

Paper to be presented at the NIG Annual Work Conference 2009

Leiden, 12-13 November 2009

Panel 13: Agencification: patterns, results and new questions

Chairs: Sandra van Thiel (EUR) and Jan Rommel (KUL)

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**Explaining variation in political accountability:
regulatory and service-providing agencies in the Netherlands**

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1. Introduction

In the past three decades, regulatory and service-providing agencies which are insulated from politics and the electoral process have become popular forms of governance in Europe. The organisations have been granted a wide range of competences because their design is believed to offer a number of advantages over units within the ministerial hierarchy (see, for instance, Egan 1998, 487-8; Pollack 2002, 207-9; Thatcher and Stone Sweet 2002, 4). First of all, the agencies are believed to enable politicians to increase the credibility of their policy commitments (Majone 1996). Delegation to insulated agencies would lead to policies which are more efficient and effective in the long run as it restrains politicians from the temptation to pursue short-term, electorally attractive policies. Besides, insulated agencies are believed to be better prepared to deal with complex policies, such as regulation and the distribution of specifically designated funds, because they have the autonomy and the expertise which are needed in these areas, and which politicians lack. Furthermore, the agencies are presumed to reduce the political costs for unpopular and thorny policies, since they enable politicians to shift to these agencies the responsibility, and eventual blame, for such policies. At the same time, there is some scholarly agreement nowadays that the agencies are not just created for

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reasons related to their alleged advantages, but also because they are regarded as appropriate forms of governance (e.g., McNamara 2002).

Although regulatory and service-providing agencies are a wide-spread phenomenon now, observers have come to be more and more concerned about their democratic quality (e.g., Weir 1995; Flinders and Smith 1999; Schmitter and Trechsel 2004, Section III.3.A; Follesdal and Hix 2005). The insulation of the agencies from politicians and the electoral process is believed to have resulted in a loss of political instruments to hold the agencies accountable. Accountability mechanisms play an important role in democracy because they serve as a mechanism to avoid misuse and abuse of political power by the agencies. And in contrast to ministerial units, agencies are not subject to the traditional accountability mechanisms which are associated with the subordination to a minister under the ministerial hierarchy. The loss of accountability instruments resulting from the insulation of the agencies can, in principle, be compensated by the introduction of alternative instruments of political accountability which are compatible with the insulation. For instance, the design of agencies may include provisions which demand that the agencies regularly inform politicians about their activities, or provisions which allow for corrective measures in the case of neglect of duty by the agencies. Such alternative accountability instruments are, in practice, indeed present in the design of agencies. However, the degree to which the instruments are present varies considerably across agencies (e.g., Bouckaert and Peters 2004, 29-30).

Not much attention has been paid yet to the question of why some organisations are held politically accountable to a large degree, while others are subject to hardly any accountability mechanism. The main reason for this is that a systematic account of the variation requires the operationalisation of the complex concept of accountability. In an effort to find out which factors account for the variation, I introduce in this paper a measure of political accountability. This measure is then used to assess, and account for, the variation in political accountability of Dutch agencies.

The paper proceeds as follows. In the next section, I define the concept of accountability, I specify this for the case of political accountability of agencies, and I introduce an instrument to measure this accountability. In the third section, I present five factors which may account for the variation in political accountability, and I formulate hypotheses on the direction of the relationship between the potential explanatory factors and accountability. Besides, I set out how the explanatory factors are operationalised. In the fourth section, I describe the data collection process, followed by the statistical analysis and the presentation of the results. In the fifth and final section, I summarise, and reflect upon, the findings of this study.

2. Conceptualising and measuring accountability

Although quite a number of scholars have assessed the concept of accountability in the last decades (e.g., Romzek and Dubnick 1987; O'Donnell 1999; Schedler 1999; Mulgan 2000; Scott 2000; Behn 2001; Bovens 2006; Stinga 2008; Philp 2009), definitions of the concept are still disputed. Scholars largely agree that being accountable implies offering some information on, and some explanation of, past and future conduct. However, still debated is the question of whether definitions should incorporate some element of sanctioning. Three approaches to this question can be distinguished in the literature: (1) accountability is a classical concept, but the possibility to sanction is not an attribute, (2) accountability is a radial concept and sanctions form one of its components, and (3) accountability is a classical concept with the sanctioning possibility as one of its attributes.

