; Kellough, 1990; Kim, 1993; Lewis, 1988; Meier, 1975; Nachmias & Rosenbloom, 1973; Page, 1994; Rose & Chia, 1978; Smith, 1980). They have also examined factors that seem to make some agencies more representative than others (e.g., Cornwell & Kellough, 1994; Dye & Renick, 1981; Eisinger, 1982; Kellough, 1990; Kellough & Elliott, 1992; Kim, 1993; Mladenka, 1989a, 1989b, 1991; Riccucci, 1986; Saltzstein, 1986; Stein, 1986; Welch, Karnig, & Eribes, 1983).

A second category of research has explored the potential for active representation by examining the relationship between demographic characteristics and attitudes of bureaucrats (e.g., Garham, 1975; Meier & Nigro, 1976; Rosenbloom & Featherstonhaugh, 1977; Rosenbloom & Kinnard, 1977; Thompson, 1978). More recently, research has turned to the implications of passive repre-
sentation. Inquiry in this arena is concerned with the relationship between employment of minorities and women and agency outputs and outcomes affecting these groups. Specifically, research has examined the relationship between demographic representation and disciplinary actions and ability groupings in school systems and charges or complaints of discrimination filed by a regulatory agency (Hindera, 1993a, 1993b; Meier, 1993a; Meier & Stewart, 1992).

In the first study linking demographic representation and policy outcomes, Meier and Stewart (1992) found that the increased presence of African American street-level bureaucrats (e.g., schoolteachers) had a significant effect on policy outcomes favoring African American students. Meier (1993a) later replicated these findings for Latinos. He also tested the hypothesis proposed by Thompson (1976) and Henderson (1979) that a critical mass of minority administrators is needed under some circumstances before active representation occurs. Meier (1993a) found evidence to support this supposition, suggesting that active representation is most likely when sufficient minority management-level employees are present. In a similar approach, Hindera (1993b) focused on African Americans and women in the Equal Employment Opportunity Commission (EEOC). He found that as the employment of African Americans increased, charges filed on behalf of that group also increased. Hindera (1993a) later extended this research to include Hispanics, obtaining similar results.

This study seeks to build on this stream of research in representative bureaucracy by testing the relationship between passive and active representation in an organizational setting that has a more distinct culture and mission than the two settings previously studied. The Farmers Home Administration's (FmHA) mission and goals are "concerned primarily with credit and counseling services . . . building stronger family farms and nonfarm programs to benefit rural families and communities" (U.S. Department of Agriculture, Farmers Home Administration [USDAFmHA], 1990, p. 1). Charged with protecting the interests of farmers (Meier, 1993b), the FmHA is not likely to socialize or instill values in its employees that emphasize minority representation. Moreover, the FmHA has a history of implementing policies that adversely affect African American farmers (Davidson, 1987; Jones, 1994; Martin, 1985; U.S. Commission on Civil Rights, 1982). Several studies have documented specific findings of discrimination in the FmHA in terms of the services provided to African Americans compared to those provided to similarly situated Caucasians (Baldwin, 1968; Good, 1968; Myrdal, 1969; U.S. Commission on Civil Rights, 1965, 1979, 1982). Given the culture and history of the FmHA, this study of the FmHA's Rural Housing Loans program should offer a stringent test of the link between passive and active representation of African Americans, Hispanics, Asian Americans, and Native Americans. This research also represents the first attempt to systematically explore this relationship for Asian Americans and Native Americans.
RESEARCH SETTING AND DATA

Selection of the Rural Housing Loans Program

Meier and Stewart (1992) suggested that the following conditions are important for empirical examination of the theory of representative bureaucracy: first, administrators must exercise some degree of discretion in program implementation; second, the discretion should be exercised in an area that could affect the minority community; and third, administrators must be linked directly with their decisions. After reviewing the United States Government Manual (1993/1994) a number of programs were identified as possible candidates, and after interviewing program officials from the various programs, the FmHA Rural Housing Loans program was selected. Authorized by the Housing Act of 1949, the Rural Housing Loans program provides low-interest loans to moderate- to low-income persons nationwide to buy, build, improve, repair, or rehabilitate rural homes (USDAFmHA, 1993c).

FmHA

The FmHA is an agency within the USDA that has been responsible for providing loans for farm operating needs and farm ownership since its inception (Agricultural Credit, 1958). The FmHA’s mission was expanded to include rural-housing ownership and repair under Title V of the Housing Act of 1949. The Housing Act of 1949 was the first legislation designed specifically to provide residents in rural counties with an opportunity to secure government-backed loans for housing. This law authorized the FmHA to assist families in rural America in acquiring adequate homes and in repairing and improving their existing dwellings. The program has grown to service more communities and a wider range of residents. FmHA has developed a system that operates through more than 1,700 county offices, more than 245 districts, and 46 state offices.

