

Walter W. Powell
Winter, 2004

Education 377/GSB 346/Sociology 377

**COMPARING INSTITUTIONAL FORMS: PUBLIC, PRIVATE AND NONPROFIT
4 Units**

COURSE INFORMATION:

Class Meetings:

Wednesdays, 9:00 am to 11:50 am.
GSB South, Room 151

Instructor:

Walter W. Powell
CERAS 532
Phone: 725-7391

Email: woodyp@stanford.edu

Office Hours: Thursdays, 11:00 -12:00, and by appointment

Teaching Assistant:
Jeannette Colyvas

Goals of the Course:

The aim of the course is to offer an understanding of how private, public, and nonprofit organizations differ in terms of their missions and capabilities. We focus on a variety of sectors – health care, social services, culture, education, etc. – where there is substantial competition and overlap among organizations from different sectors. We will read both some of the key theoretical treatments regarding the choice of institutional form, as well as research on different fields. Students will learn through readings, class discussion, and development of a research proposal that addresses questions of institutional form and organizational performance.

Requirements:

- 1.) Active class participation (30%) Each week there will be a group of students responsible for generating discussion questions about the readings. These questions should be in the form of a one page list, distributed to the class on Tuesday before the Wednesday class. Please send the questions to my assistant, Barbara Beuche (Beuche@stanford.edu) by Tuesday noon. I will assign students for each week.
- 2.) Short discussion memos – by NOON each Tuesday, students will submit a one to two page memo to me (woodyp@stanford.edu) summarizing their reactions to the readings. Ideally the memo should have three components: a.) a wow statement about an idea that you appreciated; b.) a puzzle regarding an idea that

you did not fully understand; and c.) a critique of a particular argument that you did not find persuasive. (30%)

- 3.) A research proposal – a 12-15-page research paper outlining a topic that interests you which you will analyze from the point of view of institutional form. For example, what difference might it make if university distance education was organized as a for-profit activity or a nonprofit enterprise? Why does it matter if day care centers are public, private, or nonprofit? Can an environment for basic research be supported by for-profit firms? Why are capital markets so underdeveloped in the nonprofit sector? Is the idea of a socially responsible commercial enterprise an oxymoron? Final drafts of the papers are due by March 13th. (40%)

Readings:

Peter Frumkin, On Being Nonprofit, Harvard University Press, 2002, cloth. (Available at the Campus Bookstore).

Reading packet from Field Copy, fcp1@aol.com, (650) 323-3155.

Schedule:

January 7th: Introduction and Assignments

January 14th: Theory About Institutional Form

Peter D. Hall, "A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600-2000." Chapter to appear in new edition of The Nonprofit Sector, 2004. In reading packet.

Henry Hansmann, "Economic Theories of Nonprofit Organization," from The Nonprofit Sector: A Research Handbook, W. W. Powell, editor, Yale University Press, 1987. In reading packet.

Lester Salamon, "Partners in Public Service: The Scope and Theory of Government – Nonprofit Relations," from The Nonprofit Sector: A Research Handbook, Walter W. Powell, editor, Yale University Press, 1987. In reading packet.

Richard R. Nelson, 1981. "Assessing private enterprise: an exegesis of tangled doctrine." *Bell Journal of Economics*, pp. 93-111. In reading packet.

January 21nd : Institutional Form, Organizational Performance, and the Public Good

Peter Frumkin, On Being Nonprofit, Chapters 1 and 2.

Elizabeth Boris and Eugene Steuerle, "Scope and Dimensions of the Nonprofit Sector", chapter to appear in new edition of The Nonprofit Sector, 2004. In reading packet.

Burt Weisbrod, "The Nonprofit Mission and Its Financing," Ch. 1 in B. Weisbrod, To Profit or Not to Profit , Cambridge University Press, 1999. In reading packet.

Burt Weisbrod, "Institutional Form and Organizational Behavior," from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

Jane Mansbridge, "On the Contested Nature of the Public Good," from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

January 28th: Health Care

Bradford Gray and Mark Schlesinger, "Health," pp. 65-106 in The State of Nonprofit America, L. Salamon, ed. Brookings, 2002. In reading packet.

Myron Roomkin and Burton Weisbrod, "Managerial Compensation and Incentives in For-Profit and Nonprofit Hospitals." *Journal of Law, Economics, and Organization*, October 1999. In reading packet.

