

The Agencies of the European Union

Autonomy, Steering and Control, Performance

Preliminary findings of a SDA Bocconi & COST Action “CRIPO”
project of research

dario.barbieri@unibocconi.it

nicola.belle@unibocconi.it

paolo.fedele@sdabocconi.it

edoardo.ongaro@unibocconi.it

1. Introduction: significance, research questions, policy implications

- The development of EU agencies is a major phenomenon, so far investigated mainly along individual policy lines - not as a phenomenon of major transformation of the administration of the EU executive order
- Overarching Research Questions:
 - What impacts, and under what conditions, will EU agencies have on EU administration and policies?
 - Under what conditions will EU agencies be more or less performing, and in what respects?
- More specific Research Questions include (addressed by this presentation):
 1. What similarities and dissimilarities are there in EU agencies in the terms of their internal management systems, actual autonomy and modalities of steering & control, embeddedness in policy networks?

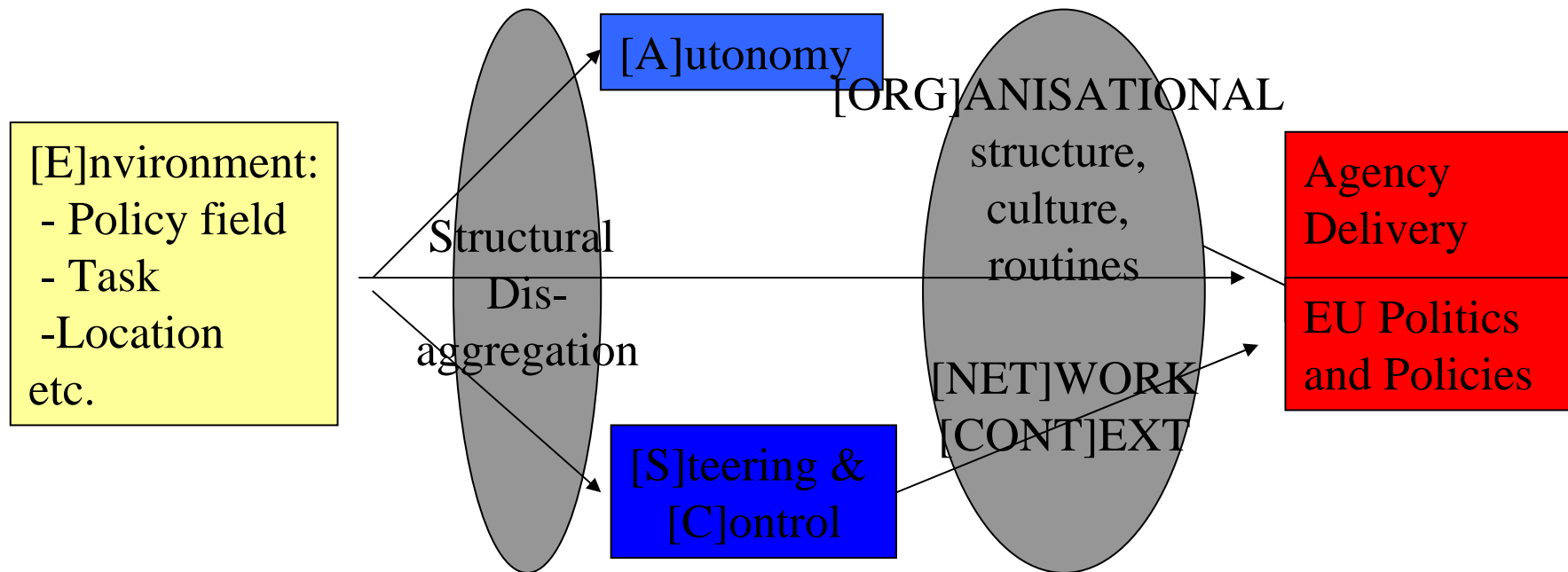
1. Introduction (cont'd)

- Specific Research Questions (cont'd):
 2. What explains differences in autonomy
 3. What explains different modalities of steering and control, oversight, accountability?
 4. What explains differences in the operational routines and the adoption of management systems
- The overall thrust of the research work being that of contributing to the generation of knowledge about the 'administrative phenomenon' of EU agencies
- A kind of knowledge that might hopefully contribute to the organizational development of EU Agencies

Theoretical Framework

(“CRIPO model” revisited and elaborated for EU Agencies)

- How [E] affects [A, S&C]?
- How [E, A, S&C] affect [Agency delivery], [Agency impact on EU policies and (executive) politics] also through [ORG] and [NET CONT]



Methodology (1)

- Survey-based research design through a (mainly) quantitative questionnaire (both open and closed questions)
- Format of questionnaire driven by criterion of facilitating filling out process (→ see Model for framework)
 - Section 1 (pre-filled answers: asked to check correctness): 32 questions
 - Section 2: 21 questions asked to be filled
- Population: 24 agencies; 6 executive agencies
- Questionnaires filled-out (up to March 2010): more than two-thirds, and some more will be sent soon (thank you!)

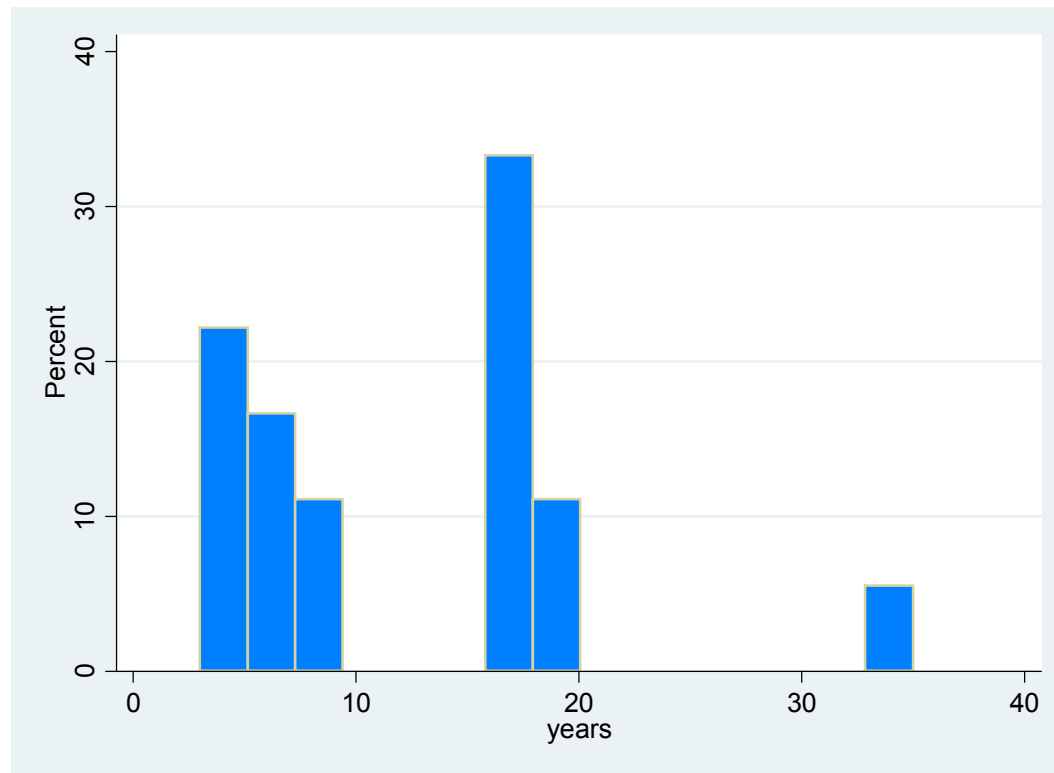
Methodology (2)

- Research design integrated by Multiple Case-study (before and after survey)
- Semi-structured interviews and document analysis
- Questions on: autonomy; steering and control; organization culture and structure; policy network; agency delivery; policy effects and effects on policy; organizational environment in which agencies operate (thank you)

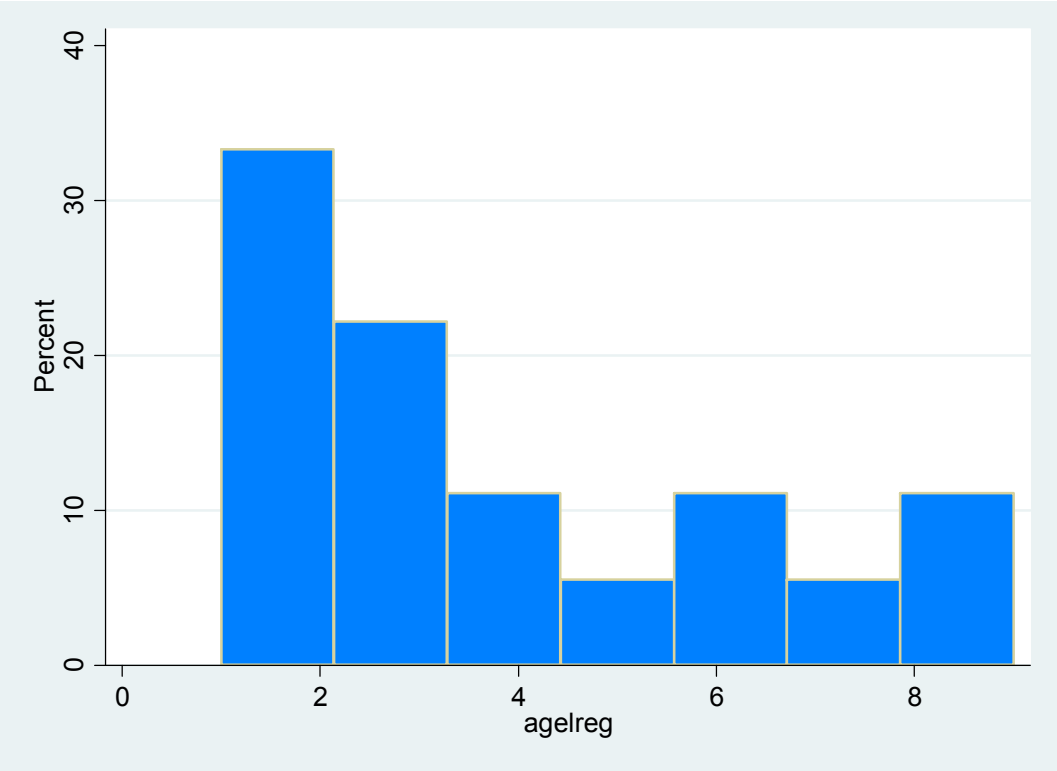
2. Overview: age, task, policy sector, 'corporate governance'

- Following is a brief introductory overview of some basic formal features of agencies
- Info on the 'corporate governance' (modalities of appointment of the governing and other bodies) are introduced too – this an important, but sometimes overemphasized aspect; this research enlarges the focus to other factors
- A first finding is that EU agencies are far less diverse in terms of tasks and size than national-level agencies (within the COST Action CRIPO most EU Member States are being investigated – see also Barbieri and Ongaro, 2008, on this point)

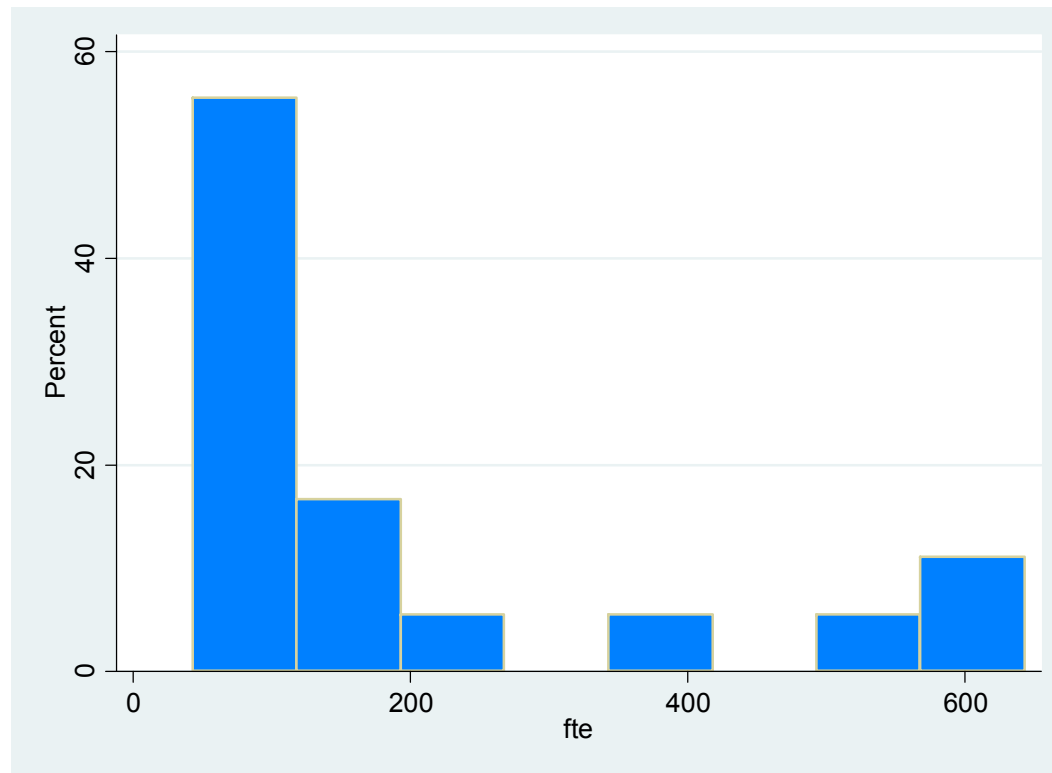
Distribution of EU agencies by age



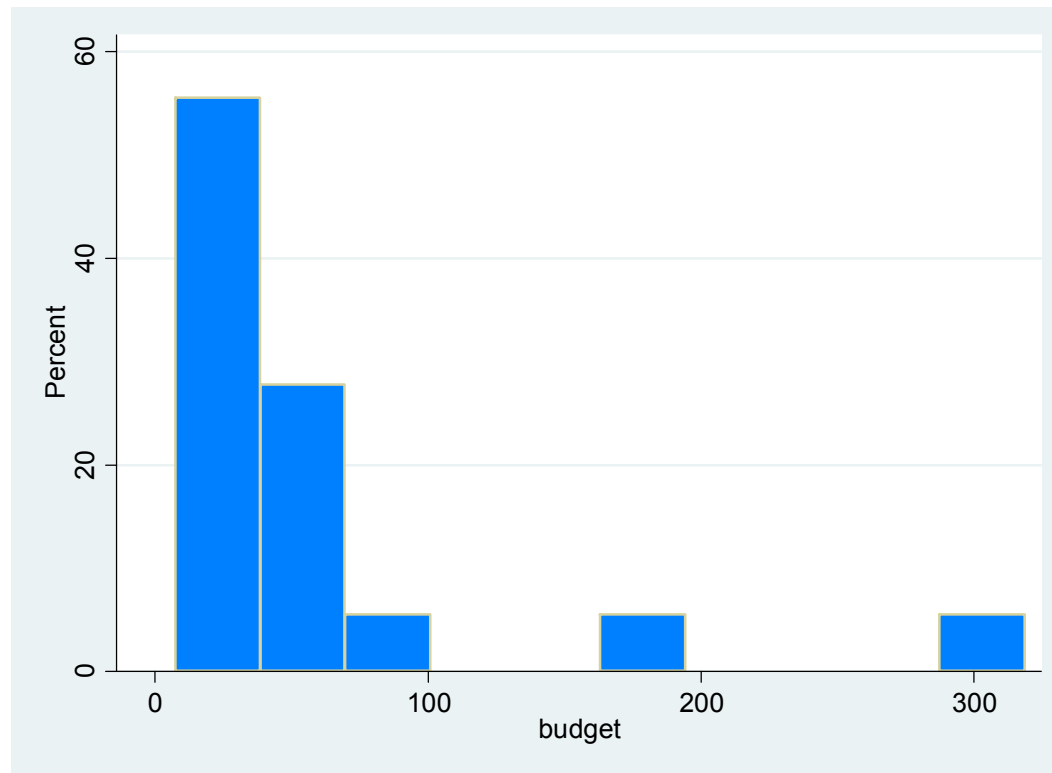
Distribution of EU agencies by number of years since the latest regulation (of the same agency)



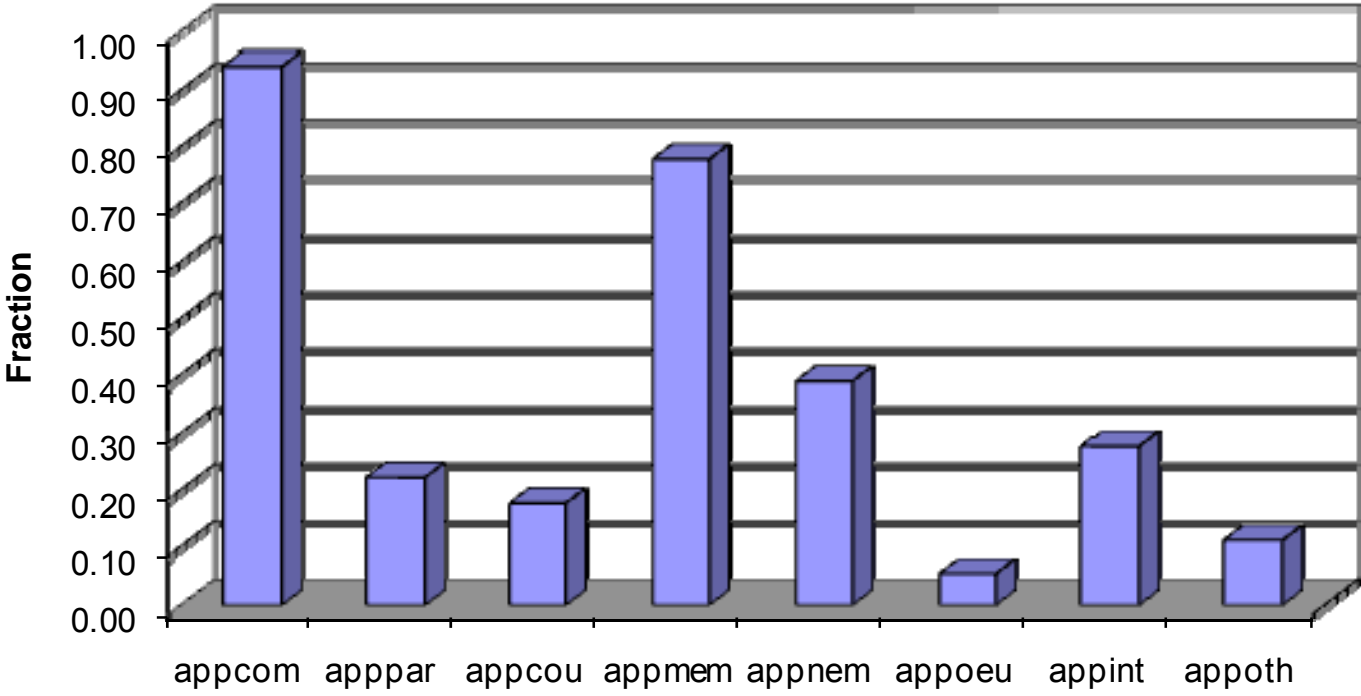
Distribution of EU agencies by number of full-time-equivalent staff in 2008



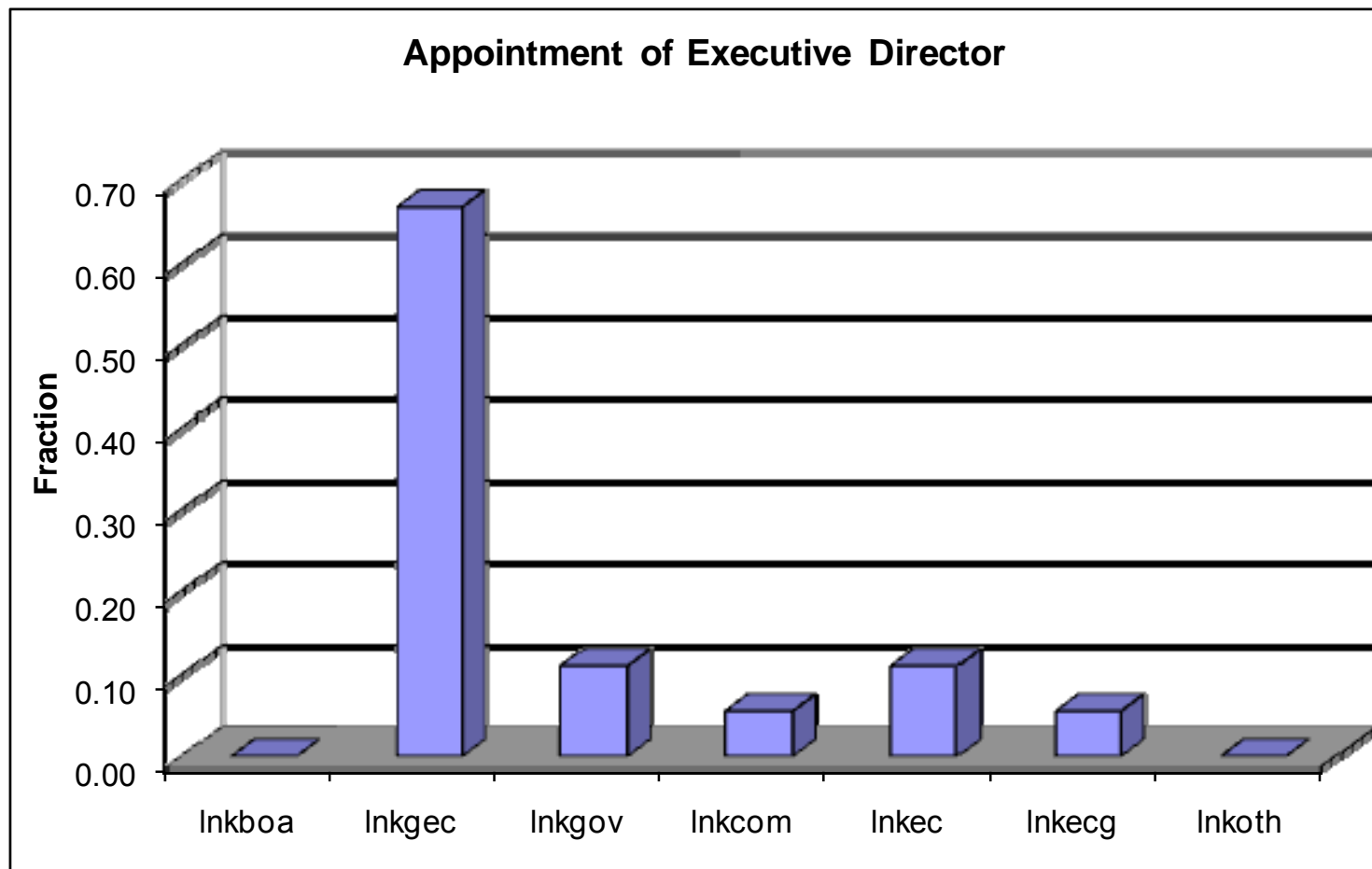
Distribution of EU agencies by budget size in 2008



Appointment governing board members

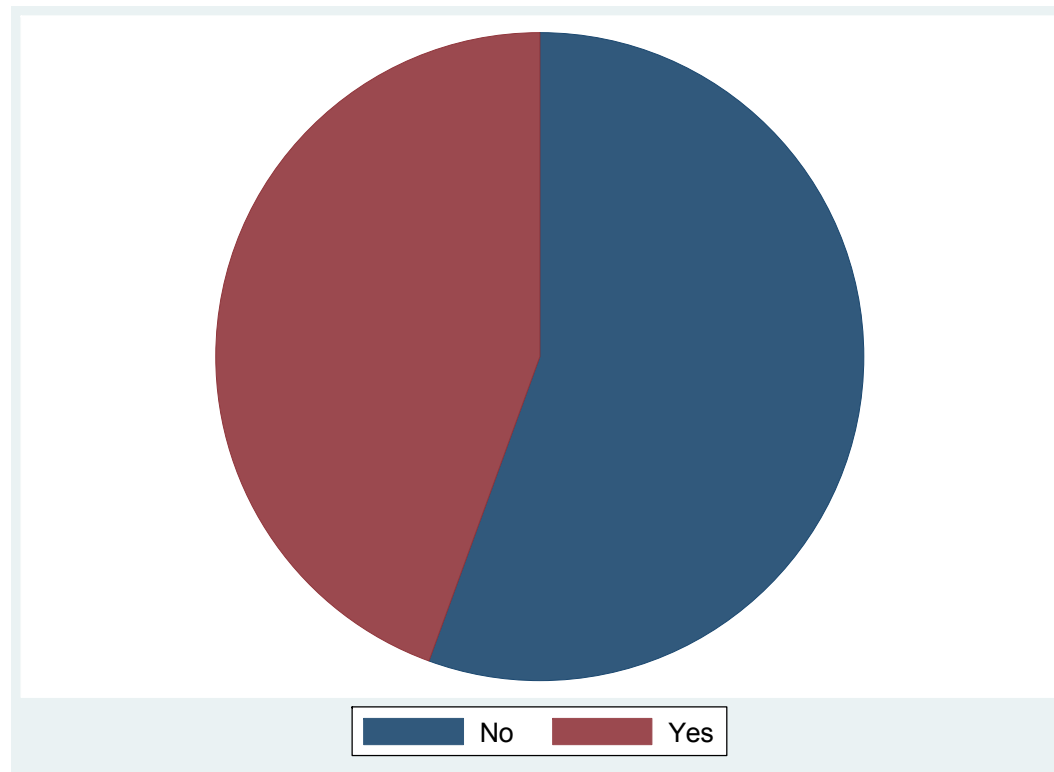


Governing board members are usually appointed by the European Commission (94% of the cases) and by the member States (78%). Non member States (39% of the cases) and interest groups/stakeholders (28%) also present high percentage of involvment in the governing board members' appointment