Selection Criteria

As mentioned previously, the program was selected because it met the three conditions suggested by Meier and Stewart (1992). FmHA county supervisors exert considerable discretion in allocating resources for the Rural Housing Loans program (Hadwiger, 1973; Nelson, Lee, & Murray, 1973; U.S. Commission on Civil Rights, 1982; U.S. General Accounting Office, 1979; Wyatt & Phillips, 1988). They are responsible for reviewing applications, interviewing applicants, and selecting recipients of rural-housing loans (USDAFmHA, 1993a, 1993b). The administrative process underlying the housing loan decision is as follows:

- An individual files a loan application with the FmHA.
- The county office requests a credit report.
The county supervisor then interviews the applicant to review his or her case. During the interview, applicants have the opportunity to explain any deficiencies in their credit and/or employment history. Furthermore, the county supervisor assists applicants in completing a budget that will demonstrate applicants’ repayment abilities.

The county supervisor then renders a decision as to whether an applicant is eligible for a rural-housing loan given his or her income level, credit history, employment, and repayment ability.

Obviously, some decisions regarding eligibility are apparent. Individuals with incomes exceeding the low to moderate levels targeted by the program or applicants without adequate repayment ability will be classified as ineligible. Similarly, individuals falling within the low- to moderate-income level who have a good credit history and the ability to make house payments will be classified as eligible. Applicants with a poor credit history and/or irregular employment could often be ruled in either direction, however. These cases require the county supervisor to make a decision based on his or her personal judgment of the situation. A number of subjective factors can enter into the decision. For example, Wyatt and Phillips (1988, p. 92) found that “one county supervisor . . . would regularly deny loans to families she saw eating at fast-food restaurants. ‘Eating out,’ she told us, ‘is not good money management, and it is bad nutrition.’ ”

When making such decisions, county supervisors receive no direct oversight from district office staff and minimum attention from state office personnel. Final loan determinations are the sole responsibility of county supervisors; therefore, these decisions can be linked directly with an individual bureaucrat, providing an ideal situation in which to examine the theory of representative bureaucracy.

Meier (1993b) argued that the linkage between passive and active representation is most likely to occur in agencies where administrators implement policies that have racial and ethnic implications. There are significant differences in the type and quality of housing generally occupied by African Americans and Caucasians. Bianchi, Farley, and Spain (1986, p. 19) explained that “blacks typically live in lower quality housing than whites, occupy older housing, and are less likely to own their own homes.” Historically, it has been more difficult for certain minority and ethnic groups to acquire housing than Caucasian citizens. Patterns of racial and ethnic segregation in residential housing markets and discrimination against minority groups by mortgage lenders have been long-standing civil rights concerns (Hula, 1991; Momeni, 1986). All racial and ethnic minorities have faced higher rates of denial for home ownership and improvement loans than have Caucasian applicants (Canner, Passmore, & Smith, 1994).

The FmHA also has a reputation for discriminatory lending (U.S. Commission on Civil Rights, 1982, p. 63). For example, Baldwin (1968) discovered disparate patterns of lending in the Farm Security Administration, which was dissolved in 1946 and its responsibilities and personnel transferred to the then
newly created FmHA (U.S. Commission on Civil Rights, 1982). He found that "a white low-income farm family had a two-to-one advantage over a Negro family in obtaining a standard loan. The odds against a Negro family ranged from three-to-one in Tennessee to seven-to-one in Mississippi" (Baldwin, 1968, p. 201). More recently, African American farmers in North Carolina alleged that they suffered "from a range of discriminatory actions, and [were] subjected to disrespect, embarrassment, and humiliation by FmHA officials" (U.S. Commission on Civil Rights, 1982, p. 84).

Evidence suggests that racial and ethnic minorities are still subject to at least subtle forms of discrimination in obtaining access to housing loans from governmental and private lenders. One often-mentioned cause of the racial disparities in mortgage lending is the employment practice of the lending institution. A recent study of Milwaukee-area commercial banks and thrifts shows that the likelihood of an African American applicant being approved for a mortgage increases as the proportion of African American employees increase in financial institutions (Squires & Kim, 1995). This study seeks to determine if FmHA districts with larger shares of minority decision makers award more loan eligibility determinations to minorities.