First, some authors define accountability solely in terms of information and explanation, and exclude the element of the possibility to sanction the accountant. Philp, for instance, puts forward the following definition: "A is accountable with respect to M when some individual, body or institution, Y, can require A to inform and explain/justify his or her conduct with respect to M" (2009, 32). The author emphasises that only the elements of information and explanation are etymologically central. The possibility to sanction may enable accountability to achieve certain outcomes, such as the responsiveness of the accountant to the wishes of its principal, but it should be considered a possible additional feature rather than an element of accountability (Philp 2009, 35-6).

Second, others incorporate into their definitions all three elements – information, explanation and sanctions – but argue that accountability is a radial rather than a classical concept (see Collier and Mahon Jr. 1993). Schedler, for instance, defines accountability as follows: "A is accountable to B when A is obliged to inform B about A's (past or future) actions and decisions, to justify them, and to suffer punishment in the case of eventual misconduct" (1999, 17). However, he straight away argues that it is in principle possible to find instances of accountability in which one or more of the elements are absent (1999, 18). Hence in the case of inconsequential accountability, an actor is obliged to answer for his or her conduct, without there being the possibility of sanctions.

Third, some last category of authors conceive accountability as a classical concept which consists of all three abovementioned components – information, explanation, and sanctions. Hence in order for accountability to be fully present, all attributes of the concept need to be at hand. This conception of accountability has become prevailing and is advocated, for instance, in the work of Bovens. The author defines accountability as "a relationship between an actor and a forum, in which the actor has an obligation to explain and justify his or her conduct, the forum can pose questions

and pass judgement, and the actor may face consequences” (Bovens 2006, 9). The possibility of sanctions is considered to be a constitutive element of accountability as it “makes the difference between non-committal provision of information and being held to account” (Bovens 2006, 10).

In this paper, I define accountability as *the degree to which an actor A is required to offer information on, and explanation of, his or her conduct to another actor B, and may face consequences*. In line with the third strand in literature, I consider accountability to be a classical concept with the possibility of sanctions as one of the constitutive elements. Theoretically, I agree that a full accountability relationship is not only characterized by the obligations to offer information and explanation, which can in principle be quite noncommittal, but also by the possibility to have certain types of conduct sanctioned or rewarded. Empirically, definitions which incorporate all three accountability attributes are, in my view, better able to capture the wide range of real-world accountability instruments. That is, although a clear analytical distinction can be made between the three components, these are in practice often united in the same instruments. Legislative elections, to give an example, not only oblige politicians to give information about, and justification of, their past and future behaviour, but they also offer citizens a way to reward or sanction this behaviour.

However, whereas other definitions present accountability as a dichotomous concept, so that an actor is either accountable or not, my definition emphasises the ordinal nature of the concept. Accountability is considered to be one of the phenomena in the social world which are not either present or absent, but a matter of degree. Hence actors can be accountable to various degrees, ranging from not accountable at all to fully accountable. Holding an ordinal conception of accountability has the advantage of allowing for more precise classifications of instances in which some of the attributes are not, or not fully, present. As such, the conception is in line with the aim of introducing a numerical measure of the concept of accountability.

As this paper focuses on the political accountability of agencies rather than accountability in general, some further specification is needed. To begin with, the units of analysis in this study are agencies in the Netherlands. Agencies are considered as synonymous with quangos (e.g., Barker 1982; Greve et al. 1999; Skelcher 1998; Van Thiel 2000) and non-majoritarian institutions (e.g., Majone 1996; Thatcher and Stone Sweet 2002). Adopting the definition of non-majoritarian institutions given by Thatcher and Stone Sweet, agencies are defined as “those governmental entities that (a) possess and exercise some grant of specialised public authority, separate from that of other institutions, but (b) are neither directly elected by the people, nor directly managed by elected officials” (Thatcher and Stone Sweet 2002, 2).

Agencies can be held accountable by various actors, such as governments and parliaments, specifically designated supervisors, professional peers, interest groups, the media, and society at large. However, the form of accountability that I am interested in is the accountability of the agencies to governments and parliaments. Based on the aforementioned general definition of accountability, I define political accountability of agencies as *the degree to which agencies are required to offer information on, and explanation of, their conduct to governments and parliaments, and may face consequences*. From a principal-agent perspective, governments and parliaments are normally the principals of the agencies. They have delegated policy-making competences to the agencies, and link to this delegation some accountability mechanisms. A number of instruments are used by political bodies to hold agencies accountable. In Table 1, the nine indicators of accountability which I use to operationalise the concept are listed. Although this study focuses exclusively at Dutch agencies, the list of indicators presented here aims to be useful for the analysis of agencies in other countries and in other policy areas as well. As account is rendered to different political actors in different countries – primarily to governments in some countries, while in others mainly to parliaments – the term political body has deliberately been formulated broadly. This way, the accountability instrument can, in principle, be used both cross-sectorally and cross-nationally.

