Opening the Black Box of Administrative Reform: A Strategic-Relational Analysis of Agency Responses to Termination Threats

Katharine Dommett & Chris Skelcher

To cite this article: Katharine Dommett & Chris Skelcher (2014) Opening the Black Box of Administrative Reform: A Strategic-Relational Analysis of Agency Responses to Termination Threats, International Public Management Journal, 17:4, 540-563, DOI: 10.1080/10967494.2014.958805

To link to this article: http://dx.doi.org/10.1080/10967494.2014.958805
OPENING THE BLACK BOX OF ADMINISTRATIVE REFORM: A STRATEGIC-RELATIONAL ANALYSIS OF AGENCY RESPONSES TO TERMINATION THREATS

KATHARINE DOMMETT
UNIVERSITY OF SHEFFIELD

CHRIS SKELCHER
UNIVERSITY OF BIRMINGHAM

ABSTRACT: How do public agencies respond when reform proposals threaten downsizing, reduction in functions, or termination? Agency survival during administrative reform is conventionally explained by structural characteristics, informed by the hardwiring thesis derived from the politics of the U.S. federal government. Parliamentary systems provide greater opportunity for agency reform, but there is little evidence of how agencies respond to such proposals or how proposals are altered prior to decision. We consider agencies as active participants in the reform processes, using strategic-relational theory to analyse their strategizing. The article employs detailed empirical evidence on 12 agencies subject to reform by the UK government between 2010 and 2013. We identify three archetypical defence strategies—technical expert, network node, and marginal adaptor—and argue that coding agency strategies alongside structural analysis can help better explain reform outcomes.

RETHINKING AGENCY REFORM

This article asks an important question, but one that is seldom addressed in the literature: How do public agencies respond when reform proposals threaten...
downsizing, reduction in functions, or even termination? The question is important because processes of autonomization have resulted in agencies becoming a ubiquitous feature of contemporary governance internationally (Verhoest et al. 2010). This broad class of organizations undertake functions delegated to them by political principals in order that they can exercise judgement free from partisan influence. For this reason, agencies have been used extensively in the regulatory sector, but they also deliver public services, provide expert advice, and undertake quasi-judicial functions at the interface between citizen and state. The independent status of agencies potentially creates a constraint on their reform since the underlying logic is that they should stand outside partisan politics, acting in the wider and long-term public interest. Yet administrative reform provides a means through which governing elites can realize their policy goals; thus, proposals to abolish, reform, or create agencies are intended to terminate or restrict the policy commitments of previous governments and to enhance and embed those of the new regime (Bertelli 2006). In some jurisdictions, such as the United States, independence is privileged to the extent of giving some agencies constitutional or budgetary protection. This institutional condition, taken together with the separation of powers system, makes reform a politically difficult ambition to achieve, leading to the hypothesis of agency immortality (Kaufman 1976). In the UK and a number of other countries, in contrast, partisanship is privileged over independence and so agencies become the focus of regular reform initiatives as the political complexion and policy preferences of governments change (Flinders and Skelcher 2012).

Although agencies embody the idea of political independence, they typically operate within policy, performance, and accountability frameworks specified by government and/or the legislature. The content of these frameworks vary along an autonomy-control dimension, and any individual agency may be closer in to or further out from a minister than its peers. Consequently, formal independence is relative rather than absolute. In addition, independence is negotiated on a day-to-day basis along the boundary between the agency, its ministry, and other stakeholders (van Thiel and Yesilkagit 2011). The way the agency interprets its mission, how it undertakes its tasks, and the framing of its conclusions and decisions are all politically salient and potentially subject to attempts by external actors to exert influence. As a result, the management of independence is inherent in the ethos of the agency (Carpenter 2001; Christensen and Lægreid 2004).

Given these observations, one might expect agencies actively to respond to reform proposals and seek to influence them, rather than passively to comply. Yet this proposition has been subject to little investigation, meaning we have limited understanding of the factors that determine the way agencies strategize in the face of incipient reform. To date, the literature on agency reform has principally focused on population ecology models that track year-by-year differences in the pool of agencies, and treat appearance and disappearance as the product respectively of creation or abolition. Yet, as authors within this literature recognize, reform is a more complex process (MacCarthaigh 2012; Verhoest, Verschuere, and Bouckaert 2007). While the continued presence of an agency from year to year tells us that it has not been terminated, these data do not illuminate whether other reform possibilities
Further, we know little about what happens in the space between the proposals for and decisions on reform. Reform proposals seek to change institutional arrangements and by their very nature will affect the rules of the game and the political relationships between different actors (March and Olsen 1983). They open up an arena in which there may be considerable contestation, as agencies, ministries, legislatures, and interest groups struggle for an outcome that best reflects their interests, or in which the proposals are broadly accepted. Agencies can seek to frustrate or alter reform proposals, as Overman, Van Thiel, and Lafrage's (2014) study of Dutch and French agencies recognizes. Thus, reform decisions may or may not reflect the initial proposals, and this may in part be due to agency strategizing.

We take a fresh look at these questions by opening the black box of agency responses to reform proposals. In this article, we argue that agencies under threat should be conceived as active players who strategize in a political contest over their future, and who have the potential to intervene in the process by which government proceeds from initial reform proposal to final reform decision. We make a novel move by applying strategic-relational theory to the analysis of administrative reform in order to reveal how agencies understand the opportunities for and constraints on their agency (hereinafter termed “volition” to avoid confusion with the organizations in question). Strategic-relational theory overcomes the limitations of structural analysis by recognizing that structure and volition are mutually constitutive in particular empirical moments, and are only separable at the analytical level. Thus, an actor’s choice of strategy is influenced by his/her calculation about the nature of the context, which itself is strategically selective—in other words, the specific context favors certain actions over others. Strategic-relational theory thus provides a way of recognizing the structural, but integrates this with an actor orientation. We use this theory as an analytical framework in order to offer new insights into and explanations of agencies’ responses to exogenous threats of termination or reform. The empirical case examined here is the UK coalition government’s public body reform policy, which we have tracked over the three years since its announcement in May 2010. We examine the characteristics and strategies of 12 agencies proposed for reform (including, but not limited to, termination) as part of the government’s drive to substantially reduce the expenditure and increase the accountability of non-departmental public bodies which operate at arm’s length to ministers.

