COMPARING AGENCIFICATION IN CENTRAL EASTERN EUROPEAN AND WESTERN EUROPEAN COUNTRIES: FUNDAMENTALLY ALIKE IN UNIMPORTANT RESPECTS?

Sandra VAN THIEL

Sandra VAN THIEL
Associate Professor, Dr., Public Administration, Faculty of Social Sciences, Erasmus University Rotterdam, Rotterdam, The Netherlands
Tel.: 0031-10-408.2140
E-mail: vanthiel@fsw.eur.nl

Abstract

The trajectory of agencification in CEE countries is different from the trajectory in Western European countries in three respects: CEE countries have on average set up more agencies, with less variation in types of agencies, and in more recent times. However, there are also similarities, in particular with regard to the tasks that are being charged to agencies and the predominance of the type 1 agency (no legal independence). The main differences between CEE and Western European countries are therefore in the timing and variation, but not in the substance of agencification. Similarities between CEE countries appear to be related more to the timing of state reforms and EU accession requirements, than to the communist legacy of these countries. More in-depth research should be used to reveal differences between agencification patterns in individual CEE countries, and the consequences thereof.

Keywords: agencification, CEE countries, administrative reform, autonomy.

Transylvanian Review of Administrative Sciences, Special Issue, pp. 15-32

1. Introduction

When it comes to matters of state development and reforms, Central Eastern European countries and Western European countries are often juxtaposed. In publications about for example welfare regimes (Fenger, 2007), civil service systems (Verheijen, 1999) and political parties (Grzymala-Busse, 2007) the CEE countries are treated as one group, and as different from Western European countries. The similarities between CEE countries as well as their deviant position are usually attributed to their joint communist legacy (Meyer-Sahling, 2009). Recently, however, a growing number of studies have been published, which emphasize the differences between CEE countries, for example regarding the adoption of public management reforms (Bouckaert *et al.*, 2009). These differences are explained by the different histories and traditions of the individual countries – just like the mainstream public administration literature does when discussing differences among Western European or OECD countries (see e.g. Pollitt and Bouckaert, 2004; Christensen and Lægreid, 2003). This raises three questions. First, how alike are CEE countries in matters of state development and reforms? Second, how different are CEE countries from Western European countries in this respect? And third, how fundamental are these differences and similarities?[1]

In this article, I will discuss the differences and similarities between CEE and Western European countries regarding one of the most common reforms under the label of New Public Management (Hood, 1991): agencification. Agencification refers to the creation of semi-autonomous agencies that operate at arms' length of the government, to carry out public tasks like service delivery, policy implementation and/or regulation (Pollitt *et al.*, 2004). The central question in this article is therefore whether CEE countries differ in their agencification experiences, both among each other as well as compared to Western European countries. And if so, in which respect(s) do they differ, and how can this be explained? The answers to these questions will tell us whether there is a unique CEE-type or trajectory of agencification, and in which respects that is different from the experiences in Western European countries (or not).

After a short introduction into agencification, I will discuss which trajectories countries have been said to follow in the implementation of public management reforms such as agencification. Trajectories have different implications for the preferred (legal) type of agency, the tasks that have been charged to agencies, and the timing of agency creation. Therefore, a number of predictions can be formulated on these aspects of agencification. These predictions will then be tested using data from a small expert survey in four CEE and fourteen Western European countries. Based on the results, conclusions can be drawn in the final section about the differences and similarities in agencification between CEE and Western European countries.

1 This question and the subtitle are a variation on Wallace Sayre's law about public and private management (as discussed by Graham Allinson in several publications).

2. Agencification

There is much controversy over the definition of agencies but a consensus has grown that an "agency" in terms of agencification concerns an organization that (i) is structurally disaggregated from the government and (ii) operates under more business-like conditions than the government bureaucracy (Talbot, 2004, p. 5). Agencies can for example have a different financial system and personnel policies than the traditional government bureaucracy, but the degrees of financial, personnel, and management autonomy vary per (type of) agency (Pollitt *et al.*, 2004). Such variation makes it very difficult to develop a more precise definition. To complicate matters further, each country has its own types of agency, like for example the non-departmental public bodies (NDPBs) and Next Steps agencies in the UK, so-called ZBOs in The Netherlands, public establishments in France, Italy and Portugal, state agencies in the Nordic countries, and so-called bureaus and boards in CEE countries (Verhoest *et al.*, forthcoming; Pollitt and Talbot, 2004; OECD, 2002).

To enable a comparative analysis of agencification, I will make use of a typology of agencies that has been developed within the CRIPO network (van Thiel and CRIPO team, 2009)[2]. This typology distinguishes three main types of agencies. The first type of agency concerns semi-autonomous agencies without legal independence; they are closest to the government/ministry but have been granted a small degree of managerial autonomy. Their funding and personnel policies are however usually still directly linked to the government bureaucracy. The second type of agency is often known as statutory body because it has gained legal independence through a law or other type of legislation. Statutory bodies have more autonomy than the first type of agency, for example regarding personnel and financial decisions. Budgets are for example acquired either from the government or through fees, or a mixture. The third type of agency is the corporate form, i.e. corporations, companies and foundations. All are based on private law and therefore this type of agency has the highest degrees of autonomy. It is charged – often by law – to execute a particular task, but the agency operates under private law or market conditions. (Note that foundations are not used for profit maximization, but are not part of the public domain either.) Table 1 summarizes the three types of agency and gives examples from CEE and Western European countries.

The reader should be aware that each type of agency may encompass different legal types of organization in the same country. For example, there are different kinds of statutory bodies in France: public establishments, administrative authorities and centers of national competence (Allix and van Thiel, 2005). However, they share similar levels of legal independence and management autonomy and therefore can all be listed as statutory body.

2 CRIPO is an international network of agency-researchers from 24 countries. It is funded by the EU Cost Action Program (IS0601). See www.soc.kuleuven.be/io/cost for more information.