Table 1 Indicators of political accountability of agencies

Item	Description	Coding
1	Is the agency obliged to provide a political body with information on request? <ul style="list-style-type: none"> ▪ No ▪ Yes 	0 1
2	Is the agency obliged to submit to a political body an annual plan? <ul style="list-style-type: none"> ▪ No ▪ Yes, for information only ▪ Yes, and it must be approved 	0.0 0.5 1.0
3	Is the agency obliged to submit to a political body an annual budget? <ul style="list-style-type: none"> ▪ No ▪ Yes, for information only ▪ Yes, and it must be approved 	0.0 0.5 1.0
4	Is the agency obliged to submit to a political body an annual report? <ul style="list-style-type: none"> ▪ No ▪ Yes, for information only ▪ Yes, and it must be approved 	0.0 0.5 1.0
5	Is the agency obliged to submit to a political body an annual financial report? <ul style="list-style-type: none"> ▪ No ▪ Yes, for information only ▪ Yes, and it must be approved 	0.0 0.5 1.0
6	Is a political body obliged to periodically evaluate the functioning of the agency? <ul style="list-style-type: none"> ▪ No ▪ Yes 	0 1
7	Can a political body take corrective measures in the case of neglect of duty by the agency? <ul style="list-style-type: none"> ▪ No ▪ Yes 	0 1

8	Can the executive head be dismissed by a political body in case of neglect of duty? <ul style="list-style-type: none"> ▪ No ▪ Yes 	0 1
9	Can the executive board members be dismissed by a political body in case of neglect of duty? <ul style="list-style-type: none"> ▪ No ▪ Yes 	0 1

Some of the instruments are primarily requirements for agencies to offer information on, and explanation of, their conduct. Hence agencies may be obliged to offer to a political body all requested information, or to present an annual activity plan, a budget, an activity report, and a financial report. Such requirements may still include some sanctioning aspect, as the annual documents to be submitted must sometimes be approved. Furthermore, some instruments mainly concern the evaluation of conduct, and the consequences which the agency may face. A political body may be empowered to periodically evaluate the conduct of an agency, to dismiss the executive head or the board members of the agency in the case of misconduct or malperformance, or to take corrective measures towards the agency as a whole in the case of neglect of duty.

3. Potential explanations and hypotheses

From the delegation literature, and the literature on accountability, five potential explanations of variation in political accountability have been derived: (i) the presence of ex ante controls, (ii) the reach of an agency's competences, (iii) the use of tax revenues, (iv) the presence of a supervisory board, and (v) the period in which the legislation governing an agency has been written.

Ex ante controls

As political account is rendered about past and planned activities and decisions, it can be regarded as ex post facto control (Bovens 2006, 14). However, in order to aim to ensure the compliance of agencies, and to avoid misuse and abuse of political power, politicians may also opt to incorporate into the design of agencies some ex ante controls (e.g., Balla 1998; Spence 1999; Huber and Shipan 2002; Bertelli 2006). Ex ante control instruments enable politicians to influence agencies before decisions or plans are made. Political appointments of the key decision-makers are important instances of such ex ante control. Furthermore, politicians may also give agencies clear and detailed objectives, instructions or mandates (see Huber and Shipan 2002; Majone 1996, 18). The contrast between such controls and accountability is clearly summarised by Schedler, who argues that

“[h]olding power accountable does not imply determining the way it is exercised; neither does it aim at eliminating discretion through stringent bureaucratic regulation” (1999, 19). The latter do fall under the concept of ex ante control.

