Teacher’s PAT? Multiple-role principal–agent theory, education politics, and bureaucrat power
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This article aims to contribute to current debates about political power and agency relationships in education and other public sectors. In a recent clarion call for a major redirection of political principal–agent theories (PAT), Terry Moe has argued that standard information asymmetries ought no longer to be regarded as the sole foundation of bureaucrat power. According to Moe, current theories largely overlook the direct electoral power of agents and their unions (EPA) in voting for their own bureaucratic principals. Therefore, they are biased systematically towards underestimating agent power. We critically address both Moe’s theoretical arguments, and his empirical applications to Californian school board elections. We conclude that Moe overestimates the power consequences of EPA on both counts. We outline a more balanced version of ‘multiple-role’ PAT and of its potential implications for our understanding of the political power of public school teachers and bureaucrats more generally.

Keywords: bureaucratic agency; Californian education; democratic governance; political power; rational choice theory; school board elections; teacher unions

1. Introduction: political power and public schools
Do currently dominant rational choice theories fail to fully capture the true nature of political power in the public sector? Do they, as a result, systematically underestimate the power of teachers and other public sector employees in America today? Over the past three decades, a sub-strand of these theories, principal–agent theory (henceforth PAT), has acquired a position of theoretical dominance, first within the economics of organization, and subsequently also within political science and public administration. Today, no student of governance, bureaucracy, public administration, or public policy can afford to be unfamiliar with at least the basic concepts and propositions of political PAT. Terry Moe, long known to education scholars as a leading theorist of American education politics, has also been a central figure behind the early rise of rational choice theory and PAT. However, in very recent years, Moe has outlined an ambitious and forceful call for different research directions aimed at moving these disciplines to a new stage, again using education politics as his primary case study. At the heart of this intended research program is the urgent need for a new focus on political power, and specifically the electoral power of agents (henceforth EPA), for Moe believes the answer to our two lead questions to be positive.

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This critical–theoretical article engages in a sustained debate about these core questions of political power in education and other public sector agency relationships. Moe’s arguments deserve to be examined at length, for a number of reasons. They constitute a general clarion call for the redirection of a dominant political science paradigm by one of its leading proponents; a call that has been echoed favorably in recent calls for new theories of governance and the state (Levi, 2006, pp. 7–8; Vanhuysse, 2002, pp. 139–144) and of institutions and institutional change (Streeck & Thelen, 2005, pp. 21, 35; Thelen, 2004, pp. 25, 32). A more extensive focus on bureaucrats’ power, and on how collective union membership may add to their power as individual voters, is indeed timely. Previous national-level findings (Corey & Garand, 2002) indicating that bureaucrats and union members record higher voting turnouts, and are more interested and better informed politically, may be amplified at the local level. While US private sector unions have been in decline, public sector unions have seen rising membership levels since the 1960s, with 37% of the total public workforce currently being unionized. Another important variation regards the level of unionization: 19% of workers are unionized at the federal level of government, compared to 30% at the state level and 43% at the local level (Levi, 2003; Moe, 2006a, p. 5).

Moe’s choice of US public schooling as a case study, while relevant for theories of power and agency, also forms part of a wider recent effort to more explicitly ‘politicize’ our current understanding of this multi-million-dollar policy domain, directed both at academic circles (Moe, 2001, 2003a, 2009) and at professional, journalistic and non-specialist outlets (Brimelow, 2003; Lieberman, 1997; Moe, 2003b, 2006b). The urgency to scrutinize the political economy of schooling is enhanced by the much-debated observation that US educational outcomes have, at the very least, not improved markedly over the past four decades, despite high and often steeply rising levels of spending on a wide range of education inputs. The finger of blame for this ‘failure of input-based schooling policies’ (Hanushek, 2003) or this ‘decline of American public education’ (Peltzman, 1993) has frequently been pointed towards institutional characteristics of public schools in America, which are alleged to endow teachers and their unions with too much power. For instance, in districts where teachers’ unions are powerful, unions tend to increase school budgets overall— but particularly budgets for those inputs which they value, primarily wages and smaller classes (Hoxby, 1996). There are more than 90,000 public schools in the US and about three million teachers nationwide, 80% of whom are unionized. In expert rankings of interest group influence on public policy, teacher unions came out number one on the list throughout the 1990s, above business organizations, lawyers, doctors, bankers, and many other groups (Moe, 2006a, p. 8). The conclusions drawn by these literatures tend to be fairly unambiguous: teachers’ unions are generally harmful for the educational outcomes that matter to students, parents, and the taxpaying public.