Data

The analysis concentrates on two questions. First, to what extent are Caucasians, African Americans, Hispanics, Asian Americans, and Native Americans represented as FmHA county supervisors? Second, does the passive representation of a particular group affect the distribution of policy outputs to that group? For example, are a higher percentage of Hispanics deemed eligible to receive rural-housing loans in districts employing a larger percentage of Hispanic county supervisors? To address these questions, information was collected about FmHA districts of which there are 246 included in the analysis. The FmHA provided data by district that identified the race and ethnicity of FmHA county supervisors for 1993. The agency also supplied information about the levels of policy outputs accrued by African Americans, Hispanics, Native Americans, and Asian Americans in Fiscal Year (FY) 1993. These data indicated the number of applications approved and key characteristics of those receiving loans. Other data used in this study are drawn from 1990 census data and from Congressional Quarterly's Politics in America 1993: The 103rd Congress (Duncan, 1994).

PASSIVE REPRESENTATION IN FMHA DISTRICTS

The discussion of passive representation is limited to measuring the degree to which racial and ethnic minorities are represented as FmHA county supervisors. When examining the percentages of these groups serving as county
TABLE 2: Passive Representation of Racial, Ethnic, and Gender Groups Among FmHA County Supervisors

<table>
<thead>
<tr>
<th>Representation index</th>
<th>Caucasians</th>
<th>African Americans</th>
<th>Hispanics</th>
<th>Asians</th>
<th>Native Americans</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0765</td>
<td>0.4792</td>
<td>0.3370</td>
<td>0.0886</td>
<td>1.0875</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: The representation index for each group was calculated as follows: Caucasians: percentage of FmHA county supervisors that are Caucasian/percentage of national population composed of Caucasians; African Americans: percentage of FmHA county supervisors that are African American/percentage of national population composed of African Americans; Asians: percentage of FmHA county supervisors that are Asian/percentage of national population composed of Asians; Native Americans: percentage of FmHA county supervisors that are Native American/percentage of national population composed of Native Americans.

supervisors, significant variations in the representation of African Americans, Hispanics, Asian Americans, and Native Americans exist between districts. For example, the percentage of African American local supervisors working in FmHA districts ranges from 0% to 63%, and the percentage of Hispanic local supervisors employed in districts varies from 0% to 100%.

The most common method of examining the racial and ethnic representative-ness of public bureaucracies is the representation index. The representation index is calculated by dividing the percentage of a particular group within the organization by the percentage of that group within the relevant population. A ratio of 1.0 suggests that the representation of a group within an organization corresponds exactly with its representation in the general population. An index of less than 1.0 indicates underrepresentation of a group, whereas a ratio of more than 1.0 indicates overrepresentation of a group.

Table 2 presents the nationwide representation indexes for Caucasians, African Americans, Hispanics, Asian Americans, and Native Americans in county supervisor positions. The representation index for both Caucasians and Native American citizens exceeds 1.0, indicating that these groups are slightly overrepresented as county supervisors. The remaining groups—African Americans, Hispanics, and Asian Americans—are all underrepresented in the position of county supervisor.

Examining the passive representation of minorities as county supervisors by FmHA district reveals expected regional differences in group representation. Here, the representation indexes are estimated by dividing the percentage of county supervisors from each group in the FmHA district by the percentage of each group in the FmHA district. Districts located in the southeast have higher African American representation indexes than districts in other regions of the country. Similarly, Hispanic representation indexes are higher in districts located in Arizona, New Mexico, and Texas. One obvious explanation of these regional differences is that these areas have more African Americans and Hispanics in the labor market.
ACTIVE REPRESENTATION WITHIN FMHA DISTRICTS

When decision-making behavior on the part of a particular group of public employees affects systematically the resource allocation to that community, active representation is believed to be occurring (Hindera, 1993a, 1993b; Meier, 1993a; Meier & Stewart, 1992). For example, Meier and Stewart (1992) found that school districts with higher proportions of African American teachers enrolled higher percentages of African American students in gifted courses. To assess whether FMHA county supervisors engage in active representation, this research examines the affect of passive representation on the percentage of rural-housing loan eligibility determinations favoring racial and ethnic minorities.

Dependent and Independent Variables

Table 3 summarizes the operational definitions of the dependent and independent variables used in subsequent analyses. The dependent variable or the allocational decision providing a focus for the research is the loan-eligibility determinations made by county supervisors. It is operationally defined as the percentage of eligibility determinations in a district favoring specific racial or ethnic groups.