**STRUCTURAL EXPLANATIONS OF AGENCY TERMINATION**

The public administration literature on agency termination predominantly adopts a structural explanation of agency survival/hazard rates. Lewis (2002; 2004) and Carpenter and Lewis (2004) provide the theoretical foundation for this “design” or “hardwiring” thesis. The hypothesis is that “public organizations that are ‘endowed’ with certain structural features—such as political insulation, a specific organizational structure, and statutory recognition—enjoy higher survival chances.
than those without these birth characteristics” (Boin, Kuipers, and Steenbergen 2010, 385). This draws on the U.S. literature on delegation, credible commitment, and agency problems. Essentially, Lewis and colleagues propose that legislators choose agency insulation as an ex ante means to lock in their policy preferences and that such insulated agencies are more durable because they produce policy outputs closer to the relatively constant Congressional median.

It is important to be aware that this theoretical framing is predicated on the politics of division of powers government as it operates in the U.S. This has a particular set of institutional conditions that are not found in parliamentary systems, and may not be found in some other nations with division of powers constitutions. Parliamentary systems, such as the UK’s, offer much greater opportunity for a government to realize its political goals since, by definition, it commands the majority in the legislature, and so creation of an agency does not hardwire a commitment beyond the life of a government; the next government will have the possibility of reforming or terminating that agency. This has three consequences. Firstly, we might expect agency reform to be proposed more often, since changing organizational structures is one of the ways in which governments seek to realize their policies. Secondly, proposals are in the main likely to be adopted, due to the government’s legislative majority and the wide executive powers of ministers. And thirdly, strategizing is likely to be a normal response by agencies because of their greater exposure to reform.

Our view, therefore, is that the tendency of this literature to treat agencies as passive actors is unsatisfactory. From the theoretical perspective, it leads to a deterministic explanation of agency reform proposals that fails to accommodate the volition of agencies themselves. It does not help us understand the extent to which the interplay between agencies on the one hand, and government, legislators, and other stakeholders on the other hand, affect their chances of survival, and thus lacks a sense of political contestation that is often associated with such proposals. Methodologically, there are problems in employing theory generated in one constitutional environment and applying it to others. In policy terms, scholars’ ability to advise on reform are constrained by a lack of understanding about how agencies behave. Understanding how and why agencies respond, and what effects this has, can improve the design and execution of administrative reform. Our approach is not presented as antithetical to population ecology accounts; rather, it offers a complementary research strategy to further advance understanding of agency reform, as we discuss in the conclusion.

**STRATEGIC-RELATIONAL EXPLANATIONS OF AGENCY REFORM**

We utilize strategic-relational theory (Hay 2002) as an analytical framework for our empirical study. To our knowledge, this approach has not been employed in the literature on administrative reform, although it has been used to explain behavior in other public policy systems; for example, the politics of Indian highway development (Chettiparamb 2007) and the privatization of the Mexican oil sector (Heigl 2011). Strategic-relational theory has developed in response to the ontological tension between absolute structural determinism and totally free-willed actors. It
resolves this tension by arguing that structure and volition are analytical rather than empirical categories, and thus the focus of scholarly effort should be on investigating the social relations between them. The relationship is understood as that between a strategically selective context that favors certain action strategies (e.g., lobbying, protests, rational argument, etc.) over others, and strategic actors who calculate their possible moves in the light of an appreciation of that context. Actors select their action strategies in light of an appreciation of the opportunities and constraints offered by this context; that is, its strategic selectivity. Actors inevitably face problems of bounded rationality in formulating their strategies. However, we do not presuppose that they are “rational actors” in the sense of being motivated principally by an imperative for agency survival. Our data below suggest a wider range of motivations, and thus the strategic-relational approach enables us to avoid imputing a priori assumptions about actor interests. Furthermore, the theory contends that since actors are reflexive, they learn as a result of their actions. Similarly, their actions may have some effect on the context, thus changing its strategic selectivity. Consequently, this approach brings “agency into structure—producing a structured context (an action setting)—and (brings) structure into agency—producing a contextualised actor (a situated agent)” (Hay 2002, 128).

In our empirical analysis, we concentrate on two components of the strategic-relational model: the actor’s strategic calculation (in other words, the way in which each agency and specifically its top-level board appreciates the contextually defined opportunities for and constraints on its responses) and the strategic action it subsequently takes. Our focus on the agency’s board reflects the hierarchical nature of such organizations and the board’s key role in managing the relationship with its environment through an emergent strategy (Chia and MacKay 2007). Through these means, we aim to show how a study of agency volition can complement the insights of structural analysis to develop a more detailed awareness of the role and significance of actors in the reform process, and also to advocate the case for a more iterative mode of analysis.

