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Public entities: an international comparative analysis

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Menu: Topics of relevance

- Agencification process (when, how and why)
- Autonomy (managerial, financial, legal)
- Interactions with parent ministries
- Consolidation patterns

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On the findings of the comparative research network

- Preliminary work by the COBRA network with headquarters in University of Leuven.
- Research by COST-CRIPO network between 2006-2009 (around 95 researchers).
- Publication of several books, policy recommendations and more than 60 articles and book chapters.
- Research into the agencies of 21 countries

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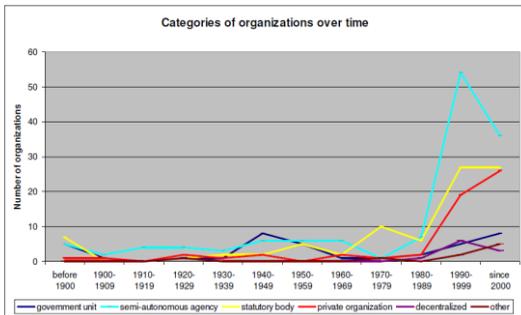
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Agencification process (when, how and why)

Categories of organizations over time



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Agencification process (when, how and why)

- Managerialist approaches have fostered the creation of agencies in some countries, but not in most of them
- In some countries, efforts of homogenisation have fostered the creation of a particular type of agency.
- Most countries have had agencies of one of the three types for the last century at least
- None of the agency models dominates and there is no convergence to a particular model
- There are several rationales to create agencies

Is there a process to abolish agencies?

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Agencification process (**how**) in 21 European countries

Definition	Example	Number
Semi-autonomous organization , unit or body without legal independence but with some managerial autonomy	Ex: executive agencies (UK, NL, B, IRL), agenzia service agency (IT, A), state institution (EST), central bureaus (HUN), direct agencies (GER)	142-27%
Legally independent organization/ body (based on statutes) with managerial autonomy. Based on public or private law	Ex: public establishments (IT, POR) ZBO (NL) NDPB (UK), parastatal bodies (B), statutory bodies (not corporations: A, EST, IRL, POR) indirect agencies (GER)	106-20%
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)	Ex: commercial companies, state-owned companies (SOC) or enterprises (SOE), and government foundations	62-12%
Rest		286-35%

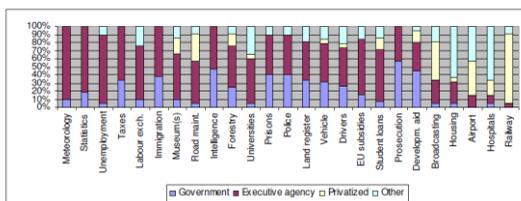
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Agencification process (**how**) in 6 sectors in Europe

	Semi-aut	Indep	"Corp"	Rest
Registration (statistics, driver license, vehicle registration, meteorology, land register)	35	15	0	21
Security (prosecution, prisons, police, intelligence, immigration)	31	6	0	38
Education (universities, museums, broadcasting)	2	16	13	13
Payments (unemployment, taxes, EU subsidies, student loans, development aid)	20	4	5	19
Caretaking (housing, employment office, hospitals)	6	8	3	26
Infrastructure (railway, airport, forestry, road maintenance)	11	5	28	16

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Agencification process (**how**) in 25 tasks in Europe



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Agencification process (**how**): the consequences of variation

- **Variety** is a natural consequence of institutional development of a particular country
- **Advantage:** It allows to search for the fit between an activity and the agency regime (autonomy, steering and control).
- **Disadvantage:**
 - It reduces the transparency of accountability mechanisms
 - It may create different rewards and incentive systems for staff in particular organizations

Are there solutions to deal with a high variation of agencies? 10

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Autonomy (managerial, financial, legal) (I): Main features

- **There is no single model of autonomy** and there is no straightforward relation between...
 - The activity or name of an organization (i.e. museum) and the juridical type (semi-autonomous, independent, corporitized or direction general)
 - *De jure* and *de facto* autonomy
- **As expected**, many agencies have autonomy in policy implementation
- **Not expected**, many agencies influence policy design

How to support the right level of (managerial, financial and legal) autonomy for an agency? 12

Autonomy (managerial, financial, legal) (II) – Agency performance

- There is **no relation** between level of autonomy and performance level
- Some drivers of performance and innovation are ...
 - Higher autonomy
 - Some tasks foster innovation
 - There is political support
 - The agency has sources of income
- But...
 - CEOs and board members of the agencies are not favourable/ particularly trained to foster performance.
 - Officials from parent ministry do not always have the right skills to commission work, to draft contracts or to monitor performance

How to add value to the relations between the parent ministry and the agencies?

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Interactions with parent ministries

- Ministries lack in some cases...
 - Focus on the activities of the agencies (as if they were not their main tasks)
 - Skills to commission and monitor the contracts and the performance of the agencies
- In other cases, ministries exert some sort of *tutelle* with...
 - Focus on ex ante controls
 - Interference with daily activities of agencies
- There are some examples of using performance indicators to control agencies

Are there new forms of control?

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Consolidation patterns (I) Main features

- In the last years, **many countries have...**
 - Merged public entities (including ministries)
 - Abolished public entities
 - Consolidated their juridical status
 - Made compulsory (or attractive) the share of auxiliary services among agencies and ministries
- **Consolidation** has happened because of...
 - High budgetary costs of fragmentation
 - Too many agencies and too much variation in legal forms
 - Unclear assignment of the task (duplicity, it should be performed by another sector or level of government...)

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Consolidation patterns (II) An example of the previous assessment exercise

- In the UK, an exercise to review NDPB has to consider the following options in the process...
 - **Abolish?** Why does the function need to continue?
 - **Move out of central government?** Why does central government need to deliver this function?
 - **Bring In-House?** Why does the function need to be delivered at arms length from Ministers?
 - **Merge with another body?** Are there any other areas of central government delivering similar or complementary functions?
 - **Continued delivery by a NDPB?** Does the function pass at least one of the Government's "three tests"?
 - is this a technical function (which needs external expertise to deliver);
 - is this a function which needs to be, and be seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions);
 - or is this a function which needs to be delivered independently of Ministers to establish facts and/or figures with integrity.

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Sources of the presentation

- Koen Verhoest et al. (2012) *Government agencies. Practices and Lessons from 30 countries*. London, Palgrave.
- Van Thiel, S. & CRIPO team. (2009). *The rise of executive agencies: comparing the agencification of 25 tasks in 21 countries*. Paper presented at the EGPA conference, 2-5 September 2009, Malta.
- *Governing Public Agencies in the 21st Century* (2011) International lessons and policy recommendations
- Cabinet Office (2011) *Guidance on reviews of Non Departmental Public Bodies*