

SEMINAR IN BUREAUCRACY/ORGANIZATIONS

Introduction

This course is a comprehensive introduction to the institutional study of bureaucracy. It is designed primarily for graduate students in political science. It may also appeal to other students who are interested in American politics or the economic analysis of institutions.

The course has three parts. First, we will take a somewhat eclectic look at the classics of organization theory and American bureaucracies. This will require that we spend some time outside of political science and in the fields of sociology and economics. The political science part will focus on some of the central questions of institutional control of the bureaucracy. Second, we will develop some of the technical tools used in modern studies of organizations. Finally, we will be able to assess some of the frontiers in research on the bureaucracy.

Requirements

There are no formal prerequisites. However, later in the semester it would help greatly to have some background in game theory. This might be accomplished through concurrent enrollment in Political Science W4209 (Game Theory and Political Theory) or an equivalent course in the Economics department.

Your performance will be assessed in four ways.

- Regular participation in class (10%)
- Discussion leadership (20%)
- 2-3 short assignments (30%)
- A paper, due 5/1 (40%)

You are of course required to keep up with the readings to the best of your ability. Some of the material is technical, but I will do my best to keep the level of discussion intuitive. Many class sessions will involve a fair amount of class discussion. For those sessions, some students will be assigned to generate discussion notes for the class. The nature of each set of discussion notes will be determined on a week-by-week basis.

The short assignments will be brief essays or exercises based on a particular week in the syllabus. They will generally be due two weeks after they are assigned.

The paper assignment will be tailored to the individual needs of students. Thus, each student must discuss his or her topic with the instructor during the semester. It can, for example, be a detailed research proposal leading to a dissertation chapter. Or, it can be a research piece commenting on a specific aspect of this course. Finished papers should be in the neighborhood of 20-25 pages.

Reading Materials

There is one required and one recommended text. Copies have both been ordered through the Columbia University bookstore. The required text will be the backbone of the “tools” segment of the course in the second half of the semester.

Salanié, Bernard. 2005. *The Economics of Contracts: A Primer*. (2nd edition)
Cambridge: MIT Press.

The recommended text is a popular and very accessible book that covers many of the basics of American bureaucracies. In the instructor’s view, it belongs on the shelf of any American politics scholar. It does not, however, directly address much of the substance of the course. So while it is not specifically assigned at any point during the semester, I will expect you to have read it as background. Note that there is an earlier (1989) but virtually identical edition of this book.

Wilson, James Q. 2000. *Bureaucracy: What Government Agencies Do and Why They Do It*. New York: Basic Books.

In addition, there are many other excellent books on bureaucratic politics that we will not cover during the semester. I mention the following because they are well worth your time, though I’m happy to recommend others depending on your interests.

Carpenter, Daniel P. 2001. *The Forging of Bureaucratic Autonomy: Reputations, Networks and Policy Innovation in Executive Agencies, 1862-1928*. Princeton, NJ: Princeton University Press.

Lewis, David E. 2008. *The Politics of Presidential Appointments: Political Control and Bureaucratic Performance*. Princeton, NJ: Princeton University Press.

Miller, Gary. 1992. *Managerial Dilemmas: The Political Economy of Hierarchy*. New York: Cambridge University Press.

All other readings are journal articles and chapters from books. Required readings can be located in several ways, as annotated in the schedule below. Articles that are available on electronic reserve (<http://www.columbia.edu/cu/lweb/reserves/>) in Lehman library are marked with an (R). Articles that are available electronically through the Columbia libraries’ e-journal (<http://www.columbia.edu/cu/lweb/eresources/ejournals/>) service are marked with an (E). The ‘Syllabus’ section of the Courseworks page contains links to both the journal and the full text of the articles, where possible. Note that not all links work directly from outside Columbia University, and some may require you to enter through the library’s e-journal site. Finally, other readings might be available directly on Courseworks or from my web page (<http://www.columbia.edu/~mmt2033>).