RESEARCH DESIGN

We examine 12 cases selected from the program of Public Bodies’ Reform initiated by the incoming UK coalition government in May 2010 (Flinders and Skelcher 2012). This program exhibits different types of reform proposal and agency response within a constant political environment, making it ideal for studying the pertinence of agency volition. Following a rapid cross-Whitehall review of all 264 types of public body, 165 were proposed for reform in October 2010—either by the abolition of the body and its functions; the abolition of the body and transfer of all or some of its functions to government, other agencies or business/non-profits; the merger of two or more bodies (possibly with changes to functions); or retaining but substantially reforming the body (Cabinet Office 2010). We undertook a scoping study of the 165 types of public body proposed for reform and constructed a purposive sample of 12 bodies that were subject to the main types of reform proposal, exhibited different types of response to proposed reforms, and undertook non-trivial functions (Table 1).
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Justice and Tribunals Council (AJTC)</td>
<td>Monitoring accessibility, fairness and efficiency of administrative justice system</td>
<td>Abolish body and function</td>
<td>No change</td>
<td>Legislation to abolish body undergoing Parliamentary scrutiny</td>
</tr>
<tr>
<td>Audit Commission</td>
<td>Supervising audit and monitoring performance of local government and other local public service agencies</td>
<td>Disband and transfer audit practice into private ownership</td>
<td>No change</td>
<td>Draft legislation for abolition published</td>
</tr>
<tr>
<td>Chief Coroner</td>
<td>Overseeing operation of coroners’ service</td>
<td>Abolish body and transfer remaining functions to the Lord Chancellor or Lord Chief Justice</td>
<td>Retain and substantially reform following Parliamentary debate</td>
<td>Body retained</td>
</tr>
<tr>
<td>Consumer Focus</td>
<td>Championing consumer rights</td>
<td>Abolish Consumer Focus and transfer its function to Citizens Advice (a non-profit), informed by outcome of ongoing sectoral reviews</td>
<td>Consultation on reforms complete</td>
<td>Abolition in progress. Some functions already transferred to Citizens Advice; others will be transferred in 2014</td>
</tr>
<tr>
<td>Equality and Human Rights Commission (EHRC)</td>
<td>Helping to eliminate discrimination, reduce inequality, and protect human rights</td>
<td>Retain and substantially reform to focus on core regulatory functions and improved use of taxpayers’ money</td>
<td>Awaiting the government’s consultation response</td>
<td>Reform in progress</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Forestry Commissioners</td>
<td>Promoting the interests of forestry, the development of afforestation, and the production and supply of timber and other forest products</td>
<td>Retain and substantially reform. Details to be developed within the government’s strategic review to forestry in England. Separate review for forestry in Wales.</td>
<td>Awaiting report of Independent Panel on forestry and woodland policy in England. Welsh Government announces that the Forestry Commission in Wales may merge with other bodies to form a single Welsh environmental body.</td>
<td>Reform in progress</td>
</tr>
<tr>
<td>Human Fertilisation and Embryology Authority (HFEA)</td>
<td>Regulating fertility clinics and centres carrying out in vitro fertilization (IVF), etc.</td>
<td>Transfer functions to other regulators and abolish body by 2015</td>
<td>No change</td>
<td>Plans for transfer functions to the Care Quality Commission (CQC) abandoned but some reforms implemented. A review has begun looking into future merger possibilities.</td>
</tr>
<tr>
<td>Organization</td>
<td>Function</td>
<td>Plans for Transfer Functions</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td><strong>Human Tissue Authority (HTA)</strong></td>
<td>Regulating organizations that store and use human tissue for research, patient treatment, etc.</td>
<td>No change</td>
<td>Plans for transfer functions to CQC abandoned but some reforms implemented. A review has begun looking into future merger possibilities.</td>
<td></td>
</tr>
<tr>
<td><strong>Museums, Libraries and Archives Council (MLA)</strong></td>
<td>Developing and improving England’s museums, libraries and archives</td>
<td>No change</td>
<td>Abolished</td>
<td></td>
</tr>
<tr>
<td><strong>Security Industry Authority (SIA)</strong></td>
<td>Regulating the private security industry</td>
<td>No change</td>
<td>Body retained</td>
<td></td>
</tr>
<tr>
<td><strong>UK Film Council</strong></td>
<td>Developing and promoting the film industry in the UK</td>
<td>No change</td>
<td>Abolished</td>
<td></td>
</tr>
<tr>
<td><strong>Youth Justice Board (YJB)</strong></td>
<td>Overseeing the youth justice system and seeking to prevent offending and reoffending</td>
<td>Retain and reform</td>
<td>Body retained</td>
<td></td>
</tr>
</tbody>
</table>

*Sources: Cabinet Office (2010); Cabinet Office (2011); researchers’ own analysis.*
Unlike many large $N$ analyses which focus on reform outcomes, we seek to reveal how proposals develop over time and can change in response to governmental, political and, significantly, agencies’ responses. Thus, it is informative to map the reform process as a whole, since variance in proposals for a single agency over time may indicate the effects of agency strategizing, although we recognize that there may be other explanatory factors; for example, lobbying by stakeholder groups, reconsideration in the light of consultation, or additional technical analysis of the proposals.

Qualitative data were gathered on the history, governance, and functions of each body, on the reform proposals and their justification, on the strategic calculation of the body’s board, on their strategic actions, and on the response of government (including iterations between calculation, action, and response in the period between reform proposal and final decision). We used numerous documentary sources, including the Hansard record of parliamentary debates, ministerial statements, parliamentary select committee evidence, statements published by the agencies themselves, and media/Web coverage. We conducted 70 semi-structured interviews, of which 23 were with public body chairs and chief executives, 14 with parliamentarians who were intimately involved in debates over bodies’ futures, and the balance with civil servants and with the minister responsible for the reforms. These interviews typically lasted an hour, and were recorded and transcribed. The authors also observed several workshops and meetings of public body chairs and chief executives, as well as civil servants. Data coding was informed by a search for items that would speak to the two core elements of the strategic-relational framework on which we are focusing—how agencies appreciate their context and decide what actions to take. Data were separately coded by the authors (only one of whom was involved in gathering these data), and through several rounds of comparison the sub-categories within each of the two theoretical constructs were inductively developed.

