

# The Political Economy of Bureaucracy

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## Course Description

For many citizens and in many policy areas, bureaucrats are the *face of the state* and have considerable influence on public service provision, redistribution and policy outcomes. In contrast to their common stereotype as mundane, lethargic organizations, bureaucracies are often key players in the functioning of government, with important implications for areas such as regulatory policy, public procurement, healthcare, policing or public housing. How does politics shape bureaucracies and their impact on citizens? How do relationships of politicians, bureaucrats and citizens affect the selection and behavior of bureaucrats? And how can we leverage what we know about the politics of bureaucracies to boost government effectiveness and accountability?

This graduate seminar provides an overview of both classic and cutting-edge research on the politics of bureaucracies. The course emphasizes the *political economy of bureaucracy*, covering issues of bureaucratic accountability (i.e. selection & representation, motivation & moral hazard), political oversight, patronage & civil service reforms, the political organization of bureaucrats (i.e. public sector unions and political preferences of bureaucrats) and bureaucrats' connection with private interests. For this purpose, the class combines rigorous, often formal theoretical work with thorough empirical research on bureaucratic politics. Class readings draw from multiple fields (including comparative politics, American politics, political economy), examine bureaucracies in different policy areas (policing, education, federal rulemaking, taxation, social welfare, etc.) and different political environments (democratic and autocratic, federal and local, urban and rural), and use a variety of research methods (e.g., game theory, field and natural experiments, observational data). This seminar will build students' ability to engage critically with scholarly arguments and to make original contributions to the growing work on bureaucratic politics. Students will engage with research by leading scholars in the field, analyze data, identify knowledge gaps, and propose strategies to address them.

## Learning Objectives

By the end of the semester, students should be able to:

1. Productively participate in discussions about the politics of bureaucracies, by showing their ability to respectfully engage with and synthesize different points of view.
2. Analyze the merits of scholarly arguments about the political economy of bureaucracies, and offer constructive critiques thereof.

3. Reflect on the achievements and gaps in the study of bureaucracies, and suggest directions for expanding the knowledge frontier.
4. Propose (and possibly execute) original theoretical and/or empirical research on the politics of bureaucracies.

## **Requirements and Expectations**

### **1 Participation (10%)**

Students are expected to attend all weekly sessions and actively participate in the discussions therein. In-class discussions are designed to help students familiarize themselves with key concepts, connect ideas, build their ability to critique empirical research, and propose original projects of their own. It is essential that students come to class fully prepared to discuss the required weekly readings.

### **2 Response Memos (20%)**

On the day before the seminar, students must submit a one page memo with comments or questions based on the required readings. The memo should not consist of a summary of the readings but rather offer a critical discussion, highlighting both the achievements and gaps of the literature and suggesting avenues for future research. The memo must be concise and straight to the point: list the set of questions, concerns, or suggestions that follow from your reading. The memo is not an essay and should be written sharply, preferably using bullet-points.

### **3 Replication memo (20%)**

Students are expected to reanalyze the data from one of the class readings, and write a replication memo that (i) reports on the reproducibility of the main results (i.e., main tables and figures); and (ii) uses the authors' dataset to extend their analyses (e.g. through relevant alternative specifications or test of additional hypotheses). Students are expected to work in teams of 2 for the replication. Replication memos should have between 2 and 3 pages of text using a 12-point font, single spaced, and 1-inch margins, followed by an appendix with tables and figures. Each student will be assigned one of the papers marked with a star (★) in the reading list, after taking into account their preferences. Replication memos are due by 8pm of the Monday before we discuss that paper. Students do not have to write a response memo for the week of their replication.

### **4 Research paper (50%)**

Students are expected to work on an original research project related to the politics of bureaucracies. The final project can either be a research proposal (~ 10-15 pages) or a research paper (~ 20-25 pages). In either case, the project needs to include the following components: identify a specific question or puzzle, elaborate on the contribution to the literature, describe data sources and the relevant empirical strategy (for empirical projects) or lay out a theoretical model (for theoretical projects). In case of a full research paper, students also need to present and discuss

the results. In our last meeting of this class, students are expected to give short (~ 10 minute) presentations on their projects and receive feedback.

## Schedule

### Week 1, 01/22: Introduction and Fundamentals in Bureaucratic Politics

The first week serves as an overview of classic work on bureaucratic politics.

