CORE III: POLITICS OF POLICYMAKING

SYLLABUS 2017

Governments are often stymied in their efforts to create and implement effective public policies. The core objective of this course is to provide students with an understanding of how to identify and manage the most common *political* impediments to policymaking across a range of policy issues. This course equips students to be better agents of change by developing their understanding of why desirable policy changes are often not achieved, by identifying solutions to these common challenges, and by effectively communicating political analysis in the form of a polished policy memo.

Learning outcomes

By the end of the course, students will:

1. Possess a conceptually-driven understanding of why desirable public policy changes are often not achieved.
2. Be able to identify some solutions to political impediments to policymaking.
3. Have honed their memo-writing skills.

More detailed weekly learning outcomes are available on WebLearn within the weekly guides (within weekly folders, 'About Week 1', 'About Week 2', etc).

Core teaching team

There are eight members of the core teaching team:

- Maya Tudor (course convener, lecturer), maya.tudor@bsg.ox.ac.uk
- Pepper Culpepper (seminar leader, lecturer) pepper.culpepper@bsg.ox.ac.uk
- Thomas Elston (seminar leader, lecturer), thomas.elston@bsg.ox.ac.uk
- Tom Hale (seminar leader, simulation leader), thomas.hale@bsg.ox.ac.uk
- Emily Jones (seminar leader, simulation leader), emily.jones@bsg.ox.ac.uk
- Jody LaPorte (seminar leader, lecturer), jody.laporte@bsg.ox.ac.uk
- Saliha Metinsoy (seminar leader), saliha.metinsoy@wadh.ox.ac.uk
- Anna Petherick (seminar leader), anna.petherick@politics.ox.ac.uk
- Jeff Wright (seminar leader), jeffrey.wright@nuffield.ox.ac.uk

The course also features guest lecturers and practitioner conversations on Tuesdays and Wednesdays.

Queries regarding course organisation should be addressed to the convener. Questions about specific content of a lecture or seminar should be addressed to the respective lecturer or seminar leader.

Course Organisation

Weekly Overview

The course has seven weeklong themes. Each week is intended to introduce an important way in which policymaking is conditioned or impeded – be it by historical legacies, institutions, or by the consequence of strategic interactions of individuals, governments and states. The final week concludes with a policy simulation on a current policy issue that highlights how the taught concepts of the course operate in practice.

Weeks 1-2 cover the foundational approaches to the politics of policymaking. The first week introduces the concept of collective action. The second week introduces political institutions, with a focus on how savvy policymakers can navigate institutional veto players as well as how these institutions condition the kinds of policies governments are able to pursue.

Weeks 3-5 cover the typical ways in which policy design and implementation is politically frustrated. The third week covers how and why interest groups seek to influence policy design and implementation. The fourth week focuses on bureaucracy, in order to understand how everyday policy implementers (bureaucrats) can be incentivized to promote the public good. The fifth week to applies the concepts studied in previous weeks to the problem of corruption.

Week 6 covers how behavioural insights can be utilized within policy design to better align policy objectives with individual biases.

Weeks 7 and 8 covers policymaking at the international level. We examine how many of the concepts introduced at a domestic level also operate at an international level. Week 7 prepares you to assume the role of a special interest or state in one of three capstone policy simulations. Week 8 immerses you in a timely policy issue and challenges you to use the concepts introduced in the previous weeks to develop a strategy for meeting your goals as a particular state or interest group.

Introductory/Closing sessions

An introductory session will take place on Thursday of Week 0 at 2pm. A closing session will take place on Monday of Week 9 at 9.30am. Both are <u>mandatory</u>.

The introductory session is split into two parts. In the first hour, we use a case study to overview the course objectives. The second hour is a workshop on writing effective policy memos, which will prepare you for the summative assignment.

The closing lecture in Week 9 reviews the applications of the weekly core concepts to each of the policy simulations and provides suggestions for how to prepare for the summative assessment.

Weekly Rhythm of Study

Question and Answer Session (Monday, optional)

On Monday morning, PoP holds an optional Q&A session to address any clarifiying questions in advance of Monday lecture. As students are expected to be clear on the core concept and key messages of the core readings, this session is designed to provide an opportunity for students seeking clarification on the readings or on the weekly assignment. It takes place on Mondays, at 10.30am in Weeks 1-3 and at 10.45am Weeks 4-7, and will be led either by Jody LaPorte or Maya Tudor.

Core Lecture (Monday)

The central concepts of the week are explored in the Monday core lecture. This lecture draws upon political science, sociology, economics, and psychology, while also exemplifying how the concepts are relevant to the politics of policymaking. It is attended by half the cohort, as assigned, on Mondays from 12-1pm or from 2.30-3.30pm.