This article consciously restricts its focus to taking up Moe’s own theory and evidence. Our aim is to scrutinize these as a foundation for the stronger, and more general, theoretical and policy conclusions drawn about PAT, education politics, and the power of teachers, their unions, and bureaucrats more generally. The article is structured as follows. We first review the main propositions of canonical PAT. We then argue that Moe’s substantive re-focusing on the role of electoral power paradoxically neglects established theoretical insights of political PAT. We
demonstrate this by critically reviewing Moe’s own empirical analysis of Californian school board elections. We show that revisiting PAT insights results in more cautious conclusions about the political power of agents, and we find support for this in Moe’s own findings. In so doing, we indicate a number of additional implications, and complications, introduced by a more balanced version of ‘multiple-role’ PAT. We end by tempering the often pessimistic, and sometimes downright hostile, normative conclusions drawn from rational choice theory influenced analyses of teachers’ unions and bureaucratic agents more generally.

2. Canonical PAT: main concepts and propositions

Canonical principal–agent theory, also known as agency theory, revolves around the ‘agency problem’. Its basic premise can be traced back as early as Adam Smith’s foundational 1776 treatise, *An inquiry into the nature and causes of the wealth of nations*. Adam Smith here addressed the problem of separation of ownership and control, arguing that people who manage the property of others cannot be expected to exert the same level of effort and diligence as the proper owners. Consequently, Smith claimed, ‘negligence and profusion, therefore, must always prevail’ (Smith, 1776, p. 324). This problem was taken up by Berle and Means in their early twentieth-century analysis of the separation of ownership and control in modern corporations (Berle & Means, 1932). However, along the years, it became apparent that agency problems of this kind constitute a yet more general characteristic of social, economic and political life (Boston, Martin, Pallot, & Walsh, 1996, p. 19).

Agency problems occur whenever one party (the principal) delegates authority to another party (the agent) and the welfare of the first is affected by the choices of the second (Arrow, 1985; Eisenhardt, 1989; Scott, 1998). As a strand of neo-classic economics, PAT shares the assumption that social and political life can be understood as a set of markets that consist of ‘contracts’ or agreed relations between broadly rational, self-interested, and utility-maximizing individual actors. Within such contracts agents carry out certain undertakings on behalf of principals, in exchange for rewards, in an agreed way. The reasons for the principal’s engagement in such a relationship typically stem from efficiency considerations such as specialization and division of labor benefits (Boston et al., 1996, pp. 18–19).

These assumptions can be useful and parsimonious in ideal competitive-market settings. However, as famously noted in classic early contributions by Kenneth Arrow and George Akerlof, information in real-life settings is very often asymmetric, i.e. possessed unevenly by the parties (Akerlof, 1970; Arrow, 1963). The delegation of decision making authority from the principal to the agent then becomes more problematic, for at least three generic reasons. (1) The interests of the principal and the agent will typically diverge. (2) The principal cannot perfectly and costlessly monitor the agent’s actions. (3) The principal cannot perfectly and costlessly acquire the information available to or possessed by the agent (Bannock, Baxter, & Davis, 1992; Barney & Hesterly, 1996). Agency relations are thus rendered more complicated as a result of incomplete information and asymmetric information. This entails various uncertainties. (1) Agents usually possess information that principals do not, and they have an incentive to take advantage of this situation. This is the ‘problem of hidden information’. (2) Agents’ behavior is usually difficult to monitor by principals. This is the ‘problem of hidden action’. (3) There are frequent...
uncertainties pertaining to the way in which the agent’s actions are translated into outputs for the principal. This nexus of problems is jointly referred to as the ‘principal–agent problem’ (see, for instance, Arrow, 1985; Bannock et al., 1992, p.340; Boston et al., 1996).

