

Inside the Making of Cato's Report to the Department of Government Efficiency (DOGE)

A Libertarian Blueprint for Dismantling the Federal Leviathan

By Audrey Grayson

President-elect Donald Trump sent shock waves through Washington's sclerotic bureaucracy days after the election with the announcement of the creation of the Department of Government Efficiency (DOGE), a temporary commission tasked with dismantling government bureaucracy, slashing excess regulations, cutting wasteful expenditures, and restructuring bloated federal agencies.

On November 12, 2024, the day that DOGE was announced, a team of Cato scholars sprang into action, led by Alex Nowrasteh, vice president for economic and social policy studies, and Ryan Bourne, the R. Evan Scharf Chair for the Public Understanding of Economics. They mobilized 16 policy experts across Cato's research departments to transform years of policy research, untold numbers of policy papers, and innumerable op-eds, blog posts, and other pieces of Cato output into a 23-chapter blueprint for shrinking the federal government.

A mere 29 days later—through weekends and Thanksgiving—the *Cato Institute Report to the Department of Government Efficiency (DOGE): How to Downsize and Reform the Federal Government* was published.

Drawing on decades of policy research, Alex Nowrasteh (pictured here) worked with Ryan Bourne to coordinate more than a dozen Cato scholars in crafting the Institute's recommendations for the Department of Government Efficiency.

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DOGE gets its name from Dogecoin, a satirical cryptocurrency launched over a decade ago that has long been boosted by Elon Musk, who was tapped by Trump to lead the cost-cutting effort across the federal government. Vivek Ramaswamy was also originally appointed to spearhead the commission but has since departed to run for governor of Ohio.

Musk frequently infuses his businesses and projects with a tinge of irony. Tesla once sold a line of red satin “short shorts” to mock short sellers, for example, while the Boring Company renamed a blow torch “Not-a-Flamethrower” after a dispute with customs officials.

But beyond the insider jokes, DOGE still represents a rare opportunity to roll back the regulatory state and rein in federal bureaucracy.

Cato’s report was the first major think tank submission to DOGE, pushing a vision that combines Trump’s stated goals with libertarian principles and concrete policy reforms. While Washington is notorious for watering down bold ideas into empty talking points, Cato’s scholars aimed higher, crafting a plan with real, actionable steps for maximizing DOGE’s potential.

The Guiding Principles: Smaller Government, Real Efficiency

The report’s most fundamental insight is that only a smaller government can be more efficient. Attempts to squeeze efficiency out of a bloated state are futile.

“Many parts of government can’t be run more efficiently; they simply shouldn’t exist at all,” wrote Nowrasteh and Bourne. “DOGE must go beyond trimming fat—it should challenge the very necessity of government programs.” Without a radical reassessment of the state’s role, they warned, reform efforts would amount to making an overloaded freight train run faster in the wrong direction.

On release day, Nowrasteh and Bourne summarized the report’s vision in a blog post published on Cato’s website and then expanded on their findings in *The Dispatch* and *US News & World Report*, as well as on the *Cato Daily Podcast*. They noted that if DOGE is to be successful, it can’t simply look for “waste and fraud.” Rather, it must fundamentally reconsider the role of the federal government in Americans’ lives. “Amen,” wrote James Freeman in the *Wall Street Journal* after quoting a section of Cato’s DOGE report.

The DOGE report is classic Cato—a no-nonsense libertarian blueprint for reining in Washington’s overreach. It lays out clear policy prescriptions rooted in first principles:

- Restore constitutional limits: The federal government should stick to its constitutionally enumerated powers.
- Slash regulatory burdens: Out-of-control regulations foisted on us by our administrative state are a drag on economic growth, imposing costly rules with little benefit.

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- Dismantle bureaucracy: Washington’s bloated, duplicative bureaucracy needs a drastic overhaul, with hiring based on merit and with duplication eliminated.
- Limit executive orders: Executive orders are justified only to roll back intrusive government, consistent with the Framers’ vision.
- Curb runaway spending: Spending cuts are critical to reduce the burden on taxpayers, curb economic distortions, and avert a looming fiscal disaster.
- Simplify taxation: Taxes should be transparent, simple, and neutral—funding only the limited functions government is supposed to perform.