Case Study (Tuesday)

The case study session seeks to ground the concepts introduced in core lectures within specific policy issues. These sessions will be highly interactive, with students contributing as much as the lecturer to a structured discussion. It is <u>imperative</u> that students read the case study before class and come prepared to discuss the case in depth. Ideally, this case is read the day before lecture and reviewed briefly before the case study commences. This session is attended by half the cohort, as assigned, on Tuesdays from 1-2pm or from 2.30-3.30pm.

Practitioner Conversation (Tuesday)

Each week an invited policymaker will join us to offer a practitioner's perspective on the topic and concepts of that week. These sessions will be structured as a "hosted conversation" with extensive opportunity for students to ask questions. This session is attended by the whole cohort and takes place 4-5pm on Tuesdays.

Digging Deeper (Wednesday, optional)

Digging deeper sessions are your opportunity to engage with cutting edge research on the topic of the week. This session is intended to provide theoretical and

empirical depth for those wishing to further develop their understanding beyond the core material.

The material is not assessed and, except for Week 7, attendance is optional. However, both by expanding student exposure to a range and depth of material and by developing their analytical skills, attendance will enhance student performance in assessment. The session lasts for one hour, of which approximately half will be in a lecture format and half in informal discussion. These sessions take place on Wednesday mornings at 9am.

Discussion Seminars (Friday)

Led by a seminar leader, students convene in small groups to discuss, debate and explore the themes introduced in the core lectures and case studies. The purpose of the Friday seminar is three-fold: first, to ensure that students have fully understood the concepts introduced in the core lecture and required readings; second, to discuss the application of these readings to the case study or real-world policy problems; and third, to review lessons gleaned from the weekly assignment.

Seminars take place on Friday mornings, running from 9.30-10.45am, 11-12.15pm, or 12.30-1.45pm, as assigned.

Policy Simulations

For the final week of the course, each student will be assigned to one of three policy simulations. The topics this year are: (1) negotiating the trans-Pacific trade agreement, led by Emily Jones; (2) addressing global climate change, led by Tom Hale; (3) and negotiating the UK's Brexit agreement, led by Karthik Ramanna and Pepper Culpepper. During the first weeks of term, a description and list of roles will be released and students will be asked to rank their topic preferences. Please note that we cannot guarantee these preferences will be fully met.

In week 7, students will be asked to attend a guest lecture and an expert briefing session for their specific simulation. Students will also produce an assignment related to their assigned role.

During Thursday and Friday of Week 8, all actors in each simulation are tasked with achieving a joint policy outcome. The goal of the policy simulation is to illustrate the importance of systematically identifying the political determinants of policymaking. More specifically, the policy simulation develops the ability to anticipate the core interests and institutions mediating between policy design, adoption, and implementation; grounds your conceptually-defined understanding of why desirable public policy changes are often not achieved in a particular policy issue, and hones your ability to navigate these challenges through effective negotiation.

Readings

There are three required readings for each week (except week 8). <u>Students are expected to complete the readings before the appropriate class session</u>.

On Weblearn, there is an additional weekly guide ('About Week 1', 'About Week 2', and so forth) that details learning objectives, signposts reading questions, and reminds students of any particular scheduling anomalies that week.

Additional, optional readings for students wishing to further develop their study are also included in the weekly Weblearn document.

Course Assessment

Students' performance on the course is assessed by written work.

Summative Assessment

Summative assessment is by a written assignment of 2000 words. The assignment will include a 1500 word policy memo for a real-world principal on a topical policy issue, as well as a 500 word discussion essay. Students will choose one of four possible memo topics and will conduct their own background research to write this essay. The summative examination will be due 12 pm on the third Friday of Trinity term (12 May 2017) via Weblearn.

One optional revision session will be held during the first week of Trinity Term, to help students prepare for the exam. It will give guidance on how to prepare for the take-home summative examination.

Formative Assessments

Formative assessment helps students to consolidate the material learned during the term and to develop the skills by which their performance on the course is ultimately assessed. Written work submitted during term does not count towards students' marks on the course. It is there to consolidate student understanding of the course content; to enable students to relate policy problems to conceptual frameworks learned and to provide practice in writing policy memos.

Policy Memos

Students are asked to complete two policy memo assignments during Hilary Term. The first, in Week 1, will ask students to write a short outline of a policy memo. This assignment will be released on Monday of Week 1 at 9am; it will be due on Wednesday of Week 1 at 7pm.

The second policy memo assignment will ask students to write a full 1500 word policy memo on a memo prompt as well as 500 words on how the memo utilizes a

core concept. This assignment will be released on Friday of Week 4 (9am); it will be due on Friday of Week 5 (9am).

