**On-line Annex for**

**Democratic Accountability and the Politics of Mass Administrative Reorganization**

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**Appendix (Not for Publication)**

 In the main text of the paper, we exclude some information for the sake of brevity that may be of interest to readers interested in the substantive or technical aspects of the paper. In this online appendix, we briefly sketch out some additional details and background of the NDPB reform. As part of that discussion, we include an example that highlights the complexity of termination: what became of the UK Film Council? Additionally, we include a series of alternative model specifications to demonstrate the robustness of the main results in the paper.

**The Coalition and the Quango**

 As mentioned in the text of the paper, the Conservative Party made “curtail[ing] the quango state” part of their manifesto (or party platform). Nevertheless, the Conservative Party did not win an outright majority in the 2010 general election. Parliament has 650 seats; the Conservatives won 47.1 percent (306 seats) and the Liberal-Democrats won 8.8 percent (57 seats). The Lib-Dems and the Conservative Party then entered into a coalition agreement in May of 2010 that included language pledging to “reduce the number of quangos.”

 The reorganization took place in two main steps. In 2010, the new government issues a preliminary report. The 2011 update, considered the final version for this paper, made some alterations to that initial plan and was issued around the same time that the government passed the enabling legislation. The Public Bodies Act of 2011 permits ministers to dispose of the agencies in the proposal by abolition, merger with other independent agencies, or the transfer of functions performed by these agencies into cabinet departments. We exclude from our study National Health Service agencies, which were the subject of a separate reorganization plan, executive agencies, and devolved agencies in Scotland, Wales, and Northern Ireland subject to other plans (and impacted by politics that incorporate additional veto points). So while we focus on this component (NDPBs), this reform took place within the context of several other reform initiatives as well.

 This is a salient component of the reform efforts of the government. Some of the agencies involved were large or well known; articles about the NDPB reform can be found across many major British newspapers. Furthermore, this is not the first effort at reforming the British administrative state. Public arguments in regard to the reorganization have been largely about the efficient use of government financial resources of the excesses of patronage appointees to these administrative agencies. Appointments to NDPBs, particularly advisory bodies, have been seen as pure patronage, and expenses incurred by incumbents as something close to graft, particularly since allegations of “sleaze” in 1992 during the premiership of John Major (Stott 1995).

 Nevertheless, the key official in charge of implementing the NDPB reform proposal we study, Francis Maude MP, Minister for the Cabinet office, emphasized accountability. In an interview, a Department for Transport official recalled Maude’s views: “The further you take decisions away from elected politicians, the less accountable the decisions become. That’s the theology… you should only be having NDPBs and spending money through them where you have a very clear basis” (Skelcher and Department for Transport Official, 2012). The public face of cost-cutting also did not seem to be the core motivation behind the mass reorganization to officials in departments who had the make the cuts under the authority of the Public Bodies Act. One Ministry of Justice official states, “some of the justifications for the reform agenda seem confused, and it is not always clear whether the focus is on accountability or efficiency. [[1]](#footnote-1) It is the consequences of these reforms for government accountability that constitute our focus for this study.

**An Illustration of the Government’s Choice: The UK Film Council**

The UK Film Council (UKFC), created by the prior Labour government to promote the British film industry, exemplifies the complexities of termination. Despite previous calls for a merger with the British Film Institute (BFI), a charity that receives some government funding, the government announced its abolition without transferring functions to other bodies. The stated rationale was to establish “a direct and less bureaucratic relationship with the [BFI]” (Shrinking the State Project 2014). While the government nominally abolished the function of the UKFC, the functions are not wholly extinct; a considerable amount of public money the UKFC received now goes directly to the British Film Institute. Accountability for the function is still attenuated and the commitment to the industry has not been rescinded, nor from a policy commitment standpoint is this action a competing risk of termination. This publicly financed function is now more distant from ministerial responsibility than when handled by an independent agency.

Yet as the case of the UKFC reveals, functions may be provided outside of government even when programs are terminated, and this has accountability implications. In particular, even if the government had decided to not fund any of its functions through the BFI, the government would be responsible for the *absence* of the policy. This applies to any policymaking choices with democratic accountability; politicians may be able to terminate functions it is far more problematic to terminate responsibility for those functions.

**Supplemental Models**

The sequential logit models we estimate can be formally specified as follows. At level 1, the probability model for agency *i* is:

The model at level 2 can be written:

Similarly, the model at level 3 is as follows:

For instance, we can compute the probability that an agency is reformed rather than retained as-is at level 2 in the following way.

Probabilities for the remaining lower level reorganization choices in Figure 1 can be calculated in a similar fashion.

This study spans a complex and diverse area of the British government. To examine other possible effects, we include several alternative models presented in tables S1 and S2 employing different specifications. The first of these, the limited model, includes just the core variables for our hypotheses. We also measured mission conflict using a combination of the 2005 and 2010 Labour Party platforms in the “averaged mission conflict” model. Furthermore, we have some expenditure data, so we include an “adds expenditures” model to further control for agency size (so, in addition to the FTE variable). We also add a “different era indicators” model to reflect the potential impact of a more delayed learning component from Carpenter and Lewis (2004). For all of these models, we include the model Bayesian Information Criterion (BIC) to provide some relative sense of the fit of each model.

Most of the results included in Tables S1 and S2 are fairly robust and consistent across models. We estimated additional unreported specifications, largely focused on the patronage hypothesis. These included models with variables included capturing whether the NDPB had no ministerial appointments to grant, the OCPA monitor appointments, both, and those variables interacted. We were particularly interested about whether NDPBs with appointments at the gift of ministers and little oversight would have different outcomes than other NDPBs; that interaction was not significant at any of the three levels in that model.

Table S3 presents a multinomial logit model with the same variables. Note that with this model it is difficult to do direct comparisons between integrate and abolish, for example, with the base category as retention. On the other hand, many similar patterns appear as in our other specifications, but the multinomial logit model is less theoretically consistent than the approach we employ. There are other multinomial choice models—nested logit or multinomial probit—that one might wish to use to analyze this type of data. Those models can overcome the theoretical concern about the independence of irrelevant alternatives (IIA) property discussed in the text. Unfortunately, they require something for which it has proven impossible to document in our data, namely, details about the specific dispositional alternatives for each agency, including alternatives not chosen. This alternative-specific (rather than observation-specific) data allows this model to identify how close a substitute one choice is for another, i.e., how similar integration into a ministerial department is to total abolition of functions. One might think about doing this with something like budgetary information: how much would the government have spent on the agency were it to be integrated rather than abolished? Nevertheless, this type of data does not exist in this particular context: the government could have chosen *any* budgetary level for an integrated agency and never had to select from a specific menu of costs. In particular, as an element of agenda setting, the government could arbitrarily specify any level of resources for an alternative it does not intend to choose. This sort of choice would be more readily imaginable in a system like the United States, where Congress might offer the Executive specific choices. In the absence of a well-defined set of choices, it is better to apply the sequential logit model here; we are estimating the probabilities the government chooses any particular action at any particular node, without being required to invent details.

**Table S1: Comparing Specifications, Level 1 Effects**

Significance: \*\* = 0.05; \* = 0.10; † > 0.10 by 0.01 or less.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Remove Rather than Maintain Independence | Limited Model | Main Model | Averaged Mission Conflict | Adds Expenditures | Different Era Indicators |
| NDPB Mission Conflict | -0.21\*\* | -0.15\*\* | -0.17\*\* | -0.15\*\* | -0.15\*\* |
| Policy Area Conflict |  0.40\*\* |  0.44\*\* |  0.44\*\* |  0.44\*\* |  0.45\*\* |
| Gov't Operations Indicator | -6.72\*\* | -7.38\*\* | -7.27\*\* | -7.37\*\* | -7.37\*\* |
| Founded: G. Brown |  |  0.07 |  0.04 |  0.10 |  |
| Founded: T. Blair |  |  0.24 |  0.19 |  0.25 |  |
| Founded: New Labour |  |  |  |  | -0.07 |
| Founded: Thatcher or Major |  |  |  |  | -0.39 |
| NDPB Age | -0.01\*\* | -0.01\* | -0.01† | -0.01\*\* | -0.01\* |
| Advisory Body |  1.28\*\* |  1.03\*\* |  1.04\*\* |  1.07\*\* |  1.05\*\* |
| Public Meetings or Minutes |  0.25 |  0.49\* |  0.54\* |  0.49† |  0.54\* |
| Parent Dep't. Reformed |  |  1.77\*\* |  1.80\*\* |  1.75\*\* |  1.76\*\* |
| (Log) Full Time Employees |  | -0.13 | -0.13 | -0.15 | -0.12 |
| No FTE Indicator |  |  0.55 |  0.53 |  0.67 |  0.58 |
| (Log) Expenditures |  |  |  |  0.00 |  |
| No Expenditure Indicator |  |  |  | -0.37 |  |
| Constant | -1.17\*\* | -2.38\*\* | -2.47\*\* | -2.20\* | -2.17\*\* |
| Model BIC | 1020.05 | 1035.77 | 1032.93 | 1070.03 | 1037.62 |

**Table S2: Comparing Alternative Sequential Logit Specifications**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Reform Rather Than Retain | Limited Model | Main Model | Averaged Mission Conflict | Adds Expenditures | Different Era Indicators |
| NDPB Mission Conflict |  0.13\* |  0.16\*\* |  0.19\*\* |  0.16\*\* |  0.15\* |
| Policy Area Conflict | -0.21 | -0.21 | -0.19 | -0.23 | -0.18 |
| Gov't Operations Indicator |  4.49\* |  4.42\* |  3.91 |  4.71\* |  4.04 |
| Founded: G. Brown |  | -0.65 | -0.60 | -0.62 |  |
| Founded: T. Blair |  |  0.24 |  0.32 |  0.27 |  |
| Founded: New Labour |  |  |  |  | -0.46 |
| Founded: Thatcher or Major |  |  |  |  | -0.56 |
| NDPB Age | -0.01\*\* | -0.01\* | -0.01\* | -0.01\*\* | -0.02\* |
| Advisory Body | -0.88\*\* | -1.41\*\* | -1.43\*\* | -1.29\*\* | -1.38\*\* |
| Public Meetings or Minutes |  0.09 |  0.23 |  0.22 |  0.15 |  0.37 |
| Parent Dep't. Reformed |  |  0.75\*\* |  0.73\*\* |  0.73\*\* |  0.67\*\* |
| (Log) Full Time Employees |  | -0.35\*\* | -0.36\*\* | -0.47\*\* | -0.35\*\* |
| No FTE Indicator |  | -1.24\*\* | -1.20\*\* | -1.31\*\* | -1.33\*\* |
| (Log) Expenditures |  |  |  |  0.11 |  |
| No Expenditure Indicator |  |  |  |  1.27 |  |
| Constant | -0.49 |  0.63 |  0.65 | -0.62 |  1.07 |
| Abolish Rather Than Integrate | Limited Model | Main Model | Averaged Mission Conflict | Adds Expenditures | Different Era Indicators |
| NDPB Mission Conflict | -0.33\*\* | -0.29\*\* | -0.33\*\* | -0.28\* | -0.29\*\* |
| Policy Area Conflict |  0.13 |  0.18 |  0.20 |  0.20 |  0.16 |
| Gov't Operations Indicator | -2.93 | -4.25 | -4.35 | -4.69 | -4.04 |
| Founded: G. Brown |  |  1.13 |  1.12 |  1.16 |  |
| Founded: T. Blair |  |  1.66\*\* |  1.64\*\* |  1.70\*\* |  |
| Founded: New Labour |  |  |  |  |  1.19 |
| Founded: Thatcher or Major |  |  |  |  | -0.59 |
| NDPB Age |  0.00 |  0.01 |  0.01 |  0.01 |  0.01 |
| Advisory Body |  1.21\*\* |  1.00\* |  1.01\* |  0.99\* |  1.15\* |
| Public Meetings or Minutes | -1.76\*\* | -2.11\*\* | -2.01\*\* | -2.15\*\* | -2.07\*\* |
| Parent Dep't. Reformed |  |  0.51 |  0.54 |  0.48 |  0.49 |
| (Log) Full Time Employees |  | -0.33 | -0.35 | -0.26 | -0.25 |
| No FTE Indicator |  | -1.05 | -1.12 | -0.93 | -0.81 |
| (Log) Expenditures |  |  |  | -0.08 |  |
| No Expenditure Indicator |  |  |  | -1.21 |  |
| Constant |  0.65 |  0.25 |  0.01 |  1.25 |  0.30 |

**Table S3: Multinomial Logit Model**

This model uses the same variable specifications as the previous models but a multinomial logit framework. Retain without reform is the excluded category.

|  |  |  |  |
| --- | --- | --- | --- |
|  | Reform | Integrate | Abolish |
|  | Coef. | p-value | Coef. | p-value | Coef. | p-value |
| NDPB Mission Conflict |  0.17\*\* | 0.03 | -0.01 | 0.95 | -0.24\*\* | 0.03 |
| Policy Area Conflict | -0.21 | 0.15 |  0.32\*\* | 0.05 |  0.50\*\* | 0.01 |
| Gov't Operations Indicator |  4.27\* | 0.10 | -4.81\* | 0.10 | -8.60\*\* | 0.01 |
| Founded: G. Brown | -0.73 | 0.17 | -0.32 | 0.56 |  0.29 | 0.64 |
| Founded: T Blair |  0.08 | 0.85 | -0.03 | 0.95 |  0.88\* | 0.08 |
| NDPB Age | -0.01\*\* | 0.04 | -0.02\*\* | 0.04 | -0.01 | 0.45 |
| Advisory Body | -1.48\*\* | 0.00 |  0.21 | 0.63 |  0.88\*\* | 0.05 |
| Public Meetings or Minutes |  0.28 | 0.45 |  1.34\*\* | 0.00 | -0.52 | 0.24 |
| Parent Department Reformed |  0.73\*\* | 0.03 |  1.73\*\* | 0.00 |  2.35\*\* | 0.00 |
| (Log) Full Time Employees | -0.37\*\* | 0.00 | -0.16 | 0.20 | -0.52\*\* | 0.00 |
| No Employees Indicator | -1.27\*\* | 0.01 |  0.64 | 0.23 | -0.70 | 0.24 |
| Constant |  0.78 | 0.22 | -2.48\*\* | 0.00 | -1.73 | 0.04 |

**Table S4: Comparison of our preferred specification (PS) to a model proposed by R2 with Squared and Cubed Mission Conflict (SQ)**

|  |  |  |  |
| --- | --- | --- | --- |
|  | *Level 1: Remove Independence* | *Level 2: Reform* | *Level 3: Abolish* |
| **Variable** | **PS Coef.** | **PS Z** | **SQ Coef.** | **SQ Z** | **PS Coef.** | **PS Z** | **SQ Coef.** | **SQ Z** | **PS Coef.** | **PS Z** | **SQ Coef.** | **SQ Z** |
| Mission Imp. Conflict (MIC) | -0.15 | -2.06 | 0.61 | 0.98 | 0.16 | 1.95 | -1.60 | -1.96 | -0.29 | -2.01 | -0.36 | -0.33 |
| MIC2 |  |  | -0.22 | -0.79 |  |  | 0.76 | 2.06 |  |  | -0.01 | -0.01 |
| MIC3 |  |  | 0.02 | 0.49 |  |  | -0.08 | -1.93 |  |  | 0.00 | 0.06 |
| Policy Area Conflict | 0.44 | 3.35 | 0.49 | 3.51 | -0.21 | -1.46 | -0.23 | -1.59 | 0.18 | 0.76 | 0.16 | 0.67 |
| Gov't Operations Indicator | -7.38 | -3.09 | -8.01 | -3.22 | 4.42 | 1.66 | 4.70 | 1.75 | -4.25 | -1.00 | -3.97 | -0.90 |
| PM: Blair | 0.07 | 0.16 | 0.12 | 0.27 | -0.65 | -1.24 | -0.78 | -1.46 | 1.13 | 1.25 | 1.11 | 1.21 |
| PM: Brown | 0.24 | 0.70 | 0.27 | 0.79 | 0.24 | 0.60 | 0.01 | 0.03 | 1.66 | 2.24 | 1.63 | 2.19 |
| NDPB Age | -0.01 | -1.66 | -0.01 | -1.44 | -0.01 | -1.81 | -0.01 | -1.97 | 0.01 | 0.82 | 0.01 | 0.77 |
| Advisory Body | 1.03 | 3.18 | 0.98 | 3.01 | -1.41 | -3.34 | -1.37 | -3.19 | 1.00 | 1.63 | 1.01 | 1.65 |
| Public Meetings or Minutes | 0.49 | 1.62 | 0.51 | 1.65 | 0.23 | 0.61 | 0.34 | 0.89 | -2.11 | -3.81 | -2.12 | -3.82 |
| Parent Department Reformed | 1.77 | 6.23 | 1.76 | 5.80 | 0.75 | 2.24 | 0.88 | 2.49 | 0.51 | 0.97 | 0.50 | 0.87 |
| (Log) Full Time Employees | -0.13 | -1.25 | -0.14 | -1.35 | -0.35 | -3.07 | -0.36 | -3.05 | -0.33 | -1.42 | -0.33 | -1.40 |
| No Employees Indicator | 0.55 | 1.30 | 0.52 | 1.23 | -1.24 | -2.36 | -1.22 | -2.27 | -1.05 | -1.41 | -1.03 | -1.39 |
| Constant | -2.38 | -4.09 | -2.89 | -4.38 | 0.63 | 1.00 | 1.30 | 1.83 | 0.25 | 0.22 | 0.37 | 0.29 |

1. Indeed, the findings in this presentation coupled with a model in the supplementary materials showing no effect of 2009 expenditures on the reorganization decisions suggest that accountability is probably more important. [↑](#footnote-ref-1)