- Lipsky, Michael. 1980. *Street-level Bureaucracy: Dilemmas of the Individual in Public Services* (30th (2010) Anniversary Expanded ed.). New York: Russell Sage Foundation. Chapters 1-2
- Wilson, James Q. 1989. *Bureaucracy: What Government Agencies Do and Why They Do It*. New York: Basic Books. Chapters 2, 10
- Barberis, Peter. 2011. "The Weberian Legacy". In *International Handbook on Civil Service Systems*, pp. 13–30. Cheltenham, UK: Edward Elgar Publishing
- Brierley, Sarah, Kenneth Lowande, Rachel Augustine Potter, and Guillermo Toral. 2023. "Bureaucratic Politics: Blindspots and Opportunities in Political Science". *Annual Review of Political Science* 26 : 271–290

### Week 2, 01/29: Patronage

Week 2 and 3 build the first main block of this course, covering issues of bureaucratic organization. The objective of this week is to introduce students to the large literature on patronage in the public sector.

- Huber, John D. and Michael M. Ting. 2021. "Civil Service and Patronage in Bureaucracies". *The Journal of Politics* 83 (3): 902–916
- Dahlström, Carl, Mihály Fazekas, and David E. Lewis. 2021. "Partisan Procurement: Contracting with the United States Federal Government, 2003–2015". *American Journal of Political Science* 65 (3): 652–669
- ★ Colonnelli, Emanuele, Mounu Prem, and Edoardo Teso. 2020. "Patronage and Selection in Public Sector Organizations". *American Economic Review* 110 (10): 3071–99
- Toral, Guillermo. 2023. "How Patronage Delivers: Political Appointments, Bureaucratic Accountability, and Service Delivery in Brazil". *American Journal of Political Science* n/a (n/a)

### Week 3, 02/05: Civil Service Reforms

Building on our discussion in Week 2, this week deepens students' understanding of the trade-offs inherent to personnel systems and their implications for public service delivery.

- Ujhelyi, Gergely. 2014a. "Civil Service Reform". *Journal of Public Economics* 118 : 15–25
- Folke, Olle, Shigeo Hirano, and James M. Snyder. 2011. "Patronage and Elections in U.S. States". *The American Political Science Review* 105 (3): 567–585

- Ujhelyi, Gergely. 2014b. "Civil Service Rules and Policy Choices: Evidence from US State Governments". *American Economic Journal: Economic Policy* 6 (2): 338–80
- ★ Kuipers, Nicholas and Alexander Sahn. 2023. "The Representational Consequences of Municipal Civil Service Reform". *American Political Science Review* 117 (1): 200–216

#### **Week 4, 02/12: Bureaucratic Selection**

Building on the historical developments of personnel systems covered in Week 3, the objective of this week is to analyze the drivers of different selection dynamics in modern bureaucracies.

- Forand, Jean Guillaume, Gergely Ujhelyi, and Michael M. Ting. 2022. "Bureaucrats and Policies in Equilibrium Administrations". *Journal of the European Economic Association*
- Dal Bó, Ernesto, Frederico Finan, and Martín A. Rossi. 2013. "Strengthening State Capabilities: The Role of Financial Incentives in the Call to Public Service". *The Quarterly Journal of Economics* 128 (3): 1169–1218
- ★ Scharpf, Adam and Christian Gläsel. 2020. "Why Underachievers Dominate Secret Police Organizations: Evidence from Autocratic Argentina". *American Journal of Political Science* 64 (4): 791–806
- Kinane, Christina M. 2021. "Control without Confirmation: The Politics of Vacancies in Presidential Appointments". *American Political Science Review* 115 (2): 599–614

#### **Week 5, 02/19: Representative Bureaucracy**

The aim of this week is to understand the causes and consequences of representative bureaucracy, i.e. a bureaucracy that shares pertinent demographic attributes and social identities with the population it attends to, particularly with minority groups.

- Bhavnani, Rikhil R. and Alexander Lee. 2021. "Does Affirmative Action Worsen Bureaucratic Performance? Evidence from the Indian Administrative Service". *American Journal of Political Science* 65 (1): 5–20
- Ba, Bocar A., Dean Knox, Jonathan Mummolo, and Roman Rivera. 2021. "The Role of Officer Race and Gender in Police-Civilian Interactions in Chicago". *Science* 371 (6530): 696–702
- ★ Pierskalla, Jan H., Adam Lauretig, Andrew S. Rosenberg, and Audrey Sacks. 2021. "Democratization and Representative Bureaucracy: An Analysis of Promotion Patterns in Indonesia's Civil Service, 1980–2015". *American Journal of Political Science* 65 (2): 261–277
- Miller, Amalia R and Carmit Segal. 2018. "Do Female Officers Improve Law Enforcement Quality? Effects on Crime Reporting and Domestic Violence". *The Review of Economic Studies* 86 (5): 2220–2247

**Week 6, 02/26: Incentives and Motivation of Bureaucrats**

This week aims to familiarize students with the issue of motivating bureaucrats.