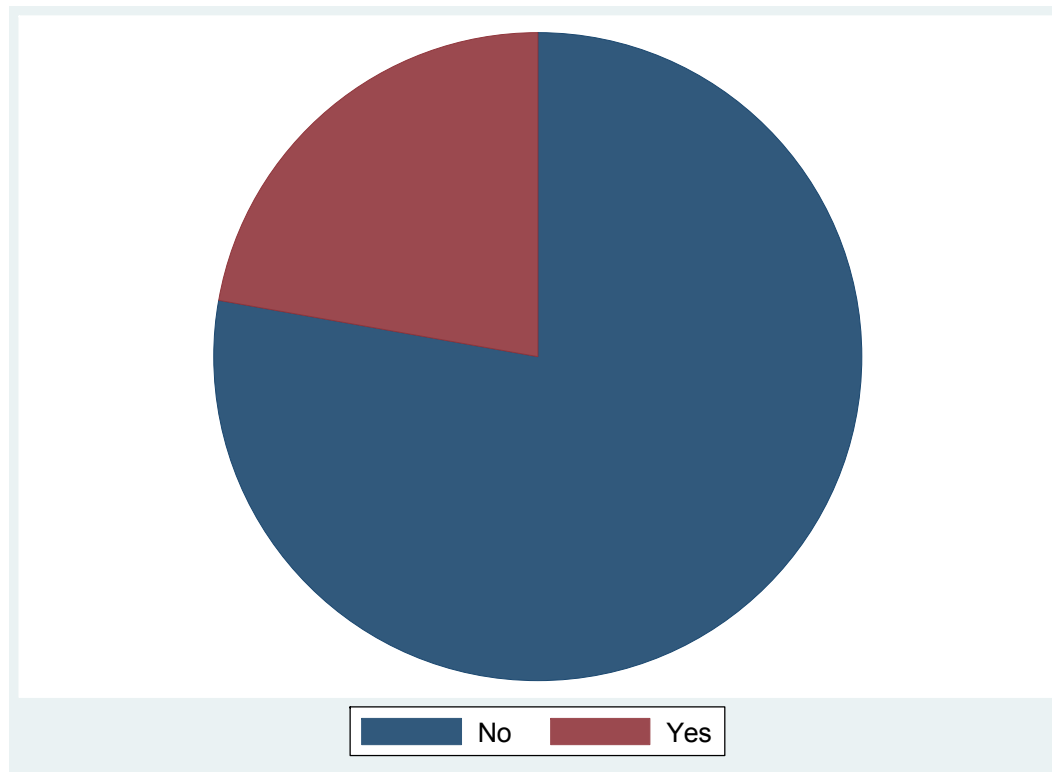


The Executive Director is usually appointed by the governing board of the organization on European Commission proposa (67%), In a few cases (11% each) the Council on governing board proposal and the the European Commission are involved

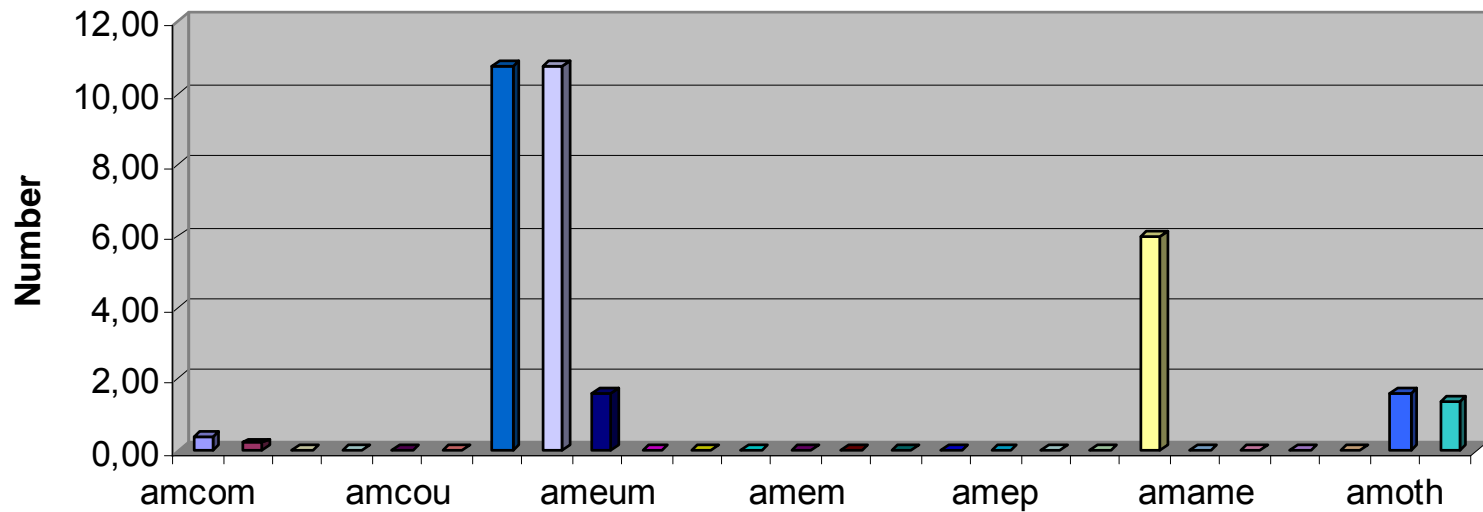
Distribution of EU agencies by involvement of the European Parliament in the appointment of the Executive Director



Distribution of EU agencies by presence of an Advisory Forum

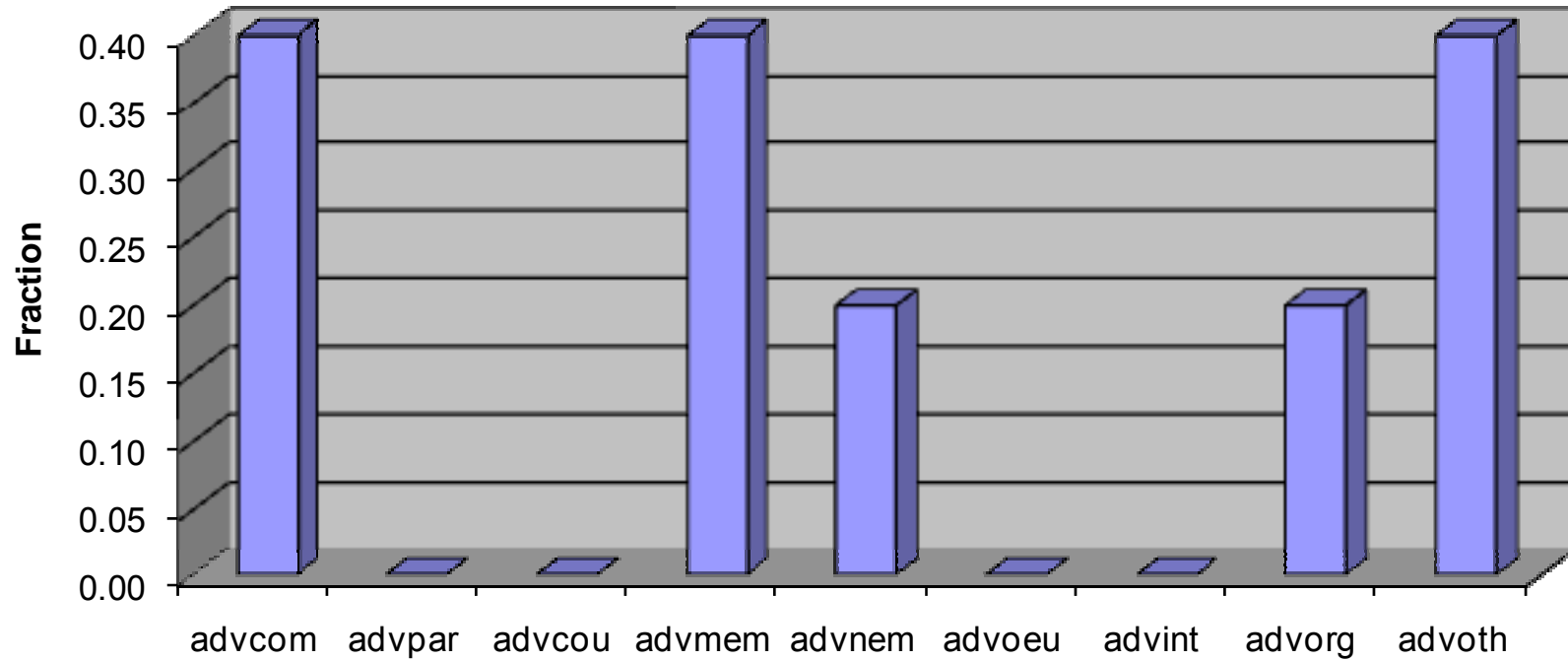


Composition of Advisory Forum



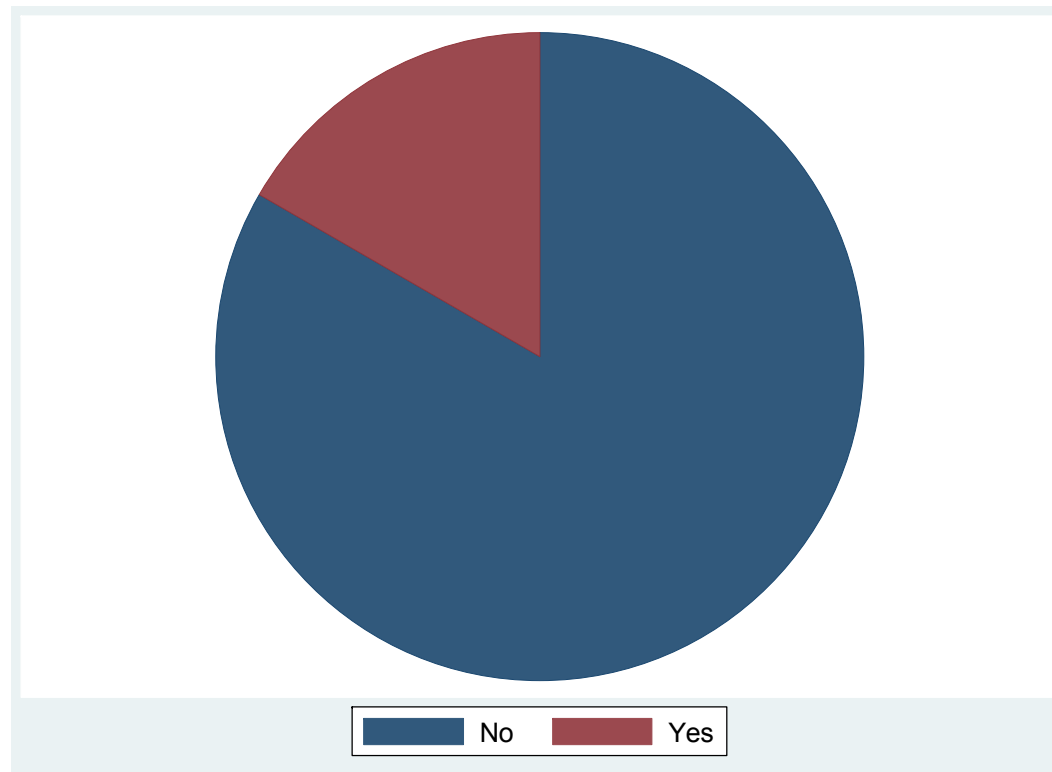
- | | | | | | | | | |
|--------|--------|-------|--------|-------|--------|--------|--------|-------|
| amcom | amcomv | ampar | amparv | amcou | amcouv | ammem | ammemv | ameum |
| ameumv | amee | ameev | amem | amemv | amint | amintv | amep | amepv |
| amind | amindv | amame | amamev | ampri | ampriv | amoth | amothv | |

Appointment Advisory Forum members

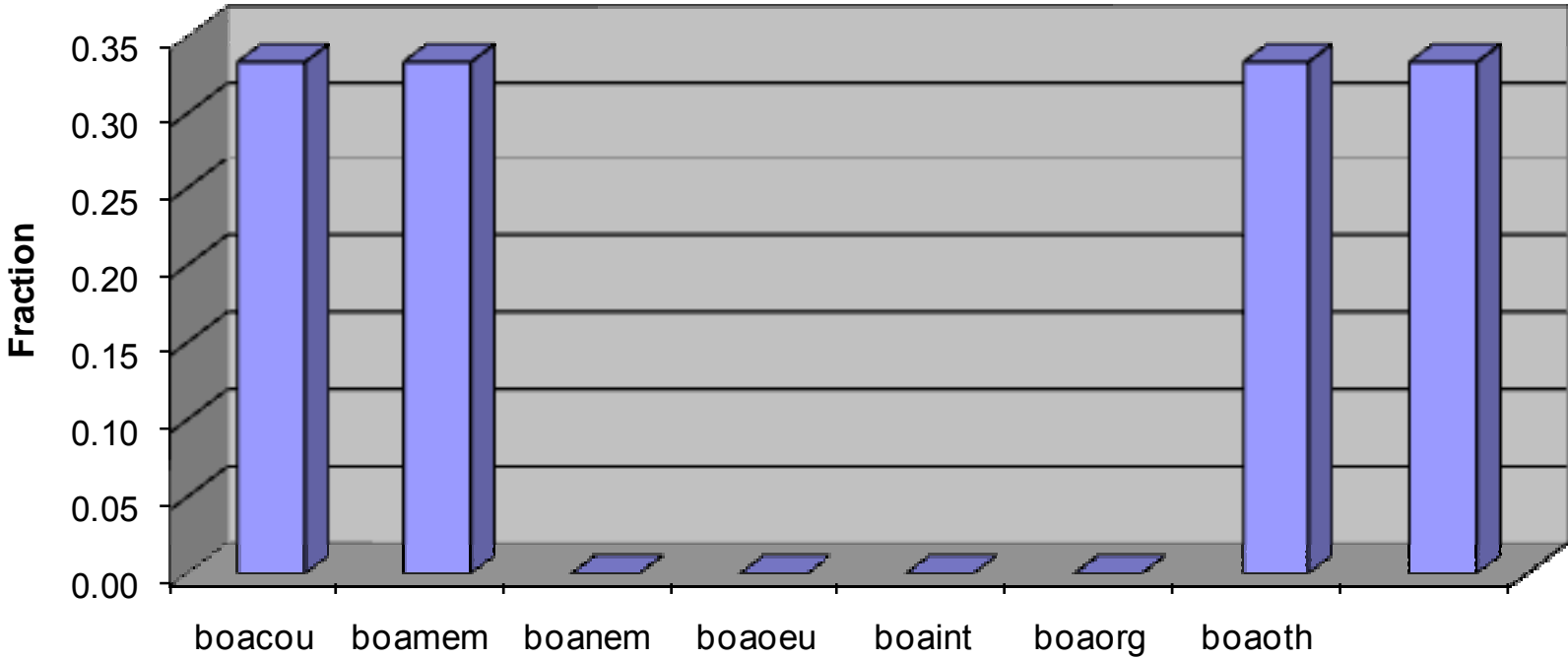


Advisory board members are usually appointed by the European Commission , the memberStates and other actors (40% of the cases each) . In the 20% of the cases non EU member States and the same organizations are organized

Distribution of EU agencies by presence of a Board of Appeal

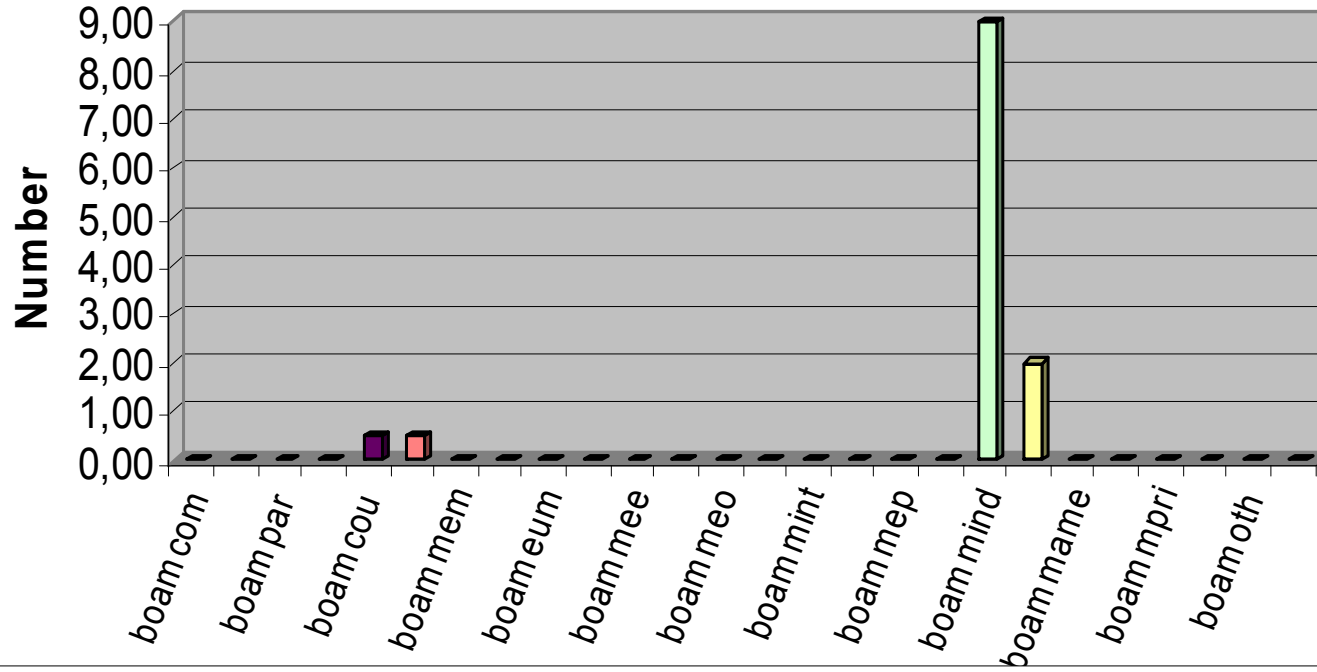


Appointment Board of Appeal members



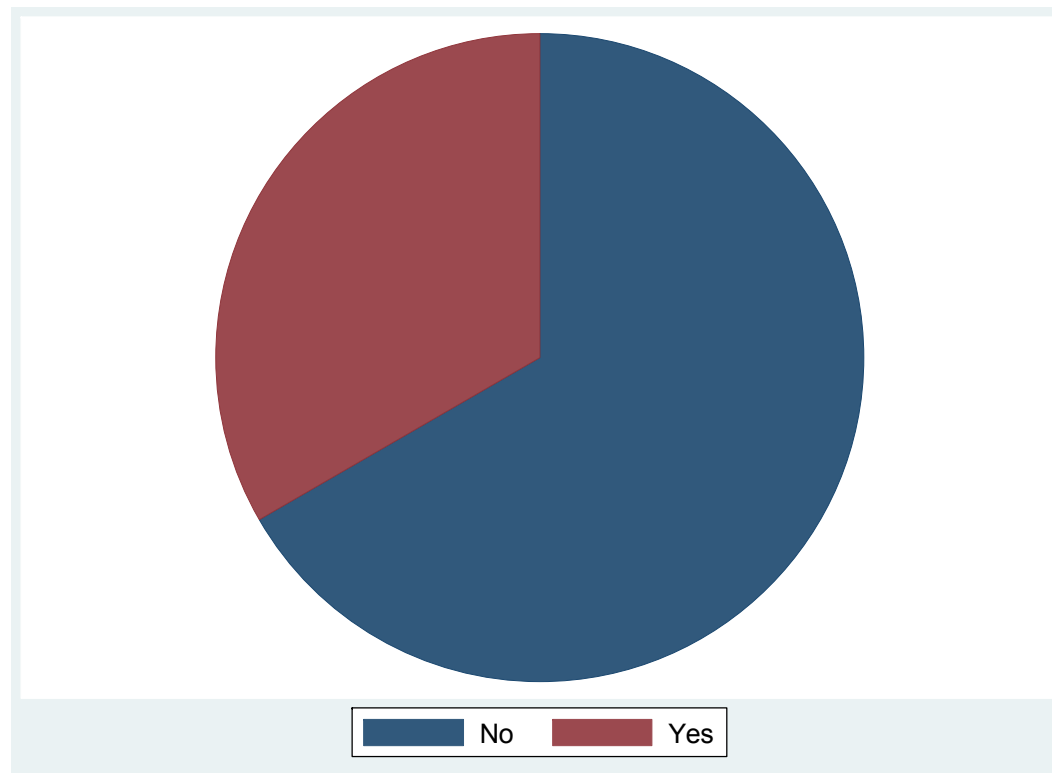
Board of appeal members are appointed by the European Commission , the European Parliament, the same organization or other actors (33% each)

Composition of Board of Appeal

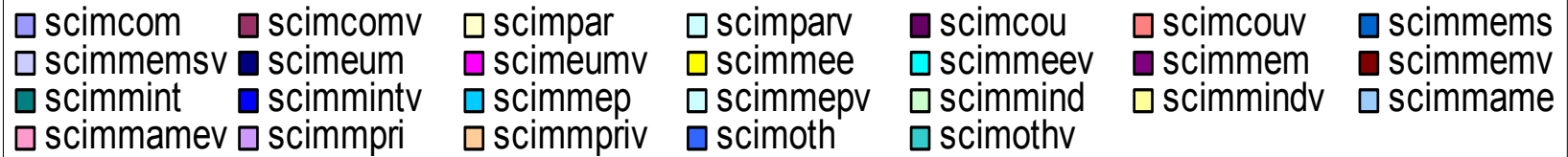
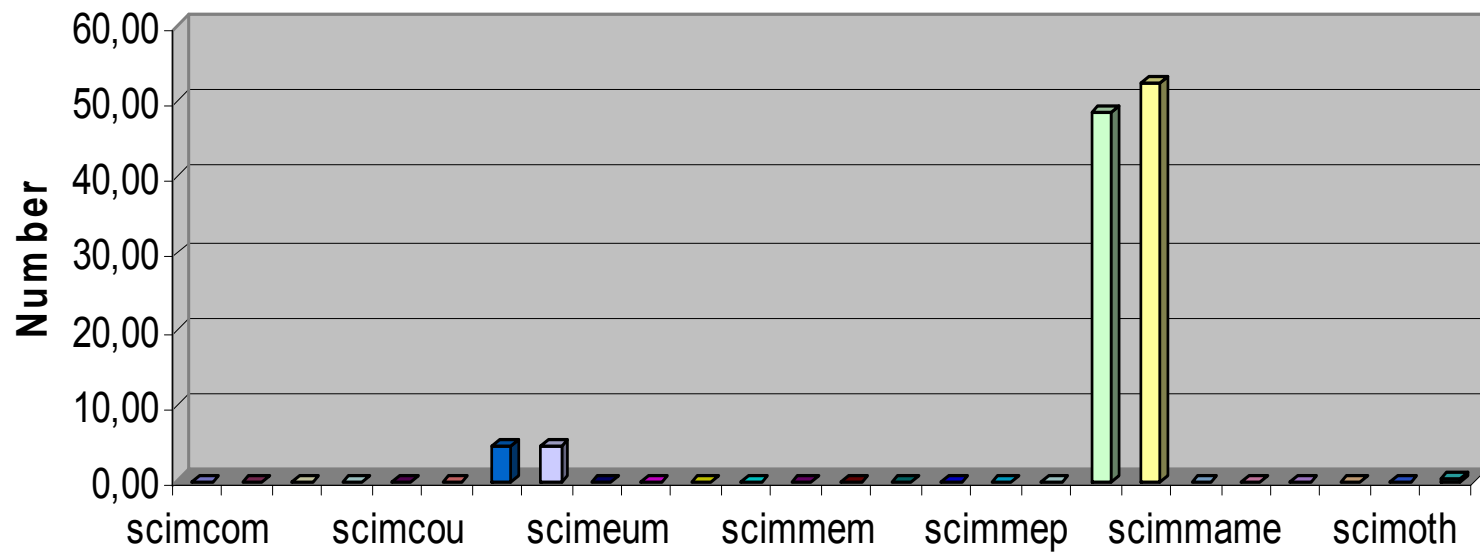


boamcom	boamcomv	boampar	boamparv	boamcou	boamcouv
boammem	boammemv	boameum	boameumv	boammee	boammeev
boammeo	boammeov	boammint	boammintv	boammep	boammepv
boammind	boammindv	boammame	boammamev	boammpri	boammpriv
boamoth	boamothv				

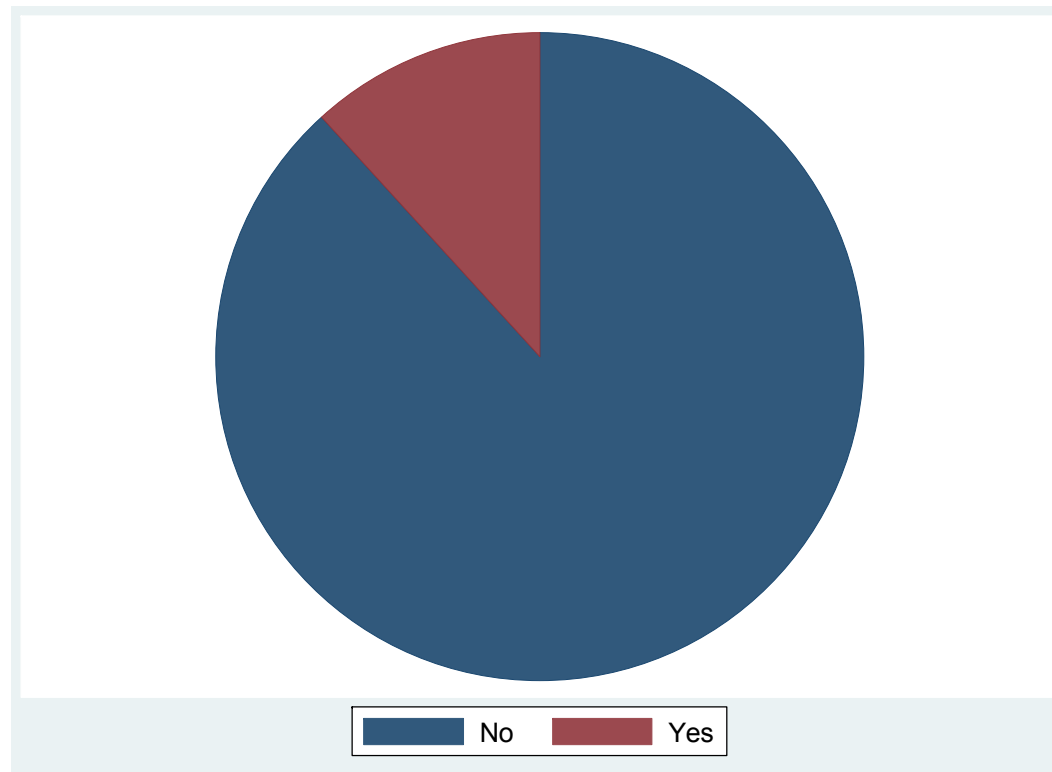
Distribution of EU agencies by presence of Scientific Committees