Logistics

This course will rely heavily on Courseworks (<http://courseworks.columbia.edu/>). Students are expected to check in regularly to keep track of course files (including updates to this syllabus) and announcements. A current version of this syllabus, which will include mid-semester modifications or corrections, can also be found there.

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Schedule

January 24 **Introduction**

- Coase, Ronald H. 1937. "The Nature of the Firm." *Economica* 4(16): 386-405. (E)
- Rauch, James E. 1995. "Bureaucracy, Infrastructure, and Economic Growth: Evidence from U.S. Cities During the Progressive Era." *American Economic Review* 85(4): 968-979. (E)
- Weber, Max. 2000. "Bureaucracy." in *Public Administration*, ed. R. J. Stillman II. Boston: Houghton Mifflin, pp. 54-63. Reprinted from *Essays in Sociology*, ed. H. H. Gerth, C. Wright Mills. New York: Oxford University Press, pp. 196-233. (R)

January 31 **Disciplinary Foundations I**

- DiMaggio, Paul J., and Walter W. Powell. 1983. "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields." *American Sociological Review* 48(2): 147-160. (E)
- Hannan, Michael T., and John Freeman. 1977. "The Population Ecology of Organizations." *The American Journal of Sociology* 82(5): 929-964. (E)
- Meyer, John W., and Brian Rowan. 1977. "Institutionalized Organizations: Formal Structure as Myth and Ceremony." *American Journal of Sociology* 83(2): 340-363. (E)
- Simon, Herbert A. 1968. *Administrative Behavior*. New York: Free Press, Ch. 5. (R)

Recommended:

- March, James G., and Herbert A. Simon. 1958. *Organizations*. Cambridge, MA: Blackwell, Ch. 6. (R)
- Simon, Herbert A. 1979. "Rational Decision Making in Business

Organizations.” *American Economic Review* 69(4): 493-513. (E)

February 7 **Disciplinary Foundations II**

- Allison, Graham T. 1969. “Conceptual Models and the Cuban Missile Crisis.” *American Political Science Review* 63(3): 689-718. (E)
- Bendor, Jonathan, and Thomas H. Hammond. 1992. “Rethinking Allison’s Models.” *American Political Science Review* 86(2): 301-322. (E)
- Gibbons, Robert. 2003. “Team Theory, Garbage Cans, and Real Organizations: Some History and Prospects of Economic Research on Decision-Making in Organizations.” *Industrial and Corporate Change* 12(4): 753-787. (E)
- Greif, Avner, Paul Milgrom, and Barry Weingast. 1994. “Coordination, Commitment, and Enforcement: The Case of the Merchant Guild.” *Journal of Political Economy* 102(4): 745-76. (E)
- March, James G., Michael D. Cohen, and Johan P. Olsen. 1972. “A Garbage Can Model of Organizational Decision Making.” *Administrative Science Quarterly* 17(1): 1-25. (E)
- Moe, Terry M. 1984. “The New Economics of Organization.” *American Journal of Political Science* 28(4): 739-777. (E)

Recommended:

- Bendor, Jonathan. 1995. “A Model of Muddling Through.” *American Political Science Review* 89(4): 819-840. (E)
- Bendor, Jonathan, Terry M. Moe, and Kenneth W. Shotts. 2001. “Recycling the Garbage Can: An Assessment of the Research Program.” *American Political Science Review* 95(1): 169-190. (E)
- Shleifer, Andrei. 1998. “State versus Private Ownership.” *Journal of Economic Perspectives* 12(4): 133-150. (E)
- Wilson, Woodrow. 1887. “The Study of Administration.” *Political Science Quarterly* 2(2): 197-222. (E)

February 14 **Institutions and Control I**

- Bawn, Kathleen. 1997. “Choosing Strategies to Control the Bureaucracy: Statutory Constraints, Oversight, and the Committee System.” *Journal of Law, Economics, and Organization* 13(1): 101-126. (E)
- Epstein, David, and Sharyn O’Halloran. 1994. “Administrative Procedures, Information, and Agency Discretion.” *American Journal of Political Science* 38(3): 697-722. (E)
- Hopenhayn, Hugo, and Susanne Lohmann. 1996. “Fire-Alarm Signals and the Political Oversight of Regulatory Agencies.” *Journal of Law, Economics, and Organization* 12(1): 196-213. (E)
- McCubbins, Mathew, and Thomas Schwartz. 1984. “Congressional Oversight Overlooked: Fire Alarms vs. Police Patrols.” *American Journal of*

