

Spring 2013
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Political Science 5260

*Executive Branch Politics:
Bureaucracy and the President*

Article II of the Constitution says that the executive power will be vested in the president. While the study of the presidency has been regarded as a theoretical backwater in comparison with the literature on Congress and courts, in recent years a new literature has put the study of the executive branch on firmer ground. The literature on the presidency, like the literature on bureaucracy, is grounded in models of information asymmetry, agency, delegation, and separation of powers. This course will examine some of the most important concepts and models, as well as examining the empirical literature on the historical development of the executive branch, its relations with other branches of government, and the internal politics of staffing and structure.

Course goals and requirements

I understand that different people are taking this course for quite different reasons. Some may hope to do research in the area. For others, there might be tools that can be borrowed for research on courts, comparative politics, or IPE. Others may wish for general literacy in an area that is not particularly close to their research interests. Hopefully, the seminar can be flexible enough to help people with a variety of goals.

In the past, it has been extremely helpful in a seminar setting to ask students to submit a 2-page memo, an hour or two before class starts, on any aspect of the course topic for that day. These memos do not have to recreate or summarize the entire argument of a book or article; they can consist simply of your initial reaction to some part of the readings, as you go into the seminar. I would like to have *eight* such memos turned in to me during the 14 weeks of class (either hard-copy or email) by 1:30 p.m. the day of class. You pick which 8 weeks. For example, you may turn in a memo on the idea of the particularistic presidency. Of course, that is a huge topic that could support a much longer paper; the idea, however, is to give your first, brief, initial reaction. I will be able to look over the memos to get a sense of what the seminar participants are seeing in the readings. This will help me organize the afternoon seminar. I will probably call on you during the seminar to present your thoughts on the subject you choose. In order to encourage creativity and risk-taking, I will not grade the memos—just keep track of the number turned in. I would like for two of these 8 memos to be a bit more substantial, and support a five- to fifteen-minute presentation to the class. (Again, your pick.)

To make the course accommodative of diverse interests, you don't have to limit your memos to items on the required or recommended reading list. You may choose a reading that gives a comparative or IPE spin to a week's topic, or one that uses an empirical methodology or formal model that you are interested in. Other participation opportunities will include classroom and take-home exercises which I may occasionally

assign. Overall, I expect that everyone who turns in their memos and participates fully will get full credit for this part of the course, which counts toward 20% of the grade.

In addition, I would like 2 short papers of approximately four to eight pages each, and one longer project of 10-15 pages. These can build on your memos, if you wish. Depending on your interests, a short paper can be a problem statement for a possible research project, a literature review and commentary on some aspect of the course that you find particularly interesting, or a rigorous analysis of some aspect of the course that you think overlaps with your interest in comparative politics, judicial politics, methods, formal theory, or political theory. If you like, you can think of the two short papers as building blocks for the final, more substantial paper. I would like one short paper by the end of February, and one by the end of March. Each short paper is worth 20% of your grade, and the final project is worth 40%.

Contact Information

I will have office hours on Mondays from 11-12, and will be happy to arrange times for other meetings by email.

Readings: In order to accommodate the variety of interests that I usually find in the executive politics seminar, the readings are diverse and lead in a lot of different directions. So don't expect the readings to constitute a careful, logical construction of ideas and concepts. There should be something in the readings, most weeks, that is a little off-beat and surprises you.

Book. (available in the bookstore.)

Lewis. 2008. *Politics of Presidential Appointments*.

SECTION I. AGENCIES AND DELEGATION

1/16 EXPERTISE, AUTHORITY, AND CONFLICT

1/23 INFORMATION ASYMMETRIES AND PRINCIPAL-AGENCY THEORY (2)

Read:

Dixit and Nalebuff. *Thinking Strategically* pp. 302-319.

Watson. *Strategy* Ch. 25.

Weingast, Barry. 1984. "The Congressional-Bureaucratic System: A Principal-Agent Perspective with Applications to the SEC." *Public Choice* 44:147-91.