Pushing for meaningful libertarian policy change means balancing maximalist

libertarian goals with what is feasible under DOGE. While outright abolishing large swaths of the federal government may not be on the table, Cato’s DOGE report focuses on eliminating federal power where possible, scaling it back where necessary, and devolving authority to states where appropriate.

The report is divided into three sections: “Bureaucracy and the Administrative State,” “Regulation,” and “Spending Cuts and Tax Reform.” While Cato’s broader policy agenda includes free trade and expanded legal immigration, the report’s editors excluded those areas given DOGE’s narrower mandate. The report instead zeroes in on executive orders, regulatory rollbacks, and legislative reforms that could slash \$2 trillion in the first year alone.

Taking on Bureaucracy, Regulations, and Spending

Recent developments have shown that reforming the federal bureaucracy is at the top of DOGE’s mind. Cato’s report calls for:

- reducing federal employee benefits;
- restricting federal unions;
- ending affirmative action in federal hiring and contracts;
- abolishing diversity, equity, and inclusion (DEI) policies;
- halting race-based data collection;
- privatizing government agencies;
- transferring federal lands to the states; and
- ending federal interference in online speech.



In the “Regulation” section, Cato scholars argue for repealing the Dodd–Frank Act and Community Reinvestment Act and for:

- blocking the creation of a central bank digital currency;
- requiring the Federal Reserve to focus solely on monetary policy and price stability;
- winding down Fannie Mae and Freddie Mac while eliminating the Federal Housing Finance Agency; and
- repealing energy subsidies and withdrawing from the Paris Agreement.

The Trump administration has already ended affirmative action, gutted DEI, withdrawn from the Paris Agreement, and liberalized energy production—largely but not entirely as Cato’s DOGE report recommended.

A Radical Overhaul of Health Care, Trade, and Taxation

The health care sector is one of the most regulated areas of the economy, so Cato scholars call for:

- abolishing the Food and Drug Administration; and
- fully repealing the Affordable Care Act.

Although the report doesn’t include trade as a separate section, Nowrasteh and Bourne were able to sneak in some reforms consistent with DOGE and Trumpism that would liberalize the international flow of goods and services, including:

- ending trade restrictions on agricultural products such as sugar; and
- repealing internal trade barriers such as the Jones Act.

On taxation and spending, Cato makes clear that meaningful reform requires deep cuts. Most federal departments operate beyond their constitutional scope and should be abolished, not merely restructured. Those that remain should have their powers sharply circumscribed. Cato’s scholars argue the following:

- The federal government should exit health care and education entirely.
- Entitlement reform is crucial to prevent fiscal catastrophe.
- Military spending should be significantly reduced in line with a realist foreign policy.
- International tax cooperation, such as Organisation for Economic Co-operation and Development (OECD) agreements, should be rejected.

With provisions of the Tax Cuts and Jobs Act up for renewal, DOGE must embrace serious spending cuts to maintain pro-growth tax policies and avert an economic crisis.

Defense is a legitimate function of government, but US foreign policy tries to do too much, with predictable negative results for the safety of the country and its troops. Adopting a more appropriate, realist approach to America’s role in the world would permit significant cuts in military spending consistent with DOGE and Cato’s

research. Taxes are far too high, are far too complicated, and were on the verge of being made worse through cooperation with international tax treaties promoted by the OECD. Thankfully, the Trump administration appears to have followed Cato’s advice to extricate the United States from that tax cartel. Yet with many of the Tax Cuts and Jobs Act provisions requiring renewal this year, it is crucial that DOGE and its surrogates in Congress heed Cato’s advice to reduce government spending to allow the tax cuts and reforms to propel the US economy while avoiding fiscal calamity.

The Blueprint for Limited Government

Ultimately, Cato’s report serves as a guide for policymakers serious about rolling back federal control over Americans’ lives. Donald Trump made his name as a property developer—but selectively demolishing and rebuilding the federal government along libertarian lines is an even bigger challenge.

“We are fully aware that the new administration often talks a good game about downsizing government, only to continue its ratchet,” said Nowrasteh and Bourne. Regardless, Cato’s DOGE report supplies the blueprints. If this administration won’t use them, they’re ready for policymakers who will. ♦

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