These assignments will prepare students for the policy memo portion of the summative assessment. Policy memos should put forth a clear, actionable policy recommendation. Other criteria for assessment include (1) cogency of argument; (2) engagement with the course material; (3) evidence of critical thought; and (4) clarity in presentation. Detailed marking criteria are available on Weblearn. Policy memos should use A4 layout; 'normal' margins (2.54cm top and bottom; 1.9cm left and right); font 12; Times New Roman; 1.5 spacing. Student names should be clear at the top of the work.

Diagnostic Exercises

Students will also have an opportunity to submit optional diagnostic exercises in weeks 2, 3, 4, and 6. Students will be asked to relate one of the major concepts discussed in lecture to their professional experiences or their awareness of current political events. Successful completion of the diagnostic exercise requires no supplementary reading beyond that specified for the week.

In weeks 2, 3, 4, and 6, these assignments will be released on Monday at 9am. They will be due on Wednesday of the same week at 7pm.

These exercises will prepare students for the discussion essay portion of the summative assessment. Diagnostic exercises will be marked as a check-plus (3 points), check (2 points), check-minus (1 point), or 0 (if not handed in). Students receiving a check-minus on their diagnostic exercises should consult their seminar leader for further feedback.

Simulation Preparation

In preparation for the policy simulations, students will be asked to submit a short assignment related to their specific role. Further details will be included in conjunction with the simulation preparation documents.

CORE III: SYLLABUS AT A GLANCE

Week	Core Concepts	Core Lecture (Monday)	Case Study (Tuesday)	Practitioner Conversation (Tuesday)	Digging Deeper (Optional)	Seminars	Weekly Assignment
Week 0: Thursday, 2-3pm Launch Case Study; 3.30-4.30pm Summative Assignment (Policy Memo) Workshop							
Part I: States, regimes, and institutions (macro policymaking)							
1	Collective action; legitimacy	Nationalist movements as collective action. Maya Tudor	Egypt's 2011 revolution: Morsi's constitutional dilemma Maya Tudor	Egypt's 2011 revolution Sondos Shalaby & Wael Ghonim.	Striving for Electoral Integrity: The Nigerian Experience Attahiru Jega, former Election Commissioner of Nigeria	Small group seminars as assigned.	Readings and movie. Memo outline due Wednesday 7pm.
2	Veto players; side payments	Navigating political institutions Jody LaPorte	America's 2010 health care reform Jody LaPorte	Institutional reform in Ukraine Niamh Walsh	Political Institutions and Policy in Brazil Professor Francisco Gaetani	Small group seminars as assigned.	Readings and movie. Diagnostic due Wednesday 7pm.
Part II: Bureaucracies, interest groups & individuals (Mid-level and micro policymaking)							
3	Regulatory capture; structural power of business; the boomerang.	Interest group politics Pepper Culpepper	Public policy and interest groups in Romania Pepper Culpepper	Public policy and interest groups in Romania Manuel Costescu	Bank bailouts in the UK and US Pepper Culpepper	Small group seminars as assigned.	Readings. Diagnostic due Wednesday 7pm.
4	Principal-agent problem; goal displacement; goal ambiguity	Getting Bureaucracies to Deliver Thomas Elston	Public sector reform in Malaysia, 2009-11 Thomas Elston	Public sector reform in Malaysia, 2009-11 Dato Sri Idris Jala	Naming and shaming in public services Gywn Bevan	Small group seminars as assigned.	Readings. Diagnostic due Wednesday 7pm. Formative Assignment released Friday.

5	Corruption	Corruption: collective action problem, veto player problem or principal-agent problem? Jody LaPorte/ Bo Rothstein	Anti-corruption activism in Russia Jody LaPorte	Anti-corruption activism in Russia Vladimir Ashurkov	Cultures of corruption: can we do anything about it? Stefan Dercon	Small group seminars as assigned.	Readings. Formative assessment due Friday.
6	Myopia, Status quo biases, Loss aversion, Anchoring, Priming, Prospect theory	NO LECTURE.	Behavioural insights for policymaking (NOTE SPECIAL SCHEDULE TODAY).	Behavioural applications in policy Piyush Tantia, Director of Ideas 42	BIT Nudge Insights Michael Sanders	Small group seminars as assigned. PLEASE CHECK FOR CHANGES IN SEMINAR TIMING.	Readings. Diagnostic due Wednesday 7pm.
Part III: Policy Simulations						
7	Two level-games	International institutions and 2-level games Ngaire Woods	As per simulations. FRIDAY SEMINARS ARE REPLACED BY SIMULATION-SPECIFIC SESSIONS				Assignment as per simulation
8	Policy Simulations all-day Thursday and Friday (all-day).						
9	Concept-mapping exercise (2 hours).						