Downs and Rocke. 1994. "Conflict, Agency, and Gambling for Resurrection: The Principal-agent Problem Goes to War." *APSR* 83:965-78.

Bottom, Holloway, Miller, Mislin, and Whitford. "Building A Pathway to Cooperation: Negotiation and Social Exchange Between Principal and Agent". 2006. *Administrative Science Quarterly* 51:29-58.

Recommended:

MacDonald, Jason. 2010. "Limitation Riders and Congressional Influence." *APSR* 104:766

Weingast and Moran. 1983. "Bureaucratic Discretion or Congressional Control? Regulatory Policymaking by the Federal Trade Commission." *Journal of Political Economy* 91:765-800.

Law and Tonon. 2006. "The Strange Budgetary Politics of Agricultural Research Earmarks". *Public Budgeting and Finance*.

Spence M, and Zeckhauser. R. 1971. Insurance, information, and individual action. *Amer Econ. Rev.* 61:380-87.

Harris M, Raviv A. 1979. Optimal incentive contracts with imperfect information. *J. Econ. Theory*, 20, pp. 231-259.

Shavell, S. 1979. Risk sharing and incentives in the principal and agent relationship, *Bell J. Econ.* 10: 55-73.

Holmstrom B. 1979. Moral hazard and observability. *Bell J. Econ.* 10, pp. 74-91.

Bendor and Meirowitz. 2004. "Spatial Models of Delegation." *APSR* 98.

Moe. 1984. "The New Economics of Organization". *AJPS* 28:739-77.

1/30 ADMINISTRATIVE PROCEDURES AND CONGRESSIONAL OVERSIGHT (3)

McNollGast. 1987. "Administrative Procedures as Instruments of Political Control" *JLEO* 3:243-77.

Hill and Brazier. 1991. "Constraining Administrative Decisions: A Critical Examination of the Structure and Process Hypothesis." *JLEO* 7:373-400.

Miller and Whitford. "Bureaucratic Defiance" (handout).

Spence. 1997. "Agency Policy Making and Political Control: Modeling Away the Delegation Problem." *Journal of Public Administration Research and Theory* 7:199-219.

Recommended:

- Spiller and Ferejohn. 1992. "The Economics and Politics of Administrative Law and Procedures" *JLEO* 8:1-7.
- Bawn, Kathleen. 1995. "Political Control versus Expertise: Administrative Procedures". *APSR*. 89:62-73.
- Canes-Wrone. 2003. "Bureaucratic Decisions and the Composition of Lower Courts." *AJPS* 47:205.
- Eskridge and Ferejohn. 1992. "Making the Deal Stick: Enforcing the Original Constitutional Structure of Lawmaking in the Modern Regulatory State." *JLEO* 8:165-89.
- Songer, Segal, and Cameron. 1994. "Hierarchy of Justice". *AJPS*. 38: 673-96.
- Epstein and O'Halloran. 1996. "Divided Government and the Design of Administrative Procedures". *JOP* 58:373-97.
- Bawn, Kathleen. 1997. "Choosing Strategies to Control the Bureaucracy: Statutory Constraints, Oversight, and the Committee System". *JLEO* 13: 101-26.
- Balla, Steven. 1998. "Administrative Procedures and Political Control of the Bureaucracy." *APSR* 92:663-673.
- Humphries and Songer. 1999"Law and Politics in judicial Oversight of Administrative Agencies,*JOP* 6:207-220.
- Huber, Shipan and Pfahler. 2000. "Legislatures and Statutory Control of Bureaucracy." *AJPS* 45:330-45.
- Balla and Wright. 2001. "Interest Groups, Advisory Committees, and Congressional Control of Bureaucracy". *AJPS* 45:799-812.

