

# **PLSC 485H/JUST 486B: Public Administration and Policy in Israel**

**(An undergraduate seminar level course)**

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**Office Hours:** Monday 10:00-12:00 AM

**Class Location:** DC 222

**Class Meeting:** Wednesday 01:40 pm-04:40 pm

## **Course Description:**

Despite impressive achievements in terms of economic growth, low unemployment and continuous prosperity, Israel's political-administrative system has shown on-going weakness in policy design and implementation. This is manifested through elected governments being replaced every two years on average (or surviving without doing anything), decreasing levels of popular support for the government and its organizations, increasing level of delegation of authorities from elected politicians to bureaucrats and implementation of policies only if the bureaucrats desire them. Recently this has led to a public outcry against the quality of life for the middleclass in Israel, which has a high cost of living in comparison to other OECD countries, mainly due to inefficient markets stemming from lack of regulation or inefficiency both in regulation and production of the government's bureaucracy. Israel's crisis of governance is now not an issue of academic discourse or intellectual bon-ton but a clear and unequivocal public outcry which is likely to affect the political agenda on the long run.

Studying this problem using analytic tools and putting it in a comparative perspective, we will study the basic components of that problem using both analytic tools and empirical findings stemming from a variety of settings with similar characteristics. The main characteristic we will emphasize is Israel's multiparty

system and its effects on governance. For that purpose we will study various theories and models which analyze the interaction between the political and bureaucratic echelons. These theories-based on social choice theory, transaction-cost economics and public choice theory- relate to the various interests and incentives of politicians and bureaucrats regarding public policies taken within given institutional settings. Specifically these theories assume that public policies are designed and implemented in an interest-based manner by policy-maximizing politicians and budget/power maximizing bureaucrats. We will study the Israeli case using empirical findings from comparative research, the aforementioned analytical models as well as qualitative and quantitative datasets retrieved from Israel's public sector. We will then discuss the claim that this crisis of governance is in essence equilibrium, stemming from the variance in the levels of accountability of Israeli politicians and the variance in determination of Israeli bureaucrats. Specifically, we will study:

- The main problem: Israel's crisis of governance.
- Politics and bureaucracy: evidence from comparative literature
- The bureaucracy and policy design: analytic concepts, comparative analysis and empirical results from Israel.
- The bureaucracy and policy implementation: analytic concepts, comparative analysis and empirical results from Israel.
- Israel's crisis of governance as an equilibrium outcome.
- Future reforms?

## **Required Texts**

Bard, M. G. and D. Nachmias. Eds. (2009). *Israel Studies: An Anthology*. DC: Jewish Virtual Library.

It is accessible online at:

<http://www.jewishvirtuallibrary.org/jsource/isdf/text/anthologytoc.html?352,279>

Arian, A. (2005). *Politics in Israel: The Second Republic*. Washington DC: CQ Press.

Korn, D. (2001). *Public Policy in Israel*. London: Lexington Books.

Peters, G. B. (2008). *Politics of Bureaucracy*. Oxon: Routledge Press. 6<sup>th</sup> ed.

Shepse, K.A. (2010). *Analyzing Politics*. New York: WW Norton & Co. 2<sup>nd</sup> ed.

The books are available at the Campus bookstore. Besides the books we will also use academic journals which you can access through on-line resources (JSTOR etc.).

## **Grading**

The grade will be based on the following three components:

Participation and discussion: 25%

Two position papers: 35%

Take home exam: 40%

1. Participation and discussion: First of all let us be clear- you are supposed to attend where after four unapproved absences you will not be eligible for the participation and discussion grade. Students who did not attend at all will receive the grade 'No Show F'. For each meeting (from the 2<sup>nd</sup> meeting onwards) a team of 2-3 students will be asked to lead a discussion on the basis of the reading items and with reference to the meeting's topic. At least 24 hours before the meeting the discussants will need to prepare a set of discussion points and send it to everyone (to me also offcourse) by email. The discussion should be focused on dealing with the main topics stemming from the text and reflecting on the ability of politicians to monitor the behavior of bureaucracies. People failing to attend at their designated time of discussion without pre-approval from me (at least a week before the meeting they are supposed to discuss) will receive a zero grade for that task.
2. Position papers: choose a policy issue which is on the public agenda: education plans, welfare projects, infrastructure and transportation issues will fit our purposes. In the position paper, please present the way bureaucrats and politicians interact over that policy issue while relating to their preferences, strategies and gains/losses from these strategies. In the first position paper hold that analysis with reference to the *policy design* phase. In the second position paper do it with reference to the *policy implementation* phase. Should the policy problem be an Israeli problem? No. I want you to use the tools we study and to get a feel of their potential. Hence, I am willing that you will practice these tools in a variety of settings you are more familiar with. However, keep in mind that the take home exam will be based on the papers and will relate to Israel.

Those of you interested in implementing the tools on the Israeli case can use online sources such as [www.haartez.com](http://www.haartez.com) (left leaning daily newspaper) [www.israelhayom.com](http://www.israelhayom.com) (right leaning daily newspaper) [www.globes.co.il](http://www.globes.co.il) (pro business) [www.ynetnews.com](http://www.ynetnews.com) (news website) [www.bankisrael.gov.il](http://www.bankisrael.gov.il) (Israel's central bank) and [www.cbs.gov.il](http://www.cbs.gov.il) (Israel's bureau of statistics). The newspapers and news website have English versions and can be used freely as they are reliable and balance each other. The OECD, the World Bank and the EU have also published position papers available online on Israel and Israel-related topics.

Needless to mention, academic writing and citing rules apply for the position papers you need to submit as well as the take home exam. Each paper should be 2-3 pages long (including bibliography), font Times New Roman size 12 with 1.5 line spacing and the Microsoft Word default margin size. The papers should be submitted on time. Any delay needs to be coordinated and approved by me at least a week before the preset date of submission. Any uncoordinated delay in submission would yield a zero grade.

3. Take home exam- on our last meeting I will present a general statement regarding Israel's public bureaucracy. You will need to discuss that statement using the evidence you collected and analyzed in the position papers as well as the articles discussed in class. The take home exam will be 5 pages long including bibliography (font, size and margins as with the position papers). It needs to be submitted by the end of the exam week. Any uncoordinated submission after that date would receive the grade zero for that task.

## Schedule of Meetings, readings and Assignemnts

Week	Topic	Reading Items	Assignment
31/8	Overview 1: Israeli political institutions and a crisis of governance	Nachmias, 2009 Dror, 2002 Korn, 2002 Nachmias and Arbel-Ganz, 2005	
7/9	Overview 2: How do we think about public policy and administration?	Peters ch. 1 & 2 Shepsle, ch. 11	
14/9	Policy design in a competitive environment: analytic overview I	Shepsle, ch. 3-5	
21/9	Policy design in a competitive environment: analytic overview II	Shepsle, ch. 6-7 Moe, 2005	
28/9	Class recess at 1 PM No class		Submission of position paper 1
5/10	Policy design in a competitive environment: the case of the bureaucracy	Niskanen, 1968 Miller and Moe, 1983 Shepsle, ch. 13 (R) Moe, 1991	
12/10	Policy design and the bureaucracy: Delegation of authorities	Epstein and O'Halloran, 1994; 1995; 1996 Huber and Lupia, 2001	
19/10	Policy design and the bureaucracy:	Huber, 1998	

	Comparative analysis	Peters, ch. 5,6	
<b>26/10</b>	Policy design and the bureaucracy: the Israeli case- elections and parties	Arian, ch. 5-8	
<b>2/11</b>	Policy design and the bureaucracy: the Israeli case- institutions	Arian, ch. 9-11	
<b>9/11</b>	Policy design and the bureaucracy in Israel	Doron, 2002 Friedberg and Kfir, 2002 Meidani, 2008 Rosenthal, 2010	
<b>16/11</b>	Policy implementation: Analytic perspectives	McNollGast, 1987 Shepsle, ch. 13 (R) Alesina and Tabellini, 2007; 2008	
<b>23/11</b>	Class recess at 1 PM No class		Submission of position paper 2
<b>30/11</b>	Policy implementation in Israel	Katz and Biton-Zohari, 2002 Nachmias and Arbel-Ganz, 2006 Rosenthal and Wolfson, 2010	
<b>7/12</b>	Last class		Take home exam instructions