Table 1: Types of agencies

Type	Definition	Examples
1	Semi-autonomous organization, unit or body without *legal independence* but with some managerial autonomy	Next Steps Agencies (UK), contract/executive agencies (NL, B, IRL), state agencies (Nordic countries), Italian Agenzia, service agency (A), state institutions (EST), central bureaus (HUN), direct administration (GER), Flexi-agencies (A)
2	Legally independent organization/body (based on *statutes*) with managerial autonomy	Public establishments (IT, POR), ZBO (NL), NDPB (UK), parastatal bodies (B), statutory bodies or authorities (not corporations: A, EST, IRL, ROM), indirect administration (GER), regulatory agencies (C, SL)
3	Private or private law based organization established by or on behalf of the government like a foundation or corporation, company or enterprise (government owns majority or all stock)	State-owned companies (SOC) or enterprises (SOE), and government foundations (examples to be found in all countries)

A = Austria, B = Belgium, C = Croatia, EST = Estonia, GER = Germany, HUN = Hungary, IRL = Ireland, IT = Italy, NL = Netherlands, POR = Portugal, ROM = Romania, SL = Slovakia, UK = United Kingdom

3. Trajectories of agencification

There have been several studies into the patterns of the diffusion of NPM and/or agencification in different countries (see e.g. Verhoest *et al.*, 2010; Bouckaert *et al.*, 2009; Ongaro, 2009; Gualmini, 2008; Kettl, 2000; Caulfield *et al.*, 2006; Pollitt and Bouckaert, 2004; Christensen and Lægreid, 2007, 2006, 2003; Pollitt *et al.*, 2004; Pollitt and Talbot, 2004; Torres, 2004; OECD, 2002; Hood, 1996). Although researchers have used different labels for the patterns they identify, two patterns are almost always mentioned: (i) the radical reforms in the Anglo-Saxon countries (UK, Australia, New Zealand) and (ii) the more incremental approach in Continental Europe. Other patterns are sometimes mentioned, but with varying labels and descriptions. For example, Kettl (2000) refers to a group of "hybrid" reformers, in this case the Nordic countries (Finland, Sweden, Denmark and Norway). However, in other studies the Nordic countries are usually included in the group of incremental reformers. Christensen and Lægreid (2008) even call Norway a "reluctant" reformer. Other alternative patterns are for example the threefold "systemic", "pragmatic" and "tactical" reforms by Feigenbaum *et al.* (1998) or the clustering of countries based on their legal tradition: Germanic, Nordic and Southern European (or Napoleonic) countries (Torres, 2004; see also Peters, 2008). Next to using different labels, researchers also cluster different groups of countries (see e.g. Verhoest *et al.*, forthcoming).

Controversies over reform patterns are caused by the uneven distribution between radical and incremental reformers. The radical reformers consist of the same countries in almost all studies (UK, Australia, New Zealand), but the group of incremental reformers consists of the "rest of the world". This distribution is clearly skewed. Moreover, there is a strong bias towards Western and OECD countries. Asian, Latin American, developing and transitional countries like the CEE countries are seldom included in agencification studies (see for some exceptions: Pollitt and Bouckaert, 2004; Moynihan, 2006; Beblavý, 2002; Hood, 1996). Therefore, we need a more

elaborate typology of trajectories that will allow for a more refined analysis of the reforms, and in a larger number of countries. Rather than creating a whole new typology, I will expand and refine an existing one. The typology of "trajectories of reform" as developed by Pollitt and Bouckaert (2004, ch. 4) is one of the most cited typologies. I will use this as the basis for a typology of patterns of agencification. Pollitt and Bouckaert distinguish four trajectories: maintenance, modernization, marketization and minimization.

Maintenance

Countries in this group are tightening up the government bureaucracy but do not implement any (or hardly any) fundamental restructuring. They focus on making current structures and practices work better. Pollitt and Bouckaert mention Germany as an example. Based on Hood (1996) we can probably also include Greece, Spain, Switzerland, Japan and Turkey in this category as they can be typified as "low NPM reformers". Torres (2004, p. 102) emphasizes that countries such as Germany and Switzerland have a very legalistic administrative tradition (*Rechtstaat* model), complex federal systems and a strong hierarchical civil service system. As a consequence they would be expected to prefer decentralization over agencification; tasks are charged to sub-national levels of government rather than to agencies[3]. The number of agencies is lower than in countries with other trajectories; they have lesser degrees of autonomy and are incrementally created at regular (long) intervals.

Modernization

In countries with this trajectory it is believed that the state should play an important role but that fundamental changes in the administrative system are necessary such as budget and personnel reforms, extensive decentralization and devolution. As a result there is a strong preference for hybrid forms of public sector organizations (i.e. agencies) rather than outright privatization. Also, there is a need for more attention for the participation and role of citizens/customers. According to Pollitt and Bouckaert (2004) examples of countries with this trajectory are: Belgium, Finland, France, Italy, The Netherlands and Sweden, although they stress that there are differences between countries in emphasis, pace of reform, and preferred organizational forms.

Based on Hood (1996) we can also include Austria, Denmark, Portugal, USA and Ireland into this group, as they are labeled "moderate NPM reformers". However, it would appear that although all these countries share a moderate passion for NPM and agencification, they do so for different reasons (Torres, 2004). The Nordic countries for example have a strong tradition of service delivery through agencies; as a result ministries (central government) tend to be very small. Most Southern European countries on the other hand have a mixed pattern of decentralization to sub-national

3 This does not preclude the fact that lower levels of government may decide to charge these tasks to agencies. However, this article only deals with agencies at national or federal level.

governments and corporatization, rather than (extensive) agencification. Therefore, within the group of modernizers a distinction should be made between different groups of modernizers, based on their preference for different types of agencies. I will return to this point later on.

Marketization

Marketizers are also known as the radical reformers (cf. above). In these countries, the government bureaucracy is fundamentally reformed and slimmed down ("retreat of the state" or "rolling back the state"). There is a strong preference for the use of private sector techniques, the introduction of competition, and the creation of internal markets within the public sector, for example in health or education. Examples are the UK, Australia, New Zealand (and moderately the Netherlands, Finland and Sweden, according to Pollitt and Bouckaert, 2004). Agencification is combined with market pressures and minimal government interference regarding internal management, funding and control of agencies.

Minimization

The fourth and final trajectory points to massive privatization and downsizing of public sector organizations, leaving only a "Nightwatchman" state. Although this model is advocated in some countries (like the US and UK), it is actually not found to exist by Polllitt and Bouckaert (2004). In such a trajectory agencification may be used but in the most extreme form, creating agencies at the furthest distance from the government as possible, financed by fees rather than public budgets and operating in (internal) markets. The alternative to agencification is privatization. Then, tasks are carried out by private organizations, or government companies are sold.

3.1. First steps towards a more refined typology

Looking at these four trajectories, we can distinguish at least two types of "incremental reformers": maintenance versus modernization. Within the latter group a further refinement can be made, between countries with different reform strategies, different historical and institutional contexts, and different preferences for certain types of agencies. Take for example the Nordic countries they have a longstanding tradition in creating agencies (see e.g. Larsson (2002) and Pierre (2004) on Sweden). Recent reforms in those countries are less focused on creating agencies and more on reforming existing agencies, for example by splitting up multi-purpose agencies into single purpose organizations (Christensen and Lægreid, 2008), or by making their management more business-like for example by using performance measurement techniques (cf. Binderkrantz and Christensen, 2009; Smullen, 2010).This strategy is very different from the Southern European countries with their Napoleonic legalistic tradition, with comprehensive reform programs led by strong central government (Ongaro, 2009), favoring corporatization and decentralization over agencification. Countries with a legalistic tradition will always prefer agencies with a clear legal basis, probably based on public law in Germanic countries and more often on private

law in Southern European countries. By allowing for these distinctions in the reform trajectories, we can refine the original typology.

However, that still leaves us with the question where the CEE countries would fit. As Pollitt and Bouckaert limit their study to (ten) OECD countries, they do not discuss the trajectory of the CEE countries. The number of studies on agencification in CEE countries is low but increasing, as the articles in this special issue show. Therefore, a first picture can be sketched.

3.2. CEE countries

Beblavý (2002) characterizes the reforms of the post-communist countries as similar to the OECD countries' experiences in some ways – particularly when it comes to agencification. As the "emphasis has been placed on refocusing on its unique and core competencies, on significantly more extensive use of private sector techniques in management and organization and on transparency of public administration as a means of delivering more accountability to the public and politicians" (Beblavý, 2002, p. 122), one cannot conclude otherwise than that the CEE countries would fit best with the trajectory of the modernizers. Agencification in CEE countries has been an important element in the building of a modern, independent state after the fall of communism. The accession to the EU has sped up the process even more, as agencification was one of the requirements of the *acquis communautaire* (see chapters on CEE countries in Verhoest *et al.*, forthcoming).

Agencification has thus taken place in a unique context of transition, at a very high speed (see e.g. the Latvian case (Pollitt, 2004); or Sarapuu (2008) on Estonia), with a larger scope than in most OECD countries, and with much less funding and "reform capacity". Agencification as such was not a new phenomenon; under the communist regime, many agencies already had legal personality. It therefore refers not so much to granting legal autonomy to agencies, but more to granting financial and personnel autonomy, and to changes in the management of these organizations (more business-like, including more attention for accountability). This would imply that CEE countries have followed a path similar to the Nordic countries (Christensen and Lægreid, 2006; Torres, 2004), but in a less harmonic way as agencification in the CEE countries was seldom pursued within a systematic conceptual and legal framework, partly because of the lack of administrative capacity but also due to the speed with which it was undertaken (see e.g. Moynihan (2006) on Slovakia). Hence, some of the results are quite paradoxical (see for an interesting case in Estonia Tavits and Annus, 2006). Beblavý (2002) points for example to the fact that agencification has often been used to raise the tax burden; agencies are allowed to charge user fees, but there is no equivalent reduction in general tax levying. Other authors point to the political benefits of appointments to agency positions and/or the higher salaries of officials in agencies (cf. Pollitt, 2004 on Latvia, and CEE chapters in Verhoest *et al.*, forthcoming).

In sum, CEE countries could be labeled as modernizers but with a minimization twist; the scale and speed of agencification have left a very small government bureaucracy.

Moreover, the high level of distrust in the government in most transitional countries (cf. Nakrosis, 2008 on Lithuania) makes it difficult for the government to take on an important or central role, in the agencification process or elsewhere.

3.3. Trajectories of agencification: a model

The refinement and expansion of the original four trajectories model by Pollitt and Bouckaert leads to a new typology of five trajectories of agencification. Table 2 gives an overview.

Table 2: Trajectories of agencification in CEE and Western European countries

Trajectory	Countries	Pattern of agencification
Maintenance: strong role for government	Legalistic and/or federal countries: Germany, Switzerland, Spain, Austria	Preference for decentralization rather than agencification. Low numbers of agencies, with low degrees of freedom, established at regular (long) intervals (incrementally).
Modernization I: important role for state but primarily decentralized service delivery *Decentralized modernizers*	Nordic countries Netherlands and Ireland	Longstanding tradition of agencification, with high degree of autonomy and agencies of different types. Recent reforms not aimed to reduce the number of agencies, but reshuffling of types of agencies.
Modernization II: important role for state but privatized service delivery *Centralized corporatists*	Southern European countries with Napoleonic tradition: Portugal, France, Italy, Belgium	Corporatization preferred over agencification, strong central government steering (programmatic and legalistic approach). Many private law based type agencies, mixed funding and governance arrangements.
Modernization with a twist, leading to a minimalist state *Modern minimizers*	CEE countries	Large scale and quick (re)-agencification after fall of communism, limited government steering so high degrees of autonomy for agencies (no programmatic approach, so many different types).
Marketization: large scale introduction of market-type mechanisms	Anglo-Saxon: United Kingdom	Privatization and agencification under market conditions: large scale agencification with extremely high degrees of autonomy (legally, financially, control).