2/06 THE PRINCIPAL'S OTHER PROBLEM: (4)
POLITICAL MORAL HAZARD AND CREDIBLE COMMITMENT

Read:

- North and Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth Century England." *Journal of Economic History* 49:803-32.
- Keefer and Stasavage. 2003. "The Limits of Delegation: Veto Players, Central Bank Independence, and the Credibility of Monetary Policy." *AJPS* 97:425.
- Majone, Giandomenico. 1997. "From the Positive to the Regulatory State: Causes and Consequences of Changes in the Mode of Government." *Journal of Public Policy* 17:1399-167.
- Lohmann, Susanne. 1992. "Optimal Commitment in Monetary Policy: Credibility vs. Flexibility." *AER* 82: 273-2886.
- Chang, Kelly. 2001. "The President vs the Senate: Appointments in the American System of Separated Powers and the Federal Reserve." *JLEO* 17:319.

Recommended:

- Miller. "Above Politics: Credible Commitment and Efficiency in the Design of Public Agencies." 2000. *Journal of Public Administration Research and Theory*. 10 (April): 289-328.
- Majone, Giandomenico. 2001. "Nonmajoritarian Institutions and the Limits of Democratic Governance." *Journal of Institutional and Theoretical Economics*. 157:57-78.
- Stasavage, David. 2002. "Credible Commitment in Early Modern Europe: North and Weingast Revisited." *JLEO* 18: 155-186.

2/13 MORAL HAZARD OF BUDGET-BREAKING (5)

Read:

- Holmstrom. 1982. "Moral Hazard in Teams." *Bell Journal of Economics* 13[1st section]
- Eswaran and Kotwal. 1984. "The Moral Hazard of Budget-Breaking." *Rand Journal of Economics* 15: 578.
- Mayer. 1995. "Closing Military Bases (Finally): Solving Collective Dilemmas through Delegation." *Legislative Studies Quarterly* 20:393-413.
- Djankov, Simeon, Edward Glaeser, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer. 2003. "The New Comparative Economics". *Journal of Comparative Economics* 31:595-619.

Recommended:

- McCubbins, and Schwartz. 1984. "Congressional Oversight Overlooked: Police Patrols vs. Fire Alarms." *AJPS* 28:164-79.
- Calvert, McCubbins and Weingast. 1989. "A Theory of Political Control and Agency Discretion." *AJPS* 33:588-611.
- Wood. 1988. "Principals, Bureaucrats, and Responsiveness in Clean Air Enforcement." *APSR* 82: 213-233.
- Arnold, Douglas. 1987. "Political Control of Administrative Officials." *JLEO* 3:279-86.
- Lupia and McCubbins. 1994. "Learning from Oversight". *JLEO* 10:96-125.
- Hopenhayn and Lohmann. 1996. "Fire Alarm Signals and the Political Oversight of Regulatory Agencies." *JLEO* 12:196-213
- Bendor, Jonathan, et al. 1987. "Politicians, Bureaucrats, and Asymmetric Information." *APSR* 80:1187-1207.
- Bendor, Jonathan. 1989. "Formal Models of Bureaucracy." *BJPS* 18:353-95.
- Banks and Weingast. 1992. "Political Control of Bureaucracies under Asymmetric Information." *AJPS* 36:509-24.
- Miller and Whitford. 2002. "Trust and Incentives in Principal-Agent Negotiations." *Journal of Theoretical Politics* 14:231-267.

SECTION II.

MULTIPLE PRINCIPALS:
CONGRESS, PRESIDENT, AND COURTS

2/20 SEPARATION OF POWERS AND VETO-BARGAINING. (6)

Read:

Ferejohn, John and Charles Shipan. 1990. "Congressional Influence on Bureaucracy." *JLEO* 6:1-20.

Shipan. 2004. "Regulatory Regimes, Agency Actions, and the Conditional Nature of Congressional Influence." *APSR* 98:467-480.

Executive Orders 12866 and 13422

<http://www.archives.gov/federal-register/executive-orders/index.html>

Recommended:

Moe. 1985. "The Politicized Presidency", in *New Directions in American Politics* ed. Chubb and Peterson. Brookings.

2/27 CONSTITUTIONAL POSITION OF THE CHIEF EXECUTIVE (7)

Read:

Schelling, T. 1960. *The Strategy of Conflict*. Ch. 2. "An Essay on Bargaining".