(R) Means recommended readings

## Complete Bibliography

- Alesina, A. and Tabellini, G. (2007). "Bureaucrats or Politicians? Part I: A Single Policy Task". *American Economic Review* 97 (1): 169-179.
- Alesina, A. and G. Tabellini (2008). "Bureaucrats or Politicians? Part II: multiple Policy Tasks". *Journal of Public Economics* 92(3-4): 426-447.
- Doron, G. (2002). "A Recipe for Failure: Public Policy in the Context of Electoral Reform". In: Korn D. (ed.). *Public Policy in Israel*. London: Lexington Books.
- Friedberg A. and A. Kfir (2002). "Policy making and Immigrant Absorption". In: Korn D. (ed.). *Public Policy in Israel*. London: Lexington Books
- Huber, J. D. (1998). "How Does Cabinet Instability Affect Political Performance? Portfolio Volatility and Health Care Cost Containment in Parliamentary Democracy." *American Political Science Review*, Vol. 92(2): 577-591.
- Huber, J. D. & A. Lupia (2001). "Cabinet Instability and Delegation in Parliamentary Democracies". *American Journal of Political Science*. 54(1):18- 32.
- Katz, Y. and M. Bitton Zohari (2002). "Privatization Policy: 50 years of Low-Intensity Conflicts", in: D. Korn (ed.) *Public Policy in Israel*. Lexington Books, Oxford UK, 2002..
- McCubbins, M. R. Noll & B. R. Weingast (1987). "Administrative Procedures as Instruments of Political Control." *Journal of law, Economics and Organization*. 3(2):243-277.
- Meydani, A. (2008). Political entrepreneurs and electoral capital: the case of the Israeli State Economy Arrangement Law. *Constitutional Political Economy* 19:301–312
- Miller, G. J. & T. E. Moe (1983). "Bureaucrats, Legislators and the Size of Government". *The American Political Science review*. 77(2): 297-322.
- Moe, T. E. (1991). "Politics and the Theory of Organization". *Journal of Law, Economics & Organization*. 7: 106-129
- Moe, T. E. (2005). "Political Control and the Power of the Agent". *Journal of Law, Economics and Organization*. 22(1):1-29

- Nachmias, D. & Arbel-Gantz, O. (2005). The Crisis of Governance: Government Instability and the Civil Service. *Israel Affairs* , 281-302.
- Nachmias, D. & Arbel-Gantz, O. (2006). "Policy Implementation in Israel: The Loss of Government Capacity". *International Journal of Public Administration*. 29(9): 679-699.
- Nachmias, D. (2009). "National Government Institutions". In: Bard and Nachmias.
- Rosenthal, M. (2011). "Agenda Control in an Unstable Parliamentary Democracy: Evidence from the Israeli Public Sector", *Constitutional Political Economy* (accepted)
- Rosenthal, M. and A. Wolfson (2010). ""The Determinants of Budgetary Implementation: A Theory and Evidence from the Israeli Case". NEPSA Annual Conference, Boston, MA.

### **Basic guidelines:**

1. *Appeals* for grades will be submitted in hardcopy to my mailbox by the end of the week in which you received back your papers.
2. *Plagiarism* as discovered (or suspected) will be passed on to the university's disciplinary authorities please avoid these issues.
3. *Course website*- Please check the website frequently. I will upload various materials there and will use it as a monitoring tool for the group project.
4. *Students with disabilities*- academic training can be rough and is rougher (yet not impossible) for students with disabilities. Please do not hesitate to contact: Students with Disabilities, Binghamton University, P.O. Box 6000, Binghamton, NY 13902-6000. Office: UU-119, Phone: 607-777-2686 (voice/TTY), Fax 607-777-6893. E-mail: [ssd@binghamton.edu](mailto:ssd@binghamton.edu).