



SEMINAR: INDIRECT GOVERNANCE

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Second Term, Jan-March 2015

Tuesdays, 3-5, Seminar Room 2

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Purpose of the seminar

Most governance is indirect, carried out through intermediaries. Governors do not govern targets directly but bring in third parties to increase efficiency, effectiveness or legitimacy. Sometimes these third parties are “internal” to the governor, as in the case of government bureaucracies, but often they are “external”, operating at some distance from the governor. Many governments, for example, rely on professional associations for much of their environmental, health and safety regulation; they turn to private contractors to provide public services in utilities, education or military and intelligence affairs; they succumb to constitutional courts and independent central banks and they conduct parts of their foreign policy through international organizations such as the EU or NATO. International organizations in turn engage non-governmental organizations (NGOs) to implement development projects or to monitor state compliance with international commitments. And NGO-operated certification schemes outsource verification to independent auditors.

The purpose of this seminar is to explore and interrogate different modes of indirect governance. By what strategies and institutional means do governors mobilize, utilize, direct and control third party actors for their governance purposes? What are the costs and trade-offs involved? What are the consequences for governance efficiency, effectiveness, fairness and legitimacy? The seminar starts with an analysis of organizational hierarchy as the archetypical mode of direct governance. It then looks at four different modes of indirect governance: delegation, trusteeships, orchestration and co-optation. It ends with an examination of the means and mechanics of political leadership. The focus is on the social mechanisms embodied by these different modes of indirect governance. Illustrative evidence is drawn from various fields including domestic politics, comparative political economy, European integration, and foreign intervention.

The requirements are straight-forward:

- Read assigned texts;

- Post questions and comments on the texts on EUI collab before each meeting;
- Contribute to class room discussions;

Program

Session I: Hierarchy

Simon Herbert A. 1962 "The Architecture of Complexity", *Proceedings of the American Philosophical Society*, vol. 106, no. 6, pp. 467-82

Weber Max, 1978 *Economy and Society. An Outline of interpretive Sociology*, edited by Guenther Roth and Klaus Wittich, University of California Press, Berkeley, LA, London, pp.48-56 and 212-226

Coase R.H. 1937 "The Nature of the Firm", *Economica New Series*, Vol. 4. No. 16, Nov. 1937, pp. 386-405.

Session II: Problems of hierarchy

Elster Jon 2007 *Explaining Social Behavior: More Nuts and Bolts for the Social Sciences*, Cambridge, England: Cambridge University Press

Milgrom Paul and John Roberts 1990 Bargaining costs, influence costs, and the organization of economic activity, in *Perspectives on Political Economy* edited by J. Alt and K. Shepse, Cambridge: Cambridge University Press, Ch. 26, p. 427-443

Spufford, Francis 2010 *Red Plenty*, faber and faber , London, part four, pp. 205-265

Wintrobe Ronald 1998 *The political economy of dictatorship*, Cambridge UP, Cambridge and New York, ch. 2, pp. 20-39

Session III: Delegation

Moe Terry 1990 "Political Institutions: The Neglected Side of the Story", *Journal of Law, Economics, & Organization*, Vol 6, Special Issue, pp. 213-253

McNamara Kathleen 2002 "Rational Fictions: Central Bank Independence and the Social Logic of Delegation", *WEP*, 25:1, 47-76

Strøm Kaare 2000 "Delegation and accountability in parliamentary democracies" *EJPR* 37: 261-89

Thatcher M. & Stone Sweet Alec 2002 "Theory and Practice of Delegation to Non-Majoritarian Institutions", *WEP* 25:1, 1-22

Session IV: Delegation to International Organizations

Hawkins Darren et al. 2006 "Delegation under anarchy: states, international organizations, and principal-agent theory", in *Delegation and Agency in International Organizations*, edited by Hawkins Darren et al, Cambridge UP, Cambridge, chapter 1, pp 3-38

Hawkins Darren and Wade Jacoby 2006 "How agents matter", in *Delegation and Agency in International Organizations*, edited by Hawkins Darren et al, Cambridge UP, Cambridge, chapter 7, pp 199-228

Lake David & Matthew McCubbins 2006 "The logic of delegation to international organizations", in *Delegation and Agency in International Organizations*, edited by Hawkins Darren et al, Cambridge UP, Cambridge, chapter 12, pp 341-368

Jonas Tallberg (2002) "Delegation to Supranational Institutions: Why, How, and with What Consequences?", *West European Politics*, 25:1, 23-46

Session V: incomplete contracts

Cooley Alexander & Spruyt Hendrik 2009, *Contracting States. Sovereign Transfers in International Relations*, Princeton UP, Princeton and Oxford, Chaps. 1,2,5

Holmes Michael 1988 "Gag Rules or the politics of omission", in *Constitutionalism and Democracy*, edited by Jon Elster and Rune Slagstad, Cambridge UP, Cambridge, pp. 19-58

Session VI: Trusteeships

Alter Karen 2006 "Delegation to international courts and the limits of re-contracting political power", in *Delegation and Agency in International Organizations*, edited by Hawkins Darren et al, Cambridge UP, Cambridge, chapter 11, pp 341-368

Gilardi Fabrizio 2007 "The Same, But Different: Central Banks, Regulatory Agencies, and the Politics of Delegation to Independent Authorities", *Comparative European Politics*, 2007, 5, (303–327)

Lake David & Christopher J. Fariss 2014 "Why International Trusteeship Fails: The Politics of External Authority in Areas of Limited Statehood", *Governance: An International Journal of Policy, Administration, and Institutions*, Vol. 27, No. 4, October 2014 pp. 569–587

Majone Giandomenico 2001 "Two Logics of Delegation. Agency and Fiduciary Relations in EU Governance", *EUP*, Vo 2, pp. 103-22

Session VII: Co-optation

Crowder Michael 1964 "Indirect Rule: French and British Style, *Africa: Journal of the International African Institute*, Vol. 34, No. 3 (Jul., 1964), pp. 197-205

Gandhi Jennifer and Adam Przeworski 2006, "Cooperation, Cooptation and rebellion under dictatorships, *Economics and Politics*, Vol 18, no. 1, pp. 5-26

Najam Adil 2000 The Four Cs of Government-Third Sector Relations: Cooperation, Confrontation, Complementarity, Co-optation, *Research Report Series # 25 2000*

Philip Selznick 1949: TVA and the grass roots: A study of politics and organization. The short sub-chapter on the 'co-optive mechanism', pp. 259-61

Session VIII: Orchestration

Abbott Kenneth et al. 2015a International Organizations as Orchestrators, chs. 1,13,14

Abbott et al. 2015b

Session IX (10 March – two sessions)

3-5 pm : **political leadership**

Ahlquist John & Margaret Levi 2010 "What It Does, and What We Want to Know About It" Leadership: What It Means", *Annual Review of Political Science*, 2011, 14:1-24

Burns 1978. *Leadership*. New York: Harper Torchbooks, Ch. 1, tba

Kindleberger Charles 1981 "Dominance and Leadership in the International Economy: Exploitation, Public Goods, and Free Rides", *ISQ*, Vol. 25, no. 2, pp. 242-54

Nye Joseph 2008 *The Powers to Lead*, Oxford UP, Oxford, New York, ch. 3, pp. 53-84 & appendix

5.30-7 pm: **Guest speaker Adrienne Héritier**

Héritier, Adrienne & Aseem Prakash, *EU regional and international leadership*, 2014