Not much empirical evidence exists on the question whether the two forms of control are alternatives or complements in the design of agencies. On the one hand, it can be argued that political accountability is especially important for agencies who are not subject to many ex ante controls. That is, if an agency has a lot of discretion in the decision-making process, ex post facto accountability can be considered important in preventing the agency from being irresponsible to the interests of citizens, and from abuse and misuse of its powers. Here the hypothesis would be: *The lower the degree of ex ante controls incorporated into the design of an agency, the higher is its degree of political accountability.*

On the other hand, the argument can be made that agencies are insulated from the influence of politicians – both ex ante and ex post – in order to enable to come to more effective and efficient policies (see Section 1). From this perspective, those agencies which need the insulation from politics and the electoral process most can be expected to show a combination of low degrees of both ex ante controls and political accountability, and vice versa. Hence the direction of the relation between the two is considered to be a positive one: *The lower the degree of ex ante control incorporated into the design of an agency, the lower is its degree of political accountability.*

The reach of the agencies’ competences

Another factor which may impact upon the degree of political accountability of agencies is the reach of their competences. The competences which are delegated to Dutch agencies vary considerably. Whereas some agencies are concerned with the collection of fees or the provision of education, others are in the position to decide upon the access of products to the Dutch market, or the access of individuals to specific professional groups. And whilst some agencies do possess investigative powers, but cannot link binding decisions to the findings of their investigations, others have been granted both investigative powers and far-reaching sanctioning powers.

The direction of the relationship between the reach of the competences and the political accountability is hypothesised to be a positive one. Ensuring that agencies keep in mind the public interest, and refrain from abuse and misuse of their competences, is especially important for those agencies which have far-reaching competences. Such agencies do not only have a wider range of competences which they might use in an undesirable manner, but the consequences of such misuse or abuse are also more serious than the consequences in the case of agencies with limited competences. Hence the hypothesis is: *The more far-reaching the competences of an agency, the higher is its degree of political accountability.*

Tax revenues

A third potential explanation is the use of tax revenues to fund the agencies. As governments themselves are held accountable to a large degree for their spending of tax revenues, both by the parliament, the media, and the citizens, they can be expected to attach more importance to agencies which are funded by tax money than to agencies which have their own sources of income. In line with this, agencies funded by tax money are also expected to be held accountable to a larger degree. Hence the hypothesised relation here is a positive one: *Agencies which are funded by tax revenues are subject to higher degrees of political accountability.*

Supervisory boards

About a quarter of the Dutch agencies in this study have supervisory boards. Such boards are not only preoccupied with giving the agency advice, but they also play a role in setting annual plans, budgets, annual reports, and annual financial reports. To allow for monitoring of their conduct, the agencies are also required to offer their supervisory board all relevant information. Hence supervisory boards play an important role in holding agencies to account, though it is an open question whether accountability to a supervisory board is an alternative or a complement to political accountability. For instance, in a study on a small number of Dutch agencies with supervisory boards, Schillemans (2007) finds that accountability to supervisory boards is used complementary to political accountability. Nevertheless, taking into consideration here a much larger number of agencies, and both agencies with and without supervisory boards, the degree of political accountability is expected to be lower in the presence of such boards. Hence the hypothesis is: *In the presence of a supervisory board, the degree of political accountability present in the design of an agency is lower.*

The period of design

The fifth and last potential explanation is one based on a logic of appropriateness rather than a functional logic. As noted before, observers have come to be more worried about the democratic quality of agencies in the last decade. Especially in the course of the 1990s, a change in opinion on agencies has taken place, both in the Netherlands and in other European countries. Whereas the insulation of agencies was, before that time, mainly viewed in terms of its advantages, the dangers of insulation without accountability have come to receive quite some attention (e.g., Weir 1995; Flinders and Smith 1999; Schmitter and Trechsel 2004, Section III.3.A; see, for the Netherlands, Algemene Rekenkamer 1995). As a consequence of the criticism on the lack of instruments of political accountability in the design of agencies, policy-makers have become more concerned with the inclusion of such instruments in new legislation. Following this logic, it can be expected that

agencies whose legislation is written more recently are also, by design, politically accountable to a large degree. Hence: *The more recent the legislation which establishes the relationship between an agency and politics, the higher is its degree of political accountability.*