The independent variable of primary interest is passive representation of county supervisors in FY 1993. Because the authority to approve a loan belongs to FMHA county supervisors, passive representation is measured as the percentage of county supervisor positions in a district held by members of the specified racial or ethnic group. The central hypothesis to be examined is whether passive representation of the specified groups will be positively correlated with the percentage of eligibility decisions favoring those groups.

For inferences regarding the affect of passive representation on policy outputs to be valid, this study will attempt to control statistically for factors other than race or ethnicity of FMHA county supervisors that may reasonably be expected to influence the proportion of eligibility decisions favoring selected groups. The selection of control variables depends, of course, on the research setting used. In an examination of the link between passive and active representation in district EEOC offices, Hindera (1993b) controlled for the proportion of a demographic group within the labor pool, city size, and political ideology of the House delegation representing the area in which the district office was located. In a study of representative bureaucracy in the Florida public school system, Meier (1993a) controlled for the percentage of group population that is more than 25 years of age with a high school diploma, the percentage of Anglo residents in poverty (to represent Anglo social class), and the ratio of Latino to Anglo personal income (expressed as a percentage). Meier used these controls to ensure that the relationship found between Latino employment and policy outcomes and outputs did not reflect simply the social class disadvantages of the Latino population.
TABLE 3:  Operational Definitions of Dependent and Independent Variables

<table>
<thead>
<tr>
<th>Dependent Variable:</th>
<th>Percentage of Fiscal Year (FY) 1993 eligibility determinations in a district favoring a particular group (African Americans, Hispanics, Native Americans, Asians, and women)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variable 1:</td>
<td>Percentage of county supervisor positions in each district held by a particular group</td>
</tr>
<tr>
<td>Independent Variable 2:</td>
<td>Percentage of population composed of members of selected groups in 1990</td>
</tr>
</tbody>
</table>
| Independent Variable 3: | Area Hardship Index composed of:  
  
  **Poverty:** Percentage of selected group living in poverty in 1990  
  **Unemployment:** Percentage of selected group’s labor force that was unemployed in 1990  
  **Dependency:** Percentage of selected group’s population that was less than 18 or more than 64 years of age in 1990  
  **Education:** Percentage of selected group’s population 25 years of age or older with less than a 12th-grade education in 1990  
  **Income Level:** Per capita income of selected group in 1990 |
| Independent Variable 4: | **Political Ideology:** 1993 Americans for Democratic Action (ADA) rating for the FmHA district’s House of Representatives member. The index is scaled from 0 (conservative) to 100 (liberal). When more than one member of the House of Representatives represents the district’s population, a weighted ideology index is constructed by weighting each member’s rating relative to the proportion of the district’s population he or she represents and summing the proportional ratings. |

In the present study, similar factors are likely to affect the demand for housing loans and eligibility decisions made by county supervisors. For example, because the Rural Housing Loans program targets moderate-income to very low-income people, areas with more low-income residents of a particular group are likely to place more demand on the program than other areas. The proportion of applications filed by members of a specific group will affect the percentage of eligibility determinations favoring that group. However, the FmHA was unable to provide nationwide information on the number of applications received in each district. Instead, this study will use district characteristics—such as percentage of a group living in the district and percentage of a group living below the poverty line—to control for demand.

Due to the high intercorrelation of area characteristics that may affect the demand for rural-housing loans, such as unemployment, income level, and poverty, this study used an index developed by the Brookings Institution to gauge area hardship to mitigate problems of multicollinearity. Five measures available from the 1990 census compose the hardship index:

- Poverty: Percentage of selected group living in poverty
- Unemployment: Percentage of selected group’s labor force that is unemployed
- Dependency: Percentage of selected group’s population that is less than 18 years of age or more than 64 years of age
- Education: Percentage of selected group's population that is 25 years of age or older with less than a 12th-grade education
- Income level: Per capita income of selected group

Each of these ratios was standardized to give equal weight to each of these comparative measures and then summed to compute the hardship index (see Nathan & Adams, 1976, 1989; O'Sullivan & Rassel, 1995). The higher a group's hardship index, the more adverse a group's economic situation is in an area. A particular group's demand for low-income rural-housing loans will be higher in areas where that group faces more economic adversity. Therefore, FmHA districts are likely to classify a higher percentage of members of a specific group as eligible in areas in which that group is economically depressed.