The trajectories describe different styles or paths of agencification in different countries. The CEE countries' trajectory is expected to differ from Western European countries in three respects: the timing of agencification (more recent), the lack of a programmatic approach (so high variety in agency types) and the scope/size (leaving almost no tasks with the government bureaucracy). This does not mean that recent, varied and extensive agencification does not occur in Western European countries as well, but the combination of these characteristics is expected to be more typical for CEE countries than for other countries. The next sections will investigate whether these patterns can indeed be found in practice.

4. Data and method

In 2008-2009 data were collected through an expert survey about the agencification of 25 executive tasks in 21 countries (see for more details van Thiel and CRIPO team, 2009). This article only discusses CEE and Western European countries, therefore a selection has been made from the original dataset; 18 countries are included in the

analyses below. Table 3 shows which tasks and countries are included in the analysis below. The reader should note that regulatory tasks have not been included in the data.

Table 3: Tasks and countries for analysis

Tasks (25)			Countries (18)	
(National) airport	Intelligence/secret service	Registration of drivers licenses	Austria	Italy
Broadcasting company	Labor exchange	Road maintenance	Belgium	Lithuania
Bureau of statistics	Land registry	Student loans	Switzerland	Netherlands
Development aid	Meteorological office	Taxes	Denmark	Norway
Distribution of EU subsidies	(National) museums	(Public) universities	Estonia	Portugal
Forestry	Police	Unemployment benefits	Finland	Romania
Hospitals	Prisons	Vehicle registration	Germany	Spain
Housing companies	Prosecution office		Hungary	Sweden
Immigration agency	(National) railway		Ireland	United Kingdom

For each task data have been gathered about (1) whether the task has been charged to an agency, if so (2) to which type of agency and (3) in which year this has occurred. The three types of agency as listed in Table 1 were used. The year of establishment refers to the year in which the organization was established in its current agency form. As organizations can change form, this will lead to an overestimation of the recent nature of reforms. This will be taken into account in the interpretation of the results.

The data will be used to analyze to which degree countries have created agencies (for the 25 selected tasks), which type of agency is dominant, and when agencification took place (date of establishment). Data are analyzed using SPSS 17.

5. Scope of agencification

The scope of agencification concerns both the extent to which agencification has spread in the countries under study, as well as the extent to which the 25 tasks have been charged to agencies. Out of the possible 450 combinations of (25) tasks and (18) countries, 278 cases of agencification have been identified by the experts. This means that in 69.5% of the cases, a task has been charged to an agency. Out of these 278 cases of agencification, 144 concerned a type 1 agency (52%), 76 times type 2 (28%) and 56 times type 3 (20%). Type 1 agencies are therefore the most preferred overall.

5.1. Number and type of agencies

From Figure 1, it is clear that the CEE countries (except Hungary) have on average charged more tasks to agencies than most other countries: Lithuania (88%), Estonia (84%), Romania (80%), and Hungary (52%). The Nordic countries are the runners up, with Norway in the lead: Norway (88%), Finland (72%), Sweden, (68%), Denmark (64%). Two more countries also have a strong tendency to create agencies: The Netherlands (76%) and Portugal (72%). However, these two countries prefer type 2 agencies mostly, while the Nordic and CEE countries (including Hungary) have created predominantly type 1 agencies.

Next, there is a mixed group of Germanic (Austria 56%, Germany 52%), Napoleonic (Spain 52%, Italy 48%) and common law countries (UK 56% and Ireland 52%) that have agencified about half of the tasks under study. Of these countries, Austria, Ireland and Italy do not seem to have clear preferences for a specific type of agency. Germany and the UK have a dominant preference for type 1 agencies, while Spain has created more type 2 agencies than types 1 and 3.

Finally, two (federal) countries are lagging behind with about one quarter of the tasks charged to agencies (Belgium 28%, Switzerland 24%). These two countries have a clear strategy of decentralization rather than agencification, at least at the federal level. Belgium has used slightly more type 1 agencies and Switzerland more type 3 agencies, but the numbers are very low and therefore it is difficult to draw solid conclusions on these countries.

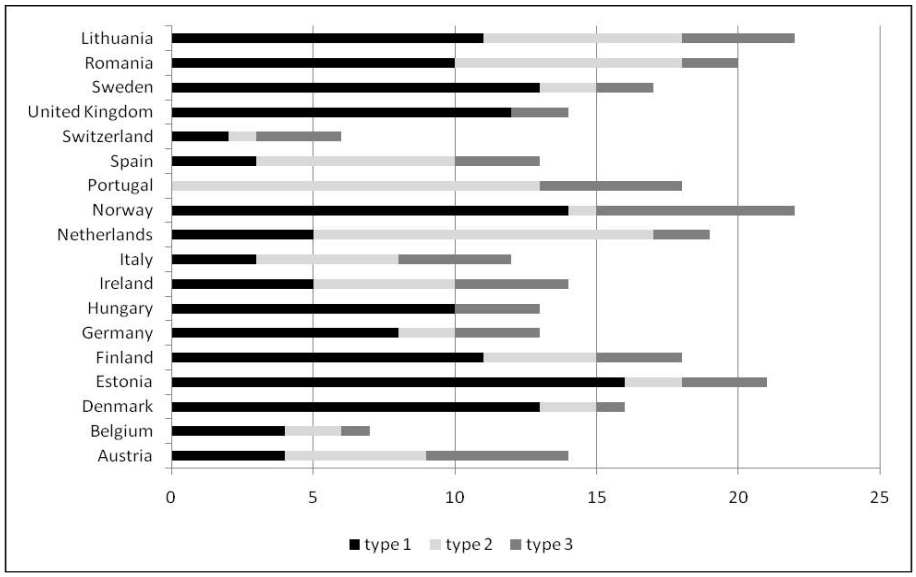

Figure 1: Number of tasks (out of 25) charged to different types of agencies in 18 countries

Additional testing (based on cross tabulations, using chi square and Cramer's V to check for statistical significance) shows some statistically significant differences. First of all, federal states have agencified much less often than unitary states. This is probably due to the fact that federal states decentralize tasks to the state/regional level more often. This does not preclude the fact that at the sub-federal level tasks are charged to agencies. Moreover, as the number of federal states[4] in this sample is much lower than the number of unitary states, the results should be treated with

4 Six states have been coded as federal: Austria, Germany, Switzerland, Belgium, the UK and Spain. The latter two are formally listed as unitary state but because of devolution to the regions they are often regarded as (semi)-federalist states.

some caution. Interestingly, when federal states do decide to create an agency, they have no strong preference for a specific type, contrary to the unitary states that have a strong preference for type 1 agencies.