4. Data collection and analysis

The starting point for the case selection has been the Dutch national budget for the year 2010 (Dutch Ministry of Finance 2009). The budget includes, for each ministry, a list of the so-called autonomous administrative authorities (*zelfstandige bestuursorganen*) which are linked to the ministry.¹ Autonomous administrative authorities are organisations which are invested with some public authority, but which are not hierarchically subordinate to a minister (*Kaderwet zelfstandige bestuursorganen*, Article 1). As these organisations possess and exercise some grant of specialised and exclusive public authority, and are neither directly elected by the people, nor directly managed by elected officials, they fall under the definition of agencies presented in Section 2. Clusters of territorially and functionally decentralised organisations excluded, the national budget lists 103 autonomous administrative authorities.² As this paper is concerned with agencies with policy competences, three quasi-judicial boards which consist of judges, and are preoccupied with the administration of justice, have also been excluded from any further analyses.³ In addition, four other organisations have not been taken into consideration at this point for the reason that not enough information on their design was present.⁴ These organisations will be added later after additional data collection in Dutch archives. The 96 remaining agencies perform a wide range of tasks. Some are regulatory agencies which control access of products and services to the Dutch market, while others focus on the provision of services such as education, the distribution of subsidies, the gathering and analysis of data, and the organisation of exams and tests.

To code the agencies on the various items, I have used a large number of sources. The main source of information has been Dutch national legislation. Using an on-line search engine provided

¹ The Ministry of the Interior has been given the legal task to maintain a register of all autonomous administrative authorities. However, the website which presents this register (Dutch Ministry of the Interior and Kingdom Relations) is much less up-to-date than the national budget. Therefore I used the latter source for the case selection.

² Besides the clusters of agencies, two agencies which are still in the budget for 2010, but which are at the moment being dissolved (*Stichting Inschrijving Eigen Vervoer* and *Stichting Fonds MKZ-AI*), have been excluded. Another agency is not taken into consideration because it is at the moment still a departmental unit, to be transformed into an agency later this year (*Nederlandse Emissieautoriteit*).

³ These three boards are: (1) *Commissie van Beroep als bedoeld in art. 3 Wet rijonderricht motorrijtuigen 1993*, (2) *Commissie van Beroep Loodsenexamens*, and (3) *Landelijke geschillencommissie weer samen naar school*.

⁴ These four organisations are: (1) *Commissie Algemene Oorlogsongevallenregeling Indonesië*, (2) *Stichting Centraal Bureau Rijvaardigheidsbewijzen*, (3) *Stichting Landelijke Inspectiedienst Dierenbescherming*, and (4) *Stichting Nidos*.

by the government (www.wetten.nl), I have for each agency assessed all legislation in which the name of the agency was mentioned. Furthermore, I have focused on the information offered on the website of the Dutch register of autonomous administrative authorities (see Footnote 1), and some additional information offered on the agencies in the national budget (Dutch Ministry of Finance 2009). For the agencies which are established by private law, I have also looked at the articles of association.⁵

Dependent variable

I have assessed whether the political accountability items can be considered a valid and reliable measurement instrument. First of all, the Cronbach's alpha for the nine accountability items is 0.833, which is relatively high. Second, I have used principal component analysis to examine whether the items represent an underlying construct, or latent trait, of political accountability. Using varimax rotation, and the default threshold of an eigenvalue of one, two components are distinguished (see Appendix A, Table A1). Most of the items load high on the first component, which explains 35 percent of the variance. However, two items stand out, namely the items on the dismissal of the executive head and the board members. These items do not fit at all with the other items, but come together in another component. These items are therefore not considered to be part of the underlying construct of political accountability, but are regarded as representing another dimension. These two items excluded, the Cronbach's alpha is still the same (0.829). The principal component analysis now presents a one-component solution (see Appendix A, Table A2), which explains 50 percent of the variance. The factor scores of the agencies on this single component have been used as the dependent variable in the regression analysis.⁶

Explanatory variables

To operationalise ex ante controls, three items have been used: (1) political appointment of the executive head, (2) political appointment of the board members, and (3) the possibility for politicians to give the agency instructions. The items on political appointments are based on items in independence indices by, among others, Cukierman, Webb and Neyapti (1992), Elgie (1998), Gilardi (2002), and Elgie and McMenamin (2005). As the first two items are strongly correlated (Pearson correlation of 0.95; significant at the 0.01 level), the mean of these two items has been taken. The

⁵ Some agencies have made their articles of association available on-line, some others have kindly sent me their documents either by post or e-mail, and some others have not replied to my request to have a look at their articles of association, or have refused to allow me access to the document.