Two concepts are central to this problem: ‘adverse selection’ and ‘moral hazard’. Adverse selection stems from a particular kind of asymmetric information that may occur in the pre-contractual negotiation, namely the inherent difficulty for the principal to ascertain whether or not the agent accurately represents his ability to do the work for which s/he is being paid (see, for example, Eisenhardt, 1989). Simply put, there is a significant risk that the agent will not be up to the task. This can be demonstrated in the process of hiring a new teacher. The information which the school director possesses about any given candidate for the teaching position is typically partial and gives only a general indication at best. The school director therefore risks making an adverse selection.

Moral hazard in turn derives from the ‘hidden action’ problem after contracting. Under this condition the principal cannot fully ascertain whether the agent has put in maximal effort or, instead, is shirking on his/her duties. This risk for principals to err in their evaluation of agents is substantial, as they are not able to monitor their efforts, and thus tend to resort to judge according to outcomes. This system may lead to goal-displacing behavior in which employees would have an incentive to function better in monitored areas, and shirk in others. An equivalent example from the sphere of teaching is the problem of ‘teaching to the test’. When teachers are being rewarded for specific (and easily measurable) dimensions of the curriculum (such as reading, writing, and mathematics), they often tend to over-commit to teaching these examined and rewarded subject matters, at the expense of all other dimensions (see Boston et al., 1996, pp.20–21; also see Bevan & Hood, 2006; Eisenhardt, 1989).6

A substantial part of canonical PAT theory pertains to optimal ways of contracting. These mainly focus on the incentive structure for agents (e.g. rewards and sanctions). The purpose is typically to find a satisfying way to negotiate, draft, and monitor contracts in a way that would minimize the possibility of opportunistic breaches (e.g. shirking, deception and conspiracy) on the part of the agent and principal. Principals have several options to ensure agents act in accordance with their interests. They can use diverse incentives and sanctions to create greater proximity between the agent’s array of interests and that of the principal. They can attempt to closely monitor agent’s behavior, or they can enter a contract according to which the agent obliges himself to compensate the principal for failure to act in his best interest. Yet all these methods incur substantial costs to the principal, called ‘agency costs’. These costs are expected to rise as the discrepancy between the agent’s array of interests and that of the principal widens (Barney & Hesterly, 1996; Boston et al., 1996). For all these reasons, the agency problem is both a general feature of social life, and one that is inherently hard to solve.

3. Introducing EPA: the electoral power of agents (teachers) over principals (school boards)

Moe’s ambitious new take on PAT pertains exclusively to political, bureaucratic, and public sector settings. In such settings, he argues, the standard agency problem is further exacerbated by a hitherto little studied issue – the empirically observable fact
that bureaucratic agents tend to have votes and unions. More generally, Moe proposes a substantive shift of rational choice theories away from seeing political institutions predominantly in cooperative and efficiency-enhancing terms. Going beyond disparate previous power-based accounts (see, for example, Dowding, 1996; Levi, 1988; Olson, 2000; Vanhuysse, 2002, 2007, in press), he intends to move towards a better-balanced research program for the study of democratic institutions and governance, in which distributive conflict plays a more central role. He argues that institutions are inherently structures of power, and therefore cannot generally be presumed to embody the coordinating and efficiency-enhancing functions posited by current rational choice accounts. While these accounts frequently discuss power, they really entertain ‘a one-sided – and overly benign – view of what political institutions are and what they do’, because they are, unwittingly, ‘confused’ about the true nature of power. According to Moe, this is because current theories still underestimate the prevalence, significance, and repercussions of distributive conflict, especially in bureaucracies and political settings far removed from the limelight of Washington, DC.