Second, the Napoleonic countries are much less advanced in agencification than countries with other state traditions. The analyses confirm that the CEE and Nordic countries are indeed the most prolific agencification countries. Finally, when tested as a separate group, the CEE countries have created statistically significantly more agencies and more type 1 agencies than other countries, including the Nordic countries.

5.2. Tasks of agencies

The tasks that have been charged to agencies most often are: meteorology and railways (each in 17 out of 18 countries); bureau of statistics, museums and road maintenance (15); unemployment benefits, labor exchange and broadcasting company (14); followed by immigration (13) and forestry (12). Figure 2 presents the results for all 25 tasks.

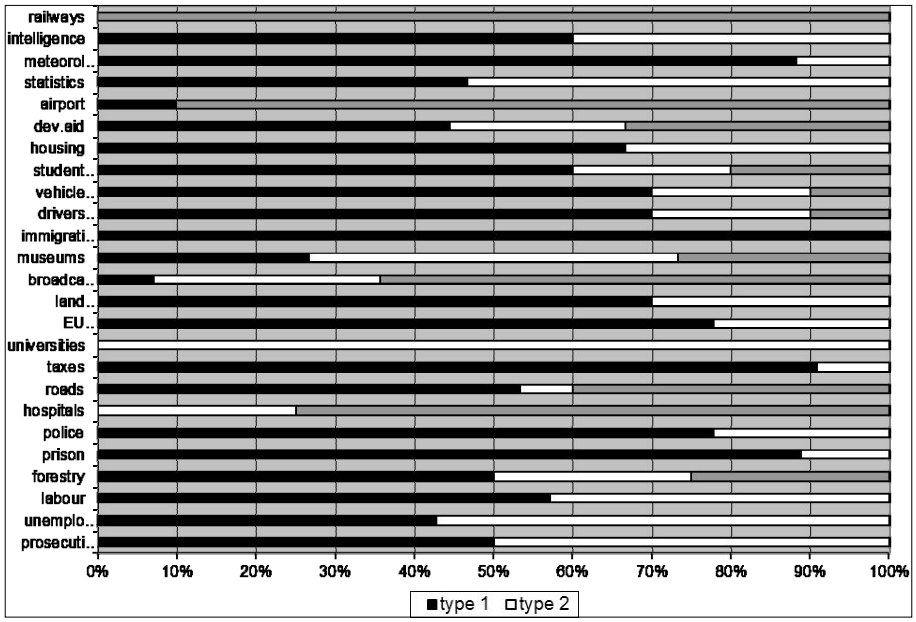

Figure 2: Agencification of 25 tasks in 18 countries

Figure 2 also shows that there are big differences between the types of agency to which tasks are charged. For example, meteorology is exclusively carried out by semi-autonomous agencies (type 1) whereas the railways are almost always state-owned companies (type 3). Some tasks thus have a predominant agency form; see for example also the immigration office (type 1), the tax service (type 1), the universities (type 2), railways (type 3) and broadcasting companies (type 3). Other tasks are charged to agencies from different types, like the bureau of statistics and the agency for unemployment benefits (both type 1 and 2 agencies in almost equal numbers) or

even to agencies of all three types like road maintenance, museums, development aid and forestry. Two tasks have turned out to be hardly ever charged to an agency: hospitals and housing companies. Both tasks are more often decentralized to local level governments.

Although there are differences between the types of agency that are charged with specific tasks, there is no correlation between the agencification of specific tasks and countries. Neither federal versus unitary states nor clusters of countries with similar state traditions (like common law, *Rechtstaat*, Napoleonic etc.) have decided to charge specific tasks more or less often to agencies - except perhaps for the prosecution office, which all the federal states in this sample have retained as a government unit (but statistically non-significant). The CEE countries do not differ from the other countries in the agencification of specific tasks.

5.3. Patterns of agencification

So far, we have seen that the scope of agencification in CEE countries is larger than in most other countries; they have created the most agencies, and more often of one type (semi-autonomous, type 1). Their pattern of agencification is to some extent very similar to that of the Nordic countries, but less varied as the recent reforms in the Nordic countries have led to the creation of agencies of different types (see also below). The scope of agencification is therefore definitely the largest in the CEE countries.

There are no statistically significant effects for the tasks that have been agencified. Some tasks are agencified more often than others, but that is not different between countries. Some tasks are charged more often to an agency of a specific type, but overall there are no statistically significant (cor)-relations between agency type and task. Next, we turn to the timing of agencification in the different countries.

5.4. Timing of agencification

Figures 3 and 4 display the average year of agency creation (for types 1, 2 and 3 together) on a timeline, for countries and tasks respectively. It is important to note that the data used in this article refer to the year of establishment of an agency *in its current form*. Because agencies are frequently reshuffled, restructured, merged, split and renamed, there is an overestimation of the recentness of agencification. Many organizations will in fact be older than their year of establishment suggests, or have belonged to different agency types at different points in time. For example, in The Netherlands one in five public bodies is frequently re-organized (van Thiel, 2001), and in Hungary one third of the statutory bodies has changed in form or position over time (Hajnal and Kádár, 2008). Pollit *et al.* (2004) also found little long-term continuity in agencies in Finland, Sweden, and the United Kingdom. The data used here are fixed in time and do not allow the measurement of changes over time. These limitations have to be kept in mind when interpreting the findings in Figures 3 and 4.