⁶ As was to be expected, the factor scores on this single component correlate extremely strongly with the mean of the scores on the seven remaining items (Pearson correlation of 0.997, significant at the 0.01 level). Hence for the regression analysis, it does not make a difference whether the means or the factor scores are used.

third item did not correlate strongly with the first two items (Pearson correlation of 0.27 and 0.24, respectively; both significant at the 0.01 level) and is therefore included in the analysis separately. The measurement of the different items is presented in Appendix B, Table B1.

For the operationalisation of the reach of agency competences, I have used a slightly modified version of Bertelli's discretion scale, introduced in the author's study on agencies in the Netherlands (2006). Bertelli has categorised his agencies into eight categories, ranging from the category of agencies with least discretion to the category of most discretion. The original categories are: (1) paying benefits, collecting fees, (2) registration, (3) research, (4) advice, coordination, education (5) judging quality, (6) licensing, (7) make regulations and adjudication, and (8) supervision (Bertelli 2006, 237; Algemene Rekenkamer 1995, 80). As Bertelli's conception of discretion is very much in line with my conception of the reach of the competences of agencies, his scale also forms the starting point for the measure of competences. However, as registration is much more of a routine task than the payment of benefits – where a difference in interpretation of the policy guidelines has much more far-reaching consequences for the individuals involved – I have turned these two categories around. Furthermore, as many agencies combine the tasks of licensing and judging quality, and the difference between the two in terms of reach of competences is difficult to make, I have collapsed these two categories. Finally, as there are no agencies preoccupied with making regulation and adjudication, this category is absent in the new scale (see Appendix B, Table B1).

The hypotheses on tax revenues and supervisory boards are both tested by using a dummy variable. Here the score of 1 represents either the use of tax revenues to fund the agency, or the presence of a supervisory board by which the agency is held to account.

Finally, to test the hypothesis on the period of design, a distinction is made between three different periods in time. First, there is the category of agencies whose relationship with politics is laid down in legislation written in 1995 and before. The year 1995 is used as a cut-off point as it was in this year that a highly influential report of the Dutch audit office was published (Algemene Rekenkamer 1995), which criticised the low degree to which agencies were held politically accountable, and thus very much initiated the political discussion on accountability of agencies in the Netherlands. Second, I distinguish a category of agencies whose legislation was written in the decade after 1995 and before 2001. In this period, the topic of political accountability of agencies was still under debate, but the legislation written in this period is assumed to be already somewhat influenced by the ongoing debate. The last category includes those agencies whose legislation was written in the period since 2001. As the new framework law on the design of agencies was published – though not yet adopted – in 2000 (*Kaderwet zelfstandige bestuursorganen*), the assumption is that after this year some agreements existed on the importance of accountability, which is hypothesised

to have an impact on the degree of political accountability in new legislation, even though agencies do not automatically fall under the framework law.

Analysis

In order to assess the impact of the potential explanatory factors on the degree of political accountability, I have used ordinary least squares analysis. The results of the regression analysis are presented in Table 2. The adjusted R² of the model is 0.27 and the model is significant at the one percent level. In the model, three out of six variables – policy instructions, tax revenues, and the period of design – significantly influence the degree of political accountability.

Table 2 Regression results: political accountability

	B	Sign.	s.e.
Constant	-1.09		0.342
Political appointment	0.15		0.236
Policy instructions	0.58	***	0.192
Competences	-0.03		0.061
Tax revenues	0.49	**	0.208
Supervisory board	-0.01		0.091
Period of design	0.29	***	0.102
Adjusted R ²	0.27		
F	6.880	***	
N	95		

Note: OLS Model.
 *** Significant at the 1 percent level. ** Significant at the 5 percent level.
 * Significant at the 10 percent level.

First of all, the direction of the relation between policy instructions and the degree of political accountability is a positive one, which is in line with the alternative hypothesis on the relation between ex ante controls and political accountability. Hence in the case that politicians can give policy instructions, agencies are also made subject to higher degrees of political accountability, and vice versa. Second, the direction of the relation between tax revenues and political accountability is, as hypothesised, positive. Hence agencies whose budget comes partly or fully from tax revenues are subject to higher degrees of political accountability. Thirdly, also the period of design variable affects political accountability in the way hypothesised. Hence the more recent the legislation of the agency is written, the higher the degree of political accountability.

5. Conclusion and discussion

This paper has focused on the question of which factors can account for the variation in degrees of political accountability of agencies. From the delegation literature, and the literature on accountability, five potential explanatory factors have been derived: the presence of ex ante controls, the competences of the agency, the use of tax revenues, the presence of a supervisory board, and the period in which the legislation governing the agency was written. The potential explanations have been tested for regulatory and service-providing agencies in the Netherlands.

