

Public Policy 319
Organization Theory and Public Management
Winter 2007
Professor Boris Shor
Tuesday & Thursday, 3:00-4:20
April 11, 2007

Office: Room 185
Email: bshor@uchicago.edu
Office Hours: Wednesday, 3:30-5pm

Description This course deals with the organizational basis of public policy. The questions of performance and accountability of bureaucracies frame the entire class. The specific issues considered include: the preferences of public actors, the relationship of various collective action dilemmas to various organizational forms, the accountability of bureaucracies, and the behavior of an organization in the context of its broader political environment (e.g., legislatures, courts, executive power, other agencies, electoral institutions).

Our point of departure is that decisions within organizations, and about the structure of organizations, are goal-directed and intelligible from the perspective of self-interested individuals. Those decisions are constrained by institutional rules, limits on available information, transaction costs, and the strategic choices of individuals with conflicting goals.

The primary setting for class applications is the US federal government, with some additional attention to state and local level organizations.

The Questions of the Course

1. Why do we have organizations and bureaucracies, and how should we study them?
2. Why do bureaucracies look and behave the way they do?
3. How are bureaucracies made accountable?

Teaching Assistants The TA's for this class are Jorge Fabrega (jfabrega@uchicago.edu), John Balz (jpbalz@uchicago.edu), Brett Carter (blcarter3@uchicago.edu), Burak Kadercan (kadercan@uchicago.edu), and Joan Serra (jserra@uchicago.edu). Office contact information for them can be found online. They hold office hours by appointment; email them to set up a time. They will also be available to meet for some time before or after the sections - they will give you the details at the first meeting.

Readings There are 2 required book for the class, available from the University of Chicago bookstore. Unfortunately, the Knott and Miller reading is not yet in, so until it is, I'll be making readings available through Chalk. There are several dozen copies of the Horn book which are also available for purchase. Since the publisher can't get us more, I will be making portions of the book available on Chalk.

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

- Knott, Jack H. and Gary J. Miller. 1987. *Reforming Bureaucracy: The Politics of Institutional Choice* Prentice-Hall.

All other assigned readings (articles and portions of books) are available electronically on the course web site.

Since the lectures are a complement, not a substitute for the readings, students need to keep up with the readings to do well and help the course succeed. The readings for a particular day need to be done *before*, not after, the lecture for that day. You should pay particularly close attention to 1) the problem or puzzle being addressed, 2) the proposed solution to the problem, and 3) the method employed in solving the problem.¹ You will find it helpful to discuss the readings and prepare for exams with fellow classmates.

Course Web Site The course web site is located at chalk.uchicago.edu. I will be posting readings, links, announcements, and lecture slides (after the class) onto the site. It is your responsibility to check it regularly. I will be sending important announcements through it, not by email.

Updates to the course, for example in the syllabus, class schedule, or readings, will be posted on Chalk.

Requirements There are no formal prerequisites for this course. As in PIPP 316, I presume a basic familiarity with American government.

Lectures The class will be conducted in lecture format, but questions and class participation are welcome. Your attendance is **mandatory** and very much to your advantage. Lectures will cover material both from the readings and outside of them. You are responsible for information presented in lectures (and not just what the slides outline!) and in the readings.

Exams

- Midterm exam: In class, May 1
- Final exam: Exam week, TBA

Papers Three five-page papers analyzing case studies will be due as noted in the syllabus. Guidelines for the memos will be distributed in class.

TA Sections The purposes of the TA sections are to go over material not covered in lecture, to answer student questions on the reading and lecture material, and to engage students in discussion about the issues and applications of the course material. If you have questions about the readings and lectures, I expect you to raise them in session with your TA, before you come to my office hours. Session attendance is **mandatory** and to your advantage. Your attendance and active participation will be considered in your grade.

Sections will not be held in the first week of class.

The schedule for the TA sections is as follows:

¹Some of the readings will have highly technical details (eg, proofs, sophisticated empirical models, etc). You will not be responsible for these.

- Wednesday, 2-3pm
- Wednesday, 4:15-5:15pm
- Thursday, 5-6pm
- Thursday, 5-6pm
- Friday, 11:30-12pm

Policies

- **Absences.** If you can't make a particular TA section, choose an alternative session, and email your TA and the alternative TA ahead of time. You are expected to be in class for the midterm and final. Exceptions will not be easily granted.
- **Paper formatting.** 1" margins (*not* 1.25" which is the default in Word), double-spaced, standard indenting, no extra space between paragraphs, 12-point serif font, like Times New Roman.
- **Lateness.** Is frowned upon. Each day an assignment is late without a substantial excuse, 0.5 standard deviations of score are deducted. Please contact your TA *prior* to a late submission if you have real extenuating circumstances (illness or family/personal emergencies). Contacting us afterwards is equivalent to being late.
- **Incompletes.** Will be granted rarely, if at all.
- **Plagiarism.** Will result in a failing grade for the course.

Grading

- Papers = 30%
- TA Section Participation = 10%
- Midterm = 20%
- Final Exam = 40%

1 March 27

Why Study Organizations?