Composition of Scientific Committees

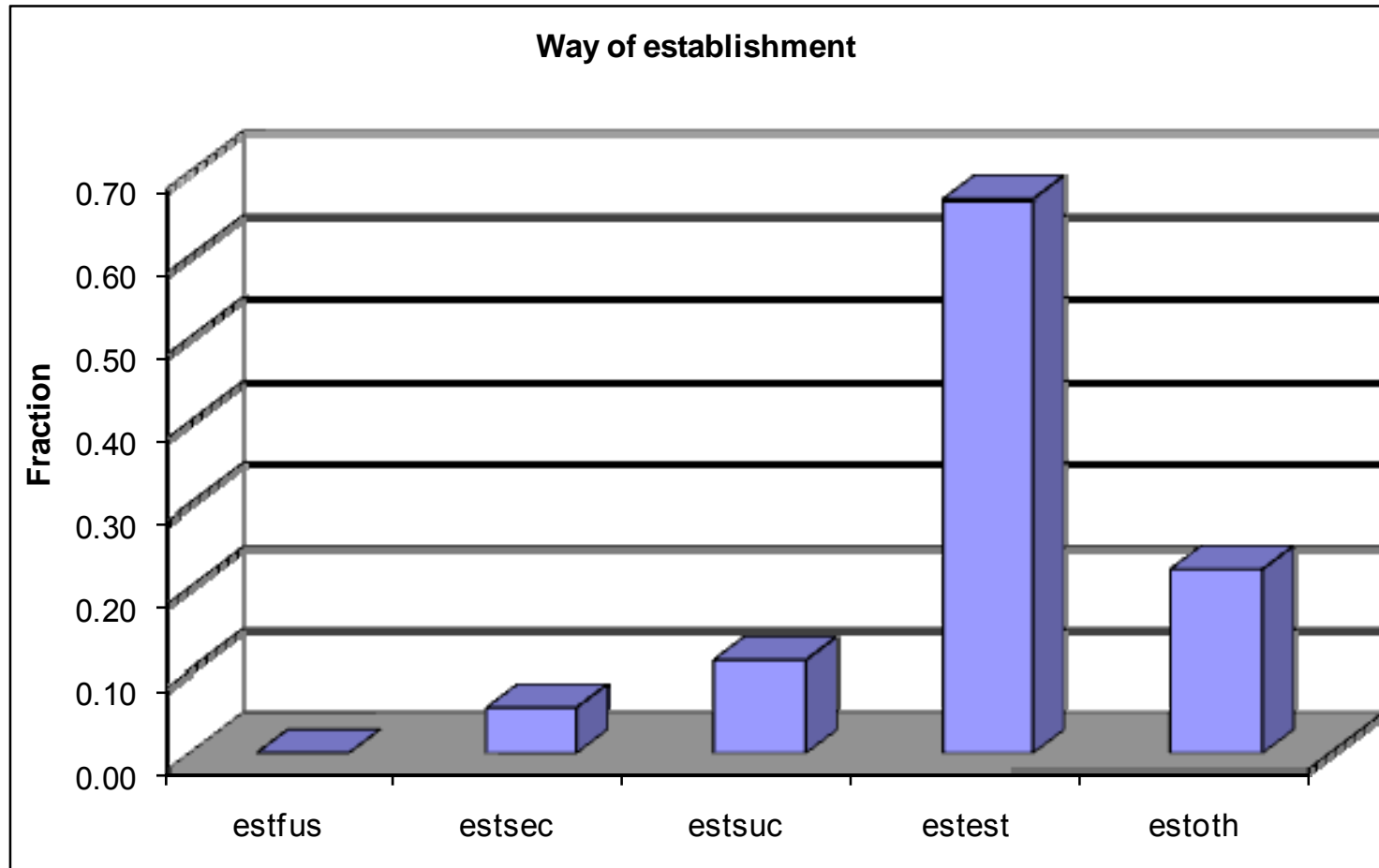


Distribution of EU agencies by presence of Scientific Committees relying on lists of national experts

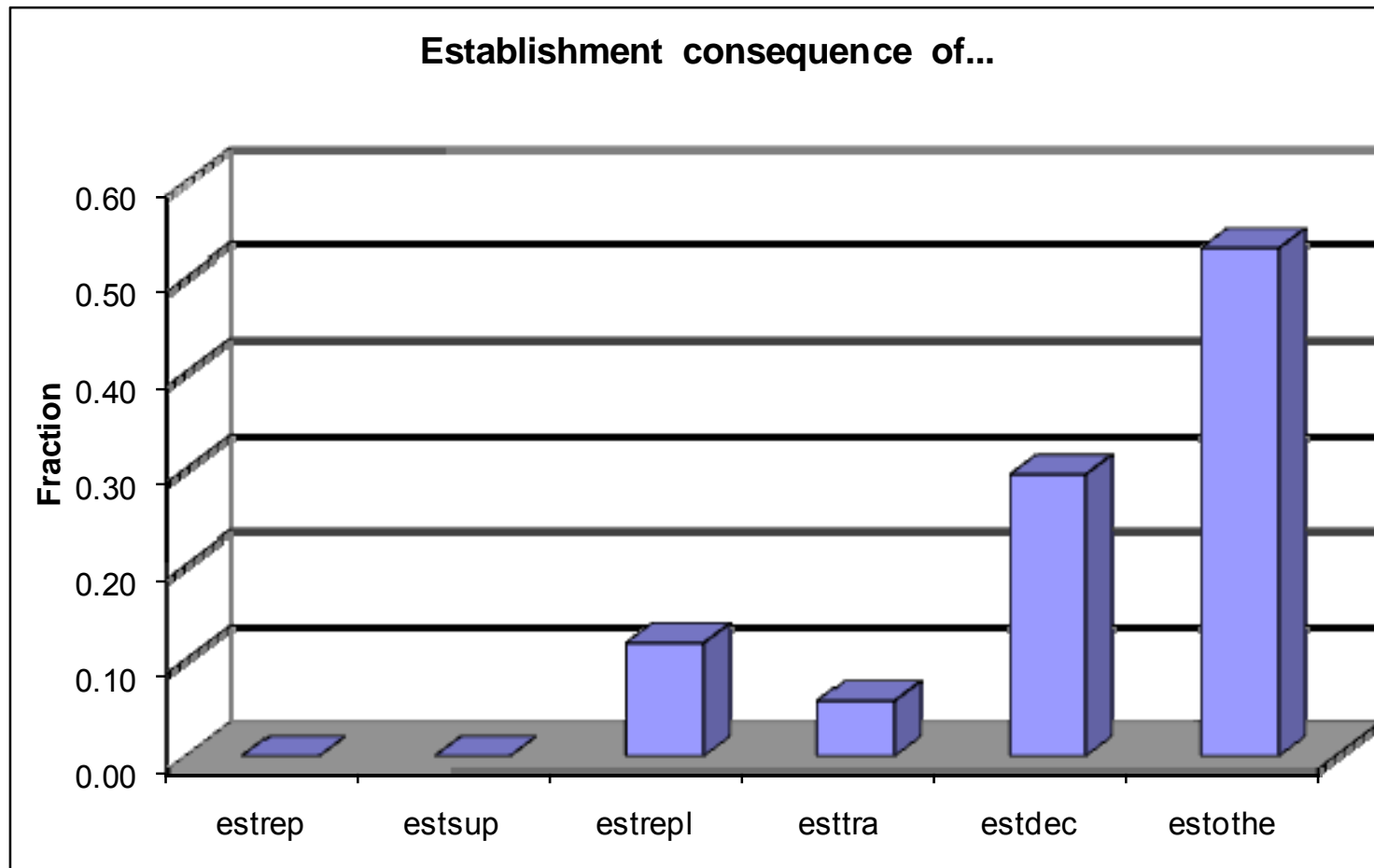


3. 'Structural disaggregation'

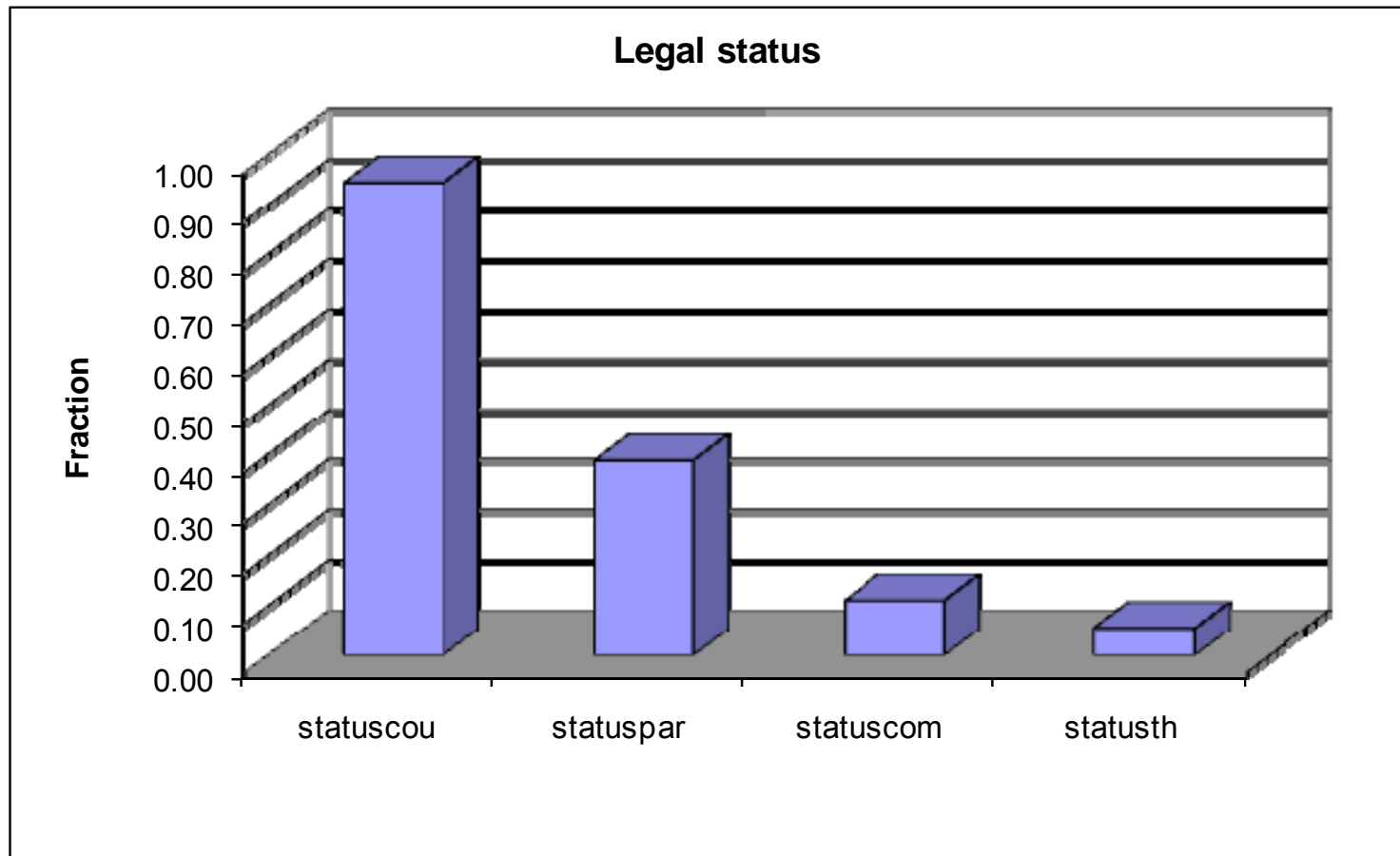
- Structural disaggregation and/or the creation of 'task specific' organisations is at the core of the idea of agency
 - division of labour between agency and 'parent'/supervising administration(s)
 - legal basis (of agency, and status of its personnel), statute, the board and the broader 'corporate governance'
- Task(s) performed, addressed to what target group(s), in which policy field are 'definitional' of an agency
- EU agencies often (though not always) perform 'new' tasks that were not previously performed by any organisation (part of the building of the 'executive function' at the EU level?)
- Way of establishment may be profoundly influential on organizational behaviour (through the developmental path)
- Tasks, policy field, target groups affect organizational routines/behaviour



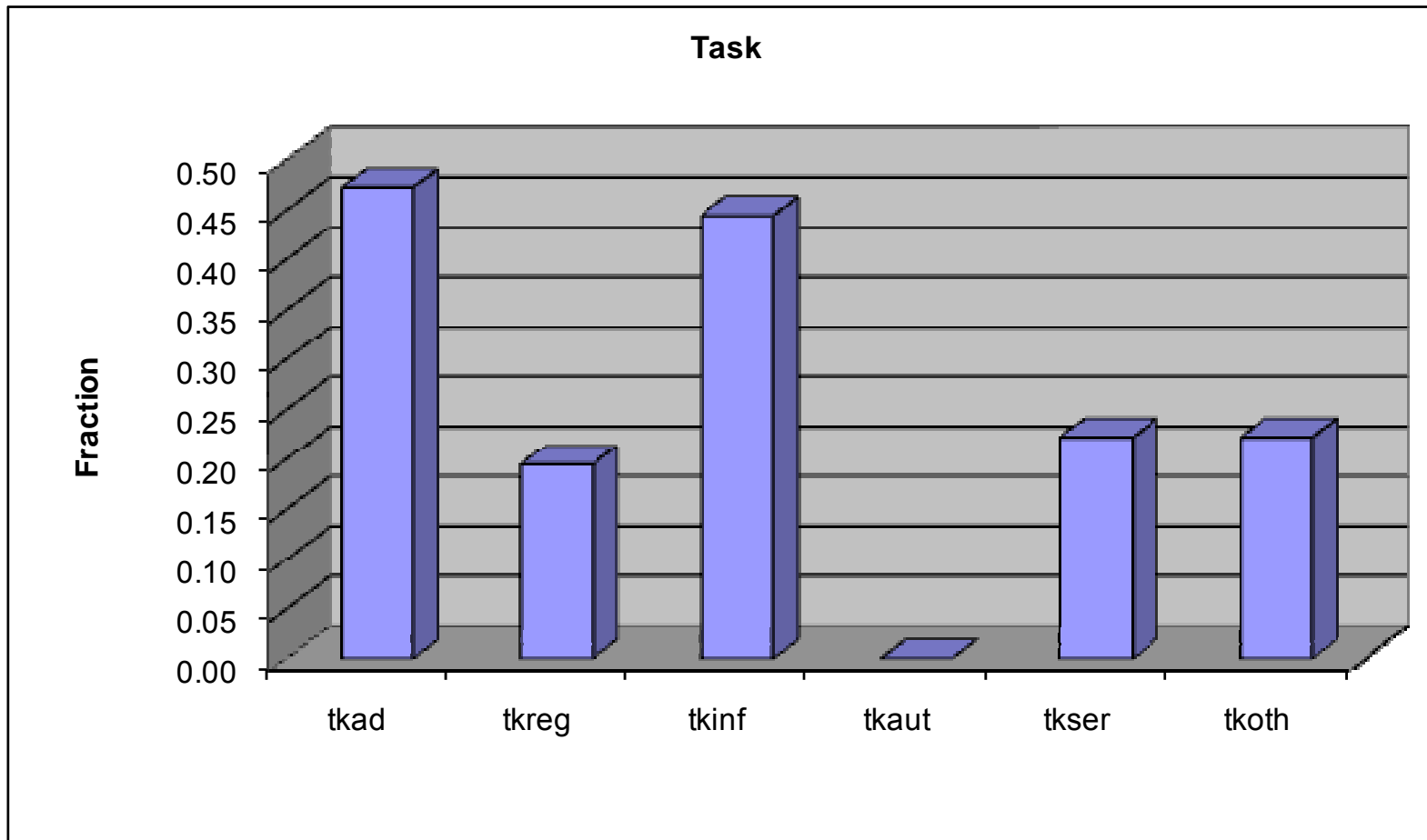
Estfus: fusion/merger of already existing organisations
Estsec: secession/split (from the European Commission or other European or national organisations)
Estsuc: succession (i.e.: there was a predecessor organisation)
Estest: newly established
Estoth: Other



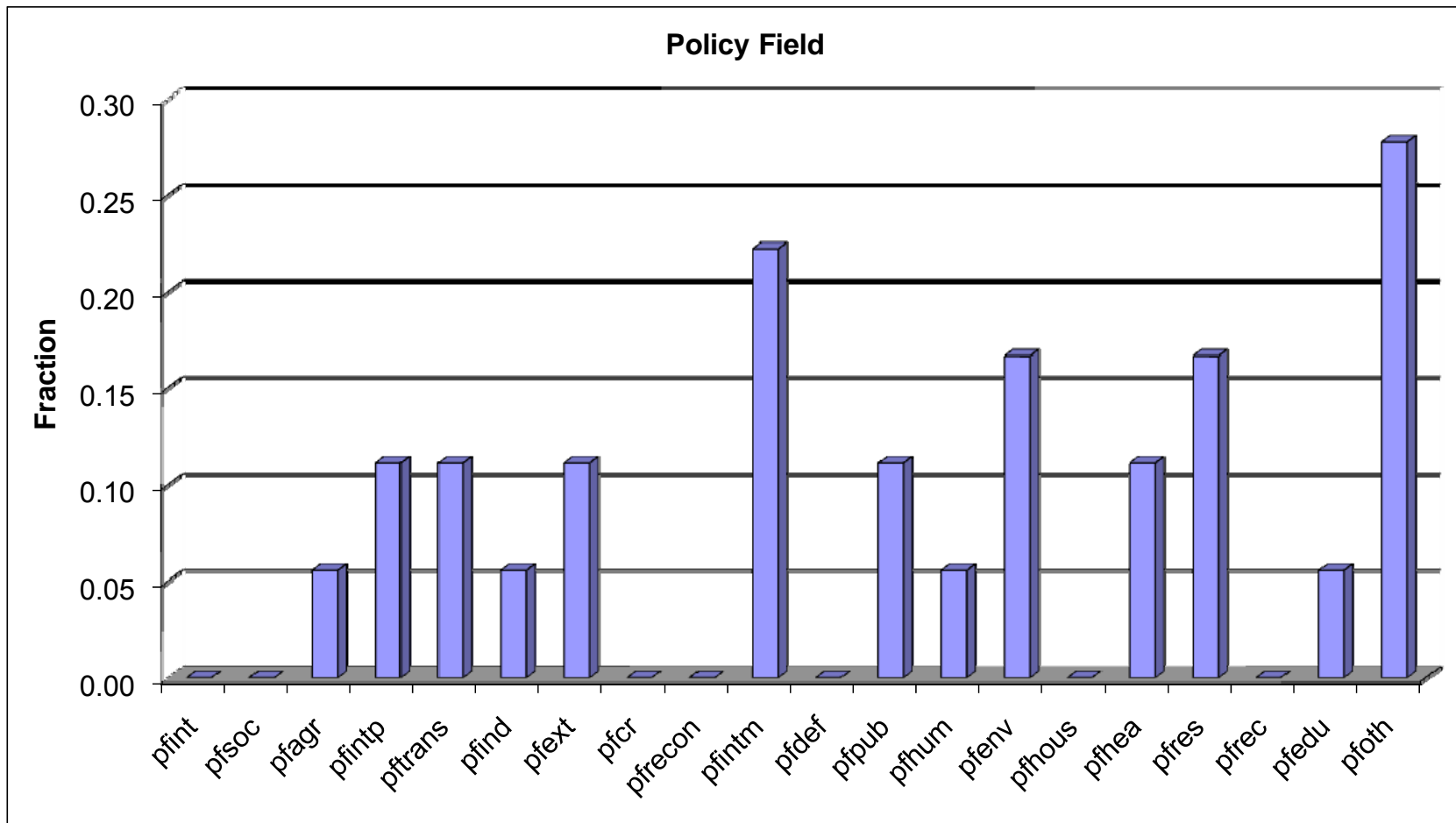
Estrep: Replacement of the comitology system
Estsup: Supplant of a procedural mechanism within the European Parliament and the European Commission
Estrepl: Replacement of programmes already existing inside the Community (e.g. CORINE program)
Esttra: Transference of functions from the intergovernmental level to the communitarian level (e.g., Common Fisheries Policies)
Estdec: Decision to establish a new community regime (e.g., European Trademarks registration)
Estothe: Other



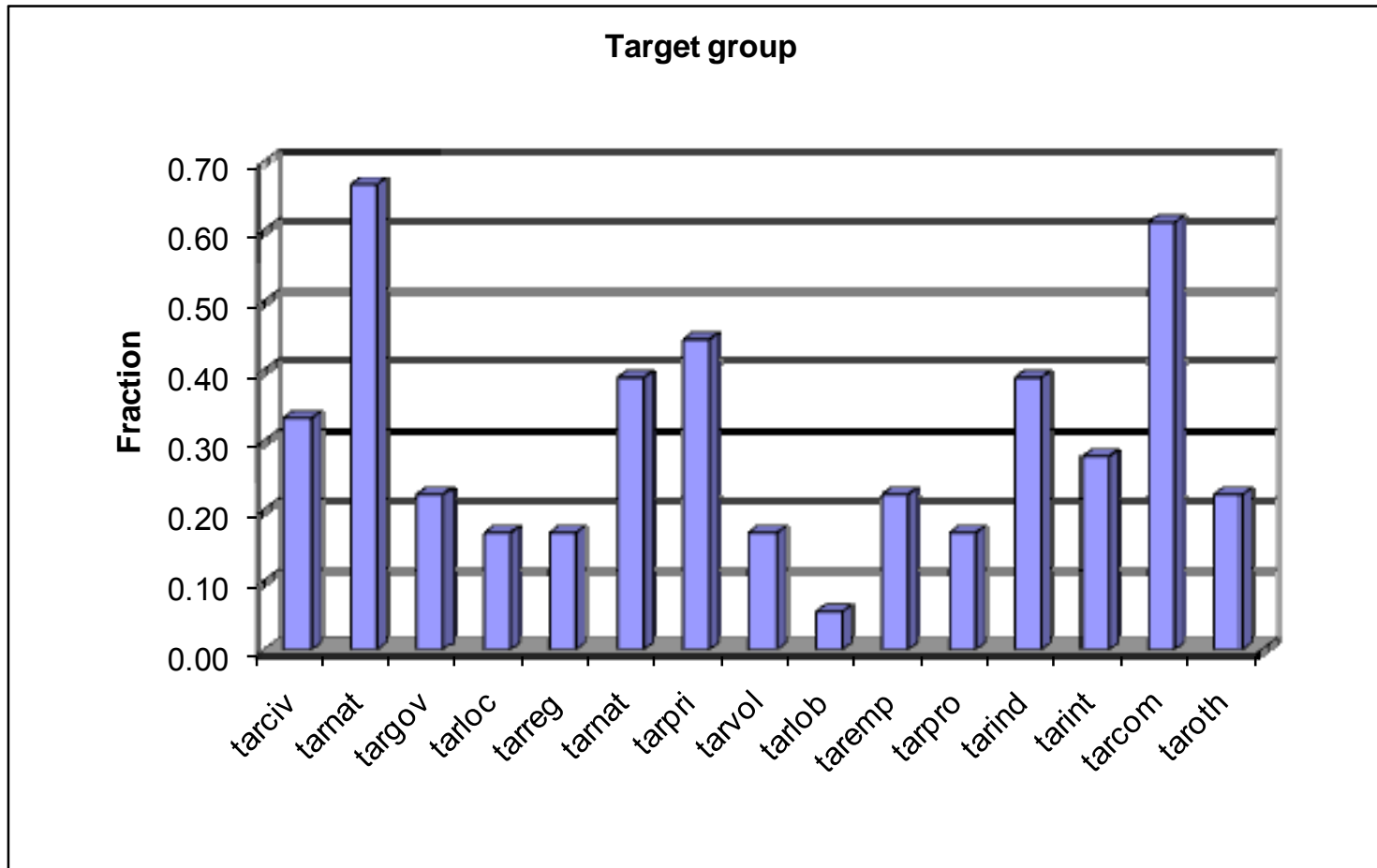
Statuscou: Council Regulation
Statuspar: Parliament Regulation
Statuscom: Commission Regulation
Statusth : Other



Tkad : Advice
Tkreg: Regulation-scrutiny-control-inspection
Tkinf: Information gathering
Tkaut: Authorization
Tser: Service delivery
Tkoth: Other



Prevalence of agencies working in “other” policy fields (28%). 22% of the agencies operate in the “internal market enhancement“ field; 17% in “environmental protection” and “research”; 11% in “intellectual property”, “transports”, “public order and safety” and “health”.