**STRATEGIC CALCULATION**

Our interviews with board members gave us detailed insight into the way in which agencies appreciated the contextually defined opportunities and constraints on action, and how this impacted upon their response. Respondents were very open—in some cases, remarkably so—about their relationship with their sponsoring ministry, including individual ministers and civil servants, prior to and since the reform announcement. This presented a challenge for our coding, as we needed to look beyond the personalization of issues that flavored some accounts and seek out categories suitable for comparative analysis. Informed by the existing literature on agency termination and our empirical research, we identify four features of the strategically selective context that all agencies consider in their calculation as to how to respond—the norms applying to the constitutional position of public bodies, the embeddedness of a public body in a constituency, the board’s prior knowledge of the reform proposal, and the responsible minister’s political commitment to reform (Table 2).
<table>
<thead>
<tr>
<th>Public Body</th>
<th>Constitutional Norms Embeddedness</th>
<th>Prior Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Justice and Tribunals Council (AJTC)</td>
<td>Accepted right of government to propose reform; felt commenting on implications for functions was valid</td>
<td>Strong links between board and interest groups; limited embeddedness with stakeholders</td>
</tr>
<tr>
<td></td>
<td>Accepted right of government to propose reform; felt commenting on implications for functions was valid</td>
<td>Informed shortly before announcement</td>
</tr>
<tr>
<td></td>
<td>Strong links between board and interest groups; limited embeddedness with stakeholders</td>
<td>Clear intent based on broader government agendas</td>
</tr>
<tr>
<td></td>
<td>Good working relationship with stakeholders but not fully embedded</td>
<td>Initially voiced opposition to the proposals and how were presented; provided case in support of functions</td>
</tr>
<tr>
<td></td>
<td>Aware reform likely but did not anticipate abolition; informed shortly before announcement</td>
<td>Clear government statement and draft Bill linked to localism policy</td>
</tr>
<tr>
<td></td>
<td>Awareness reform likely but did not anticipate abolition; informed shortly before announcement</td>
<td>Initially voiced opposition to the proposals and how were presented; provided case in support of functions</td>
</tr>
<tr>
<td></td>
<td>Clear government statement and draft Bill linked to localism policy</td>
<td>Opposition at select committee and in press to negative depiction of Audit Committee and its staff; privately sought to influence proposals</td>
</tr>
<tr>
<td>Audit Commission</td>
<td>Accepted right of government to propose reform; felt commenting on implications for functions was valid</td>
<td>Acted alone</td>
</tr>
<tr>
<td>Consumer Focus</td>
<td>Accepted right of government to propose reform; viewed political objections as inappropriate; felt acting to protect functions was valid</td>
<td>Not embedded; little attention to cultivating stakeholder relationships</td>
</tr>
<tr>
<td></td>
<td>Not embedded; little attention to cultivating stakeholder relationships</td>
<td>Clear intent to streamline this policy sector but willingness to negotiate over the nature of the reform</td>
</tr>
<tr>
<td></td>
<td>Aware reform likely but did not anticipate abolition; some notice prior to announcement</td>
<td>Cooperated with reforms but attempted to ensure their own proposals were also enacted</td>
</tr>
<tr>
<td></td>
<td>Publicly cooperative; privately seeking to exert pressure on government</td>
<td>Act alone initially; some limited support from stakeholders for agency’s own reform proposal</td>
</tr>
<tr>
<td></td>
<td>Publicly cooperative; privately seeking to exert pressure on government</td>
<td>(Continued)</td>
</tr>
<tr>
<td>Public Body</td>
<td>Constitutional Norms</td>
<td>Embeddedness</td>
</tr>
<tr>
<td>-------------</td>
<td>----------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Equality and Human Rights Commission (EHRC)</td>
<td>Accepted right of government to propose reform; felt acting to protect functions was valid</td>
<td>Partial embeddedness; weak relationships with stakeholders who often lobbied or attacked body</td>
</tr>
<tr>
<td>Forestry Commissioners</td>
<td>Accepted right of government to propose reform; cooperated with government to shape reforms following independent review</td>
<td>Significant embeddedness arising from 20 year strategy to build links with stakeholders</td>
</tr>
<tr>
<td>Human Fertilisation and Embryology Authority (HFEA)</td>
<td>Chair expressed public criticism of reform</td>
<td>Not embedded</td>
</tr>
<tr>
<td>Human Tissue Authority (HTA)</td>
<td>Accepted right of government to propose reform; felt acting to protect functions was valid</td>
<td>Partially embedded</td>
</tr>
<tr>
<td>Organization</td>
<td>Accepted right of government to propose reform</td>
<td>Cooperated with government and attempted to shape reforms</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------</td>
<td>---------------------------------------------------------</td>
</tr>
<tr>
<td>Museums, Libraries and Archives Council (MLA)</td>
<td>Accepted right of government to propose reform; cooperated with government to shape reforms</td>
<td>Cooperated with government and attempted to shape reforms</td>
</tr>
<tr>
<td>Security Industry Authority (SIA)</td>
<td>Accepted right of government to propose reform</td>
<td>Cooperated with government but attempted to dissuade them of reforms</td>
</tr>
<tr>
<td>UK Film Council</td>
<td>Accepted right of government to propose reform; felt acting to protect functions was valid</td>
<td>Cooperated with government but attempted to dissuade them of reforms</td>
</tr>
<tr>
<td>Youth Justice Board for England and Wales (YJB)</td>
<td>Accepted right of government to propose reform; believed that NDPBs regarded as 'playing politics' would not survive</td>
<td>Cooperated with government and maintained a good relationship in order to attempt to shape reforms</td>
</tr>
</tbody>
</table>
Constitutional Norms

Our interviews with public body chairs and chief executives revealed a strong normative constraint on their actions by virtue of their constitutional position, which initially appeared to challenge our agency strategizing hypothesis. There was a consistent and strongly held view that it was not appropriate for them individually or for their agency directly to challenge a government’s proposals for reform. One interviewee asserted, “the Government has a perfect right to decide it wants to do something different” (Interview 3), while another observed that agencies are “creatures of statute . . . here to serve the government’s wishes and deliver its policy” (Interview 4) and not to campaign against its policies. In accordance with this rationale, chairs and chief executives asserted that it would be simply anathema for a body set up with public money to “spend public money, fighting public money” (Interview 5), and hence any kind of lobbying activity was not seen to be “appropriate” (Interview 6). This norm was a significant element in agencies’ appreciation of the strategically selective context, and thus affected their action calculation.