Moe claims that the only thing that is political about most political PAT theories is the context, not the electoral mechanisms (Moe, 2006a, p. 4). Specifically, he suggests that the main ‘culprits’ of canonical PAT as we have described them above – standard information asymmetries such as moral hazard and adverse selection – ought no longer to be regarded as the sole deep source of the power of agents over principals in politics. Especially when bureaucratic agents are formally organized in unions, they can ‘control their own controllers’ whenever their bureaucratic principals need to be elected. This ‘political’ power of agents, which for precision we dub ‘electoral’ power (EPA), will lead bureaucratic principals to think twice before acting against bureaucratic agents’ interests. Since agents vote, bureaucratic principals

may not want to exercise much control, and may make choices – on policy, on structure, on funding – that are much more favorable to the agents than the theory now recognizes. There may be a real question as to who is controlling whom. (Moe, 2006a, p. 2, original emphasis)

Moe’s aim, here again, is a major theoretical redirection: ‘The purpose …, then, is to make a case for the political power of the agent, and to argue for a reorientation of the current theory’ (Moe, 2006a, p. 1). Unequivocal about the implications of his arguments, Moe adds two broad prescriptions for research:

One is that the prevailing theory needs to be broadened to recognize the electoral connection between principals and agents that is clearly so fundamental to government. The second is that there needs to be a serious, sustained research agenda on the political power of bureaucrats. (Moe, 2006a, p. 6)

To illustrate the importance of EPA, Moe presents evidence from two empirical studies of education in America. Both studies investigate the interplay between teachers (the bureaucratic agents) and school boards (the bureaucratic principals) in Californian school board elections between 1998 and 2001 (Moe, 2006a). In the first study, teacher union support is found to boost the likelihood of a school board candidate winning school board elections. This suggests that unions matter for election outcomes, whether due to the voting power of their members, or for other reasons (e.g. campaigning). In the second study, teachers (and other school district employees) who live and work in a given school district are found to record much
higher turnout rates in school board elections as compared to both the district’s general public, and to teachers (and other school district employees) who live in their district but who work elsewhere. As school board elections tend to have small victory margins, such turnout differences can suffice to be pivotal in swinging election results. These two studies bolster Moe in his persuasion that focusing on EPA promises to lead to major new insights that refute, or significantly alter, current knowledge:

The more electoral power the bureaucrats are able to wield, the more their principals have incentives to act as ‘agents of the agents’ by doing what their subordinates want them to do. When this is so, all the basic outcomes of top-down political control – the structure of agencies, their levels of funding, their personnel systems, the range of acceptable performance – are likely to be much more favorable to public employees than the standard principal–agent framework would lead us to expect. (Moe, 2006a, p. 4)

Our current understanding of public sector agency relationships is thus not just likely to be incomplete. In no uncertain terms, Moe suggests that it is also likely to be systematically biased towards underestimating the power of agents:

By missing the electoral connections between politicians and bureaucrats, the [current] theory threatens to vastly understate the ability of bureaucrats to turn control relationships to their own advantage and have their own interests embedded in the structure, funding and operation of government. (Moe, 2006a, p. 6)

In other words, PAT has a lot more puzzling to do about power. To start doing so, we propose to re-introduce PAT insights into Moe’s case study of Californian education.

4. Teacher’s PAT: bureaucratic agents as imperfect electoral principals

We readily acknowledge that a more sustained analysis of EPA may imply potentially important advances in our understanding of control and incentives in bureaucratic agency relationships, thereby shedding light on larger issues of democratic accountability and governmental effectiveness. Introducing EPA into political PAT is a welcome contribution, while using PAT to study the interplay of local public sector unions and bureaucratic principals is innovative. The important idea developed by Moe is that beyond known problems of asymmetric information, an additional and possibly fundamental challenge to bureaucratic control by principals is the electoral power of agents to influence the career prospects of their principals. However, having introduced EPA, Moe goes on to exclusively apply PAT to the bureaucratic domain, while ignoring the theory’s implications in the electoral domain. We maintain that a more consistent application of PAT is called for. Since a number of agency relationships may work and interact simultaneously, and various actors may play multiple roles in them, all these actors, as principals, are subject to the classic problems of control.