The number of loans distributed to a particular group will also be associated with the population of that group within the district. For example, merely having a larger proportion of Hispanics residing in a district should increase the probability of receiving more applications from Hispanics. As a result, the number of loans awarded to Hispanics in these areas is likely to exceed the number awarded in areas with fewer Hispanic residents. Further, county offices located in districts with larger populations of the minority group are more likely to employ individuals from that group. Thus it is necessary to also control for the population of a particular minority group in the district.

Another variable that may be important has to do with the political ideology of elected officials representing the districts. Several authors have claimed that both senators and members of Congress can influence the implementation of federal policy within their respective districts (Dodd & Schott, 1979; Ripley & Franklin, 1991). According to Scholz, Twombly, and Headrick (1991), partisan activities of elected officials systemically influence bureaucratic behaviors. They learned that county, state, and federal elected officials influenced Occupational Safety and Health Administration (OSHA) enforcement in New York. At the county level, liberal legislators were associated with more active enforcement of OSHA regulations. Chubb (1985) also found that liberal representatives were more inclined to vigorously oversee policies that assisted the disadvantaged because the disadvantaged were a more important part of their contingency.

Because the Rural Housing Loans program is redistributive in nature, and because it may be argued that members of Congress will be fundamentally predisposed toward support for policies on behalf of low-income citizens, whereas conservative members will tend to not support redistributive policy decisions, it is expected that as the liberalism of the district representatives increases, the proportion of loan-eligibility decisions favoring minorities in a district will also increase. Consequently, subsequent analysis will control for the ideology of House delegates elected in the district regions. The study uses the 1993 Americans for Democratic Action (ADA) rating of each FmHA district's House of Representatives member as a measure of liberalism. The index is scaled from 0 (conservative) to 100 (liberal). For districts in which more than one delegate
represents the area, a weighted ideology index is constructed based on the proportion of the population of the district that each delegate represents.

The percentage of eligibility decisions favoring a group in a district is modeled as a function of the employment of that group in the FmHA district, the needs index of that group in the FmHA district, the population of that group in the FmHA district, and the political ideology of Congressional representation from the FmHA district. White's statistical procedure was used to test for heteroscedasticity in the regression model for each minority group (Pindyck & Rubinfeld, 1991). Because the initial regression model for each group was affected by heteroscedasticity, the analysis employed weighted least squares using the percentage of the group in the population as the weighting variable (Koutsoyiannis, 1977, p. 188).

**FINDINGS AND DISCUSSION**

The multivariate analysis of loans awarded to African Americans is shown in Table 4. The relationship between the percentage of African American supervisors and the percentage of eligibility decisions favoring African Americans is positive, as expected. A 1.00 percentage point increase in African American supervisors is associated with a 1.06 percentage point increase in eligibility decisions favoring African Americans. Similarly, district population of African Americans is associated with a higher percentage of loan eligibility decisions favoring the African American community. Both relationships are strongly significant. The relationships between eligibility determinations favoring African Americans and the two other control variables—hardship index and political liberalism—are not statistically significant in this model. Overall, the model accounts for 68% of the variance in the percentage of eligibility decisions favoring African Americans. This study provides substantial evidence that districts with higher percentages of African American supervisors allocate more FmHA resources to African American citizens.

A U.S. Commission on Civil Rights report (1982, p. 91) suggested that perceived and actual program inequities within the FmHA may be due, in part, to the low percentage of minorities employed in decision-making positions. Although this study does not explicitly examine inequities in program resource distribution between African American and Caucasian citizens, it does suggest that increasing the share of African Americans employed in key decision-making positions is a real and viable means of combating and countering historic biases within the agency.

Like African Americans, Hispanics represent a large, visible minority who have experienced discrimination (Bean & Tienda, 1987; Darden, 1986; Hraba, 1994; Massey, 1979). Although the number of Africans immigrating to the United States has increased over the last three decades, Hispanics are immigrating at higher rates and the U.S. Census Bureau estimates that by the year 2080,
TABLE 4: Affect of Passive Representation on the Percentage of Eligibility Determinations Favoring African Americans

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American supervisors</td>
<td>1.06***</td>
<td>.39</td>
</tr>
<tr>
<td>African American Hardship Index</td>
<td>-.02</td>
<td>.01</td>
</tr>
<tr>
<td>African American population</td>
<td>1.71***</td>
<td>.51</td>
</tr>
<tr>
<td>Political liberalism</td>
<td>-.00</td>
<td>.01</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.68</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.67</td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>128.07***</td>
<td></td>
</tr>
<tr>
<td>Number of cases</td>
<td>246</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05. **p < .01. ***p < .0001.

