

# Blaming and Crediting as Bureaucratic Incentives

Emiel Awad

London School of Economics  
and Political Science

Varun Karekurve-Ramachandra  
University of Rochester

Lawrence Rothenberg  
University of Rochester

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# Motivation

Patrick  
Butler's cuts  
blog  
Society

## Cuts: let's just blame the 'bureaucrats'

In his latest guest post, **Redundant Public Servant** examines the extraordinary stigmatisation of the "evil, faceless" men and women on whom public services depend

Redundant  
Public Servant

Fri 4 Feb 2011 05:50 EST



▲ It's all your fault. Politicians point the finger at public service "bureaucrats" Photograph: Hulton Getty

### FLINT WATER CRISIS

## Snyder: 'Career bureaucrats' to blame for Flint crisis

Holly Fournier The Detroit News

Published 10:29 a.m. ET Apr. 11, 2016 | Updated 9:50 p.m. ET Apr. 11, 2016

## Are Bureaucrats to Blame?

*R. Shep Melnick*

SUMMER 1991

NOT TOO MANY years ago conservatives warned that increasing the federal government's responsibilities would create a huge, arbitrary, and essentially autonomous national bureaucracy that could crush individual liberty. Max Weber's predictions about the dominance of bureaucracy in modern life and Tocqueville's warnings of a "soft" administrative despotism added substantial weight to these charges. Indeed, over the past twenty years the left has become at least as suspicious of bureaucratic power as the right. Few elements of American political culture are as well entrenched as fear and loathing of bureaucracy.



## Need a Fall Guy? Blame a Bureaucrat

By **Don Goldman**; Don Goldman, a former Peace Corps volunteer and has been a bureaucrat at the Interior Department for 13 years.  
December 2, 1970

Most Read Opinions

# Research Question

- **Could blaming and crediting be used strategically to *induce* bureaucratic effort?**
- Most previous work focuses on the negative elements of blaming within the accountability framework or on optimal delegation to share responsibility
- We build a formal model where:
  - Politicians benefit from bureaucratic effort
  - Bureaucrats care about their reputation vis-a-vis a non-strategic public
  - Politicians know the bureaucrat's skill and can provide information to the public

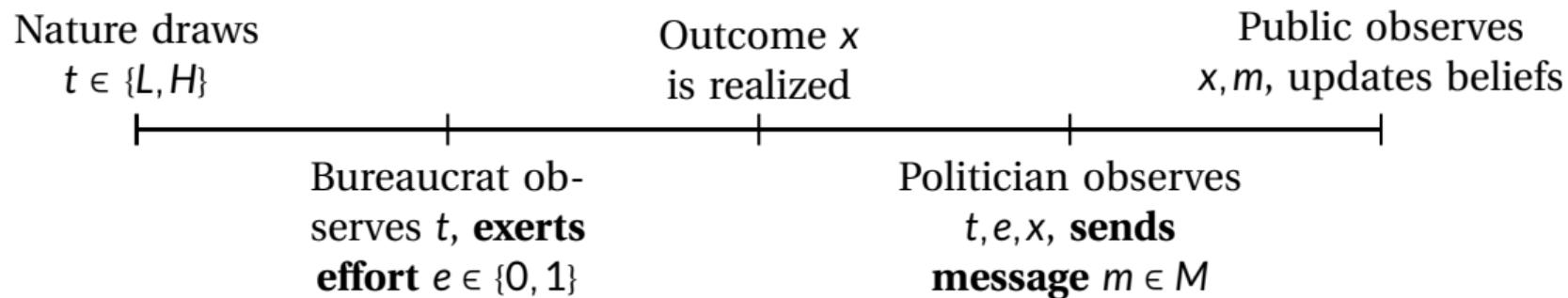
# Literature

- **Blame via delegation**
  - Weaver (1986), Glazer and Segendorff (2005), Almendares (2012) and Pei (2018)
- **Experimental Work**
  - **Field Data:** (Hood, 2011; Nielsen and Moynihan, 2016)
  - **Survey Experiments:** (Marvel, 2014; Ruder, 2014, 2015)
  - **Lab experiments:** (Bartling and Fischbacher, 2012)

## Model - Primitives

- Two strategic actors: Bureaucrat and Politician
- Bureaucrat has type  $t \in \{L, H\}$ ,  $Pr(t = H) = \beta_0 \in (0, 1)$
- Policy outcome  $x \in \{0, 1\}$
- Bureaucrat exerts costly effort  $e \in \{0, 1\}$ , with cost  $c \in (0, p_L)$
- Effort leads to policy success with probability  $p_t$ ; shirking leads to failure  
where  $1 > p_H > p_L > 0$