Week 0: The Politics of Policymaking

This session meets on Thursday, 12 January, 2:00-4:30pm.

In the first part of this session, we will use a case study (below) to explore the goals of Core III, including why the course exists and how it builds upon the core MPP modules taken in Michaelmas Term.

The second part of this session is a workshop on writing effective policy memos, which will prepare you for the summative assignment.

Required Core Reading

- Harvard Business School Case Study, "Immigration Policy in Germany," 2015. Online: http://cb.hbsp.harvard.edu/cbmp/access/57687271

Please read the case closely in advance of class and come prepared to answer the question below.

Assignment question: Should Angela Merkel allow all citizens of Eurozone countries to freely migrate to Germany? Why or why not?

Week 1: State and Regime Origins

Key concepts: collective action; legitimacy

Overview of the Week

The objective of this week is to introduce the origins of states and regimes because such institutional origins intimately shape political patterns within and across countries. Shepherding policy change through a government necessitates working through patterns of power distribution and national narratives that reflect formative historical moments. Monday's lecture introduces the concepts of collective action and legitimacy through India's and Pakistan's divergent regime trajectories after colonial independence. Tuesday's lecture and conversation examines these same concepts in through a case study of President Mohammed Morsi's rise to power in Egypt and his subsequent constitutional crisis. Wednesday's optional Digging Deeper session will examine Nigeria's attempts to create robust electoral institutions amidst myriad challenges.

Required Class Preparation

You should come to Monday class having read the Olson and Tudor readings and being prepared to define a collective action problem. You should come to Tuesday class having closely read the Egyptian case study.

Required Core Readings

- Mancur Olson, Chapter 1 in *The Logic of Collective Action*, Cambridge MA: Harvard Univ Press, 1965. Online: https://weblearn.ox.ac.uk/x/LHPg1b

This classic reading lays the foundation for many topics and concepts covered in Core III. You should glean from this your understanding of what a public good is, why they tend not to be provided and why smaller groups are likely to be more effective than larger groups in providing them.

- Maya Tudor, "Explaining Democracy's Origins: Lessons from South Asia," *Comparative Politics*, 2013. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/43664320

Foundational moments in a country's history tend to shape political patterns in subsequent decades, often to be changed only in moments of crisis. What are the primary reasons India's post-independence regime is a stable democracy and Pakistan's is an unstable autocracy? What were the differences in the nationalist movements—or forms of collective action—that ushered these countries into being?

- BSG case study: Morsi's constitutional crisis. Online: https://weblearn.ox.ac.uk/x/5NkgDI

Please make sure you read this case closely before Tuesday lecture and are prepared to summarise and discuss the case. As you read the case, consider why Morsi was able to come to power? What made Morsi a legitimate president? And what went wrong in 2013?

Further Reading (Optional)

- Max Weber, "Politics as A Vocation," 1919. Online: https://weblearn.ox.ac.uk/x/owDVjf
- Timur Kuran, "Sparks and Prairie Fires: A Theory of Unanticipated Political Revolution," *Public Choice,* 1989. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/30025019
- Guillermo O'Donnell and Philippe Schmitter, *Transitions from Authoritarian Rule: Tentative Conclusions about Uncertain Democracies,* 1986, Ch. 3 Online: https://weblearn.ox.ac.uk/x/y6ZtbC
- Samuel Huntington, *Political Order in Changing Societies*, 1968, Ch. 1 Online: https://weblearn.ox.ac.uk/x/b4XOJR
- Daron Acemoglu and James Robinson, *Why Nations Fail*, 2013, Ch. 1 Online: http://solo.bodleian.ox.ac.uk/OXVU1:LSCOP_OX:oxfaleph019491525

Week 2: Navigating Political Institutions

Key concepts: political institutions; veto players; side payments

Overview of the Week

The objective of this week is to understand how political institutions shape the likelihood, nature, and process of policy change. Monday's lecture introduces the concept of veto players and discusses some strategies, such as side payments, for overcoming opposition to reform. Tuesday's session explores these issues in greater depth through a particularly contentious case of policy reform: the passage of President Obama's Affordable Care Act. For our Tuesday practitioner conversation, we will be joined by Niamh Walsh, head of the political department of the EU Advisory Mission to Ukraine, to discuss institutional reforms in Ukraine. Wednesday's optional Digging Deeper session, led by Professor Francisco Gaetani, will focus on the challenges facing Brazil's political institutions.