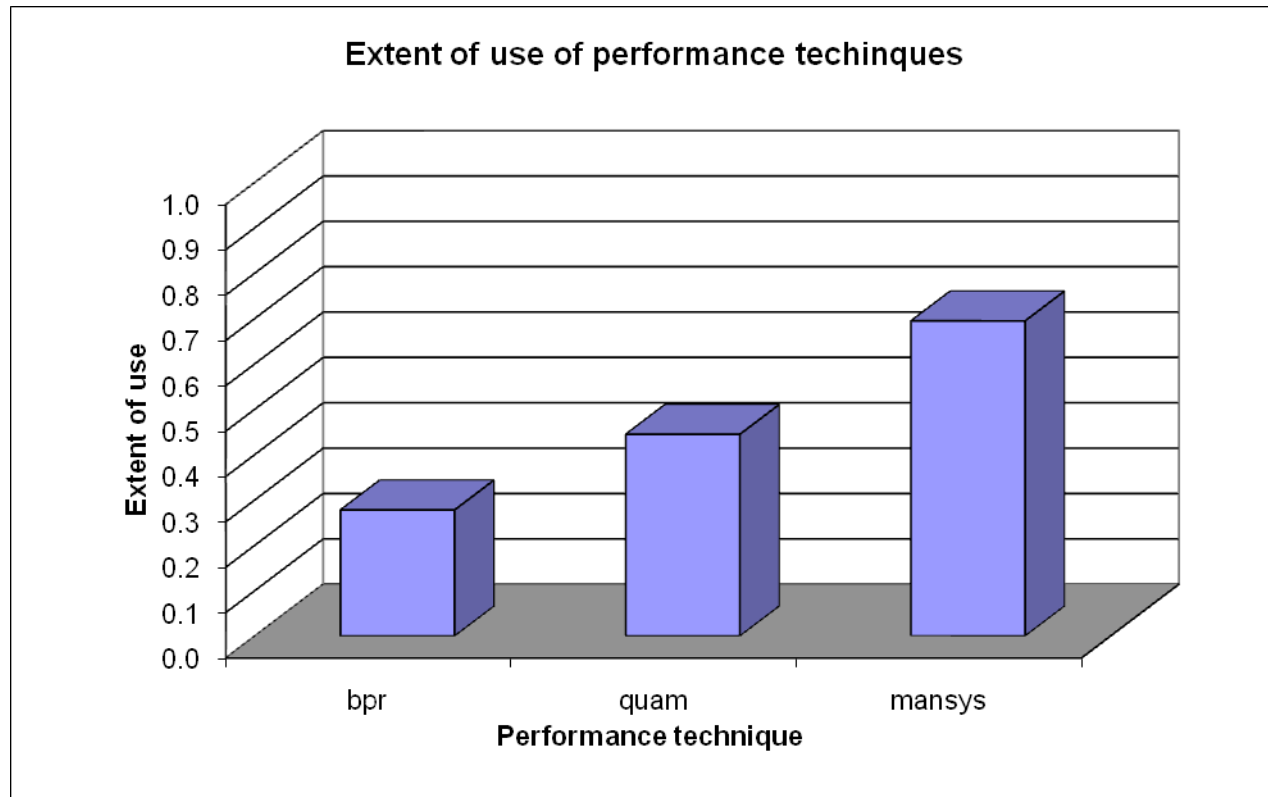


Prevalence of agencies working for national Governments (67%) and other units of the Commission (61%). For the 44% of the agencies, the target groups are private enterprises/companies/foundations ; for the 39% private individuals and units at the national administrative level

4. Management systems

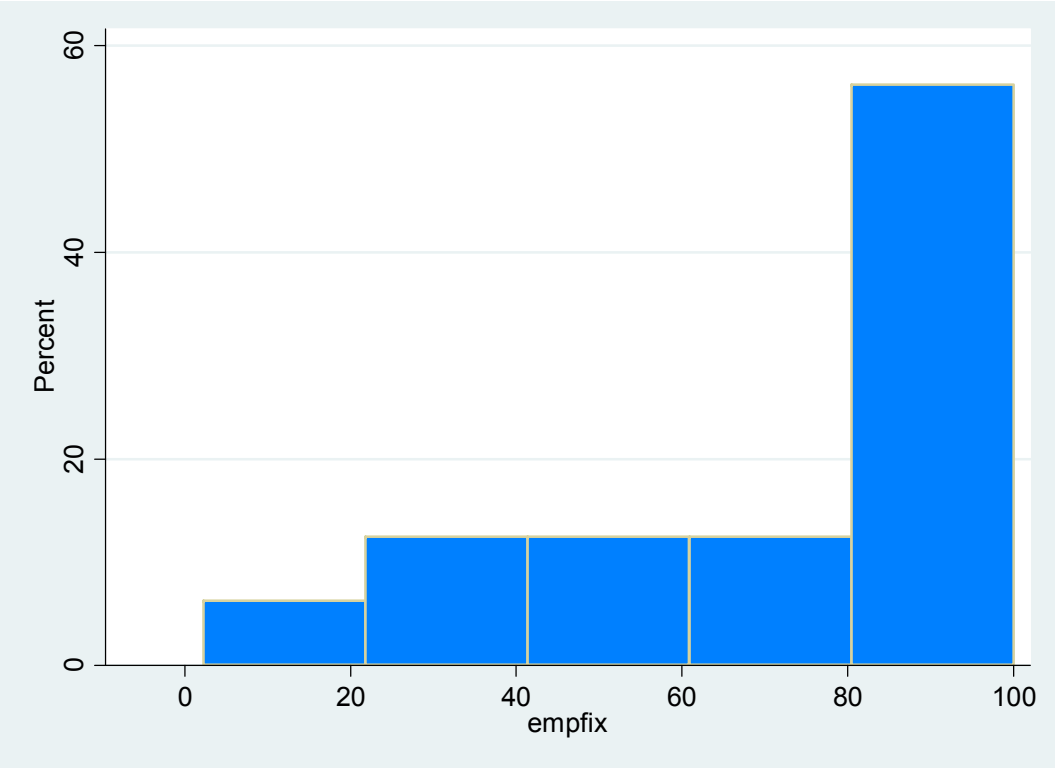
- Management systems have a major influence on actual organizational routines and behavior
- The analysis has focused:
 - performance measurement and management systems (the 'management of performance')
 - Human Resources Management: status and practices
 - Budgeting system
 - Accounting system

Use of performance techniques

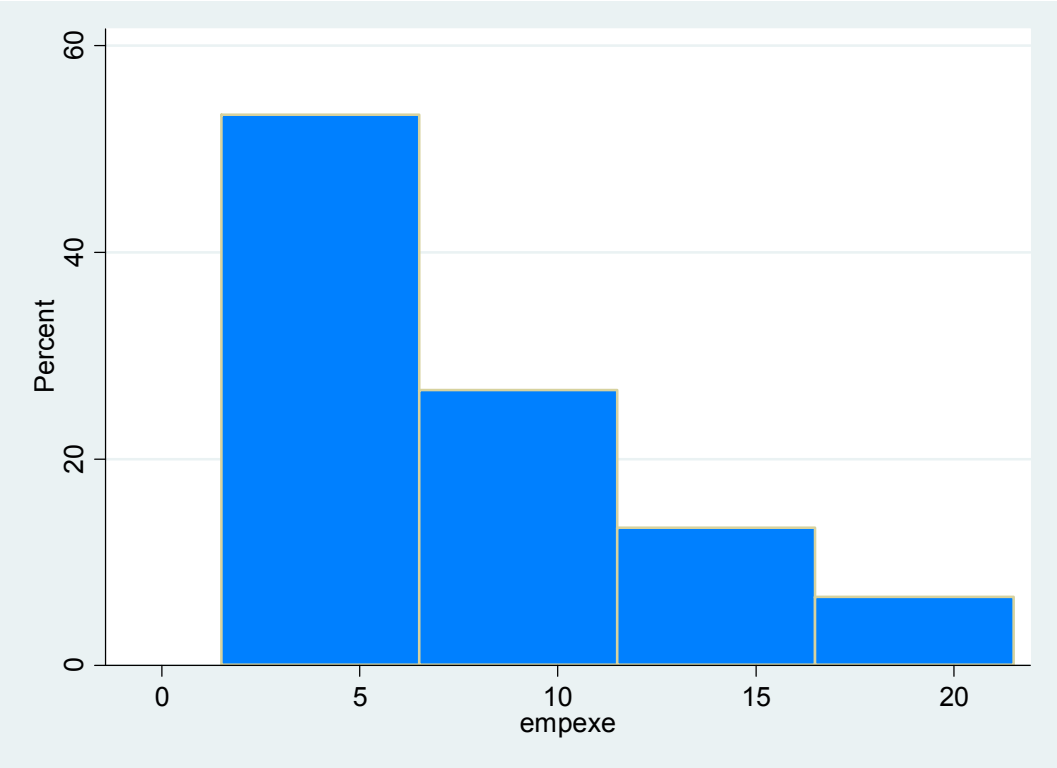


bpr = business process reengineering
quam = quality management systems
mansys = management control systems

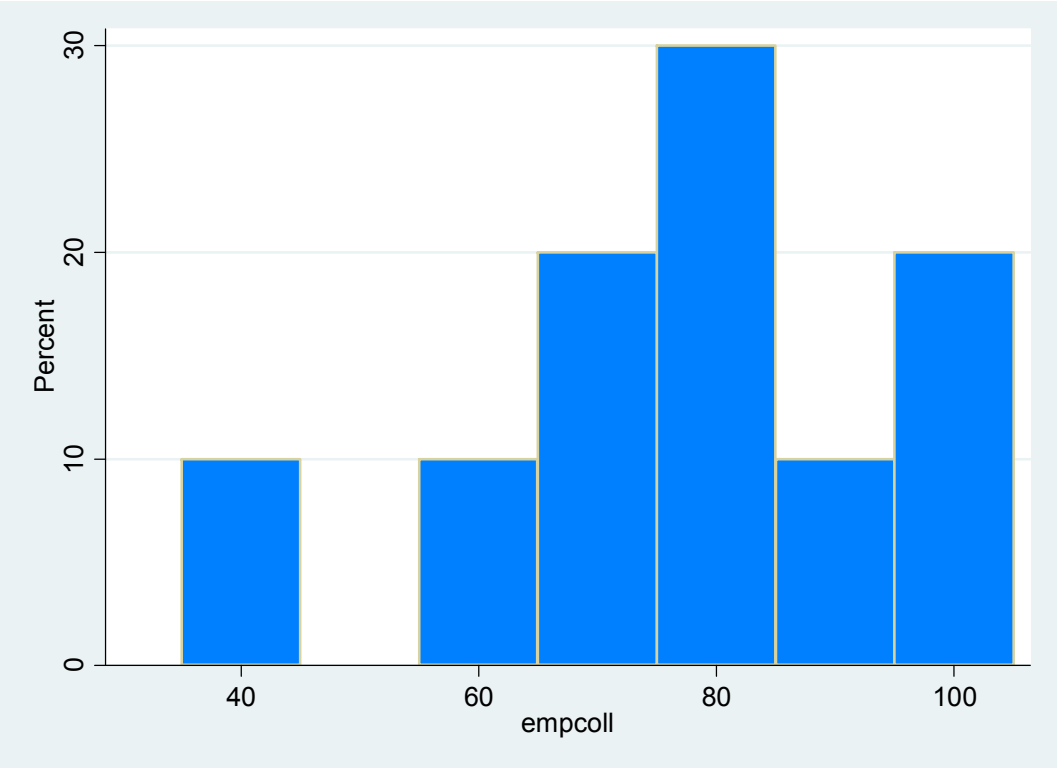
Distribution of EU agencies by percentage of staff with fixed-term contract



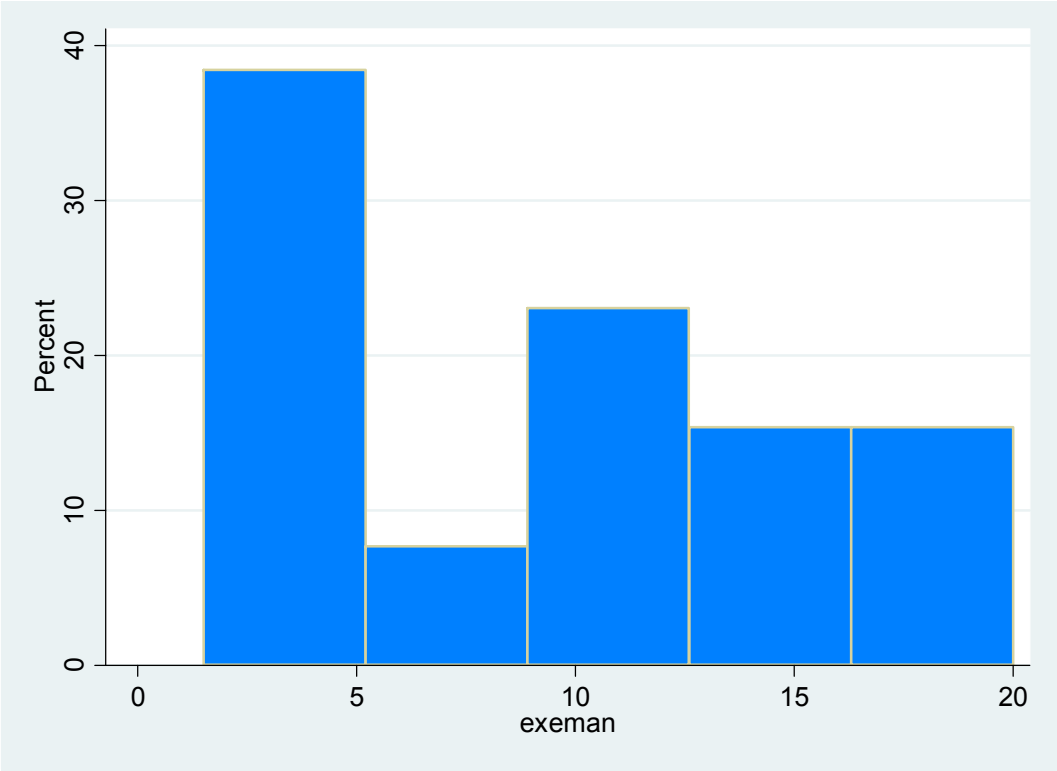
Distribution of EU agencies by percentage of executive staff



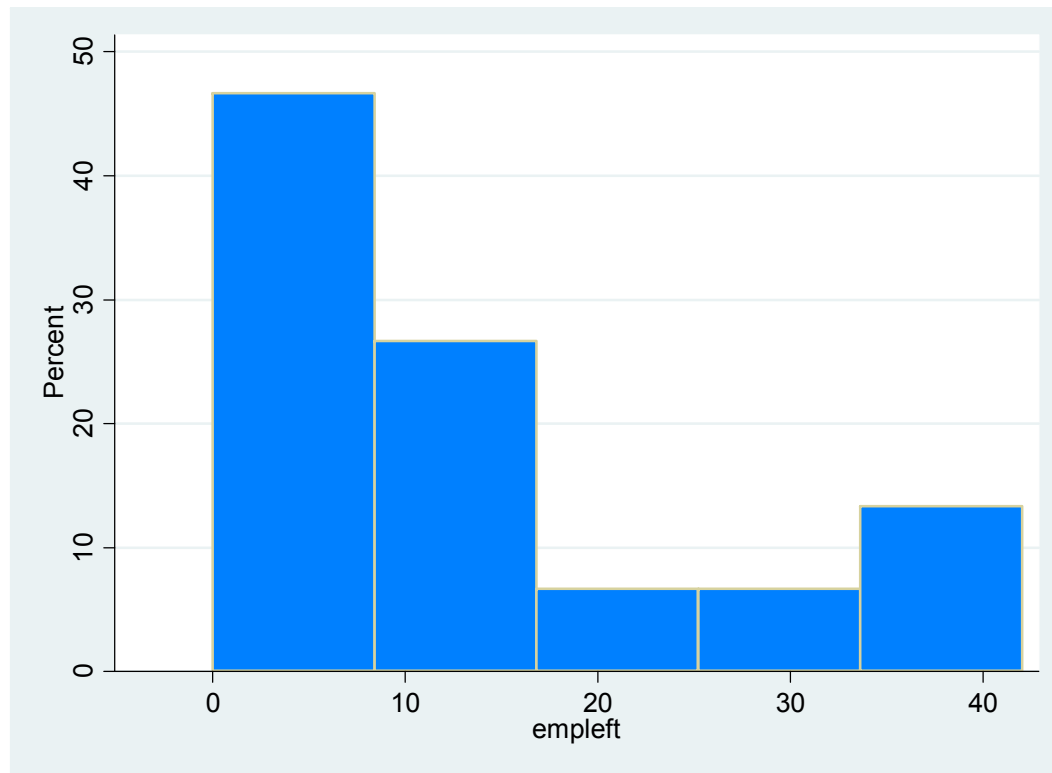
Distribution of EU agencies by percentage of staff with a college degree



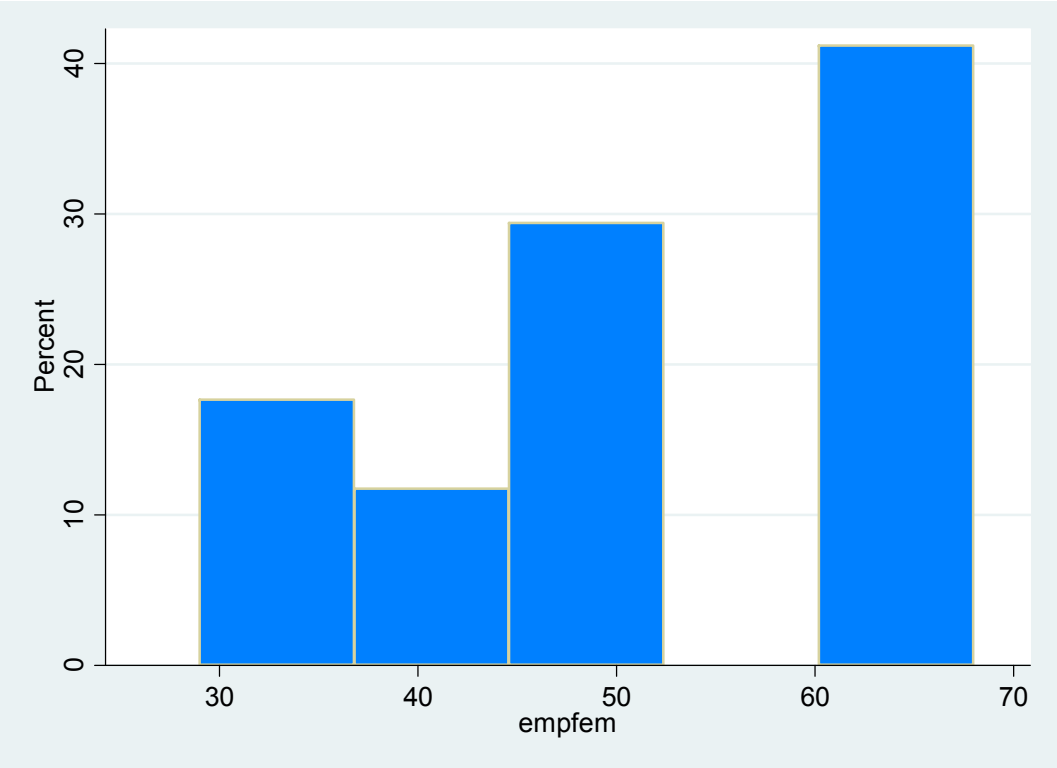
Distribution of EU agencies by percentage of training budget spent on managerial training in 2008



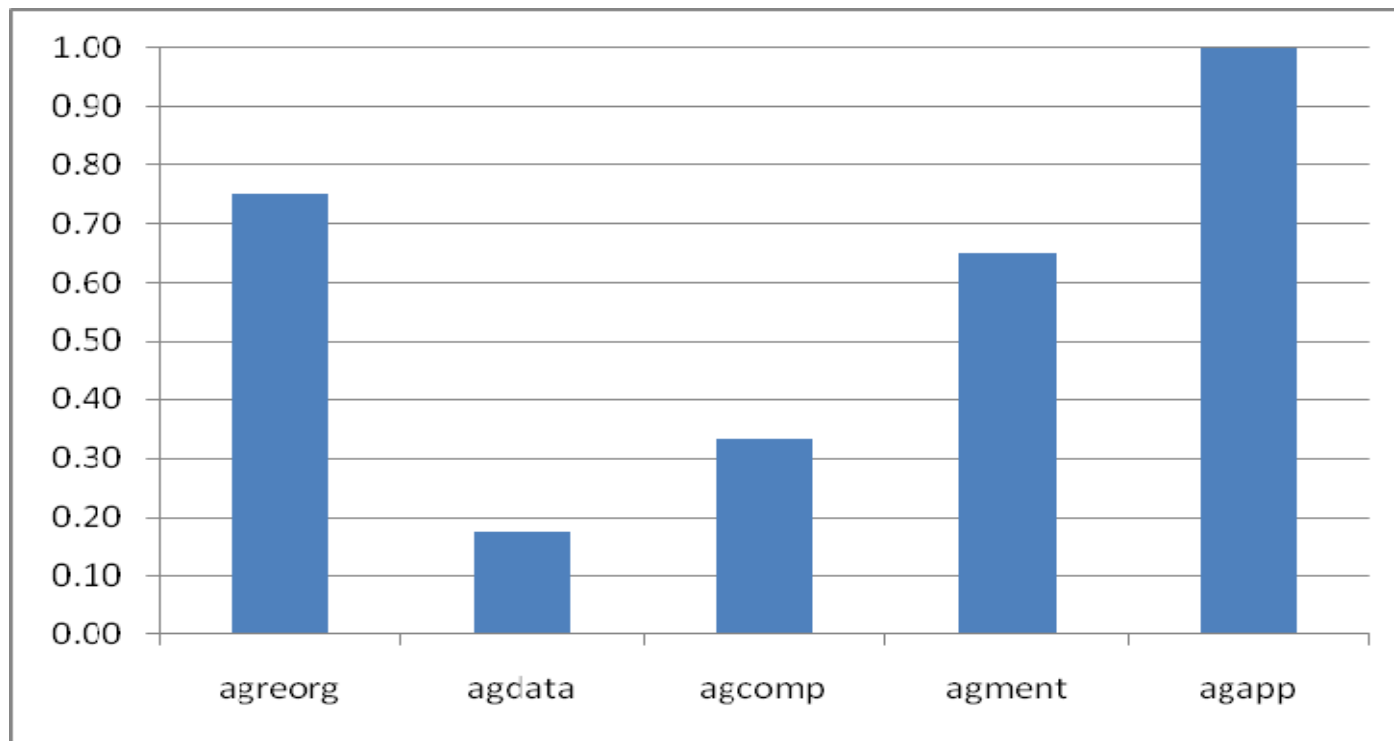
Distribution of EU agencies by number of employees who left in 2008



Distribution of EU agencies by percentage of female staff



Other organizational features



agreorg = major reorganization

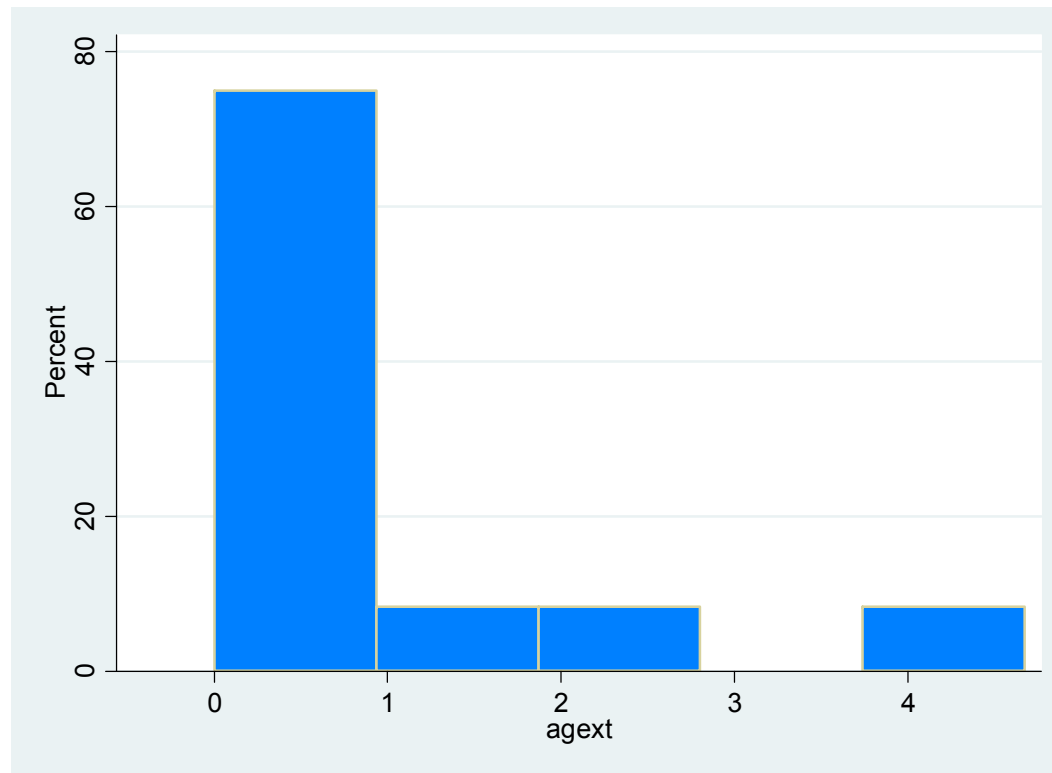
agdata = CV database

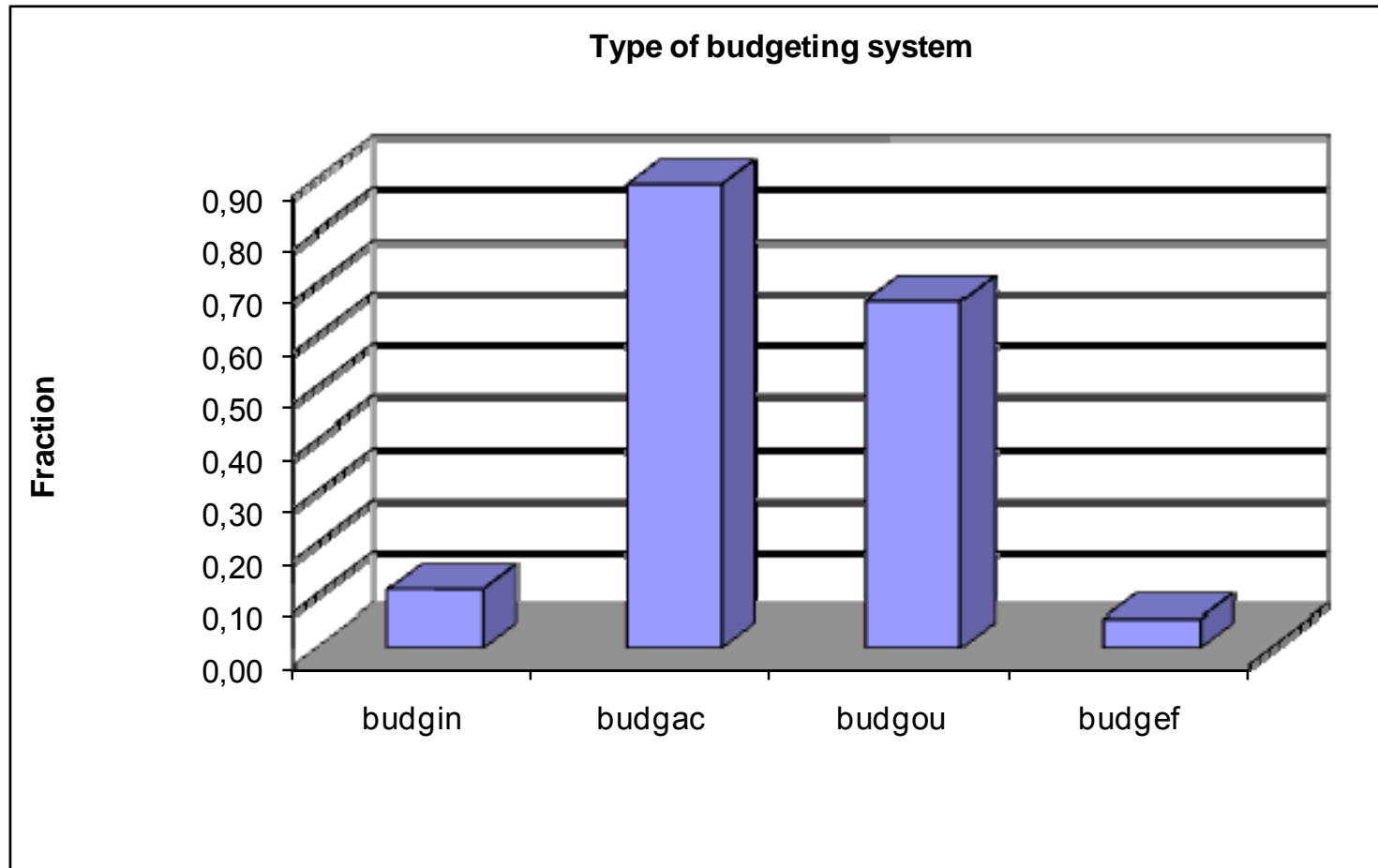
agcomp = competencies inventory

agment = mentoring

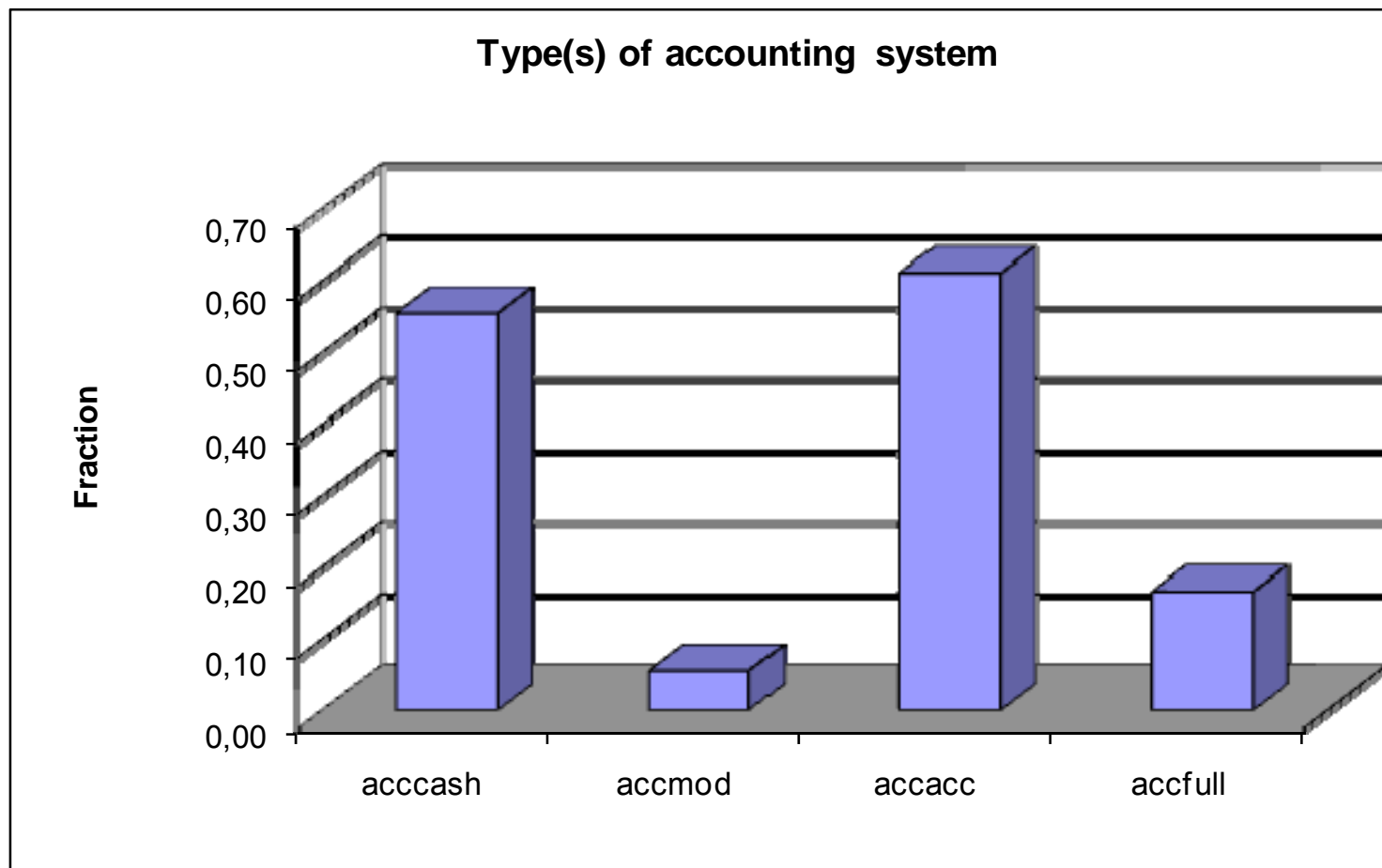
agapp = individual appraisal

Distribution of EU agencies by expenditure (mil. Euros) for external consultants in 2008