Agents and principals may be simultaneously intertwined in more than one agency relationship. This introduces what we would call ‘multiple-role PAT’. The latter is theoretically distinct from earlier multiple-principal innovations (see, for example, Ferejohn, 1986; Huber & Shipan, 2002; Manin, Przeworski, & Stokes, 1999; Miller, 1992, 2005; Moe, 1984, 1987). Multiple-principal models show that introducing different actors who simultaneously act as principal (e.g. President and Congress) further weakens the already incomplete incentive structures governing the
action of bureaucratic agents. In contrast, in multiple-role PAT the same actors simultaneously wear multiple hats – agent in the bureaucratic domain and principal in the electoral domain, or vice versa. While in the bureaucratic domain principals face difficulties trying to control agents in the face of asymmetric information, in the electoral domain the very principals become electoral agents and therefore can benefit from a source of power unexplored by Moe. To illustrate with the case of US school boards, at least two such relationships are at work (Figure 1). In the bureaucratic agency domain, education boards act as principals, and teachers as agents (arrow 1). In the electoral agency domain, teachers act as principals, and education boards are the agents (arrow 2).

How do teachers exercise electoral power over their school board bosses? In one of its formulations, EPA works through the mechanism of teachers’ unions pursuing teachers’ interests, for instance in lobbying bureaucratic principals and in getting them elected. Let us grant Moe’s first assumption that since a majority of public sector bureaucrats tend to be members of unions, the core collective action problem of mobilizing hundreds of thousands of atomic bureaucrats into an effective pressure group has already been overcome, at least as a matter of empirical observation (Moe, 2006a, pp. 4–5). However, Moe implicitly makes a more problematic second assumption – namely that union leaders always pursue union members’ interests (arrow 3). Yet leaders and members are locked in exactly the same generic principal–agent relationship as voters and politicians, or employers and employees. While union leaders might often have overlapping interests with union members, the empirical literature on teacher unions, and political history more generally, are rife with dramatic examples to the contrary. Alternatively, the direction of power may often be reversed, as when bureaucratic principals use their office to promote or co-opt particular union leaders, in order to have these leaders do their bidding inside unions. Particularly at the local level, the multiple-hat idea can also be expected to

![Figure 1. Multiple-role PAT: teachers and school boards.](image-url)
work in a temporal sense, through occupational rotation. Union leaders at one stage may then become bureaucratic principals at another stage, possibly to later revert to their original role. In sum, especially within the PAT tradition, any blanket assumption that union leaders somehow act in symbiosis with union members ought therefore to be replaced by a set of empirical question marks.

In its second formulation, EPA works through individual teachers voting in higher-than-average numbers in school board elections. Moe argues that teachers (and other school board employees) who work in the district where they live record higher turnout rates than those who only live in their voting district but who work elsewhere, because they have a stronger occupational self-interest. However, the inference of self-interested occupational voting is plausible but far from exclusive. As with previous PAT findings, there is a problem of observational equivalence (Miller, 2005). Higher turnout levels by public employees who work in their own school district are consistent also with explanations that do not assume that these employees vote as bureaucratic agents, yet do not water down rational choice theory's distinct assumption of self-interested behavior. For instance, they could also be explained by lower direct voting costs, a yet more basic public choice variable (see, for example, Tullock, 1998). If a significant number of polling stations are set up inside public schools or in central sites close to schools, as tends to be the case in local elections, public sector employees would face smaller direct costs than other district inhabitants in turning out to vote for school boards.

Economic theories of social capital would similarly predict public sector employees who vote where they work to exhibit greater turnout levels. By sheer virtue of spending at least an extra 30-odd hours per week at work in relatively sociable jobs in their own district, these employees are laced with more (and possibly more heterogeneous) social network ties within their local communities, which may spur them on to high participation levels in school board elections. Lower levels of physical mobility as well as lower physical distance and less time spent in traveling have been found to increase such social capital (Glaeser, Laibson, & Sacerdote, 2002; Glaeser & Sacerdote, 2000). To shed light on this problem of observational equivalence, it would have been informative to compare teachers’ turnout not to that of other education system employees (that is, other bureaucratic agents), but to that of non-education system workers who ‘live only’ and ‘live and work’ in the district. If the ‘live and work’ effect were not found for this group, it would be safer to infer that indeed the motivation of teachers as voters in education board elections derives from their being bureaucratic agents rather than mere local residents (that is, citizens). In what follows, however, we set aside the two critiques above and focus on the strength of Moe’s general argument for EPA.