- Dixit, Avinash. 2002. "Incentives and Organizations in the Public Sector: An Interpretative Review". *The Journal of Human Resources* 37 (4): 696–727
- Prendergast, Canice. 2007. "The Motivation and Bias of Bureaucrats". *American Economic Review* 97 (1): 180–196
- Khan, Adnan Q., Asim Ijaz Khwaja, and Benjamin A. Olken. 2019. "Making Moves Matter: Experimental Evidence on Incentivizing Bureaucrats through Performance-Based Postings". *American Economic Review* 109 (1): 237–70
- ★ Acemoglu, Daron, Leopoldo Fergusson, James Robinson, Dario Romero, and Juan F. Vargas. 2020. "The Perils of High-Powered Incentives: Evidence from Colombia's False Positives". *American Economic Journal: Economic Policy* 12 (3): 1–43
- Rozenas, Arturas, Roya Talibova, and Yuri Zhukov. 2022. "Fighting for Tyranny: State Repression and Combat Motivation". Working Paper. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4030750](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4030750)

**Week 7, 03/05: Moral Hazard and Corruption**

Building on last week's discussion on the incentives and motivation of bureaucrats, this week addresses the problem of moral hazard and corruption in the public sector. We will discuss the commonalities and differences between these two concepts.

- Shleifer, Andrei and Robert W. Vishny. 1993. "Corruption". *The Quarterly Journal of Economics* 108 (3): 599–617
- Brehm, John and Scott Gates. 1997. *Working, Shirking, and Sabotage: Bureaucratic Response to a Democratic Public*. Ann Arbor: University of Michigan Press. Chapters 1,7
- Brierley, Sarah. 2020. "Unprincipled Principals: Co-opted Bureaucrats and Corruption in Ghana". *American Journal of Political Science* 64 (2): 209–222
- ★ Slough, Tara and Christopher Fariss. 2021. "Misgovernance and Human Rights: The Case of Illegal Detention without Intent". *American Journal of Political Science* 65 (1): 148–165

**Week 8, 03/12: Bureaucratic Responsiveness and Inequality in Public Service Provision**

In this week, we look at different determinants of bureaucratic responsiveness. While some readings consider the role of individual embeddedness of bureaucrats and their familiarity biases to explain bureaucratic behavior (Xu 2023, Einstein and Glick 2017), other readings consider more strategic considerations, related to institutional reforms (Sances 2016) or accountability and oversight (Eckhouse 2022, Slough 2022).

- Einstein, Katherine Levine and David M. Glick. 2017. "Does Race Affect Access to Government Services? An Experiment Exploring Street-Level Bureaucrats and Access to Public Housing". *American Journal of Political Science* 61 (1): 100–116

- Xu, Guo. 2023, 01. "Bureaucratic Representation and State Responsiveness during Times of Crisis: The 1918 Pandemic in India". *The Review of Economics and Statistics*: 1–10
- ★ Eckhouse, Laurel. 2022. "Metrics Management and Bureaucratic Accountability: Evidence from Policing". *American Journal of Political Science* 66 (2): 385–401
- Slough, Tara. 2022. "Squeaky Wheels and Inequality in Bureaucratic Service Provision". Working Paper. [http://taraslough.com/assets/pdf/colombia\\_audit.pdf](http://taraslough.com/assets/pdf/colombia_audit.pdf)
- Sances, Michael W. 2016. "The Distributional Impact of Greater Responsiveness: Evidence from New York Towns". *The Journal of Politics* 78 (1): 105–119

### **Week 9, 03/19: Electoral Accountability and Bureaucracy**

This week, we discuss how electoral incentives of politicians shape bureaucratic selection (Bolton et al. 2020) and bureaucrats' incentives in public service provision (Gulzar and Pasquale 2017, Nath 2018).