This conclusion might lead us to suppose that the game is over, and that agencies really are passive actors. Our data, however, tell a different story. The boundary between publicly opposing the government’s proposals and pointing out the problems with them is a fine one, and the boundary was stretched when the chairs of two agencies (the Administrative Justice and Tribunals Council [AJTC] and the UK Film Council) made strong public statements on the undesirability of the proposed reforms. Similarly, there is evidence that some agency chairs privately expressed concern about reform proposals to ministers and civil servants.

It is clear that the boards of agencies exercised a subtle calculation in relation to the logics of appropriateness within this normative environment. Our public body chairs are not self-interested, rational actors seeking to defend their positions. They typically have an established national reputation in business or the wider public service, and are not dependent on the remuneration they receive as agency board chairs or the patronage of an appointment process. This position is best represented in the way one chair described his normative environment: “[the] only limits imposed [are] by my own judgement. People doing this job should be in a position to walk away if they need to. And I’m lucky enough that I don’t need this job for financial reasons or anything else” (Interview 7). Thus, the general disinclination to publicly oppose reform is rooted in a judgement about the constitutional position of a public body and its board rather than personal factors. Yet while chairs in general have refrained from public criticism of the proposals to abolish their organizations, they remained highly committed to the functions their agencies were originally created to exercise and wished to see these continued in some way. For example, the chair of the AJTC used parliamentary inquiries and other forums to argue the case for the continuance of his organization’s role of independent oversight of the administrative justice system, but refrained from explicitly arguing that this should be undertaken by the existing agency; instead, he set out the principles that should inform the design of any new arrangements, some of which (such as the need for an independent chair) were adopted in the government’s somewhat different successor advisory forum [Interview 7].
Embeddedness

The extent to which an agency is embedded in a wider constituency is an important factor in a board’s calculation of how to respond to external reform pressures. Our respondents uniformly regarded agency embeddedness as advantageous; as one interviewee observed, “you’re safer as a quango if you’ve got [high] profile support” (Interview 8). There are indications from our data that embeddedness helps explain an agency’s ability to survive attempts at reform. There was significant embeddedness in the three cases in which the government withdrew its reform proposals (Youth Justice Board [YJB], Security Industry Authority [SIA], and the Chief Coroner), as well as in several where changes were secured (the Forestry Commission). A YJB respondent directly credited the change in the government’s position to the agency’s “very powerful relationships with stakeholders: ACPO [Association of Chief Police Officers] … the Magistrates’ Association, all the leading reform groups, (and) the children’s charities…” (Interview 3). However embeddedness is not necessarily sufficient to overcome reform pressures. The AJTC was unable to survive, despite its high level of embeddedness, in large part because the government had already made concessions over the YJB and Chief Coroner and politically could not countenance a further weakening of its reform program. In contrast, respondents in Consumer Focus, the Museums, Libraries and Archives Council (MLA), and the Equalities and Human Rights Commission (EHRC) lamented a lack of strong, effective relationships with stakeholders. As one interviewee commented, the MLA “never had built up a strong base of support,” which meant that “when it was announced it was going to be abolished, there were not any screams of outrage…” (Interview 9). Similarly, an EHRC respondent looked in envy at the Forestry Commission because of its embeddedness with stakeholders and ability to mobilize support (Interview 10). These differences reveal that agencies have differential resource bases and hence illustrate why such bodies can make different strategic calculations about their behavior when faced with the same (or a similar) dilemma.

As Carpenter (2001) has highlighted, organizations can actively cultivate strong links with exogenous actors such as stakeholders, and in many of the cases examined here, such behavior was reported. For example, an interviewee within the Forestry Commission attested, “We’ve spent the last 20 years becoming, particularly in England, much more public facing, much more responsive to customer needs,” an undertaking which was seen to be “repaid in stakeholder reactions” (Interview 12). In other cases, embeddedness is advanced by the circumstances of an agencies’ creation. Hence, one interviewee discussing the SIA felt that, because it was “the industry that had pressed for regulation in the first place … it wasn’t likely, therefore, that the industry would be happy to go back to that situation of being unregulated” (Interview 11). Similarly, the presence of stakeholders on an agency’s board can facilitate relationships and embeddedness, as in the HTA, where one interviewee described how “having a pathologist, having a coroner, having an anatomist or whatever [on the] board has been immensely helpful” (Interview 6). However, the ability of an agency to cultivate such supportive relationships is in part dependent
on their function. For example, in the case of the MLA, the fact that they “were not an advocacy body on behalf of museums” [but] “a body of challenge to museums…meant that positive relationships did not develop” (Interview 5). Accordingly, the decision to act alone or with others is dictated by an agency’s appreciation of its own unique relationship and level of embeddedness with other organizations, as we discuss later.