- Political Science* 28(1): 165-179. (E)
- Moe, Terry M. 1987. "An Assessment of the Positive Theory of 'Congressional Dominance'." *Legislative Studies Quarterly* 12(4): 475-520. (E)
- Weingast, Barry, and Mark Moran. 1983. "Bureaucratic Discretion or Congressional Control? Regulatory Policymaking by the FTC." *Journal of Political Economy* 91(5): 765-800. (E)

Recommended:

- Aberbach, Joel D. 1990. *Keeping a Watchful Eye: The Politics of Congressional Oversight*. Washington, DC: The Brookings Institution. Ch. 9. (R)
- Arnold, R. Douglas. 1979. *Congress and the Bureaucracy*. New Haven: Yale University Press, Ch. 6. (R)
- Balla, Steven J., and John R. Wright. 2001. "Interest Groups, Advisory Committees, and Congressional Control of the Bureaucracy." *American Journal of Political Science* 45(4): 799-812. (E)
- Bendor, Jonathan, and Adam Meirowitz. 2004. "Spatial Models of Delegation." *American Political Science Review* 98(2): 293-310. (E)
- Brehm, John, and Scott Gates. "Donut Shops and Speed Traps: Evaluating Models of Supervision on Police Behavior." *American Journal of Political Science* 37(2): 555-581. (E)
- Derthick, Martha. 1990. *Agency Under Stress*. Washington, DC: The Brookings Institution, Chs. 2, 9. (R)
- Huber, John D., and Arthur Lupia. 2001. "Cabinet Instability and Delegation in Parliamentary Democracies." *American Journal of Political Science* 45(1): 18-32. (E)

February 21 **Institutions and Control II**

- Ferejohn, John, and Charles Shipan. 1990. "Congressional Influence on Bureaucracy." *Journal of Law, Economics, and Organization* 6(Special Issue): 1-20. (E)
- Howell, William G., and David E. Lewis. 2002. "Agencies by Presidential Design." *Journal of Politics* 64(4): 1095-1114. (E)
- Huber, John D., Charles R. Shipan, and Madelaine Pfahler. 2001. "Legislatures and Statutory Control of Bureaucracy." *American Journal of Political Science* 45(2): 330-345. (E)
- Moe, Terry M. 1985. "The Politicized Presidency." In ed. J. E. Chubb and P. E. Peterson, *The New Direction in American Politics*. Washington, DC: The Brookings Institution. (R)

Recommended:

- Bendor, Jonathan. 1989. "Formal Models of Bureaucracy." *British Journal*

- of Political Science* 18(3): 353-95. (E)
- Canes-Wrone, Brandice. 2003. "Bureaucratic Decisions and the Composition of the Lower Courts." *American Journal of Political Science* 47(2): 205-214. (E)
- Carpenter, Daniel P. 1996. "Adaptive Signal Processing, Hierarchy, and Budgetary Control in Federal Regulation." *American Political Science Review* 90(2): 283-302. (E)
- Cooper, Phillip J. 1988. *Hard Judicial Choices: Federal District Court Judges and State and Local Officials*. New York: Oxford University Press, Ch. 8. (R)
- Scholz, John T. 1991. "Cooperative Regulatory Enforcement and the Politics of Administrative Effectiveness." *American Political Science Review* 85(1): 115-136. (E)

