

THE POLITICS OF QUASI-GOVERNMENT

Hybrid Organizations and the Dynamics of Bureaucratic Control

Hybrid organizations, governmental entities that mix characteristics of private and public sector organizations, are increasingly popular mechanisms for implementing public policy. Koppell assesses the performance of the growing quasi-government in terms of accountability and control. Comparing hybrids to traditional government agencies in three policy domains — export promotion, housing and international development — Koppell argues that hybrid organizations are more difficult to control, largely due to the fact that hybrids behave like regulated organizations rather than extensions of administrative agencies. Providing a rich conception of the bureaucratic control problem, Koppell also argues that hybrid organizations are intrinsically less responsive to the political preferences of their political masters and suggests that as policy tools they are inappropriate for some tasks. This book provides a timely study of an important administrative and political phenomenon.

JONATHAN G S KOPPELL is Assistant Professor of Politics, Policy and Organization at the Yale School of Management, Yale University.



THEORIES OF INSTITUTIONAL DESIGN

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Social scientists have rediscovered institutions. They have been increasingly concerned with the myriad ways in which social and political institutions shape the patterns of individual interactions which produce social phenomena. They are equally concerned with the ways in which those institutions emerge from such interactions.

This series is devoted to the exploration of the more normative aspects of these issues. What makes one set of institutions better than another? How, if at all, might we move from a less desirable set of institutions to a more desirable set? Alongside the questions of what institutions we would design, if we were designing them afresh, are pragmatic questions of how we can best get from here to there: from our present institutions to new revitalized ones.

Theories of institutional design is insistently multidisciplinary and interdisciplinary, both in the institutions on which it focuses, and in the methodologies used to study them. There are interesting sociological questions to be asked about legal institutions, interesting legal questions to be asked about economic institutions, and interesting social, economic and legal questions to be asked about political institutions. By juxtaposing these approaches in print, this series aims to enrich normative discourse surrounding important issues of designing and redesigning, shaping and reshaping the social, political and economic institutions of contemporary society.



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JONATHAN G S KOPPELL

Yale School of Management





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In Memory of Harold Seidman, scholar and public servant



Contents

List of figures		page ix
L_i	ist of tables	X
Acknowledgments		xi
List of acronyms		xiii
1	Introduction	1
	The strange world of the federal quasi-government	4
	In search of an analytic framework	8
2	Building a better model of bureaucratic control	21
	A study of hybrid organizations in action	26
3	Administration by regulation	37
	The tools of bureaucratic control	38
	Having the right tools: explaining the control challenge for hybrid	
	organizations	46
	The limits of regulatory control	66
	Conclusion	68
4	Principal's preference, organizational structure and the	
	likelihood of control	70
	Differentiating types of preferences	71
	Negative, non-mission preferences are most likely to be	
	satisfied	75
	Preference type and the dynamics of bureaucratic control	89
	Implications	94
5	Hybrid organizations and the alignment of interests	97
	Hybrid characteristics and GSE influence	98
	•	
		vii



viii	CONTENTS
The alignment of interests around GSEs Implications	103 119
6 The limits of congressional control: agen	
constraint	122
Tools of congressional control	122
Challenges posed by hybrid structure	128
Conclusion	140
7 Regulating hybrids: structure and contro	l 142
Can government regulate itself?	144
Structural variation in hybrid regulators	148
Conclusion	161
8 Conclusion	164
Summary of findings	165
Implications	168
Reinventing accountability in the reinventi	ion era 174
The promise of quasi-government	183
Appendix: background of organizations	studied 186
Housing	186
Export promotion	193
International market development	200
Interview subjects	209
References	214
Index	235