Canes-Wrone et al. 2001. "Leadership and Pandering: A Theory of Executive Policymaking". *AJPS* 45:532-50.

Kriner and Reeves. 2012. *APSR* 106.

Sullivan. 1990. "Bargaining with the President". *APSR*. 84:1167-96.

Recommended:

Thaler, Richard. 1988. "Anomalies: The Ultimatum Game". *Journal of Economic Perspectives* 2:195-206.

Kreps and Wilson. 1982. "Reputation and Imperfect Information." *Journal of Economic Theory* 27: 253-279.

Eavey and Miller. 1984. "Bureaucratic Agenda Control: Imposition or Bargaining?" *APSR* 78:719-733.

Romer and Rosenthal. 1978. "Political Resource Allocation, Controlled Agendas." *Public Choice* 33:27-45.

Haptonstahl. 2009. "Bargaining Under Uncertainty: A Strategic Statistical Model of the Ultimatum Game."

Rosenthal, Robert. 1981. "Games of Perfect Information, Predatory Pricing and the chain-store Paradox." *Journal of Economic Theory* 25:92-100.

3/06 THE UNITARY EXECUTIVE

(8)

Read: .

Bailey. 2008. "The New Unitary Executive and Democratic Theory: The Problem of Alexander Hamilton." *APSR* 102(4); 453-466.

Berry et al. 2010. "President and the Distribution of Federal Spending." *APSR* 104:766/

Recommended:

- Kleineman. 2005. "Lincoln's Example: Executive Power and the Survival of Constitutionalism" *Perspectives on Politics*. 3(4): 801.
- Stuart Streichler, "Mad about Yoo, or, Why Worry about the Next Unconstitutional War?" *Journal of Law & Politics* Vol. 24 (2008), pp. 93-128.
- John Yoo. "THE PRESIDENT'S CONSTITUTIONAL AUTHORITY TO CONDUCT MILITARY OPERATIONS AGAINST TERRORISTS AND NATIONS SUPPORTING THEM" <http://www.justice.gov/olc/warpowers925.htm>
- Goldsmith. 2007. *The Terror Presidency*. New York: W. W . Norton
- Carey and Shugart. *Executive Decree Authority*. Cambridge Univ. Press.

3/13 SPRING BREAK!

3/20 SHARED OVERSIGHT (09)

- Read: John T. Gasper and Andrew Reeves. 2011. "Make it Rain? Retrospection and the Attentive Electorate" *AJPS*..
- Douglas L. Kriner and Andrew Reeves. 2012. "The Influence of Federal Spending on Presidential Elections." *American Political Science Review*, 106(2):348-366.
- Moe. 1989. "The Politics of Bureaucratic Structure." In *Can the Government Govern?* Peterson and Chubb, ed.
- Whitford. 2002. "Decentralization and Political Control of the Bureaucracy". *Journal of Theoretical Politics* 14:169-94.
- Recommended:*
- Hammond and Knott. 1996. "Who Controls the Bureaucracy? Presidential Power, Congressional Dominance, Legal Constraints, and Bureaucratic Autonomy". *JLEO* 12: 112-66.
- Jeong, Miller and Sobel. 2007. "The Political Origins of the Independent Central Bank in the Separation-of-Powers System." *JLEO*.
- Ting. 2002. "A Theory of Jurisdictional Assignments in Bureaucracies." *AJPS* 46:364-378.
- Moe. 1990. "Political Institutions, the Neglected Side of the Story". *JLEO* 6:213-253.
- Moe. 1990. "Politics of Structural Choice". In *Organization Theory*. ed. Oliver Williamson.
- Hammond and Miller. 1985. "Dictatorship, Decentralization, and the Principles of Administration". *American Journal of Political Science* 29: 1-28.
- Hammond. 1986. "Agenda Control, Organizational Structure, and Bureaucratic Politics", *AJPS* 30 (2): 379-420.
- Seidman. *Politics, Position, and Power*.