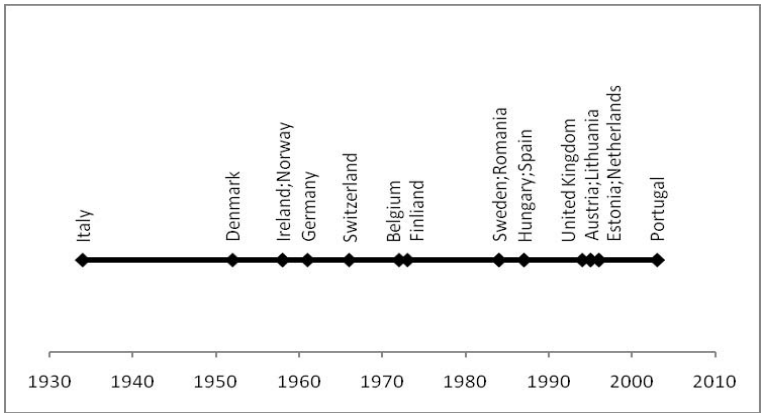

Figure 3: The average year of agencification per country
(for 3 types of agencies, 25 tasks, in 18 countries)

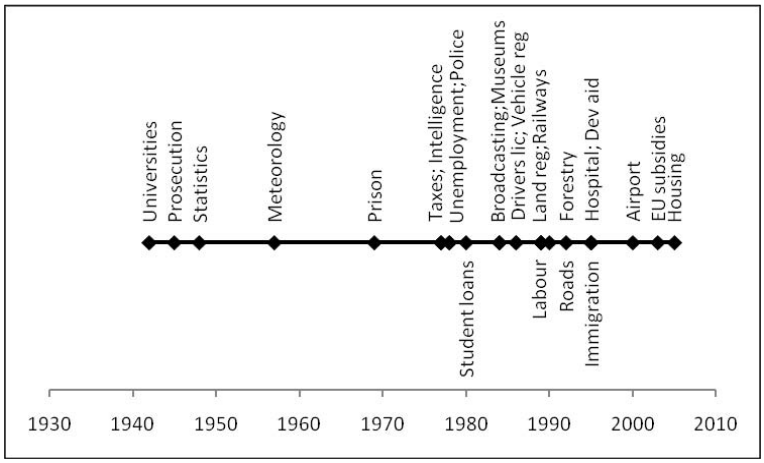

Figure 4: The average year of agencification per task
(for 3 types of agencies, in 18 countries)

Figure 3 is in line with earlier findings. It shows for example that the Nordic countries have a longstanding tradition in the use of agencies; Denmark, Norway, Finland and Sweden have on average created agencies well before the 1980s when NPM kicked in. Second, agencification in the CEE countries is of a much more recent date; all averages come after the mid-1980s. Although the largest numbers of agencies have been created after the fall of communism, the average scores in Figure 3 also show that agencification was not new to the CEE countries; the average year of establishment in Romania and Hungary dates back to before independence. This suggests that a number of agencies have been re-established after the fall of communism when CEE countries had to (re)-build their state apparatus.

Western-European countries with the most recent agencification are Portugal, Netherlands, UK and Austria. Some potential explanations come to mind. The

Next Steps Agencies program in the United Kingdom has led to a strong increase in agencification from the early 1990s on. In The Netherlands, a similar agencification program was adopted in 1994 leading to a strong increase in type 1 agencies and some reshuffling of other types of agencies. In the case of Portugal, agencification has been an important part of economic growth, democratization and EU accession (Corte-Real, 2008). The recent nature of agencification in Austria is however more difficult to explain. Austria has been known as a moderate reformer. Reforms have always been slowed down by the *Rechtstaat* tradition (Hammerschmid *et al.*, forthcoming). The development of new legal types may explain Austria's place in Figure 3; existing agencies could have been moved to another category. However, such an explanation would require more in-depth study. The other countries with a more legalistic tradition, like Germany, Belgium and Italy have all created agencies at a much slower pace – hence their lower average year of establishment.

Figure 4 suggests a stronger influence of NPM on agencification than Figure 3 did, as most tasks have been charged to agencies from the early 1980s on. Tasks that have been agencified most often (cf. Figure 2) usually date back a bit longer than tasks that have been agencified less often, see for example meteorology and bureau of statistics versus development aid and EU subsidies. This confirms that agencification is not a new phenomenon, but existed already before the advent of NPM. The introduction of NPM ideas has however stimulated governments to charge more and more tasks to agencies. Finally, from Figure 4 we can also deduce that tasks that are typically charged to a type 3 agency (i.e. foundations and companies) have recently become more popular, see for example the placement of tasks like airports, railways, broadcasting and road maintenance on the timeline in Figure 4. Corporatization is therefore the latest trend, for example in Norway.

Additional testing of the data shows that federal states have set up agencies in regular intervals over time, while unitary states display a more diffuse pattern with a spurt since the 1980s. This difference between the countries is statistically significant. It is however not related to preferred types of agency, nor to the agencification of specific tasks. Given the low number of federal states in the sample, this conclusion should however be treated with caution.

States with a Napoleonic and *Rechtstaat* tradition have on average a more longstanding tradition in agencification, as do the Nordic countries. The CEE countries stand out because of the recent nature of their (re)-agencification. As these findings are all statistically significant, we can conclude that there is indeed a specific CEE-trajectory of agencification.