5. EPA in education: the case of Californian school board elections

As prescribed by standard political PAT, asymmetric information will indeed give teachers, as bureaucratic agents, a degree of discretionary leeway. Moe argues that since teachers are also electoral principals of school boards, they may wield even more power than PAT has previously acknowledged. But here he skips over a canonical PAT problem. As electoral principals, we should expect teachers to suffer from all the usual problems facing principals under PAT – adverse selection and moral hazard (Figure 1, arrow 4). PAT’s pointer to the limitations imposed by
asymmetric information on hierarchic control in organizations has paralleled similar understandings regarding the limitations of the responsiveness and accountability of the executive to voters in representative democracy (see, for example, Cheibub & Przeworski, 1999; Ferejohn, 1986; Manin et al., 1999; Stokes, 2001). Reversing the emphasis on the power of bureaucratic agents, this literature starts from an inherent peculiarity of the principal–agent relation in democratic representation: our electoral agents are our rulers. Moreover, our rulers may dispose of unchecked powers: ‘we designate them as agents so that they would tell us what to do, and we even give them the authority to coerce us to do it’ (Manin et al., 1999, pp. 23–24).

As electoral principals, voters are not always the best judges of their own interests, or of how hard governments try to pursue those interests. As electoral agents, governments often have better information about the relationship between government actions, external shocks, inherent constraints, and actually observed policy outcomes. This asymmetric information opens room for government rent seeking and other forms of moral hazard. Moral hazard in turn can cause adverse selection. As Bernard Manin, Adam Przeworski and Susan Stokes put it:

If voters do not observe some conditions that affect the outcomes of government actions, they will sometimes reelect politicians who have not done all they could and will at other times throw out of office governments that did all that was feasible. (Manin et al., 1999, p. 13)

For instance, from regressions covering a total of 798 changes of heads of governments across 135 countries between 1950 and 1990, John Cheibub and Adam Przeworski conclude that heads of government are simply not accountable for a wide range of economic outcomes, also after controlling for the clarity of governmental responsibility to check whether voters can discern which electoral agent to punish (Cheibub & Przeworski, 1999, p. 230). Even under relatively optimistic assumptions about voter information and agent responsibility, the conclusions from this PAT-influenced literature on democratic representation are bleak. Elections are generally a crude and very imperfect means for voters to control their electoral agents.

How does this apply to bureaucratic power in school board elections? At least as an a priori assumption, PAT would lead one to expect that asymmetric information restricts the electoral power of teachers over school boards. Given teachers’ obvious information advantage when it comes to school board elections, one could expect their asymmetric information problem to be as innocuous as can be. While voter ignorance may be lower and issues may matter more directly in local elections in general, this particularly focused type of local election appears to be ready-made for active involvement on the part of teachers as voters. In any case, asymmetric information appears much less severe here than is the case with typical voters in more multidimensional elections at the state or federal level. While teachers, unions, and schools no doubt constitute a case study worthy of scrutiny, the question remains how Moe’s findings from school board elections can be validly inferred to larger populations or wider settings. Yet such a case study might still be useful for demonstrating the idea that EPA increases the power of bureaucrats.