Budgin: Input based
Budgac: Activity based
Budgou: Output based
Budget: Effects based



Accash: Cash based
Accmod: Modified cash based
Accacc: Accrual
Accfull: Full accrual

4. Comments

- More than 60 percent of agencies use management control systems in addition to those that are required by the legislation
 - About 40 percent have utilized Business Process Reengineering (BPR) techniques
 - Slightly more than 20 percent have systematically adopted quality management systems (e.g. ISO, CAF, EFQM, and Balanced Score Card)
- there seems to be evidence of ‘experimentation’ with managerial instruments/approaches aimed at improving delivery

4. Comments (cont'd)

- There is no use of performance-related pay (PRP), although all the agencies use individual appraisal systems
- there seems to be some 'caution' in employing 'private sector, individual-reward-centred techniques'

This seems very sensible also taking into account that identification by the staff with the organization is challenged also by the prevalence in absolute terms of staff with fixed-term contracts

4. Comments (cont'd)

- Almost 40 percent of the EU agencies allocated less than 5 percent of the training budget to managerial training in 2008
 - Less than 20 percent of the EU agencies have a CV database
- there seems to be room for manouvre for long-term planning of human resources development (though fixed-term staff and, sometimes, the same time horizon of agencies)

5. Autonomy of agencies

- The notion of ‘autonomy’ is at the very core of the idea of public agency, defined in literature as ‘semi-autonomous’ organizations (different from both independent authorities and ‘offices’ within a hierarchical chain)
 - It relates to doctrines of ‘letting managers manage’ and ‘prefer small and mono-task organizations free to organize themselves’ over traditional bureaucracies, championed by New Public Management
- However, this study assumes no ‘ideological favour’ (nor disfavour) towards autonomy, but simply recognizes that it is a crucial feature to be investigated
- Autonomy is not confined to “formal-legal” status (though that is very important): a multiplicity of factors affect agency autonomy

Qualifications of the notion of agency autonomy

Autonomy is always 'relative to'

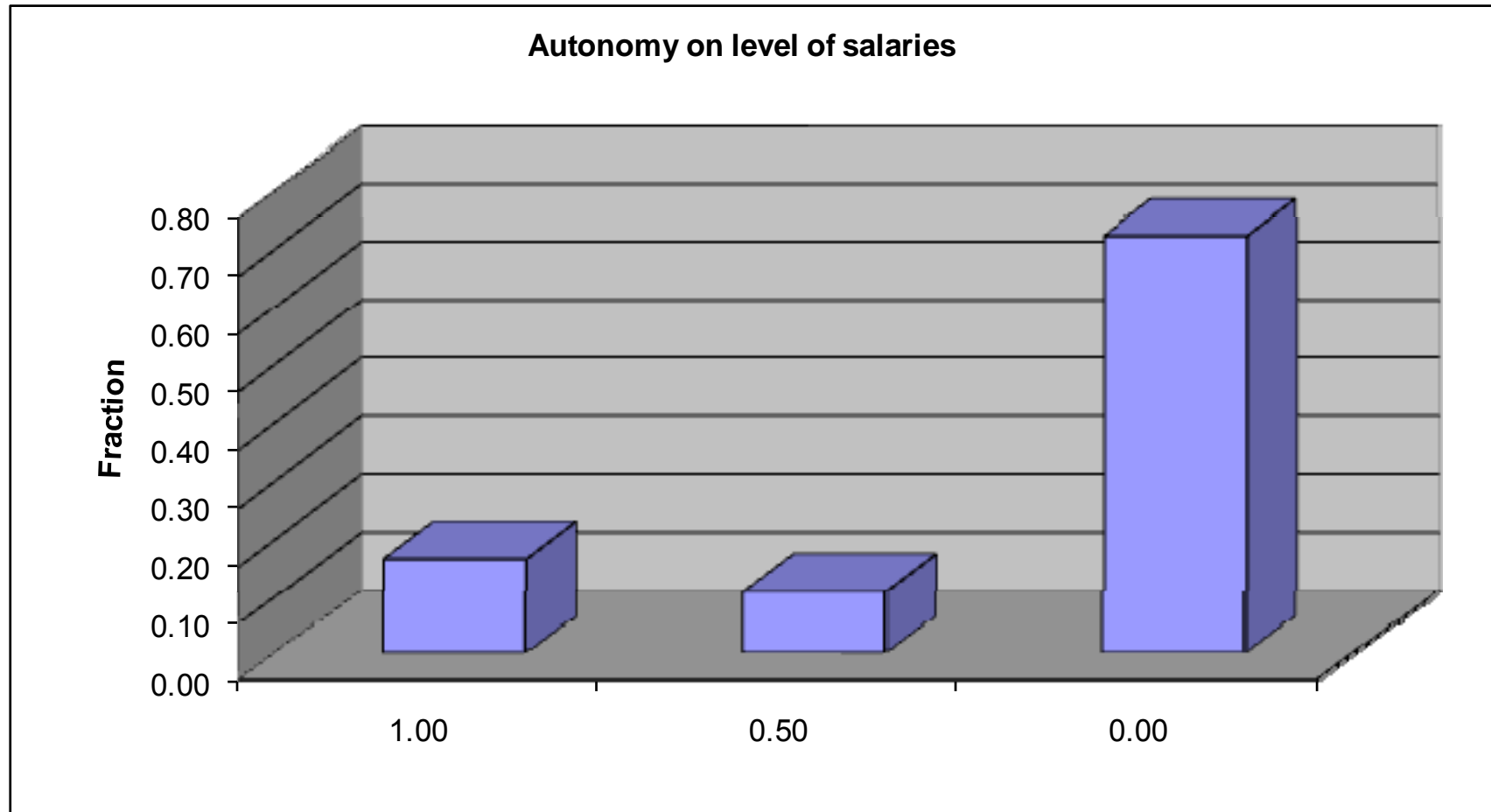
- Autonomy from what institution(s): usually from the Parent/Supervising Administration (→ *Commission DG(s), Council*)

Autonomy in what respects:

- Personnel management autonomy
- Financial management autonomy
- Autonomy in policy-related issues: 'strategic/policy' autonomy

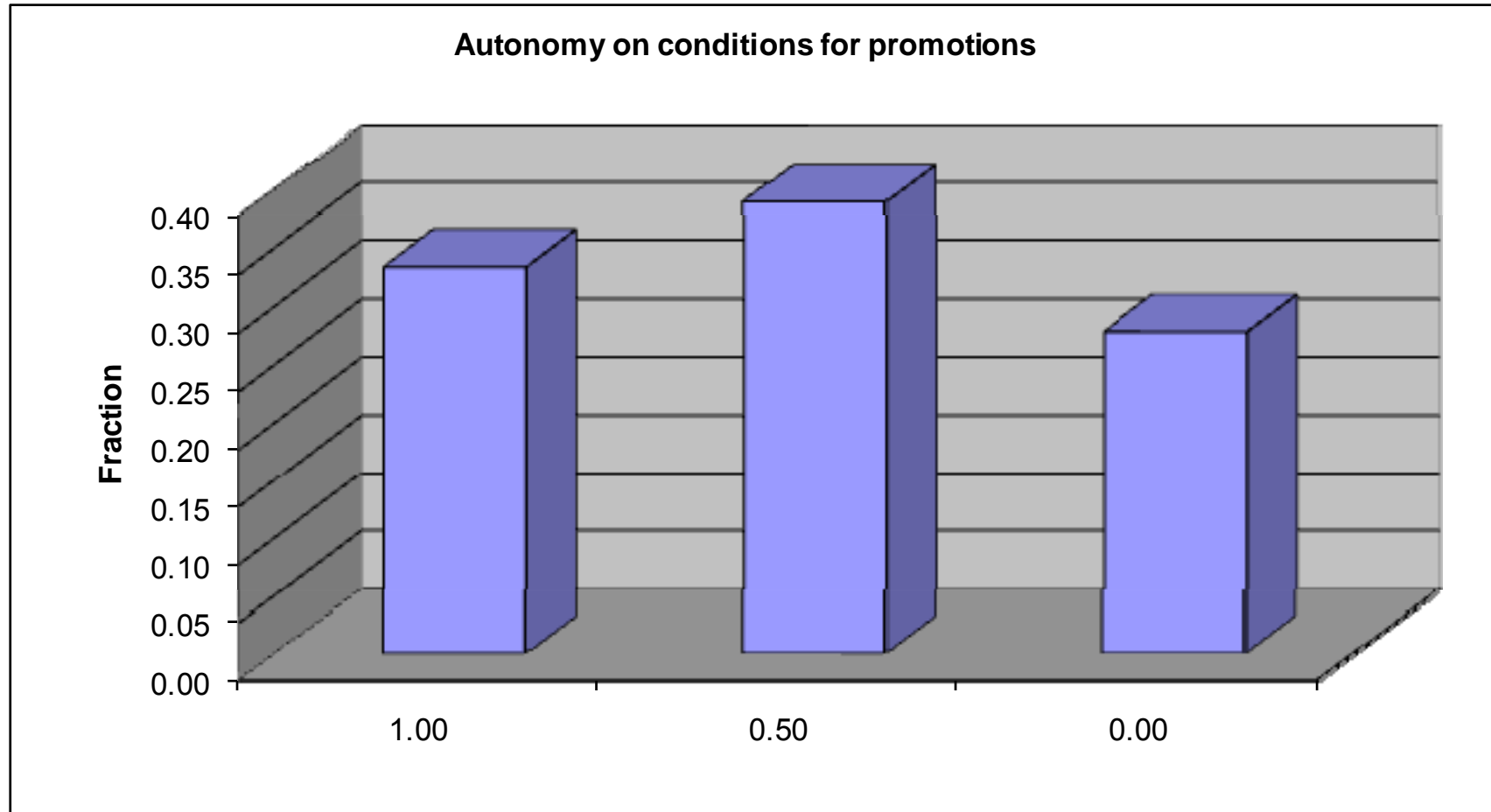
These are the dimensions empirically investigated

Strategic and operational personnel management autonomy (1)



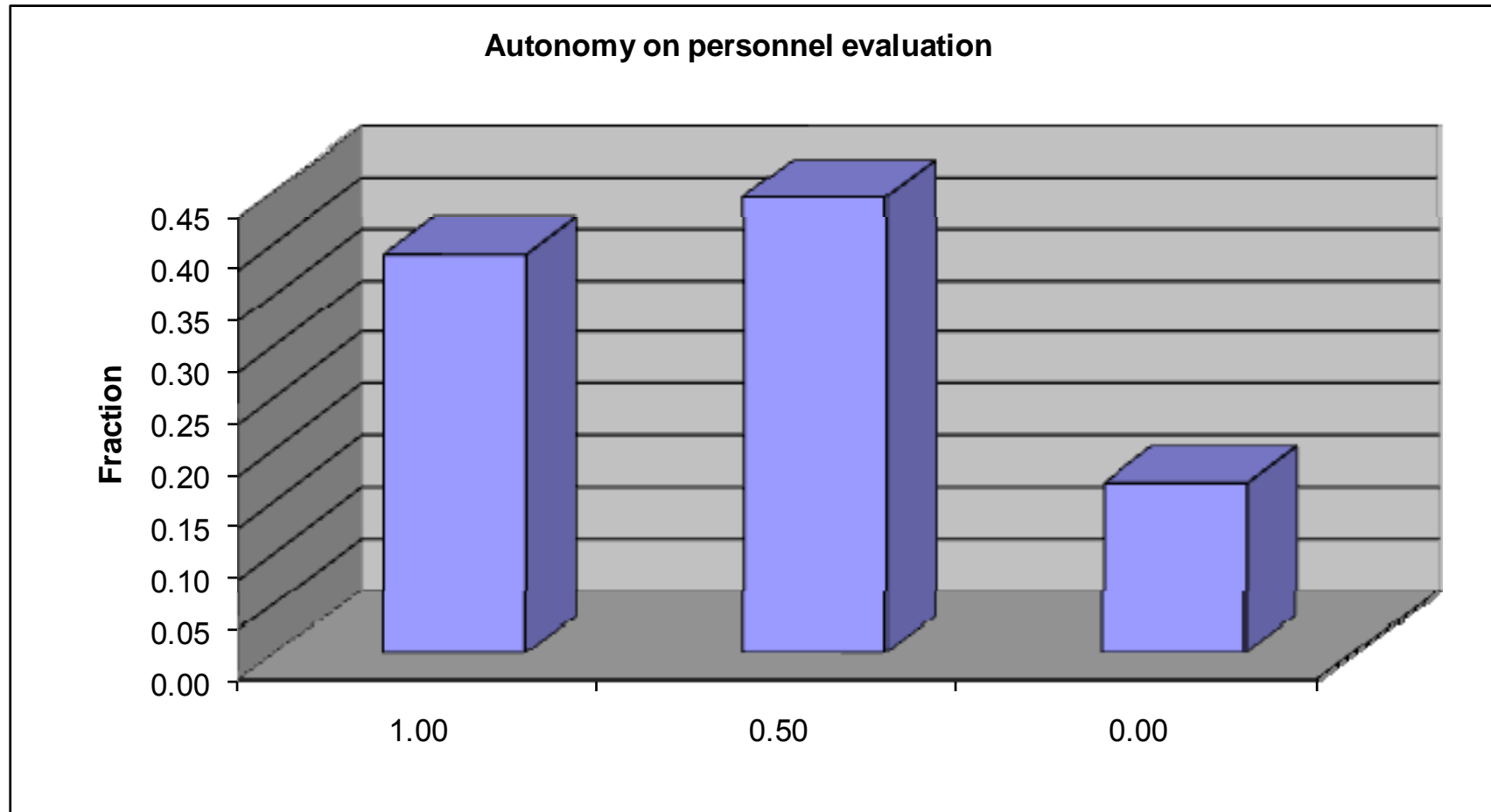
1: Yes, without other EU bodies' consent
0,5: yes, with other EU bodies' consent
0:no

Strategic and operational personnel management autonomy (2)



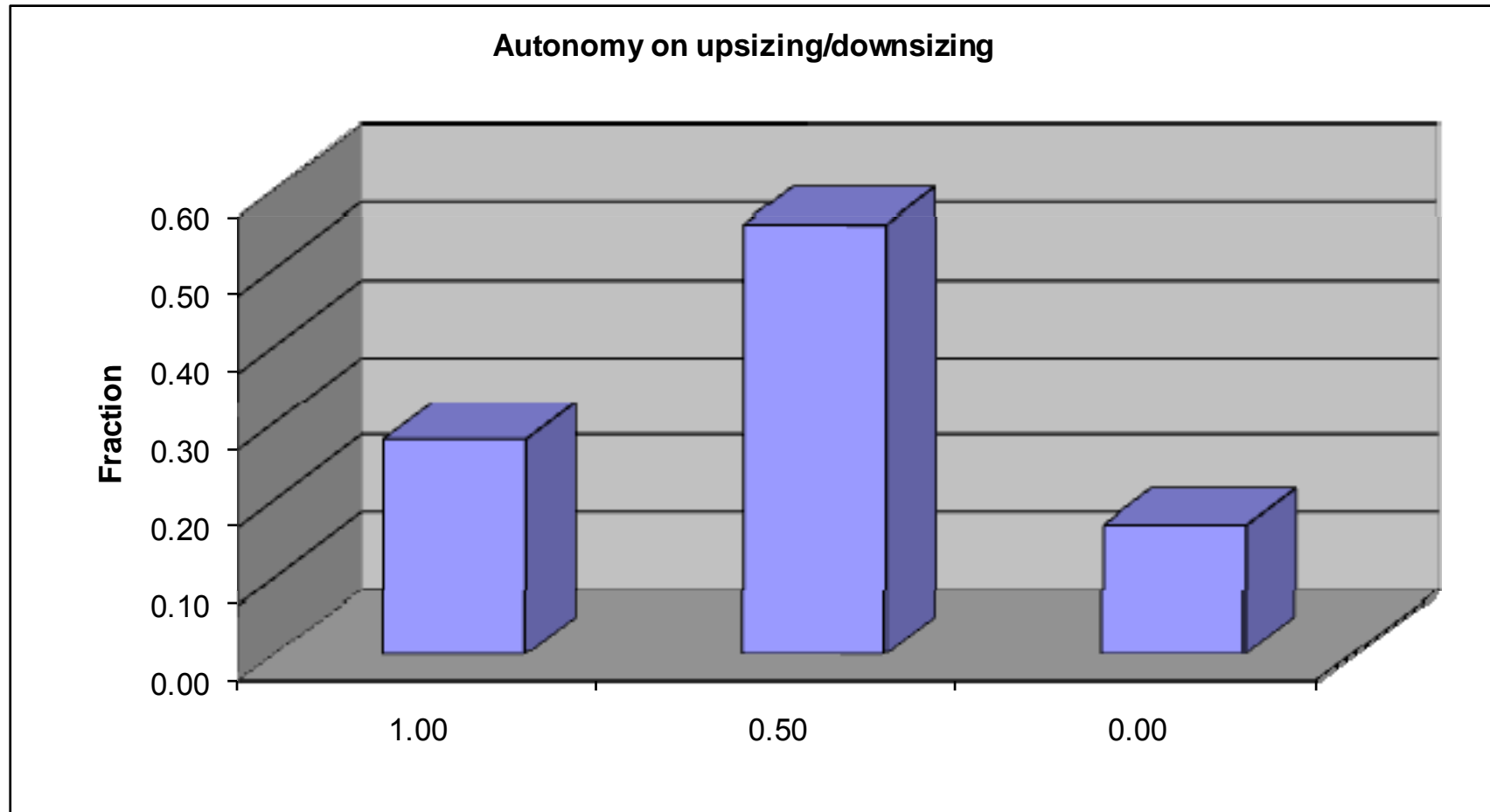
1: Yes, without other EU bodies' consent
0,5: yes, with other EU bodies' consent
0:no

Strategic and operational personnel management autonomy (3)



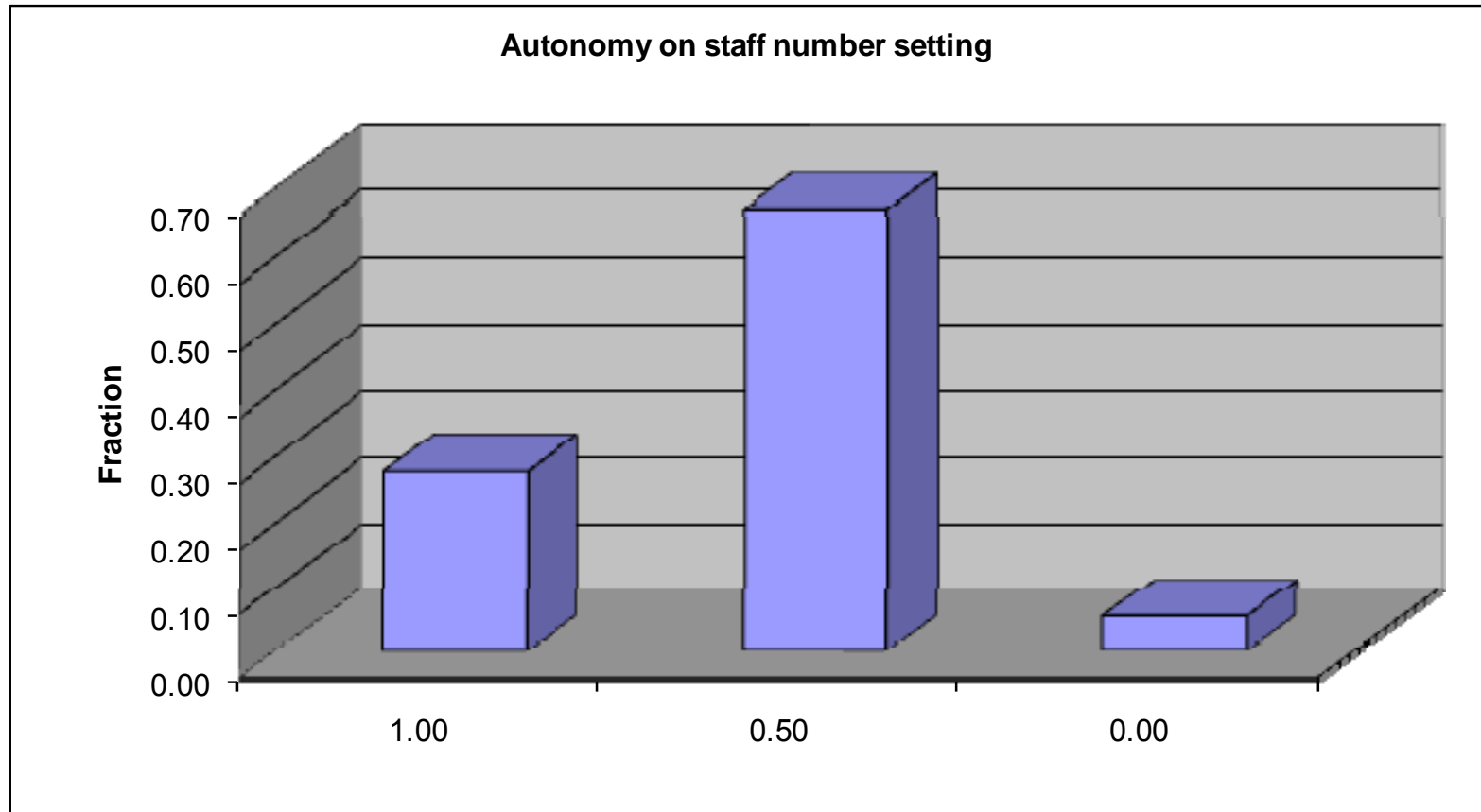
1: Yes, without other EU bodies' consent
0,5: yes, with other EU bodies' consent
0:no

Strategic and operational personnel management autonomy (4)



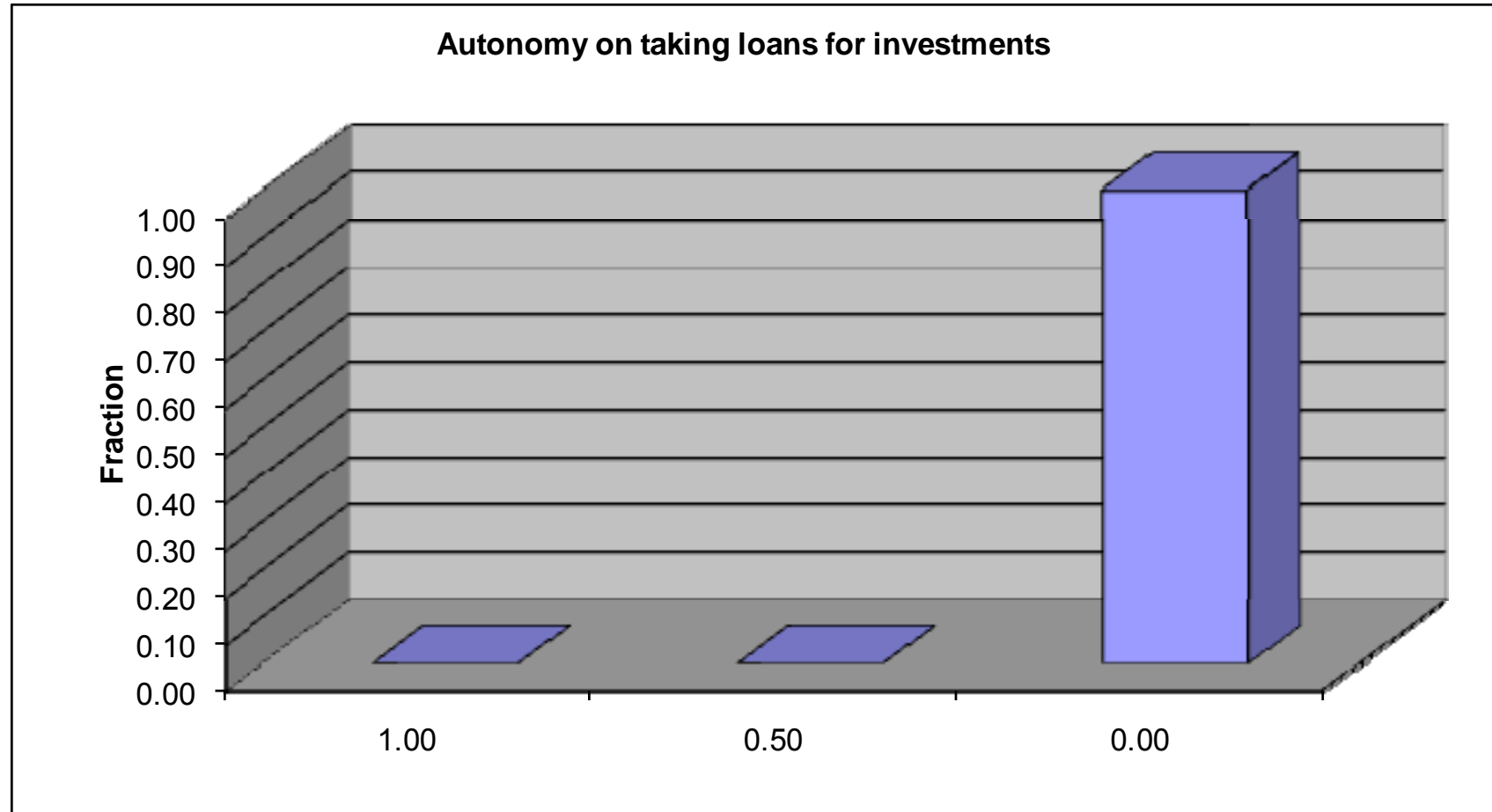
1: Yes, without other EU bodies' consent
0,5: yes, with other EU bodies' consent
0:no