- ★ Bolton, Alexander, John M. de Figueiredo, and David E. Lewis. 2020. "Elections, Ideology, and Turnover in the US Federal Government". *Journal of Public Administration Research and Theory* 31 (2): 451–466
- Gulzar, Saad and Benjamin J. Pasquale. 2017. "Politicians, Bureaucrats, and Development: Evidence from India". *American Political Science Review* 111 (1): 162–183
- Nath, Anusha. 2018. "Bureaucrats and Politicians: Electoral Competition and Dynamic Incentives". Working Paper. [https://economicdynamics.org/meetpapers/2018/paper\\_896.pdf](https://economicdynamics.org/meetpapers/2018/paper_896.pdf)
- Martin, Lucy and Pia J. Raffler. 2021. "Fault Lines: The Effects of Bureaucratic Power on Electoral Accountability". *American Journal of Political Science* 65 (1): 210–224

### **Week 10, 03/26: Political Oversight and Bureaucratic Discretion**

This week, we consider how political oversight of bureaucracies as opposed to bureaucratic discretion shapes performance and output.

- Huber, John D. and Charles R. Shipan. 2002. *Deliberate Discretion?: The Institutional Foundations of Bureaucratic Autonomy*. Cambridge Studies in Comparative Politics. Cambridge University Press. Chapters 2,4
- 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
- Clinton, Joshua D., Anthony Bertelli, Christian R. Grose, David E. Lewis, and David C. Nixon. 2012. "Separated Powers in the United States: The Ideology of Agencies, Presidents, and Congress". *American Journal of Political Science* 56 (2): 341–354
- ★ Lowande, Kenneth. 2018. "Who Polices the Administrative State?". *American Political Science Review* 112 (4): 874–890

**Week 11, 04/02: Political Power and Preferences of Bureaucrats**

While many readings of previous weeks treated politician-bureaucrat relationships as a top-down principal-agent model, this week adopts a more bottom-up perspective on bureaucrats' roles and considers their influence on other political actors.

- ★ Potter, Rachel Augustine. 2017. "Slow-Rolling, Fast-Tracking, and the Pace of Bureaucratic Decisions in Rulemaking". *The Journal of Politics* 79 (3): 841–855
- Kroeger, Mary A. 2022. "Bureaucrats as Lawmakers". *Legislative Studies Quarterly* 47 (1): 257–289
- Ba, Bocar A., Jacob Kaplan, Dean Knox, Mayya Komisarchik, Rachel Mariman, Jonathan Mummolo, Roman Rivera, and Michelle Torres. 2022. "Who are the Police? Descriptive Representation in the Coercive Arm of Government". Working Paper. [https://scholar.princeton.edu/sites/default/files/policing\\_rep.pdf](https://scholar.princeton.edu/sites/default/files/policing_rep.pdf)
- Spenkuch, Jörg L, Edoardo Teso, and Guo Xu. 2023. "Ideology and Performance in Public Organizations". *Econometrica*, forthcoming

**Week 12, 04/09: Public Sector Unions**

Following our discussion in Week 11 on the political preferences of bureaucrats, this week discusses how bureaucrats organize politically through public sector unions.

- Moe, Terry M. 2006. "Political Control and the Power of the Agent". *The Journal of Law, Economics, and Organization* 22 (1): 1–29
- Anzia, Sarah F. 2011. "Election Timing and the Electoral Influence of Interest Groups". *The Journal of Politics* 73 (2): 412–427
- ★ Paglayan, Agustina S. 2019. "Public-Sector Unions and the Size of Government". *American Journal of Political Science* 63 (1): 21–36
- Hertel-Fernandez, Alexander. 2018. "Policy Feedback as Political Weapon: Conservative Advocacy and the Demobilization of the Public Sector Labor Movement". *Perspectives on Politics* 16 (2): 364–379

**Week 13, 04/16: Bureaucrats and Private Interests**

In this week, we consider the links between bureaucrats and private interests.

- Stigler, George J. 1971. "The Theory of Economic Regulation". *The Bell Journal of Economics and Management Science* 2 (1): 3–21
- Gordon, Sanford C. and Catherine Hafer. 2005. "Flexing Muscle: Corporate Political Expenditures as Signals to the Bureaucracy". *American Political Science Review* 99 (2): 245–261
- Lee, Kyuwon and Hye Young You. 2023. "Bureaucratic Revolving Doors and Interest Group Participation in Policy Making". *The Journal of Politics* 0 (0): 000–000
- ★ Potter, Rachel Augustine. 2022. "Macro Outsourcing: Evaluating Government Reliance on the Private Sector". *The Journal of Politics* 84 (2): 960–974

**Week 14, 04/23: Student Presentations**