TABLE 5: Affect of Passive Representation on the Percentage of Eligibility Determinations Favoring Hispanics

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic supervisors</td>
<td>.93***</td>
<td>.78</td>
</tr>
<tr>
<td>Hispanic Hardship Index</td>
<td>.88*</td>
<td>.39</td>
</tr>
<tr>
<td>Hispanic population</td>
<td>-.37</td>
<td>.16</td>
</tr>
<tr>
<td>Political liberalism</td>
<td>-.03</td>
<td>.02</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.76</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.76</td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>189.98***</td>
<td></td>
</tr>
<tr>
<td>Number of cases</td>
<td>246</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05. **p < .01. ***p < .001.

Hispanics will become the largest minority group (Kivisto, 1995, p. 102). The attitudes and values of Hispanics and other racial and ethnic groups may differ depending on their native country, culture, length of time they have resided in the United States, and areas of the United States in which they have lived (Meier, 1993b). Several previous studies have treated both African Americans and Hispanics as single groups, suggesting that African Americans and Hispanics respond to a broader sense of representation (Hindera, 1993a, 1993b; Meier, 1993b; Meier & Stewart, 1992).

As Table 5 shows, Hispanic employment and economic hardship of Hispanics exert a statistically significant influence on eligibility decisions favoring Hispanics, whereas Hispanic population and political liberalism prove unimportant statistically in predicting eligibility decisions. The model explains 76 percent of the variance in the dependent variable. These results also demonstrate the strength of the relationship between employment patterns and policy outputs.

Like African Americans and Hispanics, the relationship between passive and active representation holds for Asian Americans (see Table 6). In other words,
### TABLE 6: Affect of Passive Representation on the Percentage of Eligibility Determinations Favoring Asians

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian supervisors</td>
<td>1.41***</td>
<td>.82</td>
</tr>
<tr>
<td>Asian Hardship Index</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Asian population</td>
<td>.22</td>
<td>.06</td>
</tr>
<tr>
<td>Political liberalism</td>
<td>.00</td>
<td>.01</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.71</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.71</td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>149.01***</td>
<td></td>
</tr>
<tr>
<td>Number of cases</td>
<td>246</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05. **p < .01. ***p < .001.

districts that employed more Asian Americans awarded a larger percentage of eligibility decisions favoring Asian Americans. None of the control variables in this model is statistically significant. Overall, the independent variables account for 71% of the variation in the number of eligibility decisions favoring Asian Americans. The results for this model differ from the models for African Americans and Asian Americans in that neither population nor economic hardship, which are likely to affect the distribution of rural-housing loans, is statistically significant.

Several attributes of Asian culture may contribute to these differences. First, many Asian American groups have built their own ethnic subeconomies and are inclined to take care of, help, and protect other Asian Americans and Asian immigrants (Hrabia, 1994). Asian Americans living in FmHA districts with large Asian populations may have more access to private capital in the Asian community, and therefore may not be as inclined to pursue government-backed lending sources. Moreover, because Asian culture values and encourages helping others within its community, Asians may be more comfortable pursuing government-backed loans when the decision maker is Asian.

The widespread belief that Asians in the United States are a model minority who are not as in need of government assistance as are other minorities may also contribute to the insignificant findings for the two demand factors (Sue, 1994). According to Hurh and Kim (1989),

> Asian Americans are considered by the dominant group as “successful” and “problem free” and not in need of social programmes designed to benefit disadvantaged minorities such as black and Mexican Americans. . . . A number of cases of official inattention to the problems and needs of Asian Americans have already been reported in public documents and scholarly publications. (p. 528)

There is a tendency within the Asian American culture not to verbalize problems and difficulties; in turn, this may reinforce the relatively positive image of Asian Americans (Sue, 1989, 1994). However, recent statistics indicate that whereas
### TABLE 7: Affect of Passive Representation on the Percentage of Eligibility Determinations Favoring Native Americans

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Native American supervisors</td>
<td>-0.29</td>
<td>0.09</td>
</tr>
<tr>
<td>Native American Hardship Index</td>
<td>0.60**</td>
<td>0.22</td>
</tr>
<tr>
<td>Native American population</td>
<td>1.48***</td>
<td>0.23</td>
</tr>
<tr>
<td>Political liberalism</td>
<td>-0.04</td>
<td>0.08</td>
</tr>
<tr>
<td>$R^2$</td>
<td>0.16</td>
<td></td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td>$F$</td>
<td>11.29***</td>
<td></td>
</tr>
<tr>
<td>Number of cases</td>
<td>246</td>
<td></td>
</tr>
</tbody>
</table>

* $p < .05$. ** $p < .01$. *** $p < .001$.