Strategic and operational personnel management autonomy (5)



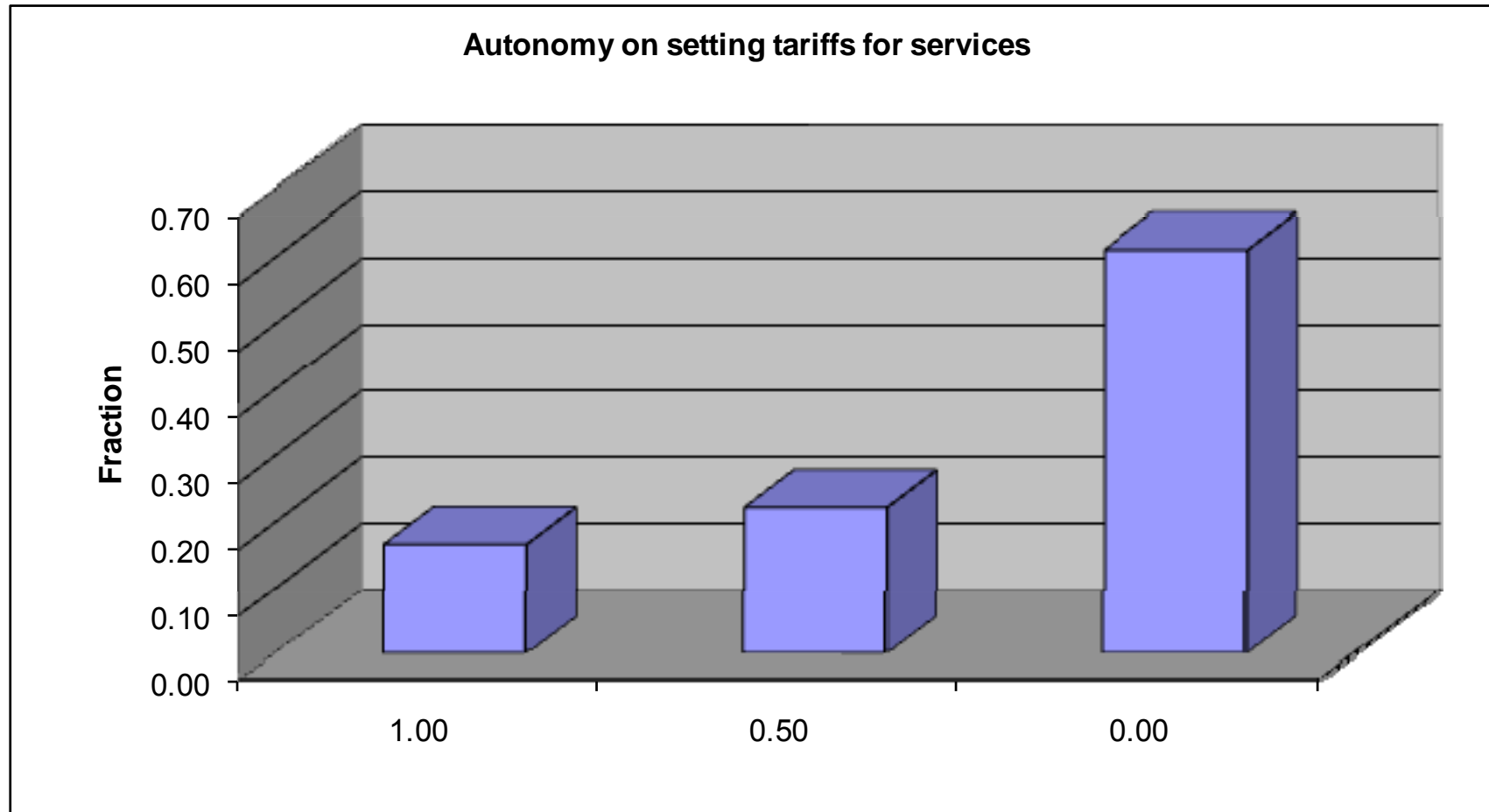
1: Yes, without other EU bodies' consent
0,5: yes, with other EU bodies' consent
0:no

Financial management autonomy (1)



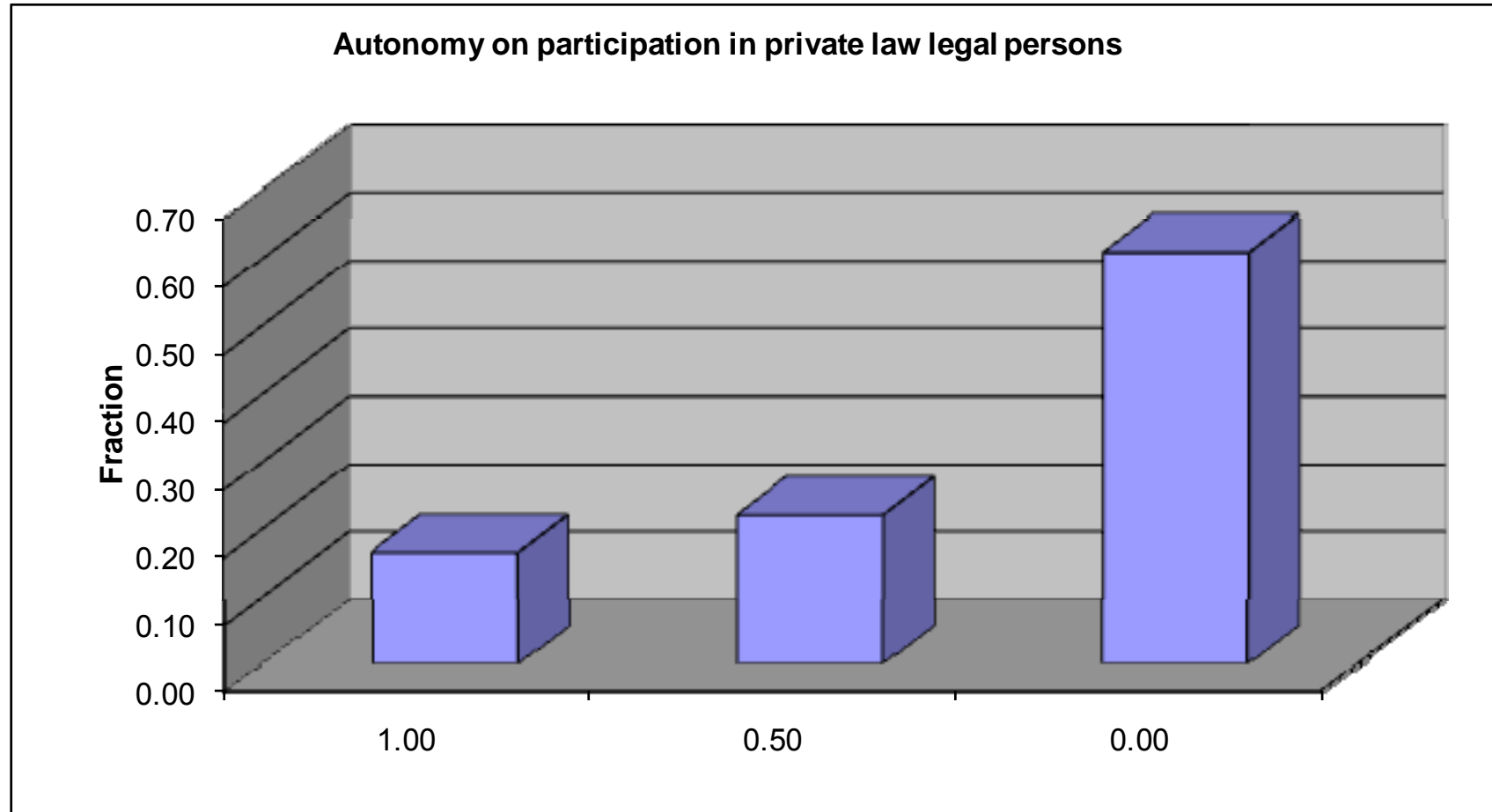
1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Financial management autonomy (2)



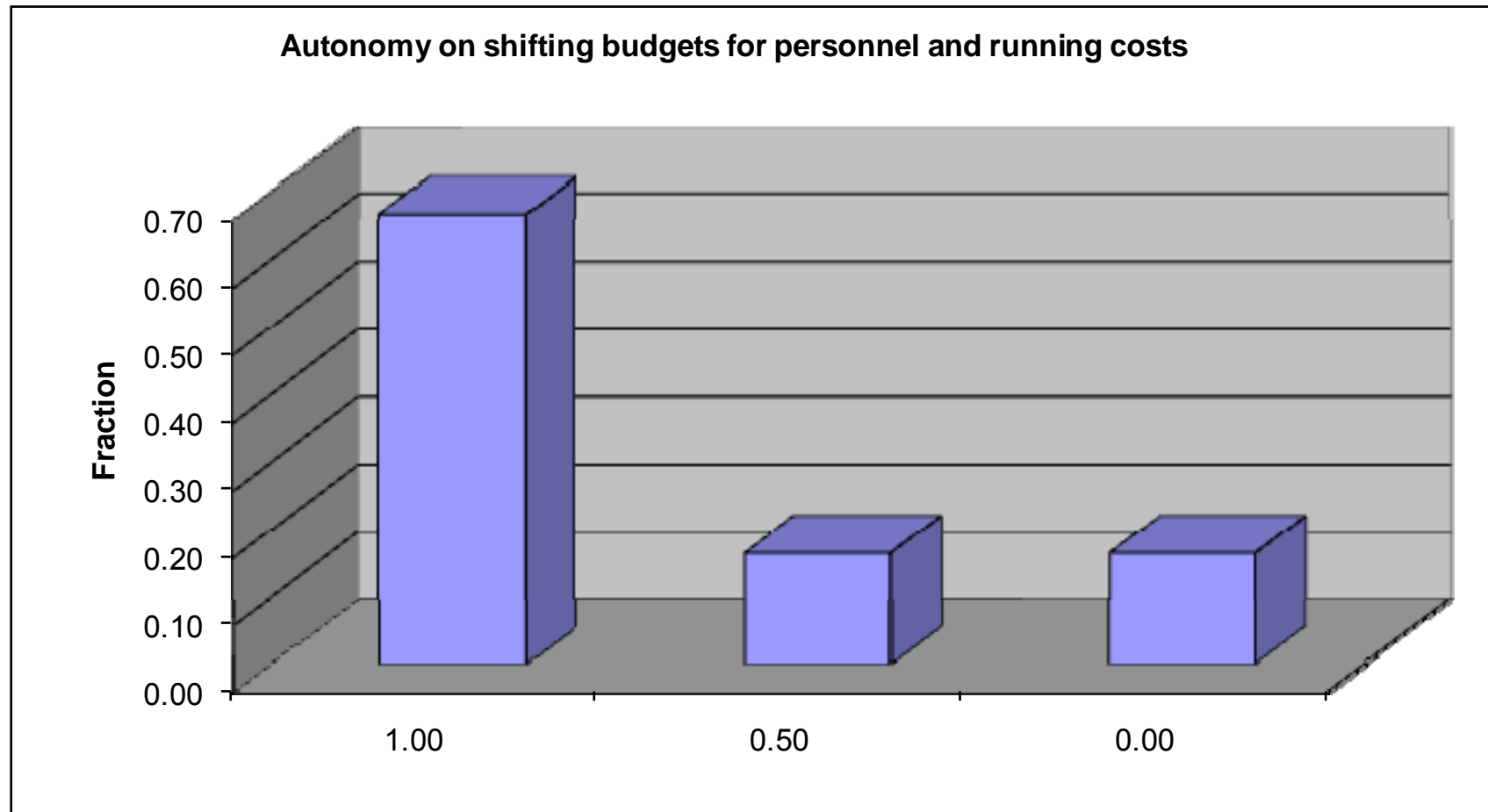
1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Financial management autonomy (3)



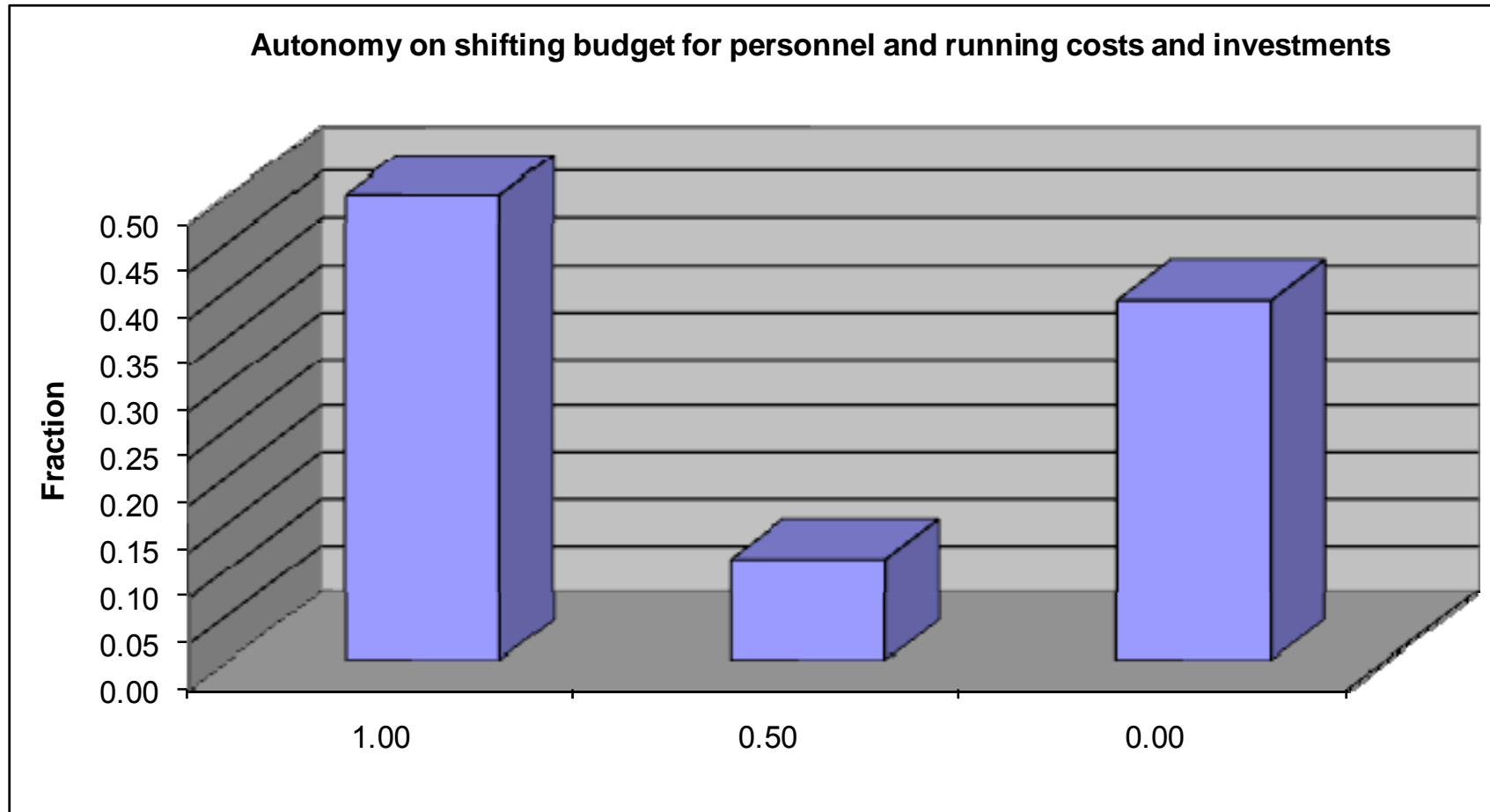
1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Financial management autonomy (4)



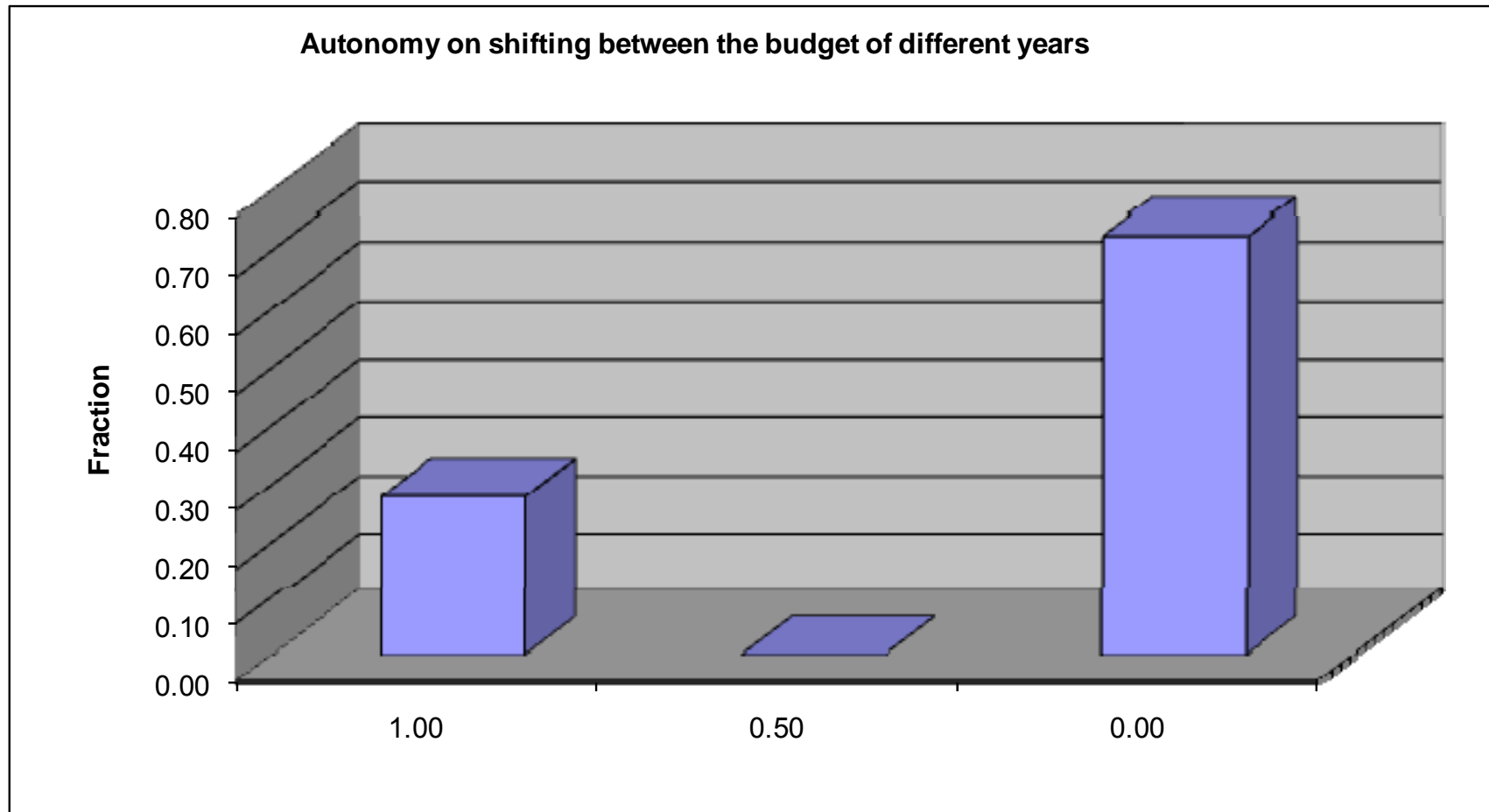
1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Financial management autonomy (5)



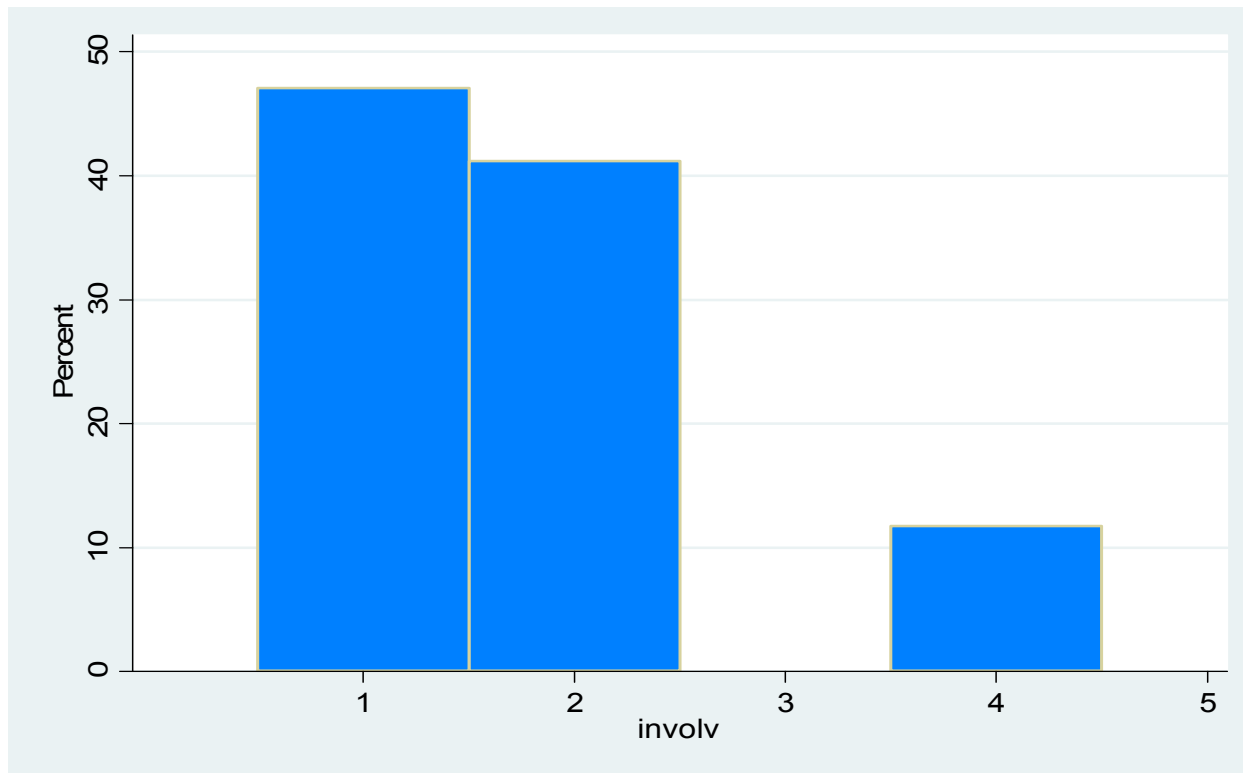
1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Financial management autonomy (5)



1: Yes, without prior other EU bodies' consent
0,5: yes, with prior other EU bodies' consent
0:no

Distribution of EU agencies by involvement in setting of non-financial goals

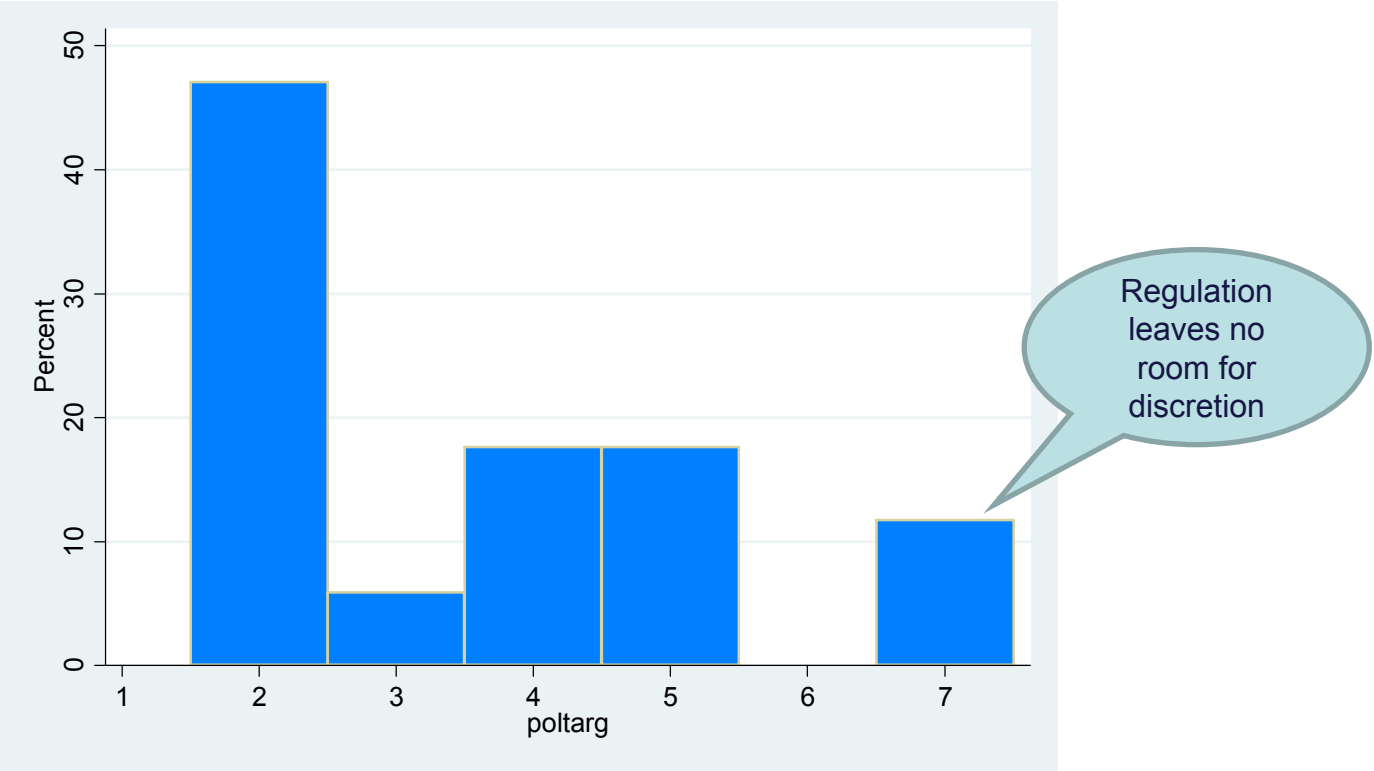


Agency
Decides



Other EU
Bodies
decide

Distribution of EU agencies by degree of autonomy in defining the target group of the policy