Figures

3.1	Programmatic performance of housing organizations	
	(high-minority census tracts), 1992–2000	page 51
3.2	Programmatic performance of housing organizations	
	(low-income census tracts), 1992–2000	51
3.3	Programmatic performance of housing organizations	
	(underserved areas), 1992–2000	52
3.4	GSEs' retained capital (as a percentage of minimum capital	
	requirement), 1989–2000	54
4.1	OPIC commitments by region (as a percentage of total OPIC	
	commitments), 1974–2001	76
4.2	Export-Import Bank authorizations by region/investment	
	type (as a percentage of total ExIm authorizations),	
	1989–2001	77
	United States exports to Africa, 1991–2000	79
4.4	United States environmental technology exports,	
	1993–2000	79
5.1	Triangular model of interests around Fannie Mae and	
	Freddie Mac	104
5.2	New regulatory structure created by FHEFSSA	110
8.1	Can regulation of a hybrid organization extract greater public	
	good than a government agency can produce?	184
A.1	How Fannie Mae and Freddie Mac work	190

ix



Tables

1.1	Perry and Rainey's typology of institutions	page 10
1.2	Simplified typology of institutions	11
2.1	Federal housing entities	28
2.2	Federal export promotion entities	30
2.3	Federal market development entities	32
3.1	Enterprise Fund investment in telecommunications	61
4.1	Two-dimensional typology of preference types	74
4.2	Hybrid organizations' likelihood of preference satisfaction	
	(by preference type)	89
7.1	Summary table of key variations in regulatory agency	
	structure	150
8.1	Conceptions of accountability	181
A.1	Enterprise Funds	202
A.2	OPIC investment funds	205

X



Acknowledgments

In the summer of 1993, I didn't know the difference between Fannie Mae, the government-sponsored enterprise, and Fannie May, the purveyor of chocolates. Nevertheless, Aida Alvarez, director of a new, obscure federal agency called the Office of Federal Housing Enterprise Oversight (OFHEO), hired me as employee no. 8. For that, I am grateful.

The experience opened my eyes to the peculiar world of quasi-government. OFHEO is a government agency created to ensure that other governmental organizations are doing what they are supposed to do. Very odd. More surprising, I found this type of arrangement is actually quite common. Intrigued, I took my newfound interest in "quasi-government" with me to the University of California.

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xii

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Acronyms

CBO

DAI

	1
EEOC	Equal Employment Opportunity Commission
EF	Enterprise Fund
EPA	Environmental Protection Agency
ExIm	Export-Import Bank of the United States
FCA	Farm Credit Administration
FDIC	Federal Deposit Insurance Corporation
FEC	Federal Election Commission
FHA	Federal Housing Administration
FHEFSSA	Federal Housing Enterprises Financial Safety and
	Soundness Act
FHFB	Federal Housing Finance Board
FHLMC	Federal Home Loan Mortgage Corporation (also known
	"Freddie Mac")
FNMA	Federal National Mortgage Association (also known as
	"Fannie Mae")
FOIA	Freedom of Information Act

Congressional Budget Office

General Accounting Office

"Ginnie Mae")

Government Corporation Control Act

Government Performance Results Act

Government-Sponsored Enterprise Hungarian American Enterprise Fund

Government National Mortgage Association (also known as

US Department of Housing and Urban Development

Development Alternatives, Inc.

xiii

as

GAO GCCA

GNMA

GPRA

HAEF

HUD

GSE



xiv ACRONYMS

IF Investment Fund

ITA International Trade Administration NAFTA North American Free Trade Area

OFHEO Office of Federal Housing Enterprise Oversight

OMB Office of Management and Budget

OPIC Overseas Private Investment Corporation

OSHA Occupational Safety and Health Administration

PAEF Polish American Enterprise Fund PTO Patent and Trademark Office

RFP Request for Proposals

SBA Small Business Administration
SEC Securities and Exchange Commission
SEED Support Eastern European Democracy Act

TDA Trade and Development Agency

TPCC Trade Promotion Coordinating Committee

TVA Tennessee Valley Authority

USAID United States Agency for International Development

USDA United States Department of Agriculture
USTR United States Trade Representative
VA Department of Veterans Affairs