# Model - Timing



# Incentives

## **Bureaucrat:**

- Payoffs are determined by posterior belief about type ( $\beta$ ) and effort ( $e$ )
- $u_B(\beta, e) = V(\beta) - ec$ , where

$$V(\beta) = \begin{cases} 0 & \text{if } \beta < \tilde{\beta} \\ 1 & \text{if } \beta > \tilde{\beta} \end{cases}$$

- Wants to exceed the reputational threshold  $\tilde{\beta} \in (0, 1)$ , with  $V(\tilde{\beta}) \in [0, 1]$

## **Politician:**

- Cares about policy success:

$$u_P = \begin{cases} 0 & \text{if } x = 0 \\ 1 & \text{if } x = 1 \end{cases}$$

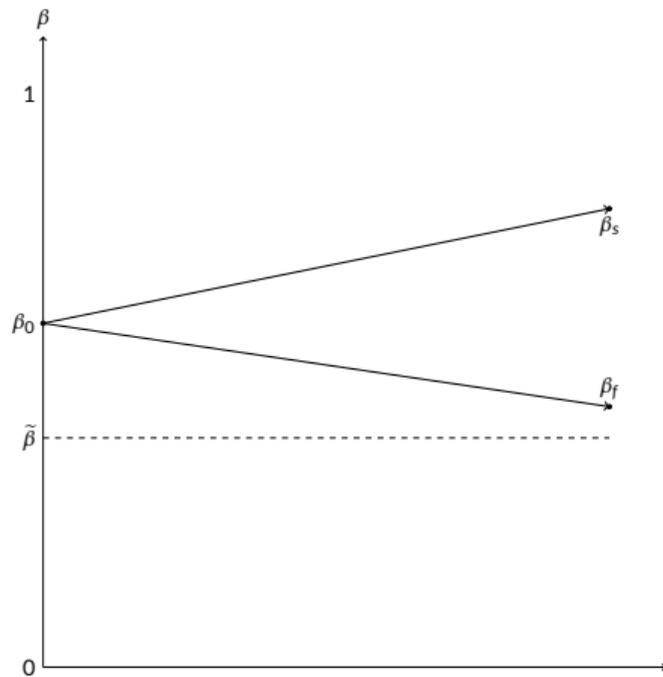
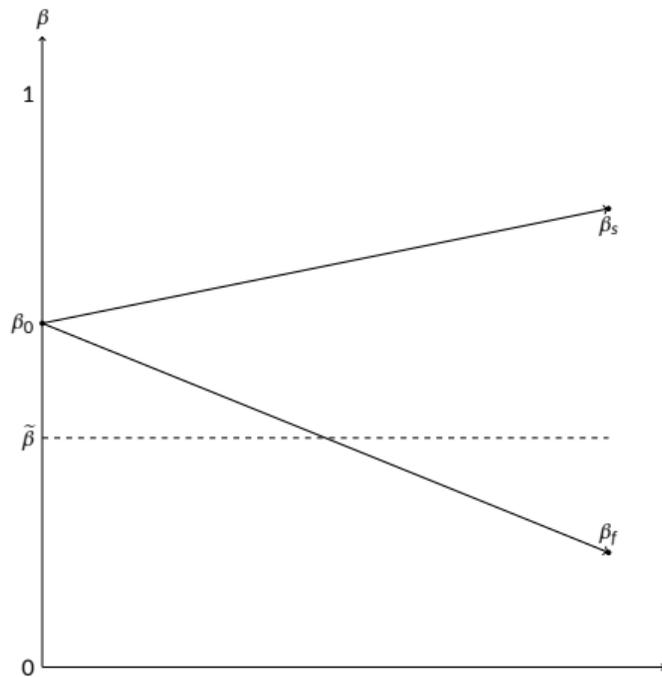
## Preliminaries

- We look for PBE that are ex ante optimal for the politician, i.e., which maximize

$$\Pi(e_L, e_H) = (1 - \beta_0)e_L p_L + \beta_0 e_H p_H$$

- Main interest is in how the politician transmits information to maximize this
- Politician may benefit from revealing information about bureaucrat's skill after successes/failures and effort/no effort

