

Government 1521  
Bureaucratic Politics:  
Government, Military,  
Social and Economic Organizations

D. Carpenter

Lecture 23:  
The Allocation of Status in Organizations and Markets

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Announcement

Third paper Qs on the Web. Due Friday, May 1<sup>st</sup>,  
8PM.

Next Office Hours: Tuesday, 4/28, 11:15AM-  
1:45PM. Also Weds, 4/29, 3-5PM

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Nathan Marsh Pusey

Continues centralization begun under Conant.

Growth of Faculty and of College. Growth of  
dependence on outside grants.

Broadening of faculty and student recruitment  
from outside Harvard.

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## Each Tub on its Own Bottom

Translation: (1) no cross-subsidization, (2) no bailing out from general funds or surpluses derived elsewhere.

Gives discretion to Deans, but presents constraint.

Savings go into credit balance, not a general pool.

Are there some other orgs that operate in this way? Why don't most other orgs operate this way?

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## Grants and Micromanagement

Total revenues and share of revenues taken up by research grants (federal and private) increases greatly [20 % in 1958-59; 1.5% in 1941].

But this introduces new audiences: federal institutions, Congress, private philanthropic foundations.

- Want accounting, including of time ("Effort Reports")
- Want tangible return (news-making or prize-winning product). Bundy: "exceedingly few men of the first quality have escaped the attention of [government] granting agencies whose first greed is for the credit of backing first-rate men" [MHM, 214]
- Side question: why so many grants for research, less for teaching?

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## College

Lowering admission rates (80-90 percent to 50 and below)

Increasing rejection of "legacy" candidates.

Pressure to increase size of student body.

Slow increase in campus politics mirroring national politics (issue re war, economy, left-v-right)

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## Reform of General Education Curriculum

Concept of Core (different from other Cores at Columbia and Chicago). Not a Great Books core (tho one could have that).

Modern research university comes to influence undergraduate teaching

Laments/complaints: “classics,” earlier division of knowledge.

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## Before 1970s reforms

“Some of the titles of these courses should evoke their purpose:

Humanities 2: Epic and Novel;

Humanities 3: Crisis and the Individual—in drama and biography, and in history and fiction;

Humanities 4: Ideas of Good and Evil in Western literature;

Humanities 5: Ideas of Man and the World in Western Thought;

Humanities 6: Interpretations of Literature.

Social Studies 1: Western Civilization;

Social Studies 2: Western Thought and Institutions—perhaps the most celebrated long-term course, taught by Samuel Beer, which confronted major social science texts with important episodes of western history.

The Natural Science courses included differing approaches to elementary physics, or physics and chemistry, and biology. This was the structure that was finally overtaken a generation later by exceptions, entropy, and general restiveness” [Gen Ed Report Fall 2006]

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## Core Curriculum (1978)

- Historical Study (analysis)
- Social Analysis
- Music and Art
- Quantitative Reasoning
- Moral Reasoning
- Foreign Cultures
- Literature
- Science

Questions: What does this leave out? Is the Core a relic from a bygone organizational era?

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## Recent Reform Proposals

- Arts and Humanities
- Science and Technology
- Study of Societies

Distribution Requirement. Core to pass away.

Organizational explanations for these?

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## Another Facet: Bureaucratization of Student Life

Older view: “in loco parentis”

1960s-70s: retreat from that model. Emphasize individualism.

1980s to present: Service provision through separate and multiplying organizations.

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## Status as perceived quality

Podolny’s initial example: Japanese versus American cars.

Improvements in Japanese quality came before oil price crises of 1970s, but it wasn’t until OPEC embargo that American start purchasing Japanese cars at much greater rates.

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## Meaning and Implications

1. Difference between First Boston and Kidder Peabody allows FB to under bid KP by eight basis points. (Eqm diff in % spread = 0.8)
2. So why don't the top-status banks drive out the low-status ones?
  - Price-theory (microeconomic) answer: diseconomies of scale
  - Status-theory answer: expansion dilutes brand name. Status requires exclusivity.

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## Implications for Universities/Colleges

- Decoupling of quality from formal (observable) structure. In part inevitable, in part adaptive
- Competition over status
- Raid other universities for students, faculty
  - Reason why universities might not merge
  - Reason why universities might not expand greatly
  - Reason for idiosyncratic institutions [Core, concentrations, teaching fellows, etc...]
  - Supports grade inflation, perhaps

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