**Prior Knowledge**

The topic on which our respondents became most exercised was when and how they had been informed about the proposed reform. The experience of our case study organizations varied dramatically. While all were aware that there was a possibility that some agencies would be reformed, since this commitment featured in the 2010 general election manifestos of all three main political parties, there were significant differences in the degrees of formal or informal notice received by individual agencies. This was in part a reflection of the body’s connectivity with their sponsor ministry as well as the nature of policy debates within that ministry. Hence, the Forestry Commission was given notice of the likelihood of reform in a 2009 briefing by a senior civil servant, but for Consumer Focus the decision was “a complete bolt from the blue” (Interview 2).

Such differential experiences are of interest, as they affect the time available to organizations to make a strategic calculation and, in turn, their ability to take pre-emptive action. So, on the one hand, the SIA and EHRC, which had advance notice, were able, respectively, to prime “people in the industry just to be wary, to watch, to see what was going on” (Interview 11), and to formulate and deploy a three pronged strategy in which they would “get a bit more ship shape,” “create...a sort of wall of noise...to show that we were doing things,” and “develop a serious strategy for focusing the Commission’s activity” (Interview 10). On the other hand, bodies such as the HTA and Consumer Focus did not have advance notice and hence were not aware of the need to favorably position themselves ahead of the reform announcement. This difference helps to explain agencies’ reactions to proposals, but also offers insight into their ability to take pre-emptive action because, as one interviewee reflected, “once the announcement came, it would be too late [to save the body]” (Interview 11).

**Political Commitment**

The final contextual element in an agency’s strategic calculation is the degree of commitment to reform on the part of the government. A commonly cited presumption for agency reform is, as Adam et al. (2007, 229) have argued, to “terminate organizations which were created by their opponents.” We found little evidence of this, the most notable case being the abolition of the Regional Development Agencies (not in our sample) which were created under an earlier Labour administration. In fact, bodies varied in the extent to which they thought there was political commitment to their reform. In some cases, the government’s overall
reform initiative was attenuated by the policy agenda of the ministry responsible for a particular public body. For example, in the cases of Consumer Focus and the HTA, the respective sponsoring departments recognized that the functions of these agencies added value to their ministers’ policy commitments.

Such attenuation was not evident in all cases. Both the Audit Commission and EHRC were subject to significant political commitment to reform at the ministerial level. In the former case, the minister promoted a policy of “localism”—in which citizens would become “armchair auditors,” using greater transparency of expenditure data to challenge local government decisions—and thus negating what he saw as the intrusive central oversight and investigative role of the Audit Commission. With the EHRC, the Government Equalities Office (the EHRC’s sponsor department) expressly committed to enacting government reforms to the body, in part because of concerns about its performance. Interviews with respondents in these agencies clearly demonstrate that their readings of these contexts resulted in a strategic calculation of the limited value of lobbying either the ministries or the Cabinet Office, and instead resulted in alternative strategies—namely, pointing out the technical problems of reform and mobilizing public support respectively.

STRATEGIC ACTION

The analysis of how agencies appreciated the strategically selective context demonstrates that they are neither completely passive actors dominated by structural factors, nor do they have unconstrained volition. They read the context in terms of the opportunities for and constraints on action. But what are the choices they face in deciding how to act in relation to that context? This is the second element of the strategic-relational model that we consider in this article. Some initial typologizing and theory building of organizations’ action strategies in response to external threats has been undertaken in the management literature (Chattopadhyay, Glick, and Huber 2001; Oliver 1991). However, such models are unable to account for the often multifaceted nature of an agency’s reaction and do little to explain why any given course of action was taken. Our empirical analysis shows that agencies are not limited to singular responses but can deploy multiple strategies, and may have the opportunity to act in cooperation with others. Therefore, our discussion of this issue concentrates on three aspects that we have distilled from our analysis: the overall framing of the response; the extent to which action has a public profile; and whether the body acts alone or mobilizes others.

Framing the Response

Agencies positioned their responses in a number of different ways (Table 1). At one end of the spectrum, there were bodies that cooperated with government in an attempt to “try to make [reform] work as best we can” (Interview 12). This approach was evident in, for example, the actions of the MLA, the UK Film Council, and the Forestry Commission, which all cooperated with change even as they tried to influence the nature of reforms. An MLA respondent commented,
We very quickly made it clear [to our ministry] that we were doing no public protesting. We made it clear that we had very strong views about the necessity of transferring in a coherent way the capabilities that we had honed. And we undertook to work closely in policy terms to make the very best we could of that transition for the good of the sector. And you could almost hear a sigh of relief because it meant we could then have these conversations in a kind of intelligent professional way and make sure as we did that every single worthwhile capability was transferred. (Interview 5)

Similarly, a UK Film Council interviewee reported “on several occasions [ministry] officials saying that they wouldn’t have been able to do any of this [reform] without the support of the Film Council” (Interview 13).

At the other end of the spectrum, some agencies developed complex positioning with plural strategies, often connected to the different functions of the agency and/or its funding streams. Thus, Consumer Focus’ strategy in response to a proposal to transfer its functions to a non-profit was to “give them half of it. Give the government the general taxpayer funded work, but make a special case out of this very precious, technical work that was funded from levy [non-governmental] funds” (Interview 2). Similarly, the HTA sought to cooperate with the government in making reforms while at the same time working to ensure that its functions, which were under threat of fragmentation to different organizations, remained integrated.