The average family income of Asian Americans is slightly higher than that of Caucasians, the poverty rate of Asian Americans is nearly twice that of Caucasians (O'Hare & Felt, 1991). Because Asian Americans are viewed as a model minority and are not prone to ask for government assistance, the needs and problems of disadvantaged Asian Americans have received little attention from public officials (Hurh & Kim, 1989; U.S. Commission on Civil Rights, 1980). The results of this study suggest that one means of ensuring that the needs of low-income Asian Americans are considered is to increase Asian American representation in agencies implementing redistributive programs.

When controlling for hardship of Native Americans, Native American population, and political liberalism, the relationship between percentage of eligibility decisions favoring Native Americans and the percentage of Native Americans serving as county supervisors in the district is not significant (see Table 7). The economic hardship of Native Americans served by the district and Native American population in the district are statistically significant in the model. A 1.00% increase in Native American population is associated with a 1.48 percentage point increase in eligibility decisions favoring Native Americans. This model explains only 16% of the variance in the percentage of eligibility decisions favoring Native Americans.

To derive a better understanding of the insignificant linkage between passive and active representation of Native Americans, I contacted several county supervisors serving areas with large concentrations of Native Americans. According to an official with the FmHA (personal interview, 1995), in rural areas with large concentrations of Native Americans, most Native Americans live on tribal reservations that often operate tribal housing authorities. Although located in rural areas, these authorities oversee and administer housing loans funded by HUD (personal interview, 1995). Because of other low-income government-funding options, fewer Native Americans may apply for FmHA rural-housing loans. Thus the share of loans awarded to Native Americans may be lower than expected because districts may receive fewer applications than suggested by the
population and economic conditions of Native Americans living in the district. This study, however, cannot account directly for the number of applications received from Native Americans.

The statistically significant relationships between African American, Hispanic, and Asian American group representation and the percentage of eligibility decisions favoring those groups provide evidence in support of the central hypothesis of this study; that is, that passive representation of a particular group in the government bureaucracy helps to determine the resources allocated to that group of citizens. The political ideology of members of Congress serving the districts does not significantly influence loan decisions on behalf of racial and ethnic minorities. FmHA districts may be too far removed geographically and organizationally to be influenced significantly by their congressional representatives. A case study of organizational communications in the FmHA published in 1988 reported that "county supervisors had to figure out the limits within which they could act. . . . They felt removed from Washington and said so" (Wyatt & Phillips, 1988, p. 98).

CONCLUSIONS

This research adds to the growing body of literature on the relationship between passive and active representation by testing it in a setting that is unique to those previously studied. In all but one case, the ethnic or racial composition of the FmHA district affects the proportion of eligibility decisions awarded to a minority group. These findings reinforce the notion that the representativeness of the bureaucracy can affect bureaucratic responsiveness to identifiable segments of the population. The results of this study are particularly important because active representation is found in an agency whose primary mission does not emphasize minority issues, that historically has employed low percentages of minorities, and that has implemented policies that have adversely affected minorities.

In addition to examining active representation in a different policy setting, this research extends previous studies by examining this relationship for Asian Americans and Native Americans. Similar to the findings for African Americans and Hispanics, the analysis shows that Asian American employment levels influence the share of policy outputs allocated to Asian American citizens. The findings for Asian Americans differ from the other minority groups examined in that neither group population nor economic hardship significantly affects the percentage of eligibility decisions favoring Asian Americans. Although this difference emphasizes the importance of Asian American representation, it also suggests that future research should explore whether the needs of economically depressed Asian Americans are being addressed adequately by government programs. In addition, more careful attention needs to be directed toward understanding the relationship between Asian American culture and use of government
programs by Asian Americans. In turn, this information could be used to develop outreach programs targeting low-income Asian Americans.

Native Americans are the only overrepresented minority group in this study and they are the only group in which passive and active representation are not linked significantly. This study’s findings indicate for this particular program that Native American administrators do not award a larger share of resources statistically to Native Americans than do other administrators. The insignificant findings for Native Americans raise a number of questions. What actually happens as Native Americans gain a greater share of decision-making authority? Will increasing Native American representation make a difference in decision making and policy outputs in other organizational settings? Future research should focus specifically on Native American administrators and seek to identify under what conditions and for what types of policies Native American administrators engage in behavior that actively represents the interests of Native Americans. Moreover, future studies should concentrate on understanding Native American culture and its relationship to administrative roles and leadership.