6. Discussion and conclusions

A number of expectations about the trajectories of agencification (cf. Table 2) have been corroborated. For instance, agencification in federal countries and countries with a legalistic tradition was predicted to be minimal; low(er) numbers of agencies, with limited degrees of freedom, were established at an incremental pace. This pattern has

indeed been found both for most federal countries (like Switzerland and Germany) and for a number of countries with a Napoleonic tradition (such as Belgium, Italy and to a lesser degree Spain). While federal countries turned out to be more in favor of decentralization, as predicted, Napoleonic countries did not display a preference for corporatization. Moreover, not all federal and Napoleonic countries fit the expected pattern, for example in the case of Austria and Portugal. More in-depth research is necessary to offer more elaborate explanations for these findings. There are more unexpected patterns, for example regarding The Netherlands where the recent nature of agencification was much stronger than expected. However, the Dutch preference for type 2 agencies does fit very well with the predicted trajectory of a 'decentralized modernizer'.

The longstanding tradition of agencification in the Nordic countries has been confirmed, including some recent reforms in particular an increased preference for corporatization (type 3 agencies). However, the expected radical reform pattern in the UK has only partly been substantiated by the data. The introduction of the Next Steps Agencies model has perhaps replaced the British preference for market-type mechanisms. (See also the recent debate on "quangos" as initiated by the Conservative-Libdem coalition that came into office in 2010.)

The most important findings relate however to the trajectory of the CEE countries. This is to be found different from the average trajectory in Western European countries in three respects: agencification in CEE countries is on average of a more recent date, it is more frequent, and there is preference for type 1 agencies, without legal independence. This is mostly in line with the predictions in Table 2, except for the uniformity in preferred agency type; it was expected that agencies would belong to several types listed in Table 1, but that was not the case (note that type 1 may encompass different legal types though). However, we have also seen that agencification is not new to the CEE countries; agencies have been in existence well before the fall of communism. Therefore it seems unlikely that the rise of agencification is directly linked to the communist legacy of these countries. Agencification has been part and parcel of two major reforms in these countries: the reform to become a modern democracy, and to become an EU member (cf. Meyer-Sahling, 2009). In a number of cases, agencification will therefore be in fact re-agencification, but this cannot be detected in the dataset used here. CEE countries have started their reforms more or less around the same time – after the fall of communism – and therefore experience similar agencification patterns. This, however, does not mean that agencies in one CEE country are the same as in another – as the articles in this special issue show. Individual CEE countries make individual choices, based on their history, traditions and political-administrative culture (cf. Smullen, 2010). Some of these differences are already present in the data; see for example the slower pace of agencification in Hungary compared to other CEE countries, or the average years of establishment in Figure 4. More detailed explanations would require more in-depth research, for example through case studies.

All in all, however, there seems to be sufficient evidence to conclude that CEE countries' trajectory of agencification differs from the (average) Western European trajectories. However, there are also similarities, in particular (i) the preference for type 1 agencies, which is found both in CEE and many Western European countries and (ii) the fact that there are no significant differences between countries' choices about which tasks are charged to agencies. This would suggest that as far as the *substance* of agencification decisions is concerned, there are in fact little to no differences between CEE and Western European countries.

Finally, there are some limitations to the data used here, which need to be addressed. First, the data concern 25 selected executive tasks; regulatory tasks were not included. However, many EU requirements concern the creation of regulatory agencies. This would imply that inclusion of regulatory tasks to the dataset would lead to an even higher number of agencies in all countries, and the CEE countries in particular.

Second, the data used here concern the year of establishment of an agency in its current legal form (measured in 2008-2009). These data are therefore both fixed in time, and overestimating the recentness of agencification reforms. Agencies change form on a regular basis, but this could not be accounted for in this article. That would require more longitudinal research.

More research could also give more insight into the effects of agencification, for example on the capacity of governments to steer and control agencies and/or on agency performance. This was not included in the data used here.

References:

1. Allix, M. and van Thiel, S., 'Mapping the Field of Quasi-autonomous Organizations in France and Italy', 2005, *International Journal of Public Management*, vol. 8, no. 1, pp. 39-55.
2. Beblavý, M., 'Understanding the Waves of Agencification and the Governance Problems They Have Raised in Central and Eastern Europe', 2002, *OECD Journal on Budgeting*, vol. 2, no. 1, pp. 121-139.
3. Binderkrantz, A. and Christensen, J.G., 'Governing Danish Agencies by Contract: From Negotiated Freedom to the Shadow of Hierarchy', 2009, *Journal of Public Policy*, vol. 29, no. 1, pp. 55-78.
4. Bouckaert, G., Nemec, J., Nakrosis, V., Hajnal, G. and Tőnnisson, K. (eds.), *Public Management Reforms in Central and Eastern Europe*, Bratislava: NISPAcee, 2009.
5. Caulfield, J., Peters, B.G. and Bouckaert, G., 'Symposium on the Diffusion of the Agency Model: Guest Editors' Preface', 2006, *Public Administration and Development*, vol. 26, no. 1, pp. 1-2.
6. Christensen, T. and Lægreid, P. (eds.), *New Public Management: the Transformation of Ideas and Practice*, Aldershot: Ashgate, 2003.
7. Christensen, T. and Lægreid, P. (eds.), *Autonomy and Regulation: Coping with Agencies in the Modern State*, Cheltenham: Edward Elgar, 2006.
8. Christensen, T. and Lægreid, P. (eds.), *Transcending New Public Management: The Transformation of Public Sector Reforms*, Aldershot: Ashgate, 2007.