A number of agencies discovered that information asymmetry between themselves and their sponsor ministry provided an unexpected opportunity to frame their response as helpful while also challenging the technical aspects of the reform proposal. Our interviews revealed that, in a number of cases, there were considerable gaps in the knowledge of those generating the proposals regarding the exact functions of the body, the manner in which they were discharged, and the significance of its external network for successful policy delivery. This was exacerbated by the short, five-month time scale over which the review of these 264 types of public body was undertaken. Thus, one agency respondent told us that, six weeks after the reform was announced, civil servants in the sponsor ministry requested that the body itself provide a report on the implications of the reform (Interview 12). Such information asymmetry provides an opportunity for agencies to engage in a debate about the proposed reforms at the level of technical feasibility rather than political principle, and thus offers a point of leverage towards their preferred outcome. In the case of the SIA, for example, the ministry was not fully aware that the security industry itself had lobbied for the creation of this regulatory body and valued its work. The technical problems of relaxing this regulatory regime, combined with the protests of the SIA’s security industry constituents, overcame the sunk political costs incurred by announcing the reform, and its proposed abolition was rescinded. The availability of such opportunities means that agencies may alter their behavior in the course of the reform agenda. For example, the MLA initially accepted the decision but subsequently moved to exert influence over proposals, while the UK Film Council was initially vocally against abolition but moved, over time, to a position of accepting them but seeking to exert influence over the way they were implemented.
Profiling the Response

A second aspect of bodies’ strategic action involves the extent to which they operated in public or private and the nature of their strategizing in each case. The strong normative constraints on agencies are important here. When bodies made public statements, which all did at various points in the process, they were typically uncritical of government policy in relation to the proposed reforms. However, behind this bland and apparently uniform public presence, there were sometimes very active strategies in private to inform government of the consequences and shortcomings of proposals in relation to functions and to suggest other possibilities. For example, one respondent observed,

“In public, we were always scrupulously careful to support government policy and to respect government’s right to take decisions on these sorts of things. We would go out of our way to make it work as well as possible in the interest of [the people who use our services]. In private, we were pushing for our [alternative] concept as hard as we possibly could because we felt that was the best way to get something that was worth keeping out of what was always rather a mess. (Interview 2)"

This was not a uniform approach. Another interviewee commented, “There didn’t seem to me to be any point in putting one thing to Government and then speaking privately that actually we’re after something else and trying to do undercover deals with people, almost asking them to act as third parties on our behalf” (Interview 6), leading them to refrain from public protest. The choices reflected in these two examples illustrate the interviewees’ reading of the local context for reform; in other words, the politics associated with their sponsor ministry’s approach to reform rather than the Cabinet Office’s overall policy, and the extent to which a dual response of public support and private lobbying would secure the changes that they desired.

Mobilizing a Response

The final aspect of strategic action is the extent to which agencies act alone or as part of a wider constituency of stakeholders. While agencies are often viewed as isolated actors, in five cases there was a sustained reaction not just from the body concerned but from other actors, be they members of the House of Lords, pressure groups, professional and industry organizations, or the public, while in the other seven cases the agency largely acted alone (see Table 2). These different action strategies do not reflect a simple choice made by agencies; rather, they are the product of strategic calculation discussed earlier. Indeed, in the cases examined here, agencies had differing opportunity to be part of a broad mobilization challenging reform, in line with their degree of embeddedness. They initiated wider campaigns to different degrees, and experienced changing attitudes among (and hence actions taken by) exogenous actors across the period examined.
First, the extent to which stakeholders mobilized around the threat to an agency varied. The YJB, SIA, Chief Coroner, UK Film Council, and Forestry Commission were well-embedded and their impending reform provoked a considerable mobilization in opposition. In contrast, Consumer Focus and EHRC lacked strong, positive support networks. There was little stakeholder reaction to the proposed reform of Consumer Focus, because although “people thought it was a bad idea...relatively few people cared about it so much that they were willing to...say that” (Interview 1). Elsewhere, the EHRC was felt to have misjudged its strategy, with one interviewee reflecting, “If we’d been smart we would have focused much more on persuading the stakeholders to be active” (Interview 10).

Secondly, differences can be observed in agencies’ attempts to actively cultivate a campaign. As noted above in the discussion of norms, bodies are constrained by certain conventions which limit their ability to oppose government. Nevertheless, agencies’ strategies differed in those cases in which stakeholder support was evident, with some bodies actively sanctioning or encouraging campaigns and others retaining independence. For example, the YJB and SIA did not actively orchestrate a campaign, but they were in contact with external actors who, in the case of the YJB, confirmed that the Board were “comfortable with us saving them, or trying to save them” (Interview 8). In other examples, such as the UK Film Council and the Forestry Commission, external reactions emerged unprompted. In the latter case, significant public outcry was apparent which was not “stimulated,” but was rather an unexpected manifestation of “what people felt” (Interview 13). Indeed, one stakeholder reported that the Commission itself “didn’t want to be seen to be lobbying” (Interview 14), prompting others to act of their own accord. Similarly, a UK Film Council respondent commented that their reaction was

...largely independent...There was some sort of Facebook campaign at the time, which the Film Council didn’t set up at all. It had been set up independently. And there were all sorts of articles which various people had written independently and on the back of that, other supporters of the Film Council had written independently. So I suppose we were surprised at the depth of feeling that emanated, but there wasn’t a detailed, concerted effort on the Film Council’s behalf at all. (Interview 12)

The MLA, in contrast, made a conscious, strategic decision not to call for support as they “didn’t want to start a campaign, so there wasn’t a flag to rally around” (Interview 5). A similar position was taken by the AJTC. This was one of the most contentious proposals in terms of the amount of time spent on the primary and secondary legislation needed to enact the reform. However, the body stood outside the vocal campaign by stakeholders and did not lobby during the long process through which legislators questioned ministers, as a letter from the chair to the minister makes clear: “[If there is] any suggestion of ‘campaigning’ or similar activity, I should state that—beyond the submission of our Written Evidence—I had no contact at all with the Committee, its Members or its Clerk” (AJTC 2013).
There were changes over time in the level of stakeholder mobilization, as in the cases of the HTA, HFEA, and Consumer Focus. In part, this reflects the transience of the reform proposals themselves. For example, HTA stakeholders were initially unconcerned by the planned merger but mobilized as further details emerged and the consequences became clearer. Similarly, Consumer Focus stakeholders were initially quiescent, but the consultation process that followed publication of the reform proposals prompted a reaction.

