

October 2012

 Culling the
 Quangos: When is
 Delegation
 Revoked?

CCP Executive Summary

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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:
 - to make a clear commitment to regulating in a particular way, thereby allowing investment decisions to be made efficiently;
 - to guarantee probity ; and
 - 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:
 - 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.
 - 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.

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THE CCP

The ESRC Centre for Competition Policy (CCP), at the University of East Anglia, undertakes competition policy research, incorporating economic, legal, management and political science perspectives, that has real-world policy relevance without compromising academic rigour.

FOR MORE INFORMATION

The full working paper (12-12) and more information about CCP and its research is available from our website: www.competitionpolicy.ac.uk

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