

Central European University  
Political Science Department  
2008/2009  
Fall Semester

## **Bureaucracies and Public Administration I.**

Instructor: Tamás Meszerics

### AIMS OF THE COURSE

This two-part course will enable the participants to identify and evaluate the major concepts and models of organization studies and to apply these abstract and/or formal models to assess existing forms of public bureaucracies. In the first part special emphasis will be given to the economic analysis of organizations, and to the problematic nature of the commonplace distinction between 'politicians' and 'bureaucrats' as far as the decision-making process is concerned.

### LEARNING OUTCOMES

Ability to use theoretical concepts coming from different subfields in a coherent way  
Ability to apply abstract concepts for the evaluation of empirical phenomena within the topic of bureaucracies  
Increased argumentative skills along the lines of scholarly debate  
Writing an analytic essay in clear structure and format  
Pointing out the essence of an argument through targeted questions

### REQUIREMENTS:

Since the course consists of one lecture and one seminar on the same topic, **it is essential** that the participants read the compulsory literature as preparation for the seminars. To help this preparation students are required to submit a short question (or comment) on the readings on the day before the seminar. The questions (or comments) should be sent by e-mail to my address: **meszert@ceu.hu**.

The compulsory readings are available at the reserve shelf of the library. Recommended readings either can be found in the library or copies can be obtained from the instructor.

The final essay is in take-home format.

# SYLLABUS

## TOPIC 1      **THE FORM: HOW ORGANIZATIONAL STRUCTURE MATTERS?**

How organizational structure affects the quality of performance and decisions; aggregation of (fallible) preferences

### **Compulsory Readings**

Heimann, C. F. Larry, "Understanding the Challenger Disaster: Organizational Structure and the Design of Reliable Systems" *American Political Science Review* Vol. 87, No. 2 (June 1993) pp. 421-435.

Sah, Raaj K., "Fallibility in Human Organizations and Political Systems" *Journal of Economic Perspectives* Vol. 5 No. 2 (Spring 1991) pp. 67-88.

### **Recommended Readings**

Hammond, Thomas H., "Agenda Control, Organizational Structure and Bureaucratic Politics" *American Journal of Political Science* Vol. 30, No. 2 (May 1986) pp. 379-420.

## TOPIC 2      **THE CONTENT: BEHAVIORAL THEORIES OF ORGANIZATIONS**

Limits on human understanding, bounded rationality and its consequences for organizations

### **Compulsory Readings**

Jones, Bryan D., Graeme Boushey and Samuel Workman, "Behavioral Rationality and the Policy Processes" in: Peters, B. Guy, Jon Pierre, *Handbook of Public Policy*. London: Sage, 2006. Ch. 3 pp. 39-64.

### **Recommended Readings**

March, James G., *A Primer on Decision Making*. New York: The Free Press, 1994. Ch. 1. pp. 1-55.

## TOPIC 3      **WHY HIERARCHY?**

Individual v. collective rationality; market failures, bargaining failures, voting failures and the emergence of hierarchy.

### **Compulsory Readings**

Miller, Gary J., *Managerial Dilemmas: The Political Economy of Hierarchy*. Cambridge: Cambridge University Press, 1992 Introduction and Chapters 1-3 pp.1-74

### **Recommended Readings**

Williamson, Oliver E., *Markets and Hierarchies: Analysis and Antitrust Implications*. New York: The Free Press, 1983 (1st ed. 1975)

#### TOPIC 4 INCENTIVES AND ORGANIZATIONS

Principal-agent relationships, P-A models and their critique

##### **Compulsory Readings**

Sappington, David E. M., "Incentives in Principal-Agent Relationships" *Journal of Economic Perspectives* Vol 5. No 2 (Spring 1991) pp. 45-66

Worsham, Jeff, Marc Allen Eisner and Evan J. Ringquist, "Assessing the Assumptions: A Critical Analysis of Agency Theory" *Administration and Society* Vol. 28. No. 4. (1997) pp. 419-440

##### **Recommended Readings**

Lane, Jan-Erik, *The Public Sector: Concepts, Models, Approaches*. London: Sage, 1993. pp.: 47-68

#### TOPIC 5 WHY CANNOT WE HAVE PERFECT ORGANIZATIONS?

Structuring incentives, eliciting commitment and the limits of mechanism design.

##### **Compulsory Readings**

Miller, *Managerial Dilemmas*. Chapter 4-8. pp. 75-178

##### **Recommended Readings**

Denis C. Mueller *Public Choice III*. Cambridge: Cambridge University Press, 2003. pp. 359-385.

#### TOPIC 6 PUBLIC AND PRIVATE - IS THERE A DIFFERENCE?

Individual motivation and the output of the bureaux; public and private bureaucracies and the debate on their similarity.

##### **Compulsory Readings**

Wintrobe, Ronald, "Modern Bureaucratic Theory" in Denis C. Mueller *Perspectives on Public Choice. A Handbook*. Cambridge: Cambridge University Press, 1997 pp. 429-454.

##### **Recommended Readings**

Denis C. Mueller *Public Choice III*. Cambridge: Cambridge University Press, 2003. pp. 359-385.

#### ASSESSMENT

The final grade will be a composite of the following values:

|                                      |               |
|--------------------------------------|---------------|
| <b>Final essay</b>                   | <b>- 70 %</b> |
| <b>Weekly comments and questions</b> | <b>- 20 %</b> |
| <b>In-class activity</b>             | <b>- 10 %</b> |