Required Class Preparation

You should come to Monday class having read the Tsebelis and Lindvall readings. You should be prepared to define "veto players" and "agenda setters"; you should also understand the types and sources of veto players. You should come to Tuesday's class having closely read the case study and prepared to discuss the questions below.

Required Core Readings

- George Tsebelis, *Veto Players: How Political Institutions Work*, 2002, "Introduction". Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://search.ebscohost.com/login.aspx?direct=true&db=nlebk&AN=437365&site=ehost-live

This short chapter introduces the concept of veto players, discusses how they vary, and offers a theory of how veto players affect the chances of policy change.

- Johannes Lindvall, "Power Sharing and Reform Capacity," *Journal of Theoretical Politics*, 2010. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1177/0951629810369524

Lindvall offers an updated view on veto players and discusses how side payments might be used to overcome veto player opposition. The article gets technical in places (especially p. 367-374), but don't be put off! The key insights (i.e. the concept of "side payments") do not require close understanding of the mathematical models.

- Harvard Kennedy School Case Study, "A Prescription for Change: The 2010 Overhaul of the American Health Care System". Online:
  https://weblearn.ox.ac.uk/x/nN1e48

As you read the case, consider the following questions: How did President Obama manage to get this policy passed? Who were the relevant veto players, and how did he overcome them? What was the role of institutions in shaping this major piece of legislation? How did the process by which the policy was adopted influence the shape of legislation and/or the capacity to implement it effectively?

Further Reading (Optional)

- Steven Levitsky and Maria Victoria Murillo, "Variation in Institutional Strength," *Annual Review of Political Science,* 2009. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1146/annurev.polisci.11.091106.121756

- Arend Lijphart, "Constitutional Choices for New Democracies." *Journal of Democracy*, 1991. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1353/jod.1991.0011

- George Tsebelis, "Decision Making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism," *British Journal of Political Science,* 1995. Online: Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1017/S0007123400007225

- Kent Eaton, "Parliamentarism versus Presidentialism in the Policy Arena," Comparative Politics, 2000. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/422371

- Amie Kreppel and Buket Oztas, "Leading the Band or Just Playing the Tune? Reassessing the Agenda-Setting Powers of the European Commission," *Comparative Political Studies,* 2016. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1177/0010414016666839

Week 3: Interest Groups

Key concepts: regulatory capture; structural power of business; the boomerang

Overview of the Week

This week we try to understand the role of interest groups in contemporary politics and policymaking. Not all interest groups are created equal, and a key objective of this week is to understand the origins and limits of business power in politics. We consider the possibilities of regulatory capture and the structural power of business. We also use debates about the power of business to understand how some states evade capture and how other interest groups can overcome the advantages of business groups in politics. These debates exist not only in the context of domestic politics, but also in transnational advocacy – and we try to understand the resources that transnational advocacy coalitions have used successfully. Tuesday's case study considers how these issues have applied in Romanian economic policymaking. The optional Digging Deeper session looks in more detail the politics of financial regulation in the United Kingdom and the United States.

Required Class Preparation

You should come to Monday class having read the Culpepper and Keck and Sikkink readings and prepared to discuss the power resources that interest groups bring to bear in politics in different contexts. You should come to the Tuesday class having closely read the case study.

Required Core Readings

- Pepper D. Culpepper, *Quiet Politics and Business Power*, 2011, Ch. 1. Online: https://weblearn.ox.ac.uk/x/TVAAgF

Why do business groups tend to get what they want in politics? When can these advantages, both in lobbying muscle and in structural power, be overcome by diffuse concerns in public opinion? These are the core questions for understanding the interest group arena and the pre-eminent place of business in it

- Margaret Keck and Kathryn Sikkink, *Activists Beyond Borders*, 1998, pp. 1-38. Online: http://solo.bodleian.ox.ac.uk/OXVU1:LSCOP_OX:oxfaleph000681572

How do political issues become politicized from one domestic context into other countries? Keck and Sikkink's boomerang is a powerful metaphor for understanding the way in which transnational advocacy networks politicize issues across countries.

- BSG case study: Policy and Interest Groups in Romania

Please make sure you read this case closely before Tuesday lecture and are prepared to summarise and discuss the case.