Mark Duggan, "Hospital market structure and the behavior of nor-for-profit hospitals." *RAND Journal of Economics*, Autumn 2002. In reading packet.

February 4th: Higher Education

Patti Gumpert and Stu Snyderman, "Higher Education: Evolving Forms and Emerging Markets." Chapter forthcoming in new edition of The Nonprofit Sector, 2004. In reading packet.

Nathan Rosenberg and Richard R. Nelson, "American Universities and Technical Advance in Industry." *Research Policy*, 1994, pp. 323-48. In reading packet.

J.Owen-Smith and W. W. Powell, "Careers and Contradictions." *Research in the Sociology of Work*, Vol. 10, 2001, pp. 109-140. In reading packet.

Susanne Lohmann, "Can't the University Be More Like Business?" Working paper, UCLA Political Science Dept., 2003. In reading packet.

February 11th: Social Services

Peter Frumkin, On Being Nonprofit, Chapter 3.

Steven Rathgeb Smith, "Social Services," pp. 149-186 in The State of Nonprofit America, L. Salamon, ed., Brookings, 2002. In reading packet.

E. Mauser, "The Importance of Organizational Form," from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

M. Kraskinsky, "Does Auspice Matter?" from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

D. Young, "Commercialism in Nonprofit Social Service Associations," Ch. 10 in B. Weisbrod, To Profit or Not to Profit. In reading packet.

February 18th : Cultural Organizations

Paul DiMaggio, "Nonprofit Organizations and the Intersectoral Division of Labor in the Arts," draft chapter to appear in new edition of The Nonprofit Sector, 2004. In reading packet.

V.D. Alexander, "Environmental Constraints and Organizational Strategies," from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

L. Cain and D. Meritt, "Zoos and Aquariums," Ch. 11 in B. Weisbrod, To Profit or Not to Profit. In reading packet.

C. LeMay and B. Weisbrod, "The funding perils of the Corporation for Public Broadcasting," Ch. 13 in B. Weisbrod, To Profit or Not to Profit. In reading packet.

February 25th: Advocacy, Values, and Faith

Peter Frumkin, On Being Nonprofit, Chapter 4.

Elizabeth Boris and Jeff Krehely, "Civic Participation and Advocacy," pp. 299-330 in The State of Nonprofit America, L. Salamon, ed., Brookings, 2002. In reading packet.

Theda Skocpol, "What We Have Lost," Chapter 6 in her Diminished Democracy: From Membership to Management in American Civic Life, Univ. of Oklahoma Press, 2003. In reading packet.

N.M. Robertson, "Kindness or Justice?" from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

J.C. Jenkins, "Channeling Social Protest," from Private Action and the Public Good, W. Powell and E. Clemens, eds. Yale University Press, 1998. In reading packet.

March 4th: Managerial Behavior in the Public, Private and Nonprofit Sectors

Peter Drucker, "What Business Can Learn from Nonprofits," *Harvard Business Review*, July-Aug. 1989, pp. 88-93. In reading packet.

Deborah Sontag, "Who Brought Bernadine Healy Down?" *New York Times Magazine*, Dec. 23, 2001. In reading packet.

Kevin Hallock, "Managerial Pay and Governance in American Nonprofits," *Industrial Relations*, July 2002, pp. 277-406. In reading packet.

Peter Frumkin and Elizabeth Keating, "The Price of Doing Good: Executive Compensation in Nonprofit Organization." Hauser Center Working Paper, Harvard, 2001. In reading packet.

Mark Moore, "Managerial Imagination," pp. 13-21 in his Creating Public Value, Harvard University Press, 1995. In reading packet.

Lawrence Lynn, "Government is Different," pp. 114-123 in his Managing the Public's Business. Basic Books, 1981. In reading packet.

March 10th: Measuring and Valuing Performance that is Hard to Measure

Peter Frumkin, On Being Nonprofit, Chapter 6.

Peter Frumkin, "Going Beyond Efficiency." *The Nonprofit Quarterly*, July 2001. In reading packet.

"The Replication of Social Venture Partners," D.J. Evans School of Public Affairs case, University of Washington. In reading packet.

"EMCF: A New Approach at an Old Foundation," HBS case 9-302-090. June 2002.

Various handouts on capital markets in the nonprofit sector, and challenges of going after earned income.