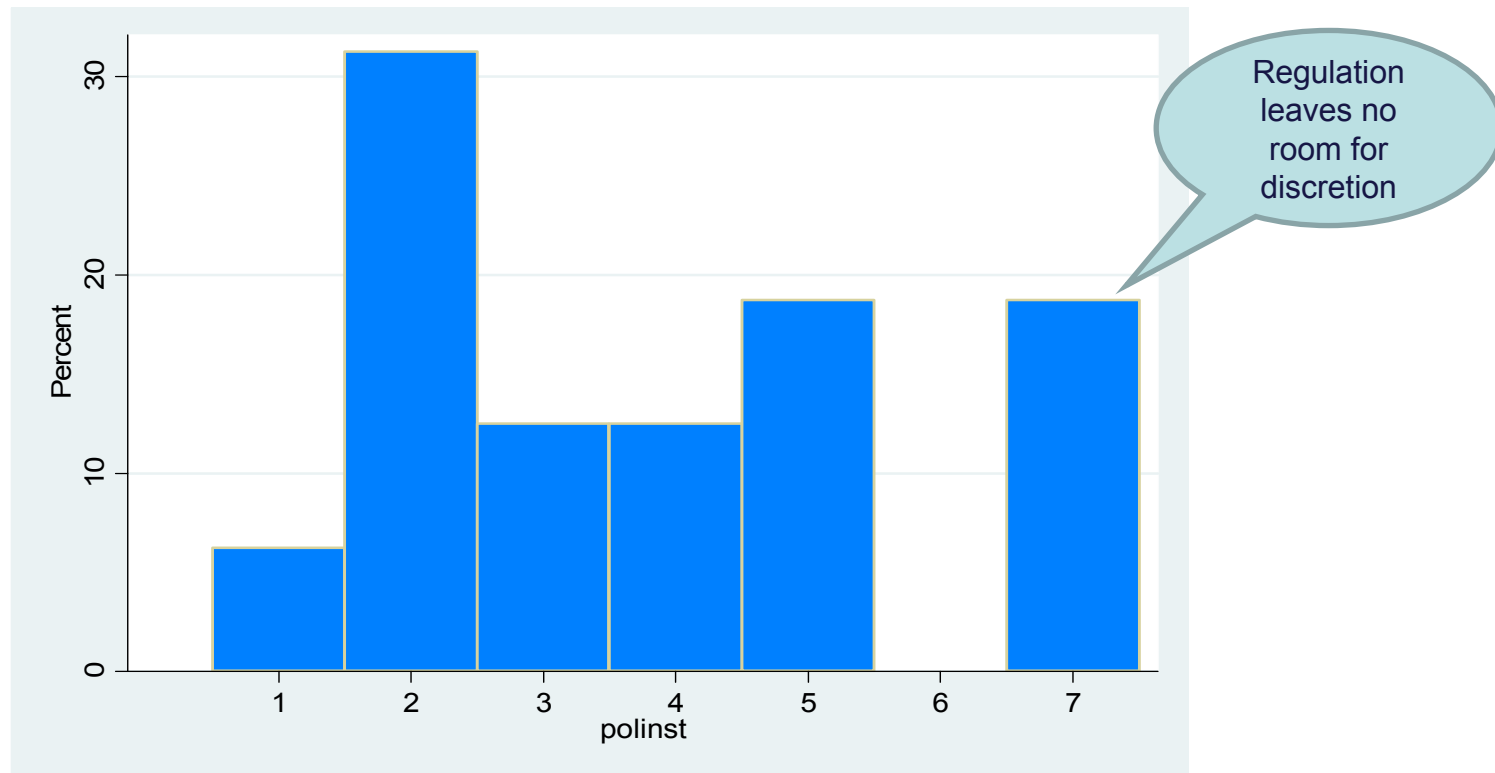


Agency
Decides



Other EU
Bodies
decide

EU agencies by degree of autonomy in selecting the policy instruments

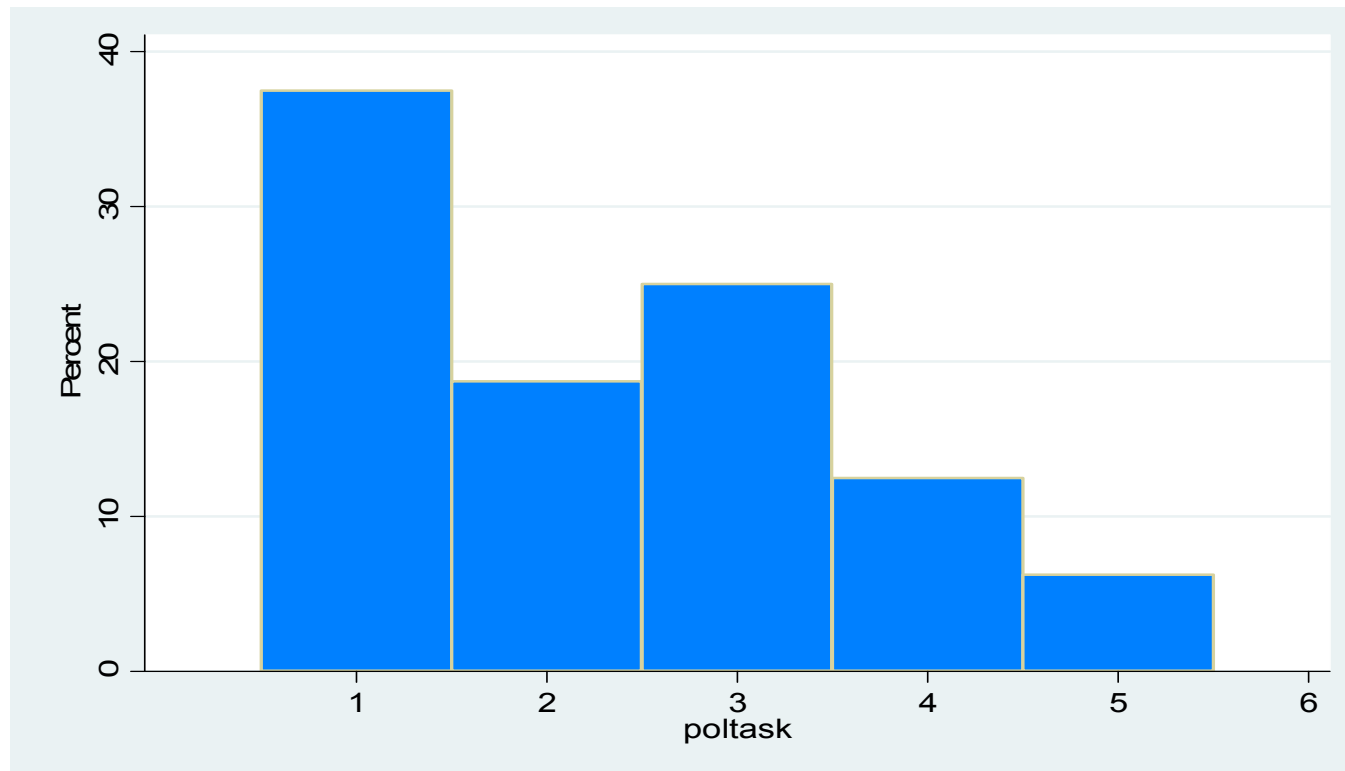


Agency
Decides



Other EU
Bodies
decide

EU agencies by degree of autonomy in deciding on the way tasks are implemented

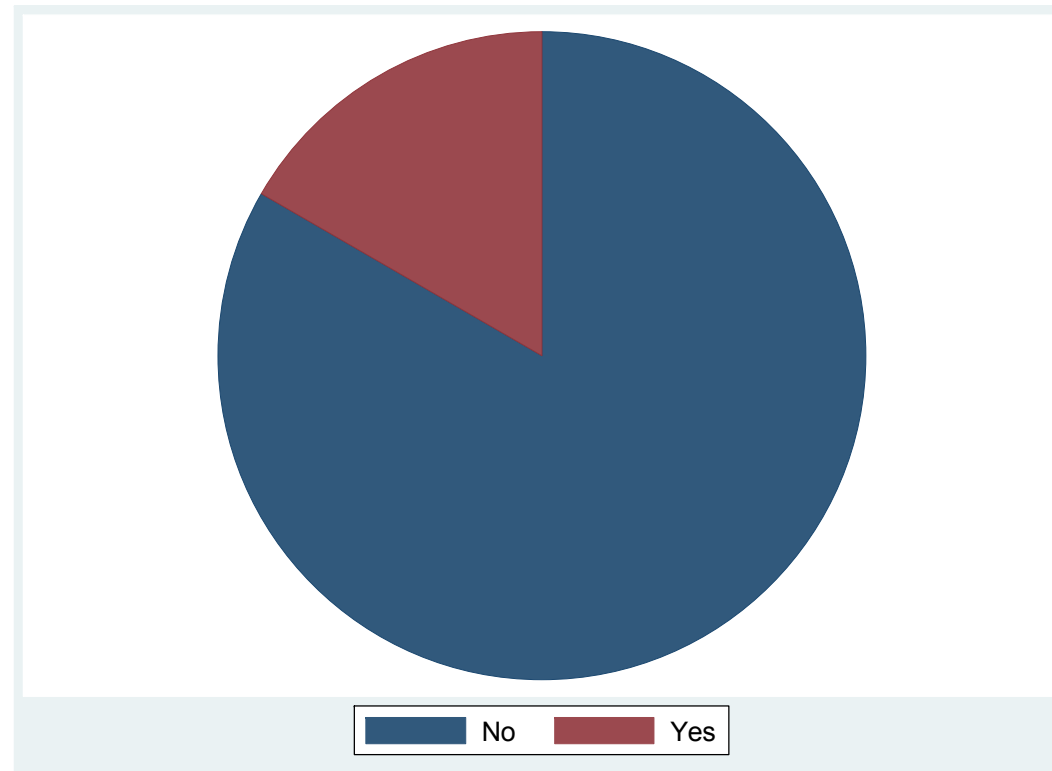


Agency
Decides



Other EU
Bodies
decide

Distribution of EU agencies by power to adopt acts with binding effects without the Commission's approval



5. Comments

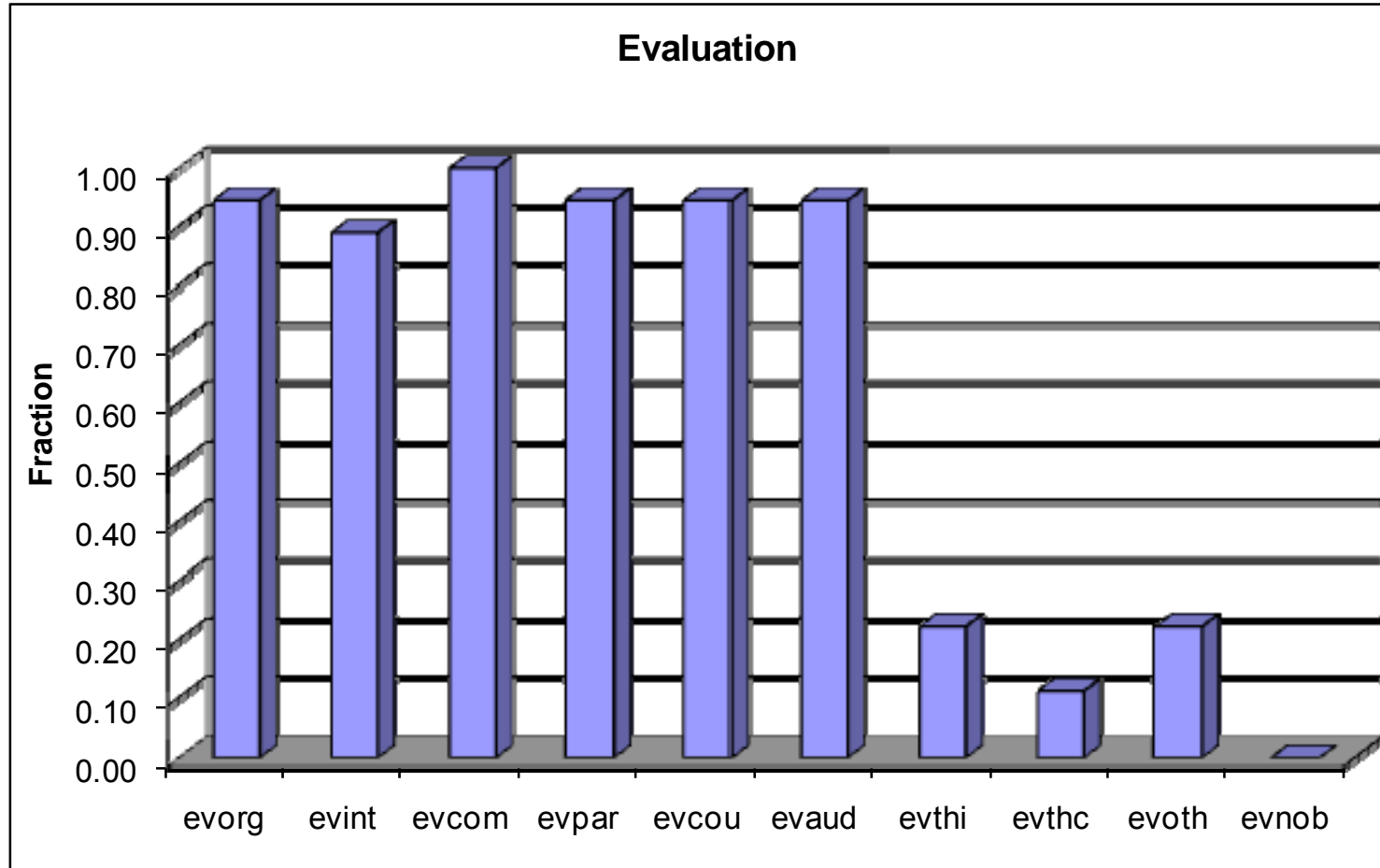
- About 80 percent of the EU agencies have no autonomy whatsoever in setting the salary levels
- Three-fourths have at least some autonomy in managing promotions
- More than 70 percent have at least some autonomy in deciding the number of staff
- About 70 percent cannot participate in private-law entities
- Half of the agencies are free to shift the budget items between personnel or running costs on the one hand and investments on the other hand
- EU agencies have no autonomy in taking loans

5. Comments (cont'd)

- For 78 percent of the EU agencies that filled out the questionnaire more than half of the total budget comes from direct allocation by the EU Commission.
- For 22 percent of the EU agencies that filled out the questionnaire more than half of the total budget comes from self-generated income
- In general (these considerations are based also on the findings from multiple case study – see slides section 8 for details), agencies perceive themselves as very autonomous concerning their internal management, would generally like to be even more autonomous, and consider that credibility, more than formal provisions, is crucial in determining 'actual' autonomy.

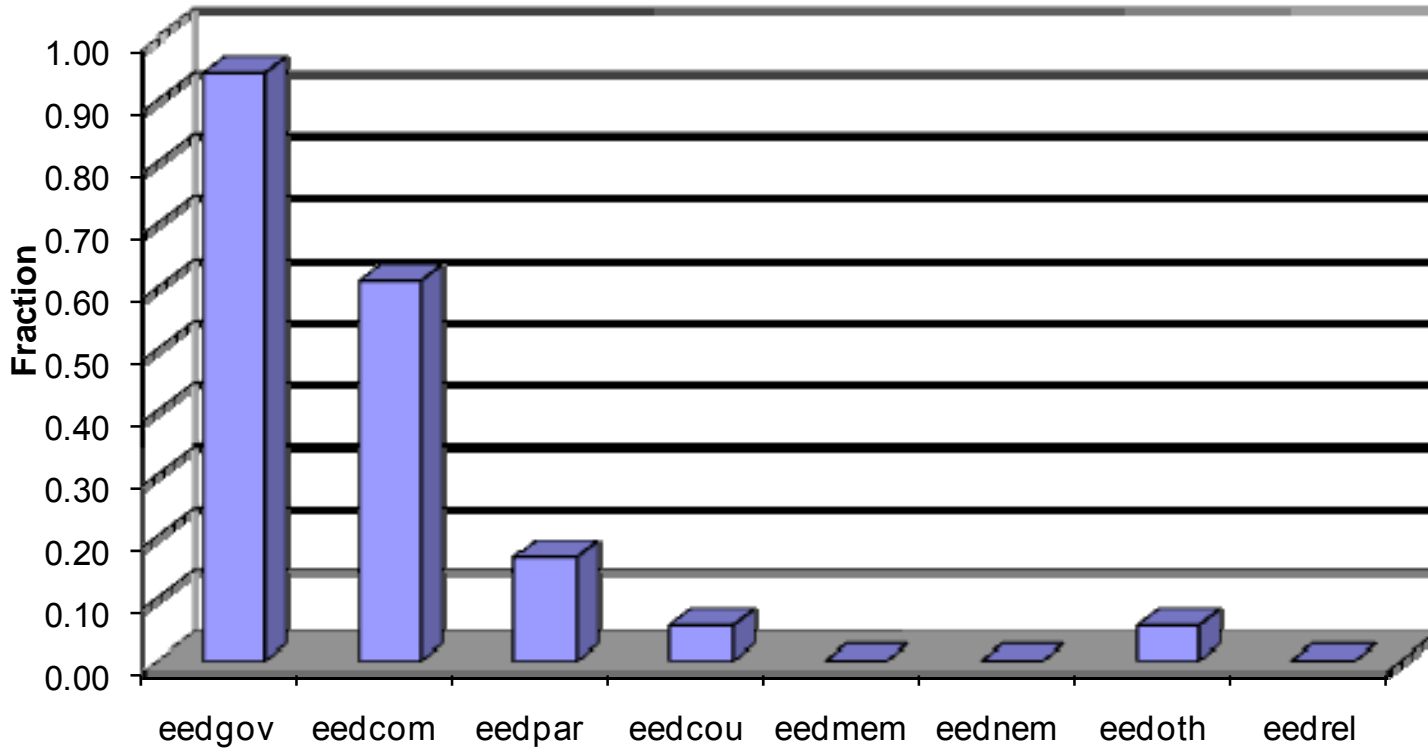
6. Profiles of steering and control by multiple principals towards EU agencies

- Next to autonomy, steering & control is the other key feature in comprehending the phenomenon of public agencies as an administrative phenomenon
- By Steering & Control it is meant the systems through which the parent administration(s) steers the agency (assigning the goals to the agency; setting up systems of evaluation; etc.)
- Processes and procedures of appointment, confirmation, removal of the board and the director, and other aspects of the 'corporate governance', are in the framework adopted in this research work components, important but not the only ones, of the broader system of Steering & Control



Evorg: Organisation
Evint: Internal Auditor Officer
Evcom: European Commission
Evpar: European Parliament
Evcou: European Council
Evaud: Court of Auditors
Evthi: Third parties by order of the organization
Evthc: Third parties by order of the European Commission
Evoth: Others
Evnob: Nobody

Evaluation of Executive Director



Eedgov: Governing board of the organization

Eedcom: European Commission

Eedpar: European Parliament

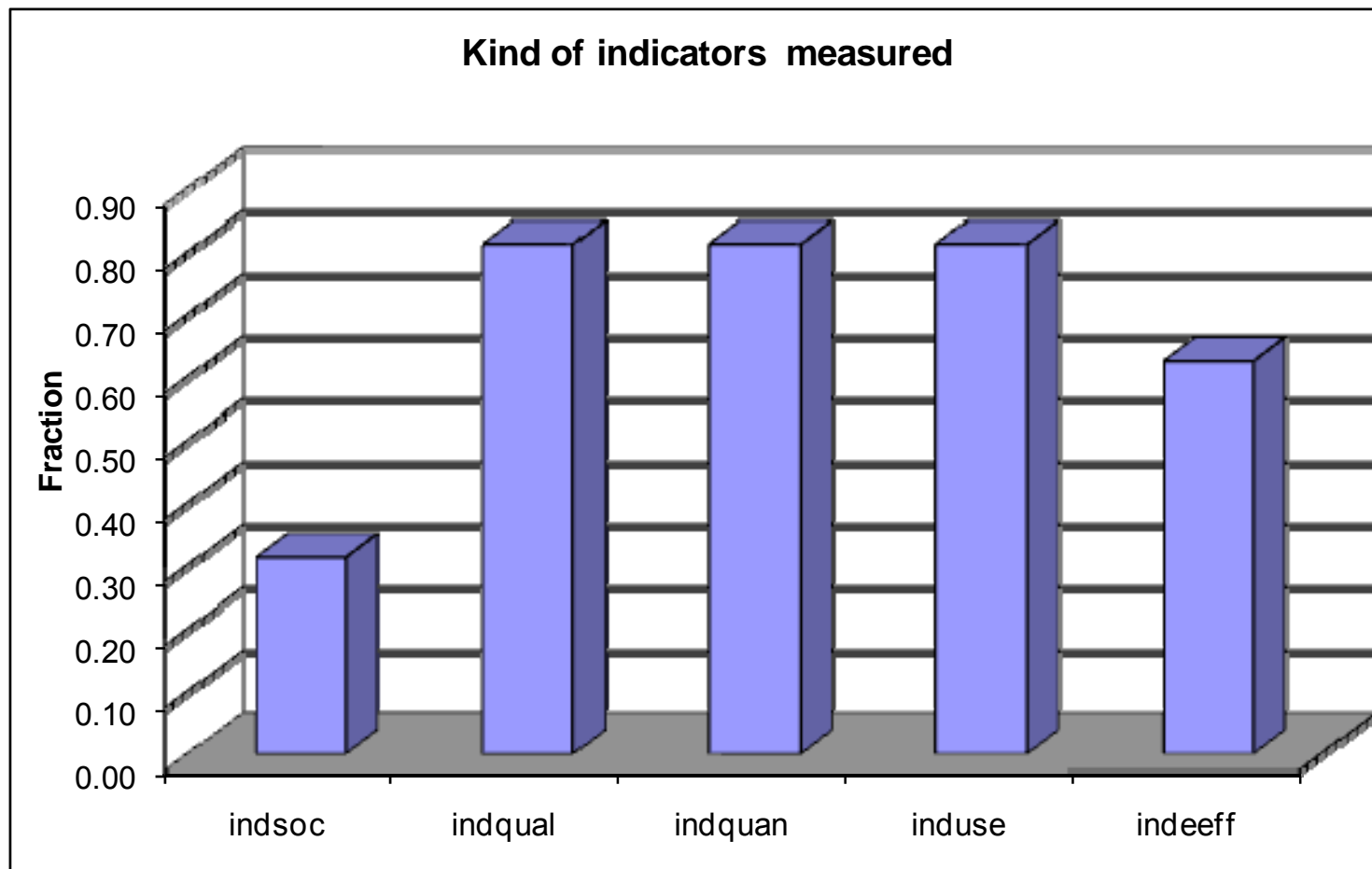
Eedcou: Council

Eedmem: EU member States

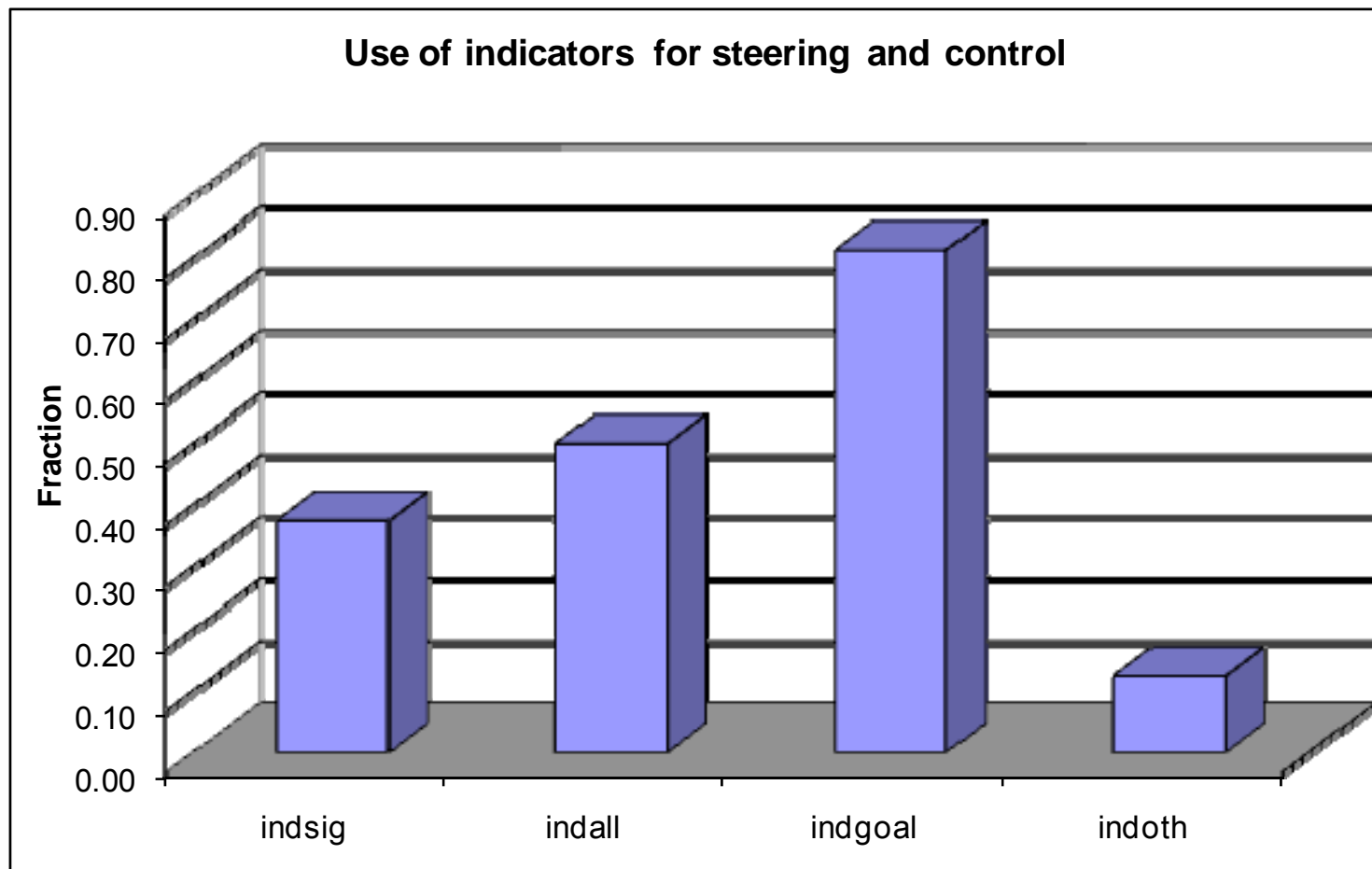
Eednem: Non EU member States

Eedoth: Other

Eedrel: Not relevant

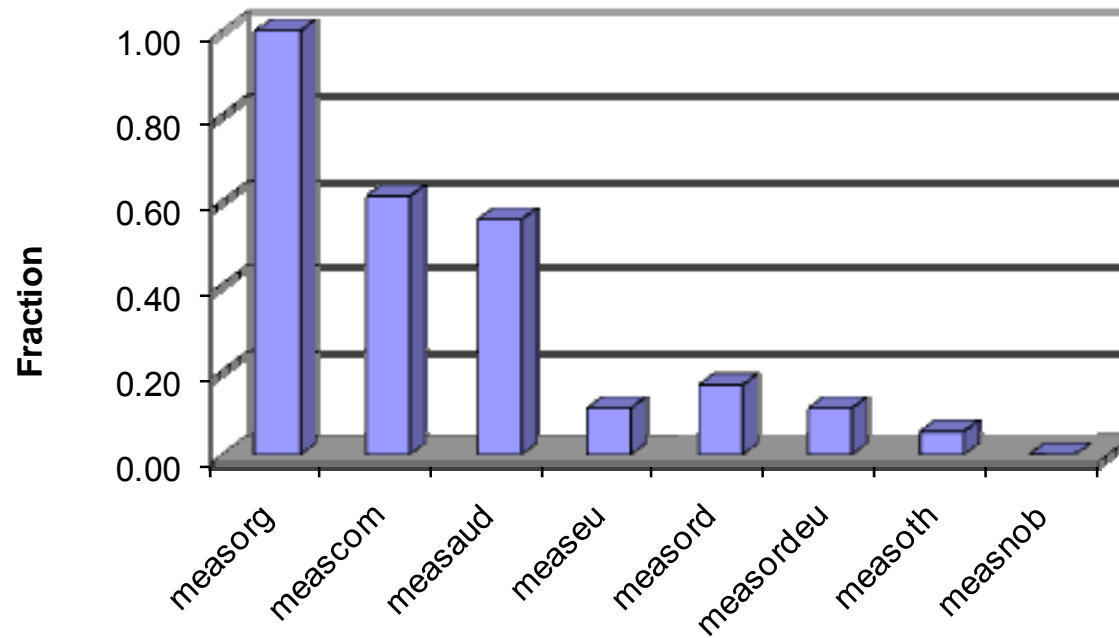


Indsoc: Societal effects
Indqual: Quality of service delivery
Indquan: Quantitative output
Induse: Use of resources
Indeff: Effects, quality or output in relation to resources



