SPEA V450 – Governance in Public and Private Contexts: Herding Cats

**Course Description:**
This class will study how individuals and organizations govern their cooperative relationships. Starting with starkly simple employment relations we will build on the concepts of principal-agent theory to explore the dimensions of cooperative efforts and particularly the key elements of incentives and information. From there we will explore how the tensions inherent in the simplest relationships are magnified (and sometimes abated) as the numbers of participants grow, the complexity of the goals expands, and the uncertainty in the future broadens.

We will examine the role that the legal system plays and the mechanisms that have been developed to protect and aid both principals and agents. We will consider the role of accountants for private organizations and watchdog groups for the government. We will look at the many policy instruments that the government has used to change private behavior and consider the analogous tools that are used in private relations. (Would a tax on undesirable behavior in the marriage relation be feasible?) We will explore what mechanisms and arrangements have worked well and under what circumstances, and we will explore some spectacularly unsuccessful attempts at cooperation. We will look at the role of reputation in relationships. (Why are people in small towns generally seem more pleasant than those in large cities?)

**Example Topics Discussed:**
- The Principal-Agent Relation
- Performance Monitoring
- The Role of Information and Signaling
- The Theory of Governance
- The Glorious Revolution of 1688
- The Role of Institutional Incentives
- The Theory of the Firm
- Constitutions and Articles of Incorporation

**Some Past Guest Lecturers Have Included:**
- Public Governance and Climate Change
  Cameron Hepburn, Smith School of Enterprise and the Environment
- Principal-Agent Theory and Research Policy
  Chris Caswill, Said Business School
- Governing Economic Development: The Case of Sweden
  Krister Andersson, University of Colorado, Boulder
- Wicked Problems, Clumsy Solutions
  Steve Rayner, Said Business School
- The European Union Constitution
  Kalypso Nicolaidis, University of Oxford

**Past Assignments:**
Class and tutorial participation, three applied papers and a final exam.

**For More Information:**
Kenneth Richards, PhD, JD
Director, IU at Oxford Program
kenricha@indiana.edu
812.855.5971

Stephanie Hayes Richards, MBA, MPA
Associate Director, IU at Oxford Program
steprich@indiana.edu
www.spea.indiana.edu/IUatOxford
Sample Readings from 2008 Program:


