

## Quangos - What's in a name? Defining Quangos from a Comparative Perspective

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*Without definitional clarity the 'quango debate' is inherently flawed and meaningful progress undermined. A possible solution to this problem is proposed in this article by way of a subsectional map which aims to clarify the quango topography. This accepts the diversity inherent in the quango debate whilst allowing for increased clarity and focused research. This, the authors believe, is the only way forward for practitioners, academics and policy makers working within the sphere of quasi-government. There is a need to address precise forms or subsections of the quango continuum as studies or reforms which focus on one type of quango would not necessarily work if applied to all quangos, or quangos in other countries.*

### Introduction

Quasi-government is fundamental to any analysis of politics in most advanced industrial countries as it is now an integral layer of governance which, despite rhetoric to the contrary, is unlikely to be dismantled under any future government (Mueller & Wright, 1994). Indeed, the growth in, and use of, quasi-autonomous non governmental organisations (quangos) is evident at all levels of society from local quangos to regional and central government agencies and also at the European level where new bodies have been created which reflect similar problems of accountability and legitimacy, the European Monetary Institute for example. At an international level there has been a concomitant growth in the use of Non-Governmental Organisations (NGOs) instead of traditional official bodies (Brookes, 1996). The reasons behind the growth of the quango state have been explored elsewhere (Boston et al., 1991; Wright, 1994; Schwarz, 1994; Hogwood, 1995; Flinders, 1997 ). As has the issue of accountability (Weir, 1995; Leeuw & Van Thiel, 1996; Flinders & McConnel, 1997;

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Greve, 1997; Flinders, Harden, & Marquand, 1997; Leeuw, Jenkins & Van Thiel, forthcoming).

This article differs from the now voluminous literature on quangos and focuses on the fundamental but frequently overlooked issue of what exactly is meant by the term 'quango'. An international perspective will be employed to highlight the myriad of organisations and bodies that have been gathered together under the common heading of quango.

Back in 1982 Anthony Barker optimistically hoped that the term 'quango', which he himself coined, would have '...only a brief life'(1982 p.220). Obviously, this optimism was misplaced but we are now on the verge of a crucial period for the future of this layer of governance. In Denmark, The Netherlands and the United Kingdom quasi-government is the topic of increased interest and demands for increased levels of openness, accountability and control. The methodological problem lies in the fact that the number and range of bodies commonly referred to under this acronym is already so wide as to render the term worthless, or as Barker wrote 'as useless as it is inelegant' (1982 p.220). NDPBs, EGOs, NGOs, QAOs...the list of associated acronyms for organisations which spend public money and fulfil a public function but exist with some degree of independence from elected politicians is endless.

Defining what is meant by the term quango is a confusing task within any country and it would be all but impossible to produce an international definition which is valid over a number of different constitutions and approaches to government. It is also questionable whether there is anything to gain from seeking to label one body a quango and another not. Indeed, it is simpler and more beneficial to see the world of quangos as a continuum from central government agencies, like the Next Steps in the UK and the *agentschappen* in The Netherlands, to specifically created external bodies and beyond into the world of contracting out, privatisation and regulation. This approach will be explored in the remainder of this article.

One common misconception is that quangos are new. In all the countries to be examined in this article quangos have a long and distinguished history. In the United Kingdom, for example, semi-independent boards have been part of the British political landscape for two hundred years, the Board of Trade for example. Despite their long history it would be hard to deny that there had not been a 'quango explosion' in recent years. The tidal

wave of bureaucratic reorganisation known as New Public Management (NPM) with its emphasis on delegation, disaggregation and contracting-out into the private sector led to the transfer of functions from traditional governmental bodies to a new range of quasi-autonomous task specific bodies. This allowed the introduction of a variety of new management styles and procedures largely derived from the private sector (Ridley, 1996). It also broke down the classical public/private dichotomy and allowed a wider and more diverse range of organisations and individuals to be involved in conducting public tasks.

Although much of the literature on New Public Management (NPM) stresses the global nature of the reforms on the whole the quango debate has suffered from a severe lack of comparative analysis (see for examples of comparative analysis: Flinders & Van Thiel, 1997; Flinders & Greve, 1997; Flinders & Smith, 1998). This is an issue this article seeks to address by providing comparative sections on three countries, namely: The Netherlands, Denmark, and the United Kingdom. This article thus hopes to highlight the benefits of comparative research. It could easily have been extended to include a number of other countries including Australia, New Zealand, the United States, Sweden, Germany, Canada, etc. Despite clear differences in institutional structure and political culture there is much to be learnt from the trends and experiences of other countries.

## **Denmark**

There have always been organisations in Denmark which have existed somewhere in between the public sector and the private sector - the so-called 'Grey Zone' (Greve, 1995; Marcusson & Petterson, 1990). For example, help for the poor and needy was organised by charities up to the 1930s. In the 19th century distant colonies were governed by private companies working under contract with the state. Private companies also exploited parts of the infrastructure, such as the Copenhagen tramways. To this day, a number of private railways still exist. Doctors and dentists are also private agents who have a contract with the state for their services, as do private schools. Perhaps the most famous Danish example of a quango is the private company *Falck*, set up in the beginning of this century, which is responsible for ambulance services and fire fighting throughout Denmark.

When the welfare state was established, these organisations were not abolished but took on a more restricted role. Welfare services were mainly provided through public

organisations. Yet, private companies like *Falck* and charities like Mothers' Help carried on their work and nobody seemed to take any notice of the fact that they were 'private' in legal terms. Even when big welfare programmes were established from the 1930s onwards, the private sector continued to deliver many services through contracts. The Danish welfare state is underpinned by a traditionally heavy reliance on self governing institutions, especially in education.

Semi-autonomous government agencies were never established on a large scale in Denmark. Public enterprises were kept 'inside the state' as 'general directorates'. Agencies were established but remained part of ministries with ministers being accountable to parliament for their performance. Boards and councils are set up in various areas, but although once created they enjoy a quasi-autonomous existence from the minister, they have been regarded as an integrated part of the state. The corporatist or network bargaining between interests has seemed natural, since the early part of the century. No Danish laws are passed without intensive bargaining procedures involving many different interests.

The contemporary Danish quango state reflects a rich mixture of organisations and institutions. These include: special public agencies; state owned companies and companies owned by local governments; public-private companies; private companies with contracts for public services; self-governing institutions; and voluntary organisations (Greve, 1996).

Since the mid-1980s and throughout the 1990s state owned companies have been established. 48 companies existed in 1996 which together had a financial result of 730.000 GBP (Ministry of Finance, 1997). Moreover, ministries are increasingly creating independent agencies. Special public agencies include Copenhagen Harbour, Post Denmark and the public broadcasting service of both TV and radio (Danish Radio). Private organisations are being given a more direct responsibility for the delivery of welfare services. The Ministry for Social Affairs has been particularly keen to co-operate with charities (*Betænkning 1332*, 1997). Public-private companies are established at the request of the Ministry of Business and Industry, and 240 companies were recently registered (Erhvervs- og Selskabsstyrelsen 1996). Many of these public-private joint stock companies exist at the local government level. A 'partnership' profile uniting the public sector and the private sector in various projects is championed by the present Social Democratic government which has been in office since 1993. A similar movement is taking place in local governments throughout the country.

Unlike the UK, Danish local governments enjoy a wide range of protected powers. To use a phrase of Premfors (1996), who used it to describe Sweden, Denmark could be considered to be 'a federation of local governments'. There are 275 local governments and 14 regional governments in Denmark. They are responsible for welfare service delivery such as health care, child care, elderly care and education. A recent wave of decentralisation in local government has transformed many former public organisations into quangos.

Despite the large number of quangos, there has only been a limited political and public debate on what is considered a quango. Denmark is sometimes proud of being a very pragmatic country with a consensus culture and a 'negotiated parliamentarism', as well as a 'negotiated economy' (Nielsen & Pedersen, 1989). In reality, this means that interest groups talk and negotiate instead of fighting each other. The result of this is that there is very little interest in putting organisations in pigeon holes as being 'quangos' because it could limit the room for negotiation and flexibility. Although traditionally dominated by lawyers, the Danish central administration has been pragmatic in its choice of organisational forms (Knudsen, 1995). On the rare occasion when an organisation is defined as a quango the practical impact of such a label is limited.

Although no conclusive definition of a quango exists in Denmark, various types of quangos have been defined by lawyers, economists and accountants, and recently by political scientists. In the law on public administration from 1985, the boundary of the public sector is defined in a structural manner. If bodies are private law entities but receive money for providing public services, they can in certain cases be regarded as quangos, i.e. bodies which can be subject to the law's requirements and rules. The same goes for the law on access to public files, although no central register exists for quangos which are subject to the law. There are no strict procedures as to which organisation can be counted as a quango. In many respects, it is for the Ministry of Justice to decide whether an organisation can be regarded as a quango or not. The ministry makes its justification public, but so far no-one has gone through all the cases in search of a common denominator. Economists have used the term quasi-government institutions for a variety of bodies in the national accounts, arguing that these bodies contribute to the public sector economy. The National Audit Office classifies organisations that they are allowed to audit and inspect. Private organisations which receive public money can be inspected, as can state owned companies. However, auditing state

owned companies listed on the stock exchange requires special procedures. Academic research on Danish quasi-government is limited. Political scientists have preferred to concentrate on central or local government, or at least on organisations which are inherently public although there are recent exceptions, for example in the literature on contracting out (Andersen, 1997), state owned enterprises (Greve, 1997) and voluntary organisations (Henriksen, 1996).

The debate seems to be moving forward in the 1990s. Politicians are showing an increasing awareness of quangos being used for the provision of public service. Debates and hearings have taken place in parliament concerning contracting out, state owned companies and voluntary organisations. The National Audit Office has stepped up its interest too, with reports on malpractice in state owned companies and contracted out services. A number of proposals regarding the status of state-owned companies have been presented to parliament (Steffensen et al., 1996). The National Archives have been asking where to file all the new organisations. Everyone seems to be looking for alternative ways to organise public services. Despite the growing interest in organisational matters, the informal Danish approach to politics and the institutional division between national and local government will be obstacles to serious and broad reforms.

## **The Netherlands**

Dutch public administration is structured according to the principles that were laid down in the Dutch Constitution in the early 19th century by the famous statesman Thorbecke. Since then, the public sector has expanded from a so-called Nightwatch State responsible only for peace and order to a contemporary Western welfare state that cares and provides for all its citizens (Den Hoed, 1992), but the structural principles have not changed. Dutch government consists of three levels, together forming a hierarchy of authorities: at the central level the ministers (supported by departments), then the twelve provinces of the Netherlands and finally a few hundred municipalities headed by appointed mayors and elected aldermen.

Next to those three levels the Constitution mentions a fourth category of public bodies which is not hierarchically related to the former three categories. This fourth category consists of organisations that were given autonomy because it was believed that the task with which they

are charged, required such autonomy (Den Hoed, 1992). Established at the national level as public bodies, many of these organisations operate in sub-regions. The best known example are the Polders (in Dutch: waterschappen), charged with all water-related tasks in a particular area ranging from the purification of tap water to the maintenance of dikes. Generally, the fourth category consists of public and quasi-public bodies.

Quasi-public bodies have a long history in the Netherlands. The consociational system (Aquina, 1988) and the pillarization of society have always induced compromises in policy decisions, which in turn often favoured the setting up of bodies in which all relevant parties were represented. The tripartite or corporate model (Hemerijck, 1994) in which representatives of employers, employees and the government strive for consensus is nowadays even seen as the key to the Dutch economic success of the 1990s.

The Dutch system of administrative law offers legislators the opportunity to create several types of organisations all of which could be considered quangos but in general, however, there seem to be three broad types of organisation that could qualify as quangos (cf. Committee Sint, 1994:23). First, there is a small number of privatised former state-owned enterprises such as the Postal Bank and Telephone Company (PTT) and the Dutch State Mines (DSM).

The Dutch experience with privatisation, however, is very limited especially when compared to the UK. Semi-privatisation or quango-cratisation has always been much more popular to Dutch politicians, who prefer to speak of functional decentralisation (as opposed to territorial decentralisation) or 'autonomisation'. Following this idea of autonomisation, two types of quangos are distinguished here (*agentschappen* and *ZBOs*). It should be noted, however, that neither of these types is mentioned in the Constitution (yet).

Since 1994 a small number of departmental units have been given more autonomy with regard to the implementation of policies. Contracts are drawn between these units (in Dutch: *agentschappen*) and the department. This development can be compared to the Next Steps Agencies in the UK (see next section) and the contract agencies in Denmark (Greve, 1996). One example is the Dutch prison service. The increased autonomy, however, relates to managerial matters mostly such as personnel and technology. Full ministerial responsibility remains and the agency remains part of the department, sometimes even located within the same building. This is not true for the last type of quango: the "zelfstandig bestuursorgaan" or ZBO in Dutch (translation: autonomous administrative authority).

ZBOs have more autonomy than the aforementioned agencies and ministerial responsibility for their activities is restricted. In 1995 the Netherlands Court of Audit published a survey among all ZBOs, focusing especially on their accountability requirements. The survey found that the 545 ZBOs in the Netherlands employed approximately 130,000 people and spend about HFL. 160 billion in 1993. Some examples are: Labour Exchange Service, public universities, Infant Welfare Centres, Chambers of Commerce, the National Bank, several Arts Councils, organisations charged with the examination of food or agricultural products, Funds for Health Insurance, the Student Loans Company, the Land Registry Office, etc. (Algemene Rekenkamer, 1995). Although some ZBOs date back to previous centuries, most of them were established after the Second World War in the 1950s, 1970s and 1980s. Over 40% of these bodies were created in the 1980s, often as the result of mergers between existing ZBOs and other (quasi-public) bodies. Most ZBOs are charged with supervision, certification or the payment of benefits (Leeuw & Van Thiel, 1998).

A debate on quangos has been absent for a long time. The study of the Netherlands Court of Audit triggered the debate because it displayed how little was known about ZBOs - due to poor accountability requirements - despite the enormous amounts of money spent on and by ZBOs. The general opinion of the cabinet and parliament was that the primacy of politicians should be restored (Herstel, 1996) and actions were undertaken accordingly. Instructions have been developed that specify under which conditions the establishment of new quangos is warranted and which accountability requirements should be met (Aanwijzingen, 1996). A new survey among all ZBOs was launched by the Home Office (Doorlichting, 1997) which initiated a large scale re-assessment of quangos' statutes. A proposed bill on quangos was, however, rejected in the Council of Ministers.

In September 1997 the most recent reform proposals were debated. This reform package revolved around including ZBOs in the Constitutionally based fourth category of public bodies. However, changing (part of) the Constitution is a lengthy and complex procedure. Therefore, it will take some more time before the position and definition of quangos in the Netherlands is clarified.

## **The United Kingdom**



Quangos have a distinguished history in British political history. Their roots are to be found in the quasi-independent boards of the 17th and 18th centuries which were established to carry out activities which were seen at the time as not fully in the realm of government. Ironically concerns about the accountability and legitimacy of these boards led to them being absorbed into ministerial departments. Despite this, bodies with some element of independence continued to be created, such as the Arts Council before the second world war. Quangos seem to enjoy an element of immortality. Despite the fact that many die when the goals for which they were created have been achieved, the Decimal Currency Board for example, many die only to be reincarnated under a new name in future years. For example, the Council for the Encouragement of Music and Arts passed away decades ago but has been reincarnated in recent years in the form of the Arts Council.

In the United Kingdom the term 'quango' seems to have been applied to just about everything and anything. Bodies which have been collected under the umbrella of 'quangos' include TECs, LECs, HATs, NHS Trusts, the Regulators, the Legal Aid Board, the BBC, Fundholding GPs, voluntary organisations, grant maintained schools, police authorities the Housing Corporation, the Millennium Commission, charities, advisory or fringe bodies, the Research Councils, the Sports Council and even the Committee on Standards in Public Life. This list is endless with there being no clear cut definition of what exactly a quango is. It would be nearer to the truth to say that any body or organisation which cannot be unquestionably defined as public or private is open to being labelled as a quango.

This fact has obviously undermined academic research as differing definitions of what a quango is obviously leads to differing levels of quango activity and numbers. For example, the last Conservative government in the UK employed a rather restrictive definition which included only Non-Departmental Public Bodies (NDPBs). These are bodies which exist at the national level 'which are not government departments or parts of one, and operate to a greater or lesser extent at arm's length from ministers' (Cm 3179 p.6). For the last government it was politically convenient to employ such a narrow quango definition. Indeed, employing this minimalist definition allowed the government to claim they had reduced the number of quangos as the number of NDPBs had fallen by 45%, a drop of 973 bodies, between 1979 and 1996 (Public Bodies, 1996).

Sheer numbers of quangos is an unreliable indicator of quango activity. More reliable, and politically illuminating, is the amount of public money channelled into these bodies. Here lies the paradox, despite a 45% reduction in the number of executive NDPBs the amount they spent in the same period increased by over 300%, from £6 billion to £21.4 billion. The last Conservative government's definition is highly controversial and fails to include the fact that quasi-autonomous bodies have burgeoned in many sectors, health and education for example. Nor does it include the 123 Next Steps agencies which have been created since 1988. The latter, whilst still constitutionally parts of their parent departments, are designed to be independent and have been the topic of concerns over accountability, transparency and, as many are prepared for contracting out or privatisation, their future within the public sector.

The lack of an agreed definition, or at least the creation of a clear and stated definition of what each commentator is including under their use of the phrase, has led to heated debate and confusion (Hogwood, 1995). Contrast, for example, the last governments figures with those of Hall & Weir (1994). If the government's definition is minimalist Weir and Hall's is definitely maximalist including regional and local bodies such as Housing Associations, grant maintained schools, police authorities and TECs. Whereas the government's definition led to a total of only 309 quangos Weir and Hall's definition produces some 5,573 bodies spending £46.6 billion, nearly a third of government expenditure.

With the growth of quangos, in terms of sheer numbers and spending power, over the last eighteen years many people thought that the election of the new Labour government in the UK may signal a new dawn for the British quango state. As yet the jury on this question is still out. Several (constitutional) reforms have been advocated, but not (yet) put into practice. For example, plans for the creation of regional assemblies that would have replaced a large number of quangos have now been dropped (Parker & Tighe, 1997). In some cases, even new quangos have been established as in the case of the Regional Development Agencies. Perhaps the creation of a Scottish parliament and a Welsh assembly will in time lead to a reduction in the number of quangos and a greater oversight of those which continue to exist.

British quasi-government is in a transient and confused stage of development. This is due to both institutional and terminological confusion which are both fundamentally linked. Institutional confusion has been caused by the fact that a new government, faced with the complexities of office, are now back-tracking on the anti-quango polemics of their time in

opposition. Compared to the public sector when the Labour party last held office the contemporary structure is unrecognisable. It is infinitely more complex and diverse. This complexity links in with the lack of clarity surrounding the term 'quango'. In reality there is no such thing as 'a quango'. Instead, a plethora of quasi-autonomous bodies exist which all raise questions of legitimacy, openness, accountability and control. Thus, there is no single or simple solution to the quango debate. Instead each species or sub-sectional category of the world of quangos needs to be examined on a case by case basis.

### **Discussion: All Bound for Quangoland?**

A number of points emerge from the previous discussion. First, quangos have a long and diverse history in all three countries. Second, the institutional constraints in each country provides an answer to the different shape and importance quangos have taken. Third, as the plurality of quangos continues to unfold, we need to recognise the need for a sub-sectional division of the quango *continuum*. Let us explore these points in turn, bearing in mind our chief objective to move the quango discussion forward by clarifying the many institutional forms quangos can adopt.

The advent of quangos is not a new phenomenon. This statement from the beginning of the article can be confirmed after the three 'country reports'. Denmark has a long tradition of co-operation between companies and charities in the private sector and public organisations. In the Netherlands, pillarisation and the consociational system mean that possible adversary parties are encouraged and institutionalised into bargaining and negotiating. In Britain, many charities have fulfilled public tasks as early as in the 17th and 18th century. It is important to be aware of the historical dimension here because solutions to many of today's administrative problems may have been found earlier already. Clearly, having powerful private sector companies carrying out 'government' functions was as familiar a problem for 19th century governments as for governments today. And how to deal with that may not be as different in our century as we are sometimes inclined to think.

This leads us to the second point, about country specific institutional constraints. In each country there might be institutional reasons why a 'quango reform' is not around the

corner. In Denmark, local governments are very powerful and can resist government initiatives. Attempts to limit the number and types of quangos could be conceived of as an attempt to undermine local powers and will therefore be resisted by local governments. Another important characteristic of Danish politics here is the deep rooted pragmatism which tends to resist sweeping administrative and constitutional reforms. In the Netherlands, the initiatives of the Home Office seem to point to a reform of the quango-structure. However, a decrease in the use and in the number of quangos is not expected. Quangos are often the result of a compromise between many parties who will not forego their interests easily. In Britain, the 'winner-takes-it-all' political system means that an incoming government can mould the quango-sector almost any way it likes. That probably explains why the new Labour government has not launched any rapid far reaching reforms and has even created a range of new bodies and has embraced existing ones. As with previous Conservative governments, the Labour government has discovered that many quangos are politically attractive, although democratically suspicious, and want to increase rather than diminish this advantage.

In sum, the institutional structure of the state is important to how quangos are treated. Denmark and the Netherlands prefer a negotiation strategy in which interests are carefully weighted and divided. The institutional structure in Britain makes it likely that incoming governments will use quangos actively, and prevent, for example, appointment procedures which benefit opposition parties.

The third point is related to the discussion above and concerns the plethora of quasi-government bodies. In each country a plurality of quangos was found and the number of quangos as well as the organisational forms seem to be growing. The previous sections show that in different countries different bodies seem to attract most attention. In Denmark the discussion has concerned state owned enterprises and voluntary social organisations. Denmark has not had a discussion on advisory boards and councils as in Britain (see Weir & Hall, 1995). The Netherlands has focused its discussion on ZBOs and not on state owned enterprises or local quangos for that matter. In Britain much attention has been given to local quangos, regulatory bodies and the advisory bodies mentioned above. Less attention has been paid to the role, power and accountability of voluntary organisations (Plummer, 1996). Much discussion has also focused on Next Steps agencies, while the attention for *agentschappen* in the Netherlands and contract agencies in Denmark has been far less.

One explanation for these differences in attention is the pace and novelty of reform in each country. Denmark experimented with semi-autonomous agencies in the 1960s. Consequently, the launch of the Next Steps programme in the 1980s in the UK did not prompt Danish politicians and civil servants to reconsider creating agencies. Likewise, the voluntary sector in Britain is an established part of delivering welfare, and has not caused serious concerns in the British quango literature. In the Netherlands, autonomous organisations such as the *waterschappen* have been an integrated part of the organisational structure of the state for a very long time now. Creating new public bodies is therefore not a novelty. Another explanation for the differences in attention for quangos might be the type of crises that quangos have experienced. In Britain, local quangos have been engulfed in the ‘sleaze’ debate due to clear examples of party patronage in the pre-Nolan era. Consequently, local quangos are singled out as needing reform. In the Netherlands, the discovery of imperfect accountability mechanisms for ZBOs meant that they were targeted for reform, while others, such as state owned companies or voluntary organisations have not been subject to ‘scandals’ or inefficiency. In Denmark, contract agencies live a quiet life of their own, while bankruptcy and privatisation of state owned companies have caused debate. In the UK problems with HM Prison Service have generated a wealth of literature whilst other equally salient agencies have been virtually ignored.

The difference in attention for quangos in Denmark, the Netherlands and Britain is important for quango research. We need to acknowledge the institutional, constitutional and legal position of quangos in future discussions and debates. Next Steps agencies in Britain must be compared to *agentschappen* in the Netherlands and contract agencies in Denmark, not to state owned enterprises or voluntary organisations in Britain. While this may seem an obvious point, a glance at both the academic and journalistic literature on quangos suggests that this is often not the case. Reform proposals are still made and discussed which naively attempt to solve the ‘quango problem’ in general rather than focusing on particular types of body.

There does seem to be some consensus in the literature on the basic features of quangos. In the beginning of the article we characterised quangos as organisations which spend public money and fulfil a public function but exist with some degree of independence from politicians. But a clear definition to understand the plethora of organisations with such

features is still missing. Most efforts to solve the definition problem have so far not been successful on two accounts. Firstly, attempts were made to deduce a theoretical definition based on structural features of organisations (i.e. property rights, formal government jurisdiction, ownership, etcetera). This produced long lists of organisations but invariably left some organisation out of the quango count on pure formal reasons. Secondly, most studies focused on government organisations which had their functions decentralised functionally and left out bodies which have developed on a bottom up basis such as charities and voluntary organisations.

To go beyond these limitations we suggest another agenda: firstly, to base a definition on *practical autonomy* rather than formal, legal autonomy; secondly, to describe the various quango types, acknowledging their difference and desist searching for the ‘ultimate’ definition. In pursuing these lines, we discuss *both* the core of the quango question, i.e. autonomy *and* the plurality question, i.e. the plethora of different bodies with different problems.

The issue of autonomy is at the heart of the quango debate. Mostly, autonomy is conceived as ‘autonomy from elected politicians (or the state)’. But for voluntary organisations wanting to be integrated in public service delivery, ‘autonomy from the state’ is not necessarily the primary concern. A voluntary, social organisation might seek ‘autonomy from the market’ instead. Likewise, a Next Steps agency might wish for autonomy vis-à-vis interest groups rather than from politicians or civil servants. Therefore, looking for definitions which specifies the public law framework (or lack of) for an organisation may not be relevant to the issue of autonomy. Legal protection from the state can, in many cases, improve autonomy - but from the market, not the state. It is also difficult but important to differentiate between theoretical (legal or constitutional) autonomy and actual autonomy. Just because the constitutional position or legal framework of an organisation attempts to ensure independence this does not mean it will happen in practice. Politicians can often evade constitutional niceties and exert informal influences when necessary. For example, the Nationalised Industries which existed in the UK in the Post war decades enjoyed a legal framework which gave them independence from ministers on day to day matters. In reality ministers exerted unofficial influence through informal meetings or what became known as ‘government by

luncheon'. Moreover, one needs to keep in mind that the public financing of quangos also gives politicians a strong instrument to influence quangos' activities.

Furthermore, the history of an organisation must be taken into account when discussing quangos. One Next Steps agency, like the Prison Service may perceive a performance contract as a great liberation and improvement from the bureaucratic constraints of the Home Office. Another Next Steps agency which has been granted much freedom in the past, may think of a performance agreement as a terrible constraint which reduces its autonomy. The same could be said for other types of quangos like state owned enterprises, the Dutch ZBOs or the private companies which have long relationships with the state through commercial contracts. Organisations can be constituted from the bottom up or sideways across as Hood (1986) once framed it. Therefore, we need to focus on practical autonomy in the future. However, such an approach implies that that we cannot label organisations as quangos beforehand. We need to examine the context and history of each organisation to judge whether they enjoy autonomy or not. Essentially, this means that we adopt a historical-institutional approach to the study of quangos (Steinmo, Thelen & Longstreth, 1992).

The historical-institutional approach leads us to our second point. While we cannot hope for one waterproof definition for all quangos, we can point to different types of quangos that share specific problems or characteristics. Below we offer a sub-sectional map of different types of quangos (based on Sint, 1994).

Insert table 1 about here

In table 1 five types of organisations are listed on a continuum of quangos. Departmental units are of course not quangos, but have been added to the list to emphasize the differences between certain types of organisations. Table 1 illustrates the point we have been making so far; as different types of organisations are faced with different conditions, reforms need to recognise these differences to be succesfull. Also, the type of task has to be taken into account. Harden & Marquand (1997:17-18) maintain that quangos are generally charged with three types of tasks: policy implementation (or 'doing the job'), scrutiny (i.e., supervision, regulation and auditing) and providing information or advice to government. While the first

category may be most common, it would be foolish to base all reform proposals on ‘doing the job’ quangos. Advisory bodies, for example, require high integrity from its employees. Reforms could therefore be aiming at the procedures on appointments or the training of civil servants. Elaborate performance indicators may be less appropriate in such quangos, whereas the opposite is the case for ‘doing the job’ quangos. Here, the main problem is to ensure external accountability and performance indicators may serve as a useful measurement point. In quangos with scrutinising tasks such as regulators transparency is the essential factor and should be the central aim of reforms.

Although some types of quangos will be charged more frequently with particular types of tasks (e.g., providing advice will seldom be contracted out), different types of quangos can be charged with similar tasks. Therefore, we argue that it is not so much the type of task that is relevant to distinguish between quangos but the conditions under which they operate. In table 1 five such conditions are described: finances, ministerial responsibility, control mechanisms, public task and public domain. When reading table 1 from right to left one can notice the ‘turning point’ in the middle, where the opportunities for influence by politicians becomes reduced more and more. This is most evident in the control mechanisms, ministerial responsibility and the way of financing. While contract agencies have more autonomy than departmental units, as laid down in a framework document, there is still a strong hierarchical and financial relationship with the parent department and the minister. A little further down the continuum, ministerial responsibility is reduced leaving public bodies, such as executive non-departmental bodies, advisory bodies and the Dutch ZBOs, with more autonomy than contract agencies, sometimes even in financial matters (levying). Next, cooperation with voluntary organisations and contracts with private organisations entail more and more autonomy for the organisation in their execution of public tasks. And at this point of the continuum one can no longer speak of ‘public’ organisations (i.e. in the public domain). This does not, however, imply that the task they have been charged with is no longer a public task. But it does become more likely that the task is no longer the only task of the organisation, nor its main activity (hence the question mark in table 1). Politicians can exert control only through the terms of contracts and/or the size of subsidies.

Table 1 includes examples of all the types of quangos we have distinguished. It can be used to identify types of quangos, not only to improve the chances of success for reforms



but also to enable research on this topic. A categorisation of quangos within countries will eventually make comparisons over countries possible. It should be noted, however, that ‘quango drift’ can shift organisations along the continuum; organisations can be counted as different types of quangos at different points in time. For example, a departmental unit can be transformed into a contract agency. In that case, a framework document will be drawn and the organisation will gain some autonomy. Or, a departmental unit can be ‘hived off’ into a public body. But the opposite can also happen when, for example, a voluntary organisation is turned into a public body (‘hived in’). From then on, ministerial responsibility is applied to its activities which means that its former autonomy is reduced.

## **Conclusion**

Quangos are varied species, we are often told. In this article, we have substantiated this argument by looking at quangos in three different countries: Denmark, the Netherlands and Britain. The quango history in each country goes a long way back. Quangos have flourished and today appear in many different shapes and forms. The institutional structure in each country determines the nature of ‘quangoland’ today. Furthermore, the institutional structure, legal basis, constitutional framework and political culture combined with the nature of the political initiatives shapes the reform pace of the different countries. Denmark is a slow starter when it comes to administrative reform towards quangos and will remain so because of its pragmatism and strong tier of local government. The Netherlands have showed more movement towards reform by proposing to integrate quangos formally in the organisational structure of public service delivery. Britain’s constitutional elasticity ensures that governments’ have a clear choice - they either exploit the system to their own advantage or embark on a reforms package which opens up the system and realises the democratic potential of quangos (Flinders & Smith, 1998). The new Labour government is currently taking its first steps along the second road and has recently published a consultation document entitled ‘*Opening Up Quangos*’(1997).

The variety of “quangoland” which our comparative approach has highlighted, needs to be recognised in future studies, particular on the question of defining quangos. In the discussion section, we have argued for an approach which focuses on the *practical autonomy*

of modern organisations (as opposed to more formal, legal autonomy) in distinguishing quangos from other organisations. The historical-institutional approach which contextualises quangos, and the practical autonomy focus, has led us to draw a sub-sectional map of distinctive types of quangos. In our view, future studies and reform proposals need to differentiate between these different types of quangos in order to be successful.

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**Table 1. Sub-sectional map of quangos**

	<b>contracting out</b>	<b>Privatisation/ semi privatisation</b>	<b>voluntary/charity</b>	<b>public body</b>	<b>contract agency</b>	<b>departmental unit</b>
<b>definition</b>	private organisation contract with state	Former state owned company now wholly or partly privatised	bottom-up body performing public function	at arms' length, but publically funded	quasi-autonomous part of department	hierarchical unit under direct control of minister
<b>finances</b>	market mechanism	capital market, stock exchange	donations, subsidy	State Budget or levying	State Budget	State Budget
<b>ministerial responsibility</b>	?	no	no	partial	yes	yes
<b>control mechanism</b>	contract	market regulation	co-op, contract	statutes	framework document	direct political
<b>public task</b>	?	?	yes	yes	yes	yes
<b>public domain</b>	no	no	yes	yes	yes	yes
<b>UK</b>	group 4 (prison security)	British Rail	Shelter	regulators, TECs	Prison Service	Home Office
<b>Netherlands</b>	waste disposal in municipalities	Postal Services	Salvation Army	public universities, legal aid	Service for Immigration and Naturalisation	Justice
<b>Denmark</b>	Falcke	Copenhagen Airport	Danish Sport Association	National Bank Danish Radio	Patent Office	Economics