Culling the Quangos: When is Delegation Revoked?

BACKGROUND

• ‘Quangos’ are agencies at arm’s length from government and with delegated powers.

• Two common types of quango in the UK are:
  i. non-ministerial departments, for example, the Office of Fair Trading and the Food Standards Agency; and
  ii. non-departmental public bodies, for example, the Advisory Council on the Misuse of Drugs.

• Three advantages of quangos are:
  o to make a clear commitment to regulating in a particular way, thereby allowing investment decisions to be made efficiently;
  o to guarantee probity; and
  o to guarantee expertise.

• These advantages might not be realised if delegation to arm’s length agencies can be easily revoked.

METHODOLOGY

• The authors investigate the lifespan and risk of termination of 790 arm’s length agencies in the United Kingdom over the 23-year period 1985-2008.

KEY FINDINGS

• Both the function and the structure of the agency affect its likelihood of survival:
  o Agencies which have a regulatory function (particularly an economic regulation function), and those designed to ensure probity of decision-making, are less likely to be terminated in any given year.
  o Agencies structured as executive non-departmental bodies and non-ministerial departments are also longer-lived than others.

• Political change does not seem to matter, but the policy position of a current government is associated with the risk of termination. Agencies operating under right-wing governments and under heavily indebted governments are more likely to be terminated, although left-wing governments are more sensitive to the effects of debt.
THE CCP

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