Further Reading (Optional)

- James Q. Wilson, "The Politics of Regulation," in James Q. Wilson, ed., *The Politics of Regulation*, 1980, pp. 357-394. Online: https://weblearn.ox.ac.uk/x/SYVq1O
- Pepper D. Culpepper and Raphael Reinke, "Structural Power and Bank Bailouts in the United Kingdom and the United States," *Politics & Society*, 2014. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1177/0032329214547342
- Ibrahima Thioub, Momar-Coumba Diop, and Catherine Boone. "Economic Liberalization in Senegal: Shifting Politics of Indigenous Business Interests," *African Studies Review*, 1998, pp. 63-90. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.2307/524827

Week 4: Getting Bureaucracies to Deliver

Key concepts: bureaucracy; principal-agent problem; goal displacement; goal ambiguity

Overview of the week

This week explores the challenges that governments face in implementing policy using civil service bureaucracies. We focus on problems of organisational design, actor incentives, and vague and conflicting policy goals. Monday's lecture presents the three contrasting explanations of bureaucratic failure and the main solutions prescribed by each. Tuesday's case study is about the creation of the Malaysian Government's Delivery Unit, and the "In conversation with…" features Idris Jala – a senior official from Malaysia. Wednesday's optional "Digging Deeper" session examines the role of targets, performance ranking and reputation effects in improving public service delivery.

Required class preparation

Come to Monday's class having read and understood Greenwald (2008, ch. 12) and Waterman and Meier (1998). You might also like to revise this material on agency problems from Core II (Week 8) last term. Come to Tuesday's classes having read and prepared the Malaysian case study.

Required Core Readings

- H. P. Greenwald, *Organizations: Management Without Control*, 2008, Ch. 12 "Bureaucracy," pp. 339-380 Online: https://weblearn.ox.ac.uk/x/uevGHA

Use this chapter to gain an overview of the large body of sociological literature on bureaucracy as a type of organisation. Notice how, contrary to the popular stereotype, organisation theorists see considerable value in bureaucracy as a means of accomplishing complex tasks, despite its many drawbacks.

- R. W. Waterman & K. J. Meier, "Principal-Agent Models: An Expansion?" *Journal of Public Administration Research and Theory*, 1998, pp. 173-202. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/1181555

This article introduces, critiques and refines agency theory as a way of understanding political-bureaucratic relations. We will discuss information asymmetry and goal conflict further in the lecture. For an alternative, equally readable introduction to principal-agent theory, see Lupia (2003) in the additional readings.

- D. Iyer, *Tying Performance Management to Service Delivery: Public Sector Reform in Malaysia, 2009-2011*, Princeton University: Innovations for Successful

Societies. Online:
https://successfulsocieties.princeton.edu/publications/tying-performance-management-service-delivery-public-sector-reform-malaysia-2009-2011

Please make sure you read this case closely before Tuesday lecture and are prepared to summarise and discuss the case. Consider which of the explanations of bureaucratic failure discussed in Monday's lecture and in the above theoretical readings are informing the approach being taken by the Malaysian government.

Reading for Digging Deeper (optional)

Professor Gwyn Bevan (London School of Economics) will present this week's optional digging deeper lecture, titled "Reputation Counts: The Role of Publishing Performance Rankings in Improving Public Service Delivery." These optional readings are relevant to this session:

- G. Bevan, & D. Wilson, "Does 'Naming and Shaming' Work for Schools and Hospitals? Lessons from Natural Experiments following Devolution in England and Wales." *Public Money & Management*, 2013, Vol 33, No. 4
- A. Evans, "Amplifying Accountability by Benchmarking Results at District and National levels." *Development Policy Review,* forthcoming, 2017
- S. Nuti, F. Vola, A. Bonini, & M. Vainieri, "Making Governance Work in the Health Care Sector: Evidence from a 'Natural Experiment' in Italy." *Health Economics, Policy and Law*, 2016, Vol 11, No. 1

Further Reading (Optional)

Classic and contemporary thinking on the benefits and pitfalls of bureaucracy:

- P. Du Gay, *In Praise of Bureaucracy: Weber, Organization, Ethics*, 2000, Ch. 1 "Bureaucratic Morality," pp. 1-13. Online:
  https://weblearn.ox.ac.uk/x/cnAy59
- J. P. Olsen, "The Ups and Downs of Bureaucratic Organization." *Annual Review of Political Science*, 2008, pp. 13-37. Online: :
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1146/annurev.polisci.11.060106.101806
- Max Weber, *From Max Weber: Essays in Sociology*, (2009) [1922]. Ch. 7 "Bureaucracy," pp. 196-244. Online:
  http://ebookcentral.proquest.com/lib/oxford/detail.action?docID=1111791

For ways in which incentive alignment can be used to address bureaucratic failure, and some of the challenges of doing so, see:

- A. Lupia, "Delegation and its perils," in K. Strøm, W. C. Müller & T. Bergman (Eds.), *Delegation and Accountability in Parliamentary Democracies*, 2003. Online:

http://www.oxfordscholarship.com/view/10.1093/019829784X.001.0001/acprof-9780198297840