SECTION III CONSTRAINING PROFESSIONAL AGENCIES

3/27 INCENTIVES AND THE CONTROL PARADOX (10)

Read:

- Brehm and Gates. 1993. "Donut Shops and Speed Traps." *AJPS* 37:555-81.
- Frey. 1993. "Does Monitoring Increase Work Effort: The Rivalry with Trust and Loyalty." *Economic Inquiry* 31: 663-70.
- Miller. 2005. "Can the Good Soldier Svejik be Trusted?" In Cook and Kramer, ed. *Trust and Distrust in Organizations*.
- Gailmard and Patty. 2007. "Slackers and Zealots: Civil Service, Policy Discretion, and Bureaucratic Expertise." *AJPS* 51:873-889.

Recommended:

- Chaney and Saltzstein. 1998. "Democratic Control and Bureaucratic Responsiveness: The Police and Domestic Violence". *AJPS* 42: 745-768.
- Meier et al. 2000, "Bureaucracy and Organizational Performance: Causality Arguments about School Choice". *AJPS* 44:590-602
- Brehm and Gates. 1994. "When Supervision Fails to Induce Control." *JTP* July.
- Chubb and Moe. 1988. "Politics, Markets and the Organization of Schools". *APSR* 82:1065-1089.
- Blau. 1963. *The Dynamics of Bureaucracy*, chs. 7-11.
- Gouldner. 1954. *Patterns of Industrial Bureaucracy*. Free Press.
- Warwick. 1975. *A Theory of Public Bureaucracy*. 1975.
- Scholz. 1991. "Cooperative Regulatory Enforcement and the Politics of Administrative Effectiveness." *APSR* 85(1): 115-136.
- Scholz. 1997. "Can Regulation Enhance Social Cooperation? A Signaling Model of OSHA Enforcement." *AJPS*.
- Homans. 1954. "The Cash Posters". *American Sociological Review*. 19:724-33.

4/03 PATRONAGE AND MERIT SYSTEMS (11)

Read:

- Lewis. *Politics of Presidential Appointments*. Ch. 1-4.
- Frant. 1993. "Rules and Governance in the Public Sector". *AJPS* 37:990-1007.
- Rauch. 1995. "Bureaucracy, Infrastructure, and Economic Growth: Evidence from U.S. Cities During the Progressive Era." *AER* 84:968-979.
- Ruhil and Camoes. 2003. "What Lies Beneath: The Political Roots of State Merit Systems." *J. of Public Administration Research and Theory* 13:27-42.
- LaPuente and Nistotskaya. 2009. "To the Short-Sighted Victor Belongs the Spoils: Politics and Merit Adoption in Comparative Perspective." *Governance* 22:431-458.

Recommended:

Humphrey's Executor v. U.S. 1935.

http://www.law.cornell.edu/supct/html/historics/USSC_CR_0295_0602_ZO.html

Rauch and Evans. 2000. "Bureaucratic Structure and Bureaucratic Performance in less Developed Countries". *Journal in Public Economics* 75:49-71.

Ruhil. 2003. "Urban Armageddon or Politics as Usual?" *AJPS* 47:59-170.

Johnson and Libecap. 1994. "Patronage to Merit and Control of the Federal Government Labor Force." *Explorations in Economic History* 31:91-119.

Wilson. 1975. "The Rise of the Bureaucratic State." *Public Interest*.

Skowronek. 1982. *Building a New American State*.

Johnson and Libecap. 1994. *The Federal Civil Service System and the Problem of Bureaucracy*.

Chicago: Univ. of Chicago Press.

Carpenter. 2001, *The Forging of Bureaucratic Autonomy*.

Knott and Miller. 1987. *Reforming Bureaucracy*. New York: Prentice-Hall.

Geddes. *Politician's Dilemma*.

4/10 PROFESSIONALISM AND BUREAUCRATIC DISCRETION (12)

Read:

Lewis. 2008. *Politics of Presidential Appointments*. Finish

Mosher. 1982. *Democracy and the Public Service*. Ch. 5 "The Professional State"

Moe. 1987. "Interests, Institutions, and Positive Theory: The Politics of the NLRB." *Studies in American Political Development* 2:236-99.