Wilson 2000, ix-xx, 3-28
Knott and Miller 1987, 1-6
Kettl and Fesler 2005, 1-16

2 March 29

History and Intellectual History of Organizations

Denhardt 2004, 39-65
Knott and Miller 1987, 15-98

Recommended

Allison 1969, 689-718
Bendor and Hammond 1992, 301-322
Lindblom 1959, 79-88

3 April 3

Bounded Rationality

Denhardt 2004, 67-82
Bazerman 2006, 5-10, 13-40

Culture

Wilson 2000, 90-110
DiIulio 1994, 277-318

Recommended

Wilson 2000, 50-71
Rabin 1998, 11-46

4 April 5

Rational Choice

Knott and Miller 1987, 166-187
Shepsle and Bonchek 1997, 15-35
Riker 1995, 23-44
Ostrom and Ostrom 1971, 203-216

Recommended

Milgrom and Roberts 1992, 42-48
Niskanen 1971, 36-42
North 1990, 201-207

5 April 10

Economics of Transaction Costs

Coase 1937, 386-405

Miller 1992, 19-57
Milgrom and Roberts 1992, 19-33

Recommended

Williamson 1981, 207-249
Milgrom and Roberts 1992, 33-39
Gibbons 1999, 145-157
Coase 1960

6 April 12

Transaction Cost Politics

Epstein and O'Halloran 1999, I-II, 34-51
Dixit 1996, 37-85
Horn 1995, 7-39

Recommended

Moe 1990, 213-253
Moe 1995, 116-151
Horn 1995, 134-169
Frant 1996, 365-387
Weingast and Marshall 1988, 132-163

7 April 17

Principal-Agent Theory - Hidden Action and Information

Levitt and Dubner 2005, 55-85
Miller 1992, 120-158

Recommended

Jensen and Meckling 1976, 305-360
Sappington 1991, 364-378
Milgrom and Roberts 1992, 126-140
Akerlof 1970, 488-500
Spence 1973, 355-374
Alchian and Demsetz 1972, 777-795
Milgrom and Roberts 1992, 140-162
Milgrom and Roberts 1992, 166-197

Assignment 1, due in class Apr 24

8 Apr 19

Bureaucratic Organization

Moe 1984, 739-777
Moe 1989, 267-329
Wilson 2000, 154-179
Recommended

Brehm and Gates 1993, 555-581
Of the Expense of the Institutions for the Education of Youth by Adam Smith
<http://tinyurl.com/148v4>

9 Apr 24

Bureaucracy and Congress

Wilson 2000, 235-256

Arnold 1979, 95-129

Weingast and Moran 1983, 765-800

Recommended

10 Apr 26

Bureaucracy and Congress 2

Shipan 2005, 432-454

McCubbins and Schwartz 1984, 165-179

Administrative Procedures

McCubbins, Noll and Weingast 1987, 243-277

Recommended

Ferejohn and Shipan 1990, 1-20

McCubbins 1989, 431-482

11 May 1

In class midterm

Assignment 2 - Due May 8

12 May 3

Political Control - Presidents 1

Kettl and Fesler 2005, 107-135

Moe 1985a, 235-271

Wilson 2000, 257-276

13 May 8

Political Control - Presidents 2

Wood 1988, 213-234

Lewis 2005, 496-511

Political Control - Courts

Wilson 2000, 277-294

Melnick 2004, 89-104

Recommended

Kettl and Fesler 2005, 335-362

Moe 1985*b*, 1094-1116

14 May 10

Interest Groups and Bureaucracy

Wilson 2000, 72-90

Stigler 1971, 3-21

Moe 2005, 1-29

15 May 15

Evaluation, Pay, and Performance

Knott and Miller 1987, 231-251

Kettl and Fesler 2005, 165-193

Horn 1995, 95-133

Milgrom and Roberts 1992, 388-421

Wilson 2000, 137-154

Recommended

Dixit 2002, 696-727

Lazear 1991, 89-110

Milgrom and Roberts 1992, 206-236

Gibbons 1998, 115-132

Assignment 3 due May 24

16 May 17

Organization and Public Schools

Chubb and Moe 1990, 26-68

Dee, Thomas and Benjamin Keys, "Dollars: What a Tennessee Experiment Tells Us About Merit Pay", *Education Next*, Winter 2005

Recommended

Levitt and Dubner 2005, 26-37

17 May 22

Organizational Redundancy and Reliability

Landau 1969, 346-358

Heimann 1993, 421-435

Wilson 2000, 179-195

Recommended

Ting 2003, 274-292

18 May 24

Tradeoffs

?, 298-328

Bawn 1995, 101-126

Huber and Shipan 2002, 1-13, 109-139

19 May 29

Catch up Session

20 May 31

Reforms and the Future

Knott and Miller 1987, 254-274

Wilson 2000, 315-333, 346-378

21 June TBA - TA Session. Final exam review

22 June Exam Week - Final Exam. Date TBA

References

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