February 28 **Administrative Procedures and Structure**

- Balla, Steven J. 1998. "Administrative Procedures and Political Control of the Bureaucracy." *American Political Science Review* 92(3): 663-673. (E)
- Bawn, Kathleen. 1995. "Political Control Versus Expertise: Congressional Choices about Administrative Procedures." *American Political Science Review* 89(1): 62-73. (E)
- Heimann, C. F. Larry. 1993. "Understanding the Challenger Disaster: Organizational Structure and the Design of Reliable Systems." *American Political Science Review* 87(2): 421-435. (E)
- McCubbins, Mathew D., Roger G. Noll, and Barry R. Weingast. 1987. "Administrative Procedures as Instruments of Political Control." *Journal of Law, Economics, and Organization* 3(2): 243-277. (E)
- Moe, Terry M. 1989. "The Politics of Bureaucratic Structure." In ed. J. E. Chubb and P. E. Peterson, *Can the Government Govern?* Washington, DC: The Brookings Institution. (R)
- Ting, Michael M. 2003. "A Strategic Theory of Bureaucratic Redundancy." *American Journal of Political Science* 47(2): 274-292. (E)

Recommended:

- Arnold, R. Douglas. 1987. "Political Control of Administrative Officials." *Journal of Law, Economics, and Organization* 3(2): 279-286. (E)
- Bendor, Jonathan. 1985. *Parallel Systems: Redundancy in Government*. Berkeley, CA: University of California Press, Ch. 1. (R)
- Landau, Martin. 1969. "Redundancy, Rationality, and the Problem of Duplication and Overlap." *Public Administration Review* 29(4): 346-358. (E)
- O'Connell, Anne J. 2006. "The Architecture of Smart Intelligence: Structuring and Overseeing Agencies in the Post-9/11 World." *California Law Review* 94(6): 1655-1744. (E)

March 6

Personnel

- Carpenter, Daniel P. 1998. "The Corporate Metaphor and Executive Department Centralization in the United States, 1888-1928." *Studies in American Political Development* 12(1): 162-203. (E)
- Heclo, Hugh. 1977. *A Government of Strangers: Executive Politics in Washington*. Washington, DC: The Brookings Institution, Chs. 3 (pp. 84-105), 4 (pp. 113-142). (R)
- Knott, Jack H., and Gary J. Miller. 1987. *Reforming Bureaucracy: The Politics of Institutional Choice*. Englewood Cliffs, NJ: Prentice-Hall, Chs. 2, 3, 12. (R)
- Krause, George A., David E. Lewis, and James W. Douglas. 2006. "Political Appointments, Civil Service Systems, and Bureaucratic Competence: Organizational Balancing and Executive Branch Revenue Forecasts in the American States." *American Journal of Political Science* 50(3): 770-787. (E)
- Kreps, David. 1990. "Corporate Culture and Economic Theory." In ed. J. Alt and K. A. Shepsle, *Perspectives on Positive Political Economy*. Cambridge: Cambridge University Press. (R)
- McCarty, Nolan. 2004. "The Appointments Dilemma." *American Journal of Political Science* 48(3): 413-428. (E)

Recommended:

- Fesler, James W. 1980. "People in Administration: The Civil Service System." In *Public Administration: Theory and Practice*. Englewood Cliffs, NJ: Prentice-Hall. (R)
- Lynn, Laurence E. 1981. *Managing the Public's Business*. New York: Basic Books, Ch. 5. (R)
- Prendergast, Canice, and Robert H. Topel. 1996. "Favoritism in Organizations." *Journal of Political Economy* 104(5): 958-978. (E)
- Tirole, Jean. 1986. "Hierarchies and Bureaucracies: On the Role of Collusion in Organizations." *Journal of Law, Economics, and Organization* 2(2): 181-214. (E)

March 13

Adverse Selection I

Salanié, Ch. 1-2.

Recommended:

- Gibbons, Robert. 1997. "An Introduction to Applicable Game Theory." *Journal of Economic Perspectives* 11(1): 127-49. (E)
- Salanié, Appendix.

March 20 **Spring Break – No Class**

March 27 **Adverse Selection II**

Salanié, Ch. 4.1-4.3.

Banks, Jeffrey S. 1989. “Agency Budgets, Cost Information, and Auditing.” *American Journal of Political Science* 33(3): 670-699. (E)

Gailmard, Sean. 2007. “Discretion Rather Than Rules: Choice of Instruments to Constrain Bureaucratic Policy-Making.” *Political Analysis*, forthcoming. (Available on CourseWorks)

Recommended:

Salanié, Ch. 3.