CODIFYING AGENCY STRATEGIES

Our article casts new light on the politics of administrative reform. The boards of the public bodies we studied are far from passive recipients of the government’s restructuring proposals. They are active players who appraise the context’s strategic selectivity and, on this basis, develop responses to the termination, merger, or downsizing proposals with which they are faced. Our research demonstrates that organizational survival is not necessarily their prime concern. Agency boards exhibit a principled acceptance of the right of government to abolish, merge, or otherwise reform their organizations, subject to parliamentary approval, and in general subscribe to a self-denying ordinance by refraining from publicly challenging reform proposals. However, they are willing to articulate in public the case for the continuance in some other organizational configuration of the functions performed by their agencies; for example, as a departmental unit, advisory committee, or non-profit entity. Our analysis also demonstrates the capacity of the UK’s parliamentary constitution to facilitate implementation of the government’s proposals, with the majority of the 165 types of agencies in the program having been reformed within three years (National Audit Office 2014). This provides an important contrast to the divided government system in the US and thus emphasises the importance of locating theoretical explanations of agency termination within specific constitutional contexts.

We identify three archetypical strategies adopted by agencies in response to reform proposals:

*Technical expert:* The agency’s reading of the context leads it to conclude that information asymmetries at the technical level make the political principals vulnerable to well-evidenced recommendations intended to retain at least some of the functions of the agency, even if the organisation itself is abolished. The context, therefore, is strategically selective in terms of favouring the application of arguments that privilege technical expertise (e.g., Consumer Focus, SIA).

*Network node:* The agency regards itself as well-embedded in a stakeholder network, providing a node around which other actors mobilize and publicly challenge. The agency may provide information to the network, but does not itself engage in public opposition to the reform. The strategic selectivity of the context is towards the exercise of political influence by influential actors and in public arenas (e.g., AJTC, YJC).

*Marginal adaptor:* The way in which the agency reads the strategically selective context is that there is only room for marginal change to the proposals. This
is likely to be due to the overwhelming political commitment to reform. The agency adopts the strategy of working with its sponsor ministry to realize the reforms, but takes the opportunity to propose marginal changes where it believes these will lead to a better outcome (e.g., MTA, HEFA).

Although individual agencies exemplify these approaches, in most cases agencies developed combinations of strategic response that changed over time. Typically, the initial response was robust, but this then changed to a greater accommodation of the proposals in the light of an appraisal of the degree of commitment by government. In the Audit Commission case, for example, the board knew nothing of the reform proposal until a few hours before it was made public, expressed considerable concern at the technical and governance implications, but subsequently proceeded to work closely with the ministry to close down activities and create a small residuary body.

An obvious next step for our work is to identify the extent to which different strategies are successful in moderating reform proposals or having them withdrawn. This is a question we are pursuing in the wider project from which this paper arises. It will require the reform strategy typology to be validated and data to be gathered from a larger sample of agencies in order that regularities can be determined. Pursuing this approach will connect our work with population ecology analyses. In principle, it should be possible to code agency responses and incorporate these as an independent variable into such analysis. To our knowledge, this kind of study has not yet been undertaken, but would greatly enhance understanding of agency reform.

Explaining agency responses to reform is of great importance in an international context where politics motivates organizational change. As governments attempt to reform their agency landscapes, policymakers, and public bodies can benefit from a greater understanding of how reforms can be effectively implemented or opposed. On the one hand, politicians and civil servants can utilize this information to maximize the effectiveness of their reforms, helping to develop proposals which neutralize public body opposition and showing how to exert pressure to maximize compliance from agencies. On the other hand, agency chairs and chief executives can benefit by understanding how strategies may be developed and the contingent factors to take into account.

ACKNOWLEDGEMENTS

An earlier version of this article was presented at the Political Studies Association Conference, Cardiff, Wales, April 2013. We thank the anonymous reviewers for their helpful comments.

FUNDING

We acknowledge support of ESRC Grant ES/J010553/1 “Shrinking the state: reforming arm’s length bodies” (www.shrinkingthestate.org).
NOTES

1. The organizations in question are officially classified as “non-departmental public bodies,” conventionally shortened to “public bodies” and popularly known as “quangos,” together with a very small number of non-ministerial departments and public corporations. Public bodies undertake executive, advisory, regulatory, or quasi-judicial functions and are deemed to have greater autonomy from ministers than the UK’s “executive agencies.”

2. Public bodies can be divided into those where a single organization undertakes a function, and those organized on a geographical basis and where multiple organizations of the same type exist. The 264 types of public body comprise over 900 individual organisations.

REFERENCES


Interview 13. 2012. UK Film Council, Phone Interview, November 14.


**ABOUT THE AUTHORS**

**Katharine Dommett** (k.dommett@sheffield.ac.uk) is a Lecturer in the Public Understanding of Politics in the Department of Politics at the University of Sheffield. She earned her PhD from the University of Sheffield in 2012, completing a thesis which explored ideology, processes of ideological change, and modernization in relation to contemporary political parties. Katharine’s research interests focus primarily upon the intersection between ideas, institutions, and actors. These themes
have inspired an interest in ideology, political parties, political rhetoric, governance, democratic participation, and reform.

**Chris Skelcher** (c.k.skelcher@bham.ac.uk) is a Professor of Public Governance in the Institute of Local Government Studies, School of Government and Society at the University of Birmingham. He earned his PhD at the University of Birmingham. Chris’s research examines how ideas about democracy and governance interact with the institutions of contemporary governance, specifically focusing on the implications for democracy of the fragmentation of government into multiple agencies/partnerships operating at arm’s length to elected political authority.