# Beliefs after Success and Failure



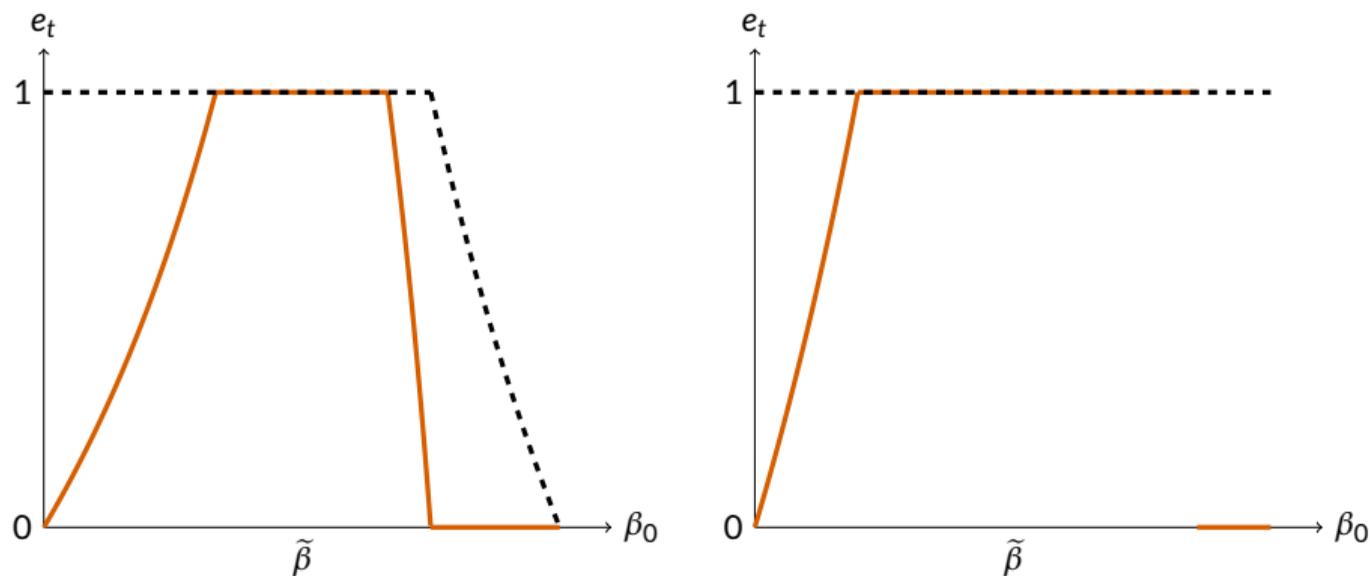
# Equilibrium Behavior without Blaming

- Both bureaucrat types exert effort if  $\beta_0$  is close enough to threshold
- Otherwise, we find two types of equilibria:
  - Low type mixes and high type exerts effort
  - Both types shirk
- How to increase effort if at least one type shirks or mixes?

# Blaming and Crediting

- To potentially benefit from blaming and crediting, we need  $\beta_0 \ll \tilde{\beta}$  or  $\beta_0 \gg \tilde{\beta}$
- If  $\beta_0$  is too low, then  $\beta_f < \beta_s < \tilde{\beta}$ 
  - Want to reward success by inducing beliefs at  $(0, \tilde{\beta})$  with  $V(\tilde{\beta}) = 1$
  - This incentivizes low type to exert effort if  $\Pr(\beta = \tilde{\beta})$  is sufficiently high
  - For too low  $\beta_0$ , low type mixes
- If  $\beta_0$  is too high, then  $\tilde{\beta} < \beta_f < \beta_s$ 
  - Want to punish failure by inducing beliefs at  $(\tilde{\beta}, 1)$  with  $V(\tilde{\beta}) = 0$
  - This incentivizes low type to exert effort if  $\Pr(\beta = \tilde{\beta})$  is sufficiently high
  - For too high  $\beta_0$ , low type shirks

# Comparing Effort Levels



The solid line indicates the effort level of the low type, and the dashed line of the high type. ( $\tilde{\beta} = \frac{1}{2}, p_L = \frac{1}{3}, p_H = \frac{2}{3}, c = \frac{1}{6}$ ).  
 The left (right) panel displays effort levels without (with) crediting or blaming (Propositions 1 and 2).

## Next Steps

- In the static case, politician had full flexibility in inducing beliefs about reputation
- Now repeat the game twice, with final payoffs obtained at the end:
  - Politician:  $x_1 + x_2$
  - Bureaucrat:  $V(\beta_2) - (e_1 + e_2)c$
- Politician is constrained in inducing beliefs: relies on its effect on a type's effort in period 2
  - For two induced beliefs  $\beta'$  and  $\beta''$ , need that  $e_2^L(\beta') = e_2^L(\beta'')$  in period 2
- Initial result: More difficult to get both types to exert effort, reduced scope for blaming and crediting

# Discussion

- We have a model where blaming and crediting incentivizes bureaucrats with reputational concerns
- We show that blaming may improve policy outcomes in a simple framework
- Next steps:
  1. Two period model
  2. Uncertainty about who was responsible
  3. Politician with reputational concerns

Thank you!

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