9. Christensen, T. and Lægreid, P., 'NPM and Beyond – Structure, Culture and Demography', 2008, *International Review of Administrative Sciences*, vol. 74, no. 1, pp. 7-23.
10. Corte-Real, I., 'Public Management Reform in Portugal: Successes and Failures', 2008, *International Journal of Public Sector Management*, vol. 21, no. 2, pp. 205-229.
11. Feigenbaum, H., Henig, J. and Hamnett, C., *Shrinking the State: The Political Underpinnings of Privatization,* Cambridge: Cambridge University Press, 1998.
12. Fenger, H.J.M., 'Welfare Regimes in Central and Eastern Europe: Incorporating Post-communist Countries in a Welfare Regime Typology', 2007, *Contemporary Issues and Ideas in Social Sciences*, August, pp.1-30.
13. Grzymala-Busse, A., *Rebuilding Leviathan: Party Competition and State Exploitation in Post-communist Democracies,* Cambridge: Cambridge University Press, 2007.
14. Gualmini, E., 'Restructuring Weberian Bureaucracy: Comparing Managerial Reforms in Europe and the United States', 2008, *Public Administration*, vol. 86, no. 1, pp. 75-94.
15. Hajnal, G. and Kádár, K., 'The Agency Landscape in Hungary: An Empirical Survey of Non-departmental Public Bodies in 2002-2006', Paper prepared for the third meeting of CRIPO, Utrecht, June 2008.
16. Hammerschmid, G., Krischok, A. and Steigenberger, K., 'Austria', in Verhoest, K., van Thiel, S., Bouckaert, G. and Lægreid, P. (eds.), *Government Agencies: Practices and Lessons from 30 Countries*, Basingstoke: Palgrave MacMillan, forthcoming, chapter 15.
17. Hood, C., 'A Public Management for All Seasons?', 1991, *Public Administration*, vol. 69, no. 1, pp. 3-19.
18. Hood, C., 'Exploring Variations in Public Management Reforms of the 1980s', in Bekke, H.A.G.M., Perry, J.L. and Toonen, T.A.J. (eds.), *Civil Service Systems in Comparative Perspective*, Bloomington: Indiana University Press, 1996, pp. 268-287.
19. Kettl, D.F., *The Global Public Management Revolution: A Report on the Transformation of Governance*, Washington: Brookings Institution Press, 2000.
20. Larsson, T., 'Sweden', in OECD, *Distributed Public Governance: Agencies, Authorities and Other Government Bodies*, Paris: OECD, 2002, pp.181-208.
21. Meyer-Sahling, J.H., 'Varieties of Legacies: a Critical Review of Legacy Explanations of Public Administration Reform in East Central Europe', 2009, *International Review of Administrative Sciences*, vol. 75, no. 3, pp. 509-528.
22. Moynihan, D.P., 'Ambiguity in Policy Lessons: the Agencification Experience', 2006, *Public Administration*, vol. 84, no. 4, pp. 1029-1050.
23. Nakrosis, V., 'Measuring Systemic Performance of the Lithuanian Government', Paper prepared for third CRIPO meeting, Utrecht, June 2008.
24. OECD, *Distributed Public Governance: Agencies, Authorities and Other Government Bodies*, Paris: OECD, 2002.
25. Ongaro, E., *Public Management Reform and Modernization: Trajectories of Administrative Change in Italy, France, Greece, Portugal and Spain*, Cheltenham: Edward Elgar, 2009.
26. Peters, B.G., 'The Napoleonic Tradition', 2008, *International Journal of Public Sector Management*, vol. 21, no. 2, pp. 118-132.
27. Pierre, J., 'Central Agencies in Sweden: a Report from Utopia', in Pollitt, C. and Talbot, C. (eds.), *Unbundled Government. A Critical Analysis of the Global Trend to Agencies, Quangos and Contractualisation*, London/New York: Routledge, 2004, pp. 203-214.

28. Pollitt, C., 'Castles Built on Sand? Agencies in Latvia', in Pollitt, C. and Talbot, C. (eds.), *Unbundled Government. A Critical Analysis of the Global Trend to Agencies, Quangos and Contractualisation*, London/New York: Routledge, 2004, pp. 283-296.
29. Pollitt, C. and Bouckaert, G., *Public Management Reform: A Comparative Analysis*, 2nd edition, Oxford: Oxford University Press, 2004.
30. Pollitt, C. and Talbot, C., (eds.), *Unbundled Government. A Critical Analysis of the Global Trend to Agencies, Quangos and Contractualisation*, London/New York: Routledge, 2004.
31. Pollitt, C., Caulfield, J., Smullen, A. and Talbot, C., *Agencies: How Governments do Things through Semi-autonomous Organizations*, Basingstoke: Palgrave MacMillan, 2004.
32. Sarapuu, K., 'Executive Agencies in Estonia', Paper prepared for the third CRIPO meeting, Utrecht, June 2008.
33. Schick, A., 'Agencies in Search of Principles', in OECD, *Distributed Public Governance: Agencies, Authorities and Other Government Bodies*, Paris: OECD, 2002, pp. 33-52.
34. Smullen, A., *Translating Agency Reform: Rhetoric and Culture in Comparative Perspective,* Basingstoke: Palgrave MacMillan, 2010.
35. Talbot, C., 'The Agency Idea: Sometimes Old, Sometimes New, Sometimes Borrowed, Sometimes Untrue', in Pollitt, C. and Talbot, C. (eds.), *Unbundled Government. A Critical Analysis of the Global Trend to Agencies, Quangos and Contractualisation*, London/New York: Routledge, 2004, pp. 3-21.
36. Tavits, M. and Annus, T. 'Agencification in Estonia', 2006, *Public Administration and Development*, vol. 26, no. 1, pp. 3-14.
37. Torres, L., 'Trajectories in Public Administration Reforms in European Continental Countries', 2004, *Australian Journal of Public Administration*, vol. 63, no. 3, pp. 99-112.
38. van Thiel, S., *Quangos: Trends, Causes and Consequences*, Aldershot: Ashgate, 2001.
39. van Thiel, S. and CRIPO team, 'The Rise of Executive Agencies: Comparing the Agencification of 25 Tasks in 21 Countries', Paper presented at EGPA conference in Malta, September 2-5, 2009.
40. Verheijen, T., *Civil Service Systems in Central and Eastern Europe*, Cheltenham: Edward Elgar, 1999.
41. Verhoest, K., Roness, P.G., Verschuere, B., Rubecksen, K. and MacCarthaigh, M., *Autonomy and Control of State Agencies: Comparing States and Agencies,* Basingstoke: Palgrave MacMillan, 2010.
42. Verhoest, K., van Thiel S., Bouckaert, G. and Lægreid, P. (eds.), *Government Agencies: Practices and Lessons from 30 Countries*, Basingstoke: Palgrave MacMillan, forthcoming.