However, despite these unusually favorable settings for EPA, Moe’s evidence actually opens room for serious doubt about EPA’s importance. Moe suggests that union support and incumbency jointly increase reelection chances, which further increases the power of teachers’ unions. Specifically, he argues that the degree of union power can be empirically underestimated unless we add to the direct effect of
unions on elections the indirect effect of unions producing incumbents and thereby harnessing the power of incumbency to their own benefit (Moe, 2006a, p. 14). We would argue that the incumbency effect reinforces the stability of any previous election victory, regardless of other factors, whether endogenous or exogenous. Moreover, it turns out that, at closer inspection, Moe’s data show that the probability of winning is estimated to increase by 0.47 if the candidate is an incumbent whom the union does not support and by 0.56 if the candidate is a non-incumbent who is supported by the union. In this respect it is relevant to note that Moe incorrectly interprets his own findings on the effects of incumbency and ‘union support’. In a multiplicative model (that is, one that includes an interaction term) constitutive terms do not represent unconditional marginal effects. As applied to Moe’s findings, this means that the probability of winning is estimated to increase by 0.47 if the candidate is an incumbent whom the union does not support (and not, as Moe suggests, simply an incumbent as such) and by 0.56 if the candidate is a challenger who is supported (and not, as Moe suggests, simply a union candidate as such).11

In other words, the second (0.56) effect indicates a strong influence of union support on election chances, but the first (0.47) effect indicates that school board incumbency is a strong independent factor even in the total absence of union backing. Lastly, it is noteworthy that even in these electoral settings highly favorable to EPA, Moe still concedes that in 46% of all contested school board elections in his sample, unions did not support incumbents (Moe, 2006a, p. 12). This figure is equally informative. Given the strong relationship between the support of teachers’ unions and the outcomes of board elections, it indicates at least some adverse selection of board members by teachers. Second, the figure suggests that elected school board members do not restrict themselves to acting in line with the interests of teachers’ unions.12 The fact that in the present study 46% of incumbents are not supported by unions suggests that, remarkably, the incumbency effect acts against the unions in nearly half of all cases. In line with our expectations, teachers, as electoral principals, therefore do not appear to escape adverse selection and moral hazard problems.

These revisited findings may have important normative implications for public education systems. To the extent that the political power of teachers and their unions on school board elections is mitigated, the finger of blame, even indictment, which is increasingly pointed towards them by a spate of rational choice theorists and journalists appears to be misplaced (Moe 2001, 2003b, 2006b, 2009). If teachers’ unions have really been ‘destroying’ and ‘sabotaging’ (see, respectively, Brimelow, 2003; Lieberman, 1997) American education over the past decades, this is not likely to have been due to their electoral power alone. A recent literature, generally overlooked by teacher union critics, does in fact paint a more sophisticated and more positive picture, indicating that teachers’ unions can improve schooling outcomes, especially among average students (Carini, 2002; Stellman, Powell, & Carini, 2000). Future research may therefore benefit from exploring alternative potential causes of education failure over time. Alternative potential causes are plentiful, ranging from the higher incidence of immigrant populations in urban areas, the rise of the commercial media, the rise of single-parent or malfunctioning family environments, negative externalities in educational production (for example, Lazear, 2001), or the belated developmental stage at which most educational interventions take place (for example, Heckman, 2004).
6. Conclusions and discussion

The political power of public sector employees clearly constitutes an important and insufficiently explored topic for students of politics. When bureaucratic principals need to be elected, voting and unionization are both likely to further increase the power of bureaucratic agents. Since the overwhelming majority of US bureaucrats work for local or state governments, more focused elections at this level are an obvious starting point for studying this form of power. More politically sophisticated theories of public education and of the role of local public sector unions would certainly be welcome. Developments along these lines would contribute to timely new theories of political institutions in which power – distributive conflict – plays a larger role alongside coordination and exchange. Yet we have raised some doubt regarding how serious EPA’s implications are for our assessment of bureaucrats’ power. PAT logic is generic, as it highlights control problems that readily apply to any principal in any context. A consistent application of this logic should lead us to expect bureaucrats’ advantage through EPA to be mitigated by the same obstacles that impede the control of principals – adverse selection and moral hazard.