Spence, A. Michael. 1973. “Job Market Signaling.” *Quarterly Journal of Economics* 87(3): 355-374. (E)

April 3 **Moral Hazard I**

Salanié, Ch. 5.1-5.2.

Recommended:

Hölmstrom, Bengt. 1979. “Moral Hazard and Observability.” *Bell Journal of Economics* 10(1): 74-91. (E)

April 10 **Moral Hazard II**

Salanié, Ch. 5.3.

Dixit, Avinash K. 2002. “Incentives and Organizations in the Public Sector: An Interpretative Review.” *Journal of Human Resources* 37(4): 696-727. (E)

Lazear, Edward P. 1991. “Labor Economics and the Psychology of Organizations.” *Journal of Economic Perspectives* 5(2): 89-110. (E)

Recommended:

Gibbons, Robert. 1998. “Incentives in Organizations.” *Journal of Economic Perspectives* 12(4): 115-132. (E)

Hölmstrom, Bengt. 1982. “Moral Hazard in Teams.” *Bell Journal of Economics* 13(2): 324-340. (E)

Hölmstrom, Bengt, and Paul Milgrom. 1991. “Multitask Principal Agent Analyses: Incentive Contracts, Asset Ownership and Job Design.” *Journal of Law, Economics, and Organization* 7(Special Issue): 24-52.

(E)

Sappington, David E. M. 1991. "Incentives in Principal-Agent Relationships." *Journal of Economic Perspectives* 5(2): 45-66. (E)

Ting, Michael M. 2002. "A Theory of Jurisdictional Assignments in Bureaucracies." *American Journal of Political Science* 46(2): 364-378. (E)

April 17

Contractual Incompleteness

Salanié, Ch. 7.

Besley, Timothy, and Maitreesh Ghatak. 2001. "Government Versus Private Ownership of Public Goods." *Quarterly Journal of Economics* 116(4): 1343-1372. (E)

Recommended:

Baker, George, Robert Gibbons, and Kevin J. Murphy. 1999. "Informal Authority in Organizations." *Journal of Law, Economics, and Organization* 15(1): 56-73. (E)

Ting, Michael M. 2007. "Organizational Capacity." Unpublished manuscript, Columbia University. (www.columbia.edu/~mmt2033/organizational_capacity.pdf)

April 24

Problems and Frontiers I

Alesina, Alberto, and Guido Tabellini. 2007. "Bureaucrats or Politicians? Part I: A Single Policy Task." *American Economic Review* 97(1): 169-179. (E)

Gailmard, Sean, and John W. Patty. 2007. "Slackers and Zealots: Civil Service, Policy Discretion and Bureaucratic Expertise." *American Journal of Political Science* 51(4): 873-889. (E)

Lewis, David E. 2007. "Testing Pendleton's Premise: Do Political Appointees Make Worse Bureaucrats?" *Journal of Politics* 69(4): 1073-1088. (E)

Prendergast, Canice. 2007. "The Motivation and Bias of Bureaucrats." *American Economic Review* 97(1): 180-196. (E)

May 1

Problems and Frontiers II

Bandiera, Oriana, Andrea Prat, and Tommaso Valletti. 2007. "Active and Passive Waste in Government Spending: Evidence from a Policy Experiment." Unpublished manuscript, London School of Economics. (Available on CourseWorks)

Carpenter, Daniel P. 2002. "Groups, the Media, Agency Waiting Costs, and FDA Drug Approval." *American Journal of Political Science* 46(3):

490-505. (E)

Prendergast, Canice. 2003. "The Limits of Bureaucratic Efficiency." *Journal of Political Economy* 111(5): 929-958. (E)

Ting, Michael M. 2008. "Whistleblowing." Unpublished manuscript, Columbia University.
(www.columbia.edu/~mmt2033/whistleblowing.pdf)

Papers Due