Tonon. 2006. "Political Appointees, Credible Communication, and Costly Signaling" *JTP*.

Koremenos and Lynn. 1996. "Leadership of a State Agency." In Kettl and Milward, eds. *The State of Public Management*. Johns Hopkins.

Recommended:

Friedson. 2001. *Professionalism: The Third Logic*. Chicago: Univ. of Chicago. pp. 1-60.

Goodsell, Chas. 1981. "Looking Again at Human Service Bureaucracy." *Journal of Politics* 43: 763-78.

Keiser et al. "Race, Bureaucratic Discretion, and the Implementation of Welfare Reform". *AJPS* 48:313-34.

Lipsky. 1980. *Street Level Bureaucracy* New York: Russell Sage.

Miller. 2005. "Solutions to Principal-Agent Problems in Firms".

Handbook of New Institutional Economics, pp. 349-360.

Moe. 1985. "Control and Feedback in Economic Regulation: The NLRB." *APSR* 79:1094-1116.

Sabatier et al. 1995. "Hierarchical Controls, Professional Norms, Local Constituencies, and Budget Maximization: An Analysis of U.S. Forest Service Planning Decisions" *AJPS* 39:204-242.

Hammond and Hill. 1993. "Deference or Preference: Senate Confirmation". *JTP* 5:23.

McCarty and Razaghan. 1999. "Advice and Consent:

Senate Responses to Executive Branch Nominations". *AJPS* 43: 1122-43.

Read:

- Moe and Caldwell. "The Institutional Foundations of Democratic Government: A Comparison of Presidential and Parliamentary Systems." *Journal of Institutional and Theoretical Economics* 1994: 171-95.
- Evans and Rauch. 2007. "Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structure", *American Sociological Review* 65:748-65.
- Brown, Earle and Gehlbach. 2009. "Helping Hand or Grabbing Hand? State Bureaucracy and Privatization Effectiveness." *APSR* 103: 264-283.

Recommended:

- Copelovitch. 2009. "Master of Servant? Common Agency and the Political Economy of IMF Lending." *International Studies Quarterly*.
- Tolbert and Zucker. 1983. "Institutional Sources of Change in the Formal Structure of Organizations". *ASQ* 38: 22-39.
- "Argentine President and Central Bank in Standoff."
New York Times 1/11.
- Nistotskaya, Marina. 2007. "Is a Civil Service Type of Organizational Design of Public Bureaucracy Conducive to Economic Development? The Russian Regime."
- Cox. 1986. "The Development of a Party-Oriented Electorate in England". *BJPS* 16:187-216.
- Rosenberg. 2003. "The Taint of the Greased Palm". *NY Times Magazine*, August 10, p. 28.
- Daughton. 1998. "Trusting Leviathan: British Fiscal Administration from the Napoleonic Wars to the Second World War." in Braithwaite and Levi, ed. *Trust and Governance*.
- Glaser and Shleifer. 2004, "The Rise of the Regulatory State"
- Geddes. *Politician's Dilemma: Building State Capacity in Latin America*.

4/24 FINANCIAL REGULATORS AND CRISIS (14)

Read:

- Bernhard. 1998. "A Political Explanation of Variations in Central Bank Independence." *APSR* 92:311-27.
- Franzese, Robert. 1999. "Partially Independent Central Bank, Politically Responsive Governments, and Inflation." *American Journal of Political Science* 43: 681-706.
- Crotty, James. 2009. "The Bonus-Driven 'Rainmaker' Financial Firm: How These Firms Enrich Top Employees, Destroy Shareholder Value and Create Systemic Financial Instability." University of Massachusetts, Amherst. October.
- Johnson. Simon, and James Kwak. 2010. *Thirteen Bankers*.

Recommended:

Guillermo Rosas. 2009. *Curbing Bailouts*.

Bernhard, Wm. *Banking on REform: Political Parties and Central Bank Independence
in the Industrial Democracies*. Michigan.

Maxwell, Sylvia. *Gatekeepers of Growth*.