Such a revised and perhaps more cautious evaluation is supported both by the generic predictions of PAT and by Moe’s own findings in a seemingly ideal setting for EPA – local school board elections. Far from closing the lid on the issue of agent power, the introduction of EPA and the adoption of an explicitly multiple-role PAT framework thus open up a theoretical can of worms for further inquiry. We believe that this critique is important because it more consistently incorporates well-established insights of rational choice theory and political PAT within the empirical study of bureaucrats’ power, of which Moe’s study of school board elections is one example. Unlike Moe, we remain agnostic as to whether EPA or various other ‘faces of power’ will prove to be the most fruitful key to theoretical advances. But we fully subscribe to calls for a new substantive focus on power, entirely in the spirit of similar pointers by Peter Bachrach, Morton Baratz and Steven Lukes many years ago (Bachrach & Baratz, 1962; Lukes, 1974; Moe, 2005). We do believe that the danger exists that a lopsided focus on electoral politics may blind scholars to the myriad other ways in which bureaucrats and their unions can exercise power, often more effectively and away from the media limelight (for examples, see Levi, 2003; Lieberman, 1997). Steven Lukes’ famous second and third faces of power – agenda control, non-decisions, actors’ pre-emptive adaptation to unexercised power, and the mobilization of bias – definitely still merit a high claim on scholars’ attention and resources.

Lastly, our argument also has normative implications regarding theories of democratic governance. PAT has hitherto been seen mainly as highlighting problems of democratic accountability because of limited control over agents. Terry Moe claims that introducing EPA should make PAT scholars yet more pessimistic than they already were about the prospects for meaningful democratic control of bureaucrats: ‘In many political contexts, then, particularly those in which bureaucrats are forcefully represented by public sector unions, … [PAT] is likely to be systematically wide of the mark – and overly optimistic about the prospects for meaningful democratic control of the bureaucracy’ (Moe, 2006a, p. 6). Along similar lines, Gordon Tullock has suggested that the electoral rights of bureaucrats ought to be restricted under certain circumstances because of their occupational self-interest
In contrast, our analysis has pointed to mechanisms by which PAT can complicate, and might mitigate, such problems. Importantly, at least in the case of American public schooling politics, the theory simply does not warrant a portrayal of school board governors as teacher’s pets.

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Notes
3. More generally, a large economics literature on the effectiveness of education inputs has reported that, across a wide range of contexts, inputs favored by teachers (e.g. higher wages and smaller classrooms) are less often statistically significant in improving educational outcomes than are inputs lower on teachers’ priority lists, such as more or better textbooks, classroom equipment and other physical facilities, writing materials and other instructional materials, libraries, and software (Hanushek, 2003).
5. These assumptions position the theory close to the ‘thick’ end of the rational choice theory spectrum, which includes relatively comprehensive behavioral conceptions (Korobkin & Ulen, 2000, pp. 1060–1061).
6. On the problem of teaching to the test, see, for instance, Firestone, Monfils, and Schorr (2004).
7. See Moe (2005, pp. 228, 215), and the references therein to the extensive rational choice literature criticized by Moe.
8. On teacher unions, see Brimelow (2003), Lieberman (1997) and Moe (2009). More generally, in Italy, Britain, the USA and Japan, the most dramatic post-war strikes that were organized, ostensibly, against large-scale job losses were never primarily intended to protect the unions’ rank-and-file, but rather to safeguard the union organization and its most senior members (Golden, 1992). Across a wide range of political–institutional settings, union leaderships in post-communist Europe have promoted their own interests often at the cost of those of their members (Vanhuysse, 2007). In the US, in a seeming application of Michels’ iron law of oligarchy, working-class gains achieved through disruptive protests have often been diluted subsequently as a result of formal hierarchical organization (Piven & Cloward, 1977; also see Levi, 2003, p. 51).
10. Yet another source of selection bias is reported by Moe (2006a, p.10), namely that his sample includes only districts where unions were active enough to support candidates.

12. Moe (2006a, p. 12, fn. 6) himself acknowledges so much in a footnote. Furthermore, it should be noted that Moe estimates that the actual rate of cases in which the unions do not support the incumbent is ‘probably lower’ than 46%, since this figure pertains to contested elections only. Given the potentially important implications of this finding to Moe’s argument, it would be helpful to see reported the proportion of contested elections as a share of all elections. Lastly, it would have been more conclusive methodologically if Moe could demonstrate that union support is associated with third terms of a candidate. After one term, knowledgeable voters can correct their initial adverse selection. But if they chose to support the incumbent, will they continue to support the next time?

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