- G. A. Boyne, "Competitive Tendering in Local Government: A Review of Theory and Evidence." *Public Administration*, 1998. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1111/1467-9299.00132
- T. L. Brown, & M. Potoski, "Managing Contract Performance: A Transaction Costs Approach." *Journal of Policy Analysis and Management*, 2003. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/3325825
- J. Le Grand, "Knights and Knaves Return: Public Service Motivation and the Delivery of Public Services." *International Public Management Journal*, 2010. Online: [https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1080/1096749 0903547290](https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1080/10967490903547290)

On the causes and consequences of goal ambiguity in public bureaucracies, see:

- H. G. Rainey, "A Theory of Goal Ambiguity in Public Organizations." *Research in Public Administration*, 1993. Online: https://weblearn.ox.ac.uk/x/M1RWYO
- C. T. Goodsell, *The Case for Bureaucracy: A Public Administration Polemic*, 1994. Ch. 4 "Ask the Impossible of Bureaucracy? Easy!" Online: https://weblearn.ox.ac.uk/x/T45E62

Week 5: Deriving Effective Anti-Corruption Policies

Key concept: Corruption

Overview of the Week

The objective of this week is to apply the concepts we have discussed thus far to the problem of corruption. Is corruption best understood as a principal-agent problem, a collective action problem, or a problem of veto players? How can these different conceptual lenses help us to formulate more effective anti-corruption policies?

Monday's lecture will discuss how each of these concepts might be applied to understand corruption. Tuesday's session explores the challenges involved in exposing governmental corruption, through a case study of Alexei Navalny's anti-corruption movement in Russia. For our guest practitioner conversation, we will be joined by Vladimir Ashurkov, executive director of Navalny's anti-corruption fund. Wednesday's optional Digging Deeper session, led by Stefan Dercon, will discuss "cultures" of corruption.

Required Class Preparation

You should come to Monday class having read both of the Rothstein readings. You should be prepared to define what corruption means. You should come to Tuesday's class having closely read the case study and prepared to discuss the questions below.

Required Core Readings

- Bo Rothstein, "What is the Opposite of Corruption?" *Third World Quarterly,* 2014. Online: https://ezproxy.bodleian.ox.ac.uk/login?urll=http://dx.doi.org/10.1080/014365 97.2014.921424

Rothstein offers a definition of what corruption means, and what might be the goals of anti-corruption policies. As you read, make note of Rothstein's definition of corruption and think about whether you agree or disagree with his conclusions.

- Anna Persson, Bo Rothstein, and Jan Teorell, "Why Anticorruption Reforms Fail—Systemic Corruption as a Collective Action Problem, *Governance,* 2012. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1111/j.1468-0491.2012.01604.x

As you read this, consider: If corruption is a collective action problem, then what are the policy solutions? How are these policies different from the solutions suggested by principal-agent models?

- Harvard Business School Case Study, "Rospil.info," 2012. Online:
  http://cb.hbsp.harvard.edu/cbmp/access/57687271

Please make sure you read this case closely before Tuesday lecture and are prepared to summarise and discuss the case. Which model (collective action, principal-agent, veto player) best describes corruption in Russia? What are the impediments to reform? Based on the case study, do you think Navalny's movement is likely to succeed?

Further Reading (Optional)

- Jakob Svensson, "8 Questions about Corruption," *The Journal of Economic Perspectives*, 2005. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/4134971
- Tanya Bagaskha, "Unpacking Corruption: The Effect of Veto Players on State Capture and Bureaucratic Corruption," *Political Research Quarterly*, 2014. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/23612043
- "Why corruption matters: understanding causes, effects and how to address them", UK Department for International Development, 2015. Online:
  https://www.gov.uk/government/publications/why-corruption-matters-understanding-causes-effects-and-how-to-address-them
- "Fighting Corruption in Public Services: Chronicling Georgia's Reforms", World Bank, 2012. Online:
  http://documents.worldbank.org/curated/en/518301468256183463/Fighting-corruption-in-public-services-chronicling-Georgias-reforms
- Yuen Yuen Ang, "Authoritarian Restraints on Online Activism Revisited: Why 'I-Paid-A-Bribe' Worked in India but Failed in China," *Comparative Politics*, 2014. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://www.jstor.org/stable/43664341

Week 6: Behavioural Insights for Policymaking

Key concepts: myopia, status quo biases, loss aversion, anchoring, priming, prospect theory

Overview of the Week

Policy implementation can by affected by regimes, institutions, politicians, bureaucracy, and interest groups. But even if all these institutions are successfully navigated, individuals still have to act in accordance with the policy change. This week considers policymaking at the individual level, providing an introduction to the logic and research underlying individual decision-making and judgment under uncertainty.