Another possible avenue for future research is to investigate in more detail subgroups within racial and ethnic communities. An underlying assumption of research linking passive and active representation is that racial and ethnic minorities respond to a broader sense of representation within their groups. For example, this study assumes that Native Americans represent the interests of Native American citizens regardless of their tribal identity. Research needs to explicitly focus on intraminority group differences. That is, to what extent do agency employees from minority subgroups represent citizens from other subgroups within a minority community? For example, do Cherokee civil servants actively represent the interests of Comanche tribal members?

One implication of this research pertains to the employment of minorities. In general, these findings reinforce the notion that changing the demographic composition of key decision makers affects agency policy outputs. A bureaucracy that employs a cross-section of society is likely to ensure that the interests of all groups are considered in the policy process. Recently, affirmative action programs have been subject to much debate and criticism and certainly were a central issue in the 1996 presidential race. In fact, political support has wavered so much that some affirmative action programs are being dismantled or significantly restricted and restructured. In July 1995, The University of California’s Board of Regents voted to end affirmative action programs throughout nine campuses of the California state system. These campuses are prohibited from considering race, gender, or ethnic origin in admissions, hiring, and contract awards (Hornblower, 1995). The elimination of affirmative action policies could ultimately reduce the percentage of racial and ethnic minorities employed by public bureaucracies. The findings reported in this study suggest that changes in minority representation may lead to different allocations of resources to minorities. In some cases, such as the FmHA, increasing minority representation has proven to be a tangible means of addressing historic program inequities and
biases and, unfortunately, reductions in minority employees could hinder future progress.

NOTES

1. Prior to the passage of the 1964 Civil Rights Act, southern FmHA extension services served African Americans through separate, statewide agencies (Hadwiger, 1973).

2. In October of 1994, President Clinton signed H.R. 4217, the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law No.103-354. The act authorized the complete reorganization of the USDA. As part of this reorganization, the FmHA was dissolved and its responsibilities, including the Rural Housing Loans program, were transferred to a newly created agency, Rural Housing and Community Service, effective December 1, 1994. FmHA county supervisors’ administration of the Rural Housing Loans program did not change when the reorganization took place. The USDA has consolidated and plans to consolidate more county offices in the future. Because the program data used in this research were collected prior to the reorganization, this study will continue to refer to the organization as the FmHA to avoid confusion.

3. Whereas FmHA housing loans are available only to residents of “rural” areas, the law has been amended to broaden the manner in which rural areas are defined. Currently, rural areas include any open country or any other town, city, or other place that has fewer than 10,000 residents, even if it is located in a Standard Metropolitan Statistical Area (SMSA). Some towns with populations ranging between 10,000 and 20,000 may qualify if they are located outside of an SMSA and if the area lacks enough mortgage credit for very low-, low-, and moderate-income households. Such a determination is made by the secretaries of the Department of Housing and Urban Development (HUD) and USDA.

4. The United States General Accounting Office (1993) recently reported that there were variations in the implementation of the FmHA Rural Housing programs among local offices because of the extent of subjectivity exercised by local supervisors in making decisions.

5. For example, until 1950 the Code of Ethics for Realtors prohibited real estate agents from “being instrumental in introducing into a neighborhood . . . members of any race, nationality, or any individual whose presence will clearly be detrimental to property values in that neighborhood” (Brown, 1992, p. 1).

6. Because per capita income ranges from more economic hardship to less economic hardship, and the rest of the indicators range from less economic hardship to more economic hardship, the per capita income scale was reversed. This was done by subtracting 100 from the standardized per capita income score and multiplying it by negative one.

7. The following formula was applied to each of the hardship indicators to standardize them:

\[ X = \frac{Y-Y_{\min}}{Y_{\max}-Y_{\min}} - 100 \]

where: \( X \) = the standardized ratio to be created; \( Y \) = the variable calculated from census data; \( Y_{\max} \) = the maximum value of \( Y \); \( Y_{\min} \) = the minimum value of \( Y \).

The standardized values indicate where each district office is on a continuum of hardship ranging from the “worst” district to the “best” district. Accordingly, the ratio for each hardship indicator ranges from a value of 0 (the district with the lowest rating) to 100 (the district with the highest rating). The standardized indicators were summed and then divided by 6. The ranges of the hardship indexes are as follows: African Americans from 1.11 to 84.65, Hispanics from .08 to 95.09, Asian Americans from 1.17 to 88.64, and Native Americans from 2.09 to 78.28. For each of the indexes constructed the individual items correlated with the index at the .80 level or higher.
REFERENCES


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