The findings, first of all, suggest that political accountability is used as a complement to ex ante controls rather than as an alternative. Although political appointments are not significantly related to political accountability, a positive relation appears to exist between policy instructions and the degree of political accountability. Yet as policy instructions and political appointments are just some of the ex ante controls which can be used in the design of agencies, some additional items need to be included to assess whether this finding holds for ex ante controls more broadly. Among these items could be measures of the detailedness of the agencies' objectives and the procedures which they have to follow (e.g., Majone 1996, 18).

Second, the reach of the competences of the agencies does not appear to have an impact on the degree of political accountability. This is in line with the study of Bertelli (2006), who does not find an impact either on his measures of ex ante and ex post control. However, as he does find an effect of the scale once interaction terms are used, this may also be a way to go in this study. Nevertheless, as the competence scale is not strongly build upon existing theory, it should also be reconsidered itself before any definite conclusion on the impact of the reach of the competences can be drawn.

Third, the use of tax revenues to fund agencies has – as hypothesised – a positive impact upon the degree of political accountability. Hence in the delegation process, politicians appear to attach more importance, and therefore also more instruments of political accountability, to agencies which use tax revenues, the spending of which the politicians themselves have to explain and justify. This finding points to the importance for the design of what is salient for politicians. Further analyses should therefore also incorporate some measure of the saliency of the policy areas with which the agencies are preoccupied.

Fourth, no relationship was found between the presence of a supervisory board and the degree of political accountability. Hence the presence of a supervisory board is neither a complement to, nor an alternative for, political accountability. The latter is especially important as accountability to supervisory boards and other non-political bodies is often considered a manner to hold agencies accountability which have to be insulated from any political influence.

Finally, the period in which the legislation governing the agency was written does affect political accountability in the hypothesised manner. Agencies whose legislation regarding the relationship with politicians has been written more recently are also subject to higher degrees of political accountability. As there has come to be more and more agreement in the past decades that political accountability is important for agencies insulated from politics, the finding that more recent legislation incorporates more accountability instruments suggests that not only functional arguments play a role in the design of agencies, but also ideas of appropriateness.

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Appendix A

Principal component analysis of the political accountability items

Table A1 Rotated Principal Component Matrix

	Component	
	1	2
Information on request	0.79	-0.05
Annual plan	0.41	0.42
Budget	0.67	0.44
Annual report	0.61	0.33
Financial report	0.62	0.42
Periodic evaluation	0.67	0.18
Neglect of duty correction	0.82	-0.00
Dismiss executive head	0.03	0.93
Dismiss board members	0.14	0.93
Eigenvalue	3.1	2.4
Explained variance	35 %	27 %

Note: Extraction method: Principal component analysis with varimax rotation, components with an Eigenvalue higher than one are presented.

Table A2 Principal Component Matrix

	Component
	1
Information on request	0.70
Annual plan	0.57
Budget	0.80
Annual report	0.69
Financial report	0.76
Periodic evaluation	0.68
Neglect of duty correction	0.75
Eigenvalue	3.5
Explained variance	50 %

Note: Extraction method: Principal component analysis with varimax rotation, components with an Eigenvalue higher than one are presented.

Appendix B

Measurement of the explanatory variables

Table B1 Description of the explanatory variables

Variable	Description
Ex ante controls:	
Political appointment: Mean of the scores on (1) Appointment of the head, and (2) Appointment of the board	0 = Appointed by the agency itself or another non-political body 0.25 = Appointed by the government, nomination by non-political body 0.50 = Appointed by one or two ministers, nomination by non-political body 0.75 = Appointed by the government 1.00 = Appointed by one or two ministers
Policy instructions	0 = No policy instruction can be given by a political body 1 = Policy instructions can be given by a political body
Reach of the competences	1 = Registration and administration of data 2 = Distribution of funds 3 = Research (including policy advice) 4 = Education, provision and maintenance of facilities, coordination 5 = Licensing and judging quality 6 = Oversight and sanctioning
Tax revenues	0 = No tax revenues used to fund the agency 1 = Tax revenues used to fund the agency
Supervisory board	0 = No supervisory board 1 = The agency has a supervisory board
Period of design	1 = 1995 and before 2 = From 1996 until 2000 3 = Since 2001