Lectures this week will be on Tuesday only. Our lecturer this week is Eldar Shafir, Professor of Psychology and Public Affairs at Princeton University**.** The lectures will introduce students to the major empirical findings in the behavioural psychology literature on bias, error, and the factors that drive individual decisions. We will discuss implications of these empirical findings vis-a-vis the rational agent model typically assumed throughout the social sciences, and will explore some principles for the conduct and implementation of behaviorally informed public policy.

Required Core Readings

- Lee Ross and Richard Nisbett, *The person and the situation*, 1991, Ch. 3: "Construing the social world". Online:
  http://solo.bodleian.ox.ac.uk/OXVU1:LSCOP_OX:oxfaleph020061285

Ross and Nisbett describe the major findings related to judgmental biases and discuss their application to everyday social life. Chapter 3 unpacks a number of core ideas in social psychology—including relatively in judgment, negative motivational consequences of reward, errors in construal, and the problems of causal attribution.

- Daniel Kahneman and Amos Tversky, "Choices, values and frames," *American Psychologist*, 1984. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1002/bdm.425

Kahneman and Tversky summarize the main findings from their years of work on prospect theory and framing effects. The article articulates the dynamics of risk aversion, loss aversion, and perceptions of chance—and discusses how these findings contradict many of the basic assumptions of rational choice theory.

- Eldar Shafir, Itamar Simonson, and Amos Tversky, "Reason-based choice," *Cognition,* 1993. Online:
  https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1016/0010-0277(93)90034-S

Much of the work in social psychology investigates how people's decisions affect the way they think. This paper considers how the reasons that enter into people's thinking about a problem in turn influence the decision that they make.

Further Reading (Optional)

- World Development Report, "Mind, Society and Behaviour", *World Bank*, 2015, Ch. 10: "The biases of development professionals" Online: http://site.ebrary.com/lib/bodleian/reader.action?ppg=312&docID=10994546&tm=1481554231462

- D. Kahneman, & A. Tversky, "On the psychology of prediction," *Psychological Review*, 1973. Online: http://solo.bodleian.ox.ac.uk/OXVU1:primo_central_eld:TN_crossref10.1037/h0034747

- Richard Thaler, Cass Sunstein, & John Balz, "Choice Architecture," in Eldar Shafir (ed.), *The Behavioral Foundations of Public Policy*, 2012. Online: https://weblearn.ox.ac.uk/x/6V7xPU

- "Britain's Ministry of Nudges." *New York Times*. December 7, 2013. Online: http://www.nytimes.com/2013/12/08/business/international/britains-ministry-of-nudges.html

- Karla Hoff and Joseph Stiglitz, "Striving for Balance in Economics: Towards a Theory of the Social Determination of Behavior," NBER working paper, 2015. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=http://dx.doi.org/10.1016/j.jebo.2016.01.005

Week 7: Facilitating International Cooperation

Key concepts: two-level games, international institutions

Overview of the Week

This week applies the principles of collective action to the topic of international politics and the difficulties of simultaneously acting at the international and the domestic level. The Monday lecture by Ngaire Woods will discuss two-level games and how the concept sheds light on international outcomes when there is no institution to enforce norms or laws. The rest of the week will be specific to your assigned simulation, so see your policy simulation packet for further details.

Tuesday Lectures

The Tuesday lectures prepare you to assume the role of a special interest or state in one of three capstone policy simulations. Students will attend one of the following:

Lecture 1: Tom Hale on international climate change
Lecture 2: Emily Jones on global trade
Lecture 3: Karthilk Ramanna on Brexit

Required Readings

- Robert Axelrod and Robert O. Keohane, "Achieving Cooperation Under Anarchy: Strategies and Institutions," *World Politics*, 1985. Online: http://www.jstor.org/stable/2010357?sid=primo&origin=crossref&seq=1#page _scan_tab_contents

International politics plays out in the context of "anarchy"—that is, no common government that oversees interstate relations or enforces rules by which states must abide. As we saw earlier this term, cooperation and mutually beneficial outcomes are difficult to achieve under these conditions. In this article, Axelrod and Keohane argue that cooperation is possible between states, and they lay out some strategies by which it can be achieved

- Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-Level Games," *International Organization*, 1998. Online: https://ezproxy.bodleian.ox.ac.uk/login?url=https://doi.org/10.1017/S0020818 300027697

Putnam introduces the possibility that international actors are best thought of as playing "two-level games". The entire article is relevant, but focus especially on pages 433 onwards (starting with section "Two level games: a metaphor for international interactions").

- For the <u>climate change</u> simulation, read the simulation packet closely.
- For the <u>Brexit</u> simulation, read the HBS case study.
- For the <u>trade</u> simulation, read the simulation packet closely.