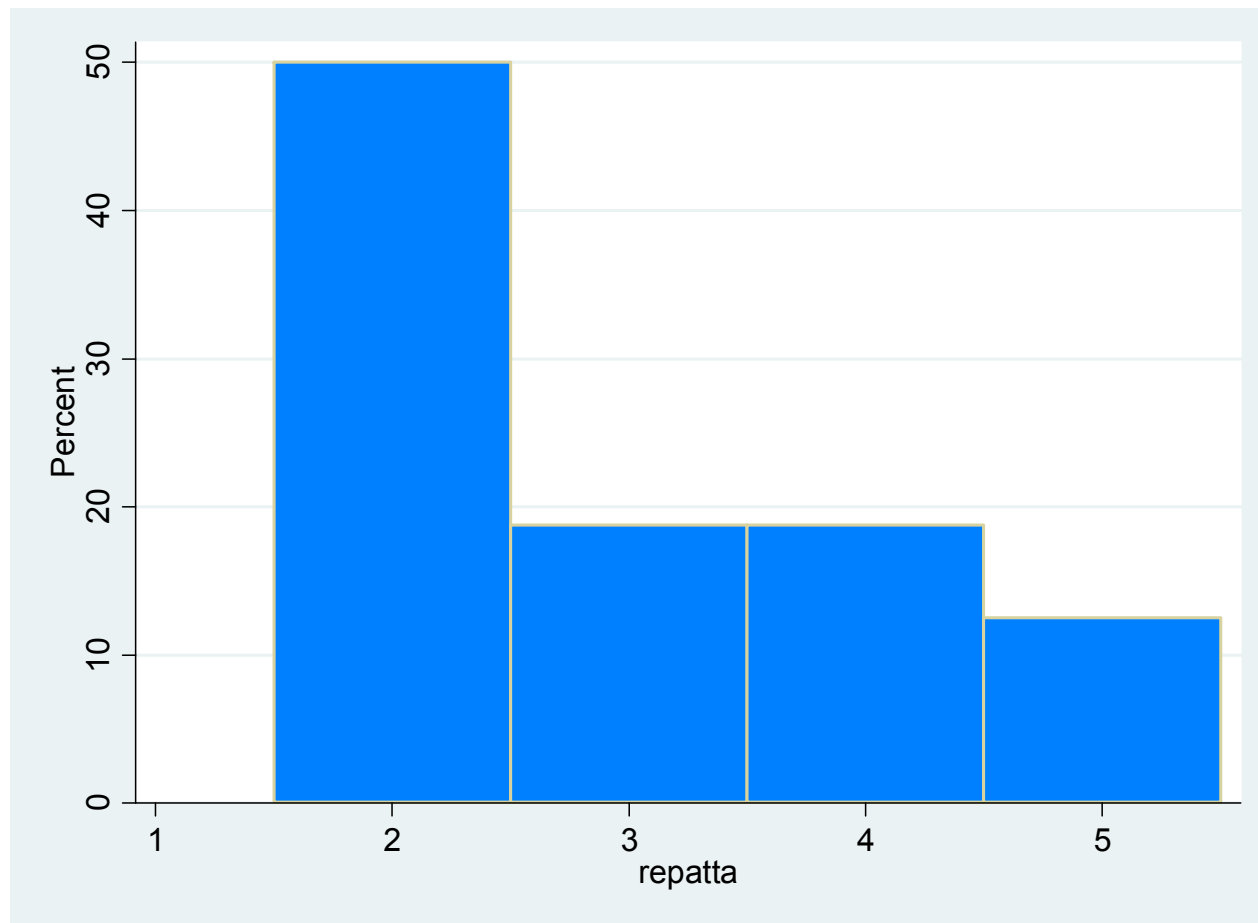
Indsig: Basis for steering signals
Indall: Basis for future resource allocation
Indgoal: Check organizational accountability and goal attainment
Indoth: Other

Who measures

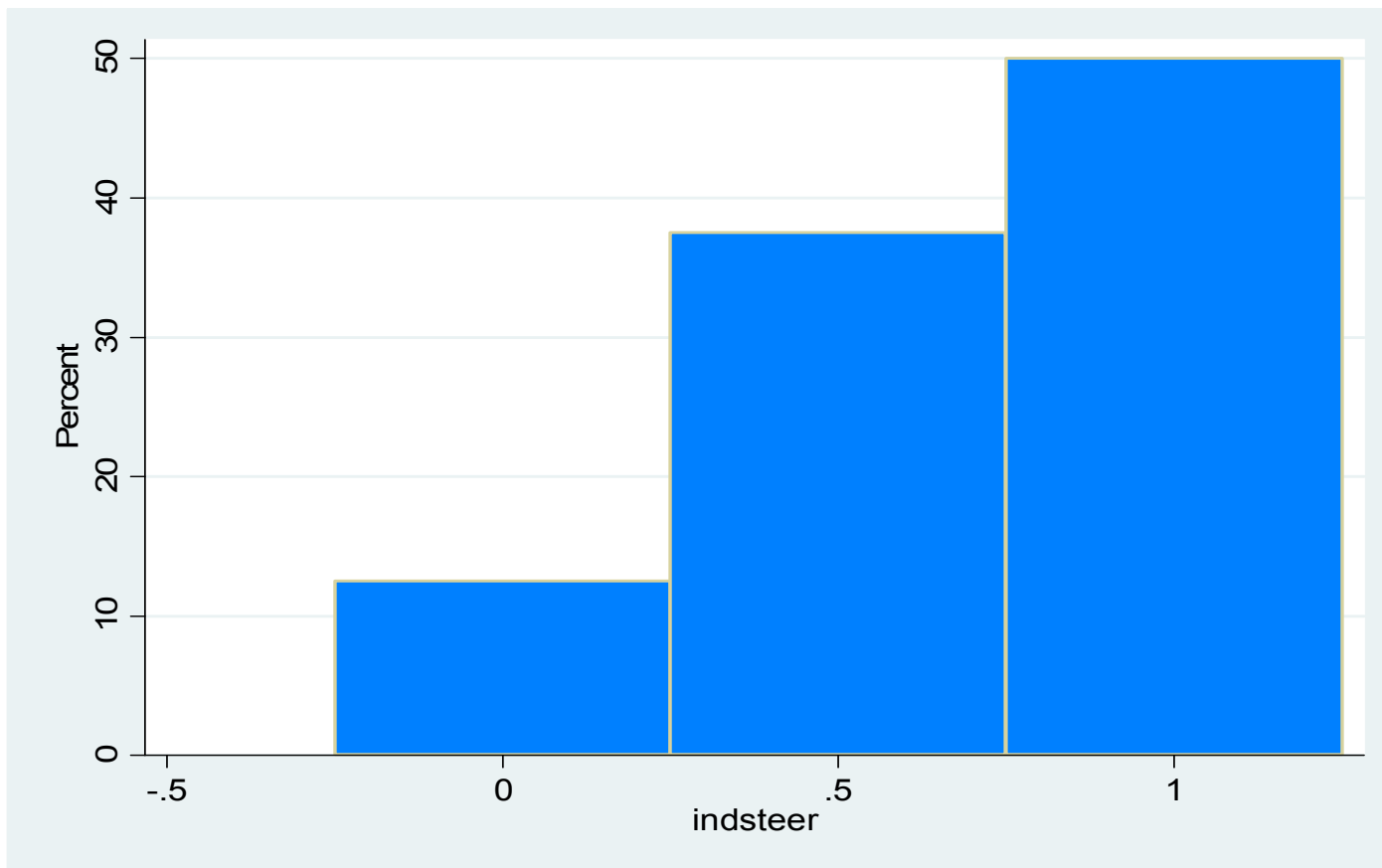


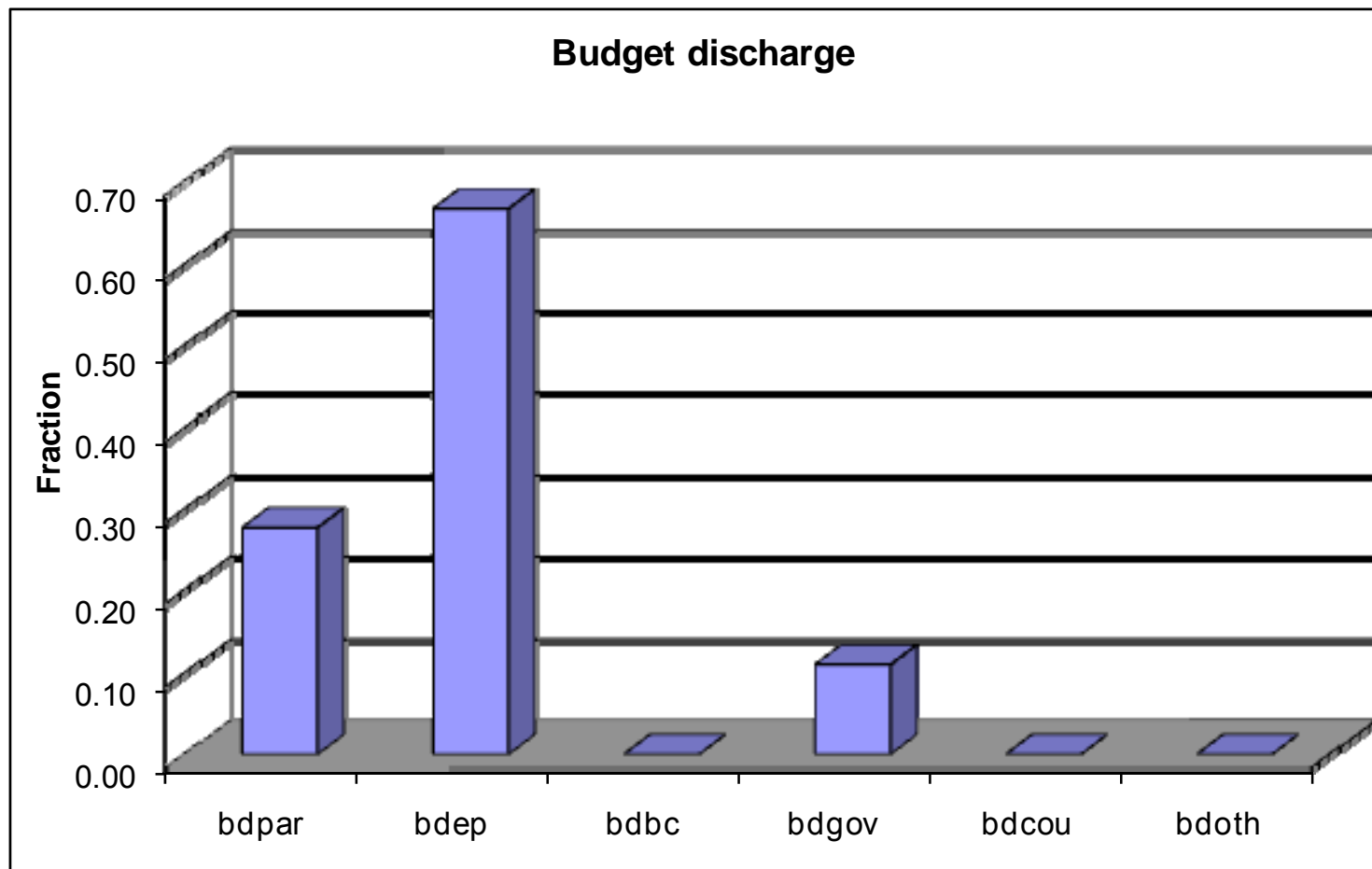
Measorg: Organization
Meascom: The European Commission
Measaud: Court of Auditor
Measeu: Other EU bodies
Measord: Third parties by order of the organization
Measordeu: Third parties by order of other EU bodies
Measoth: Others
Measnob: Nobody

Distribution of EU agencies by frequency of reporting on goal attainment

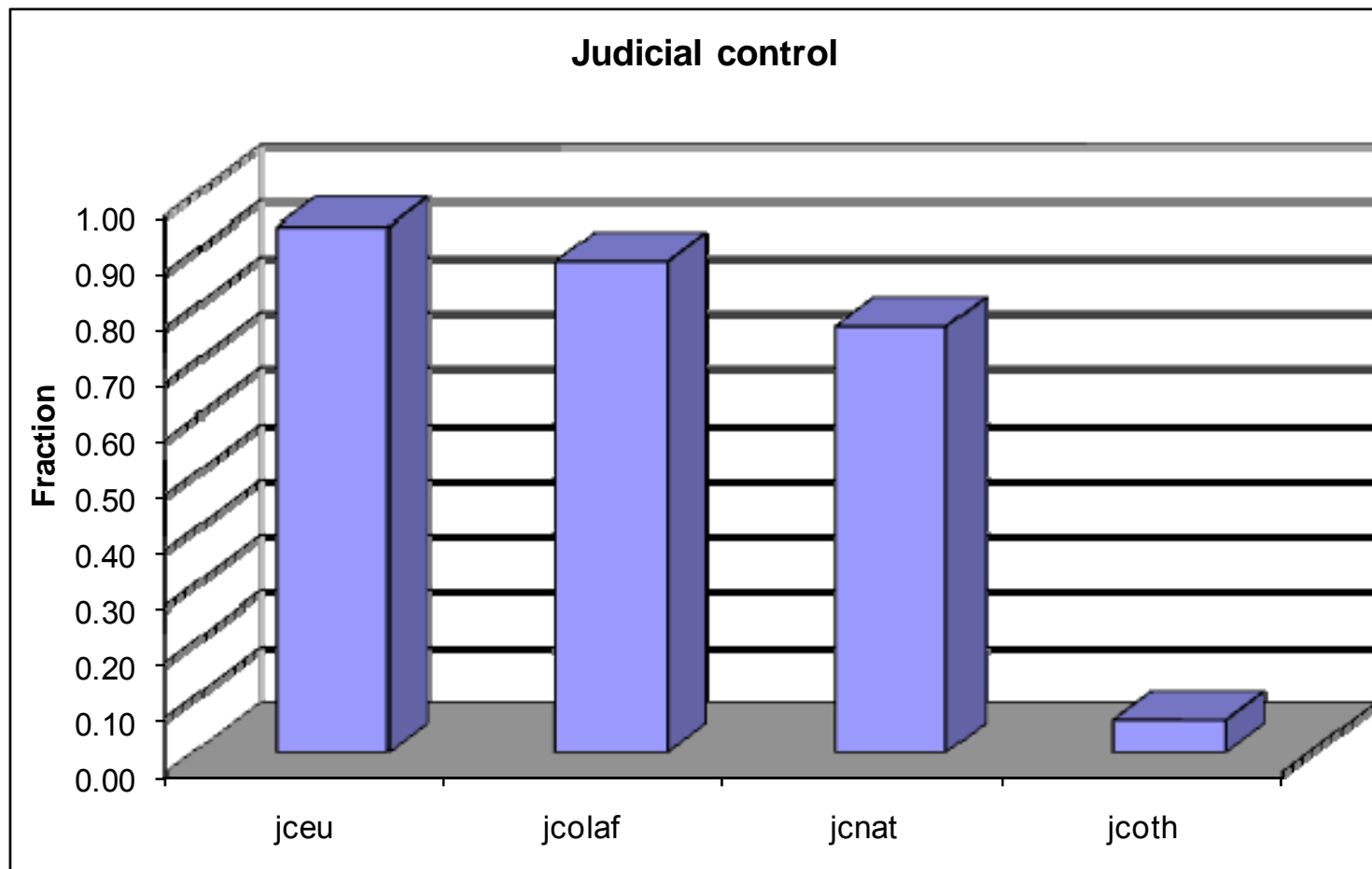


Distribution of EU agencies by extent of use of indicators for S&C

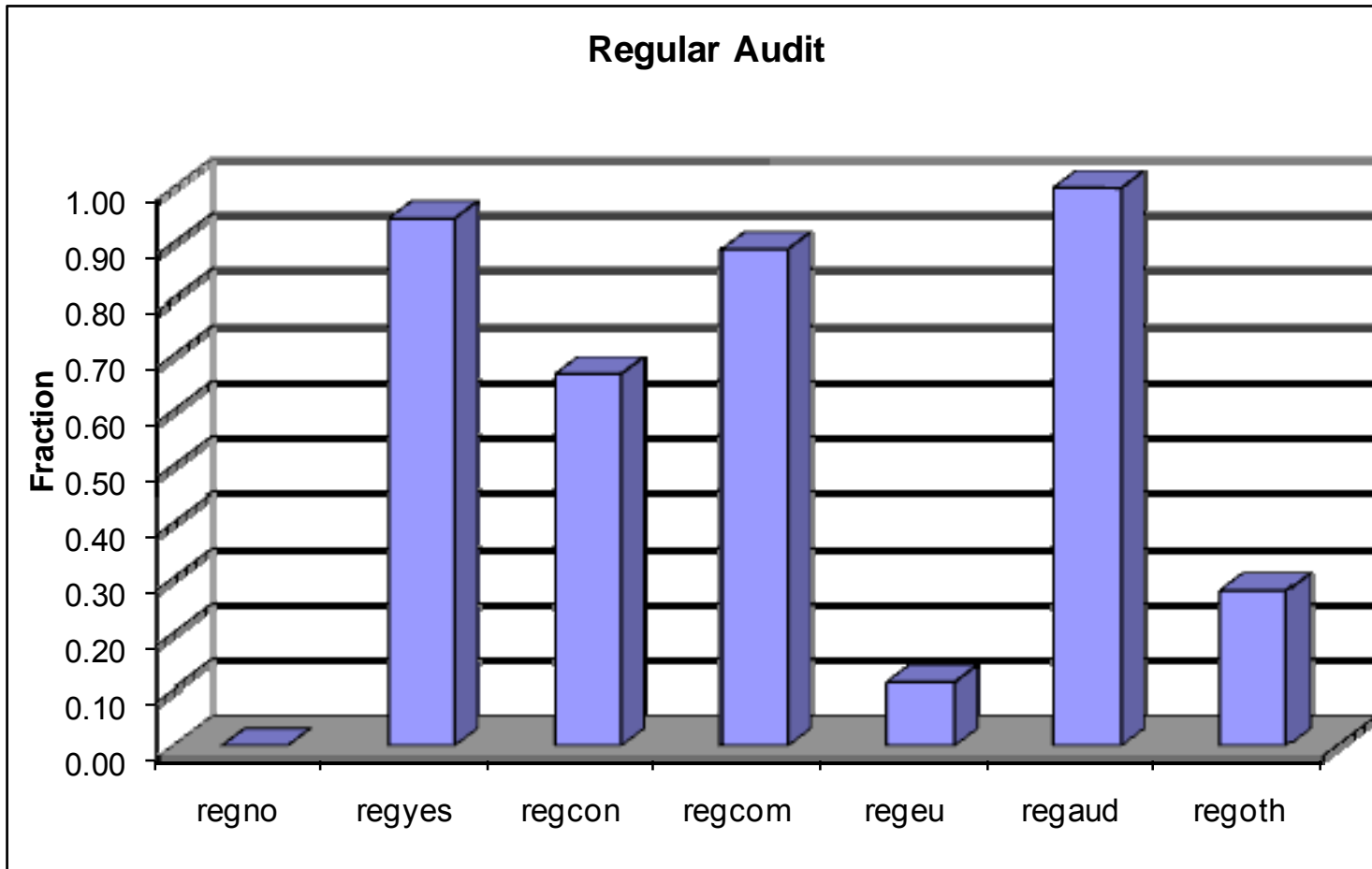




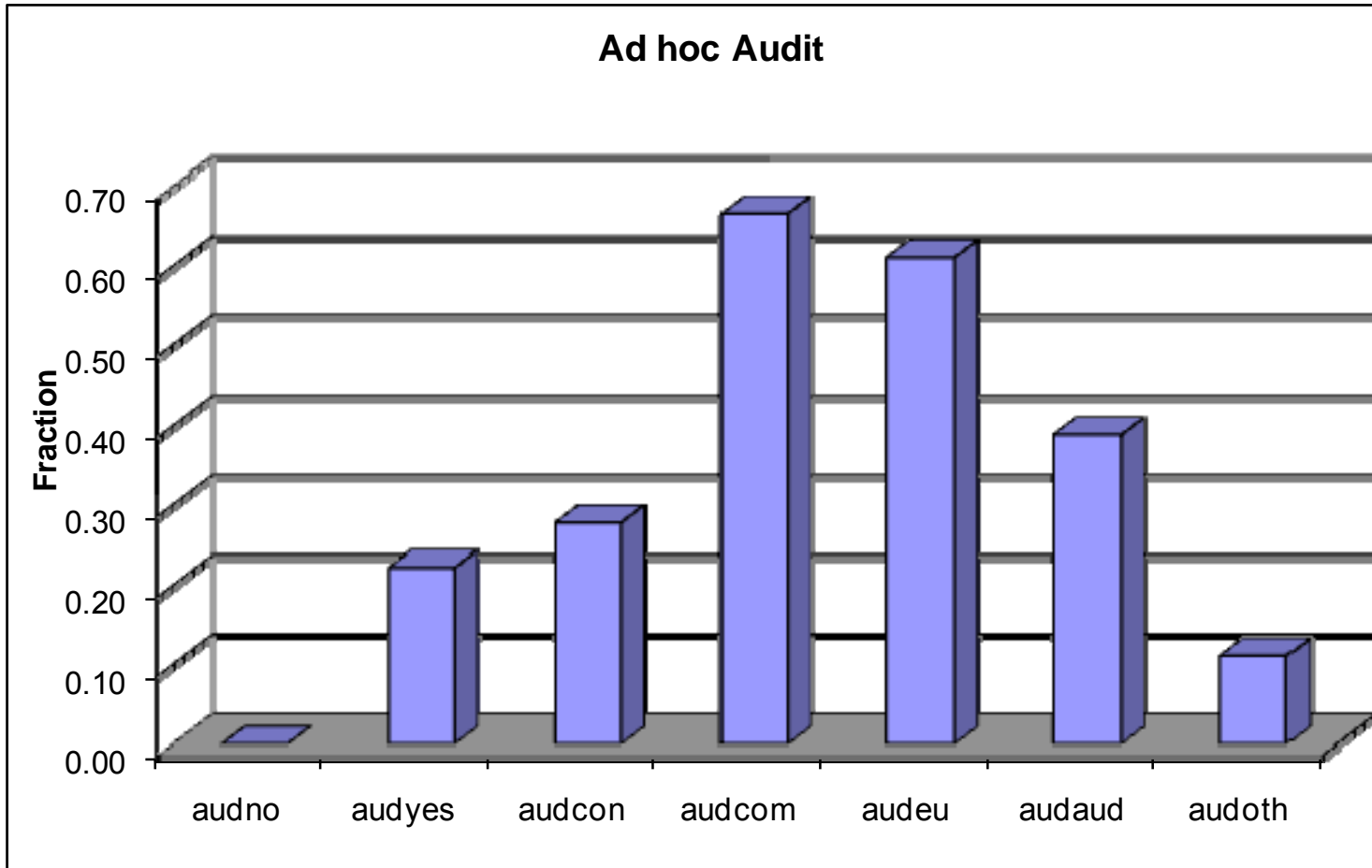
Bdpar: The European Parliament
Bdep: The European Parliament on Council' recommendation
Bdbc: The Agency Budget Committee
Bdgov: The governing board of the organization
Bdcou: The European Commission
Bdoth: Other



Jceu: European Court of Justice
Jcolaf: OLAF
Jcnat: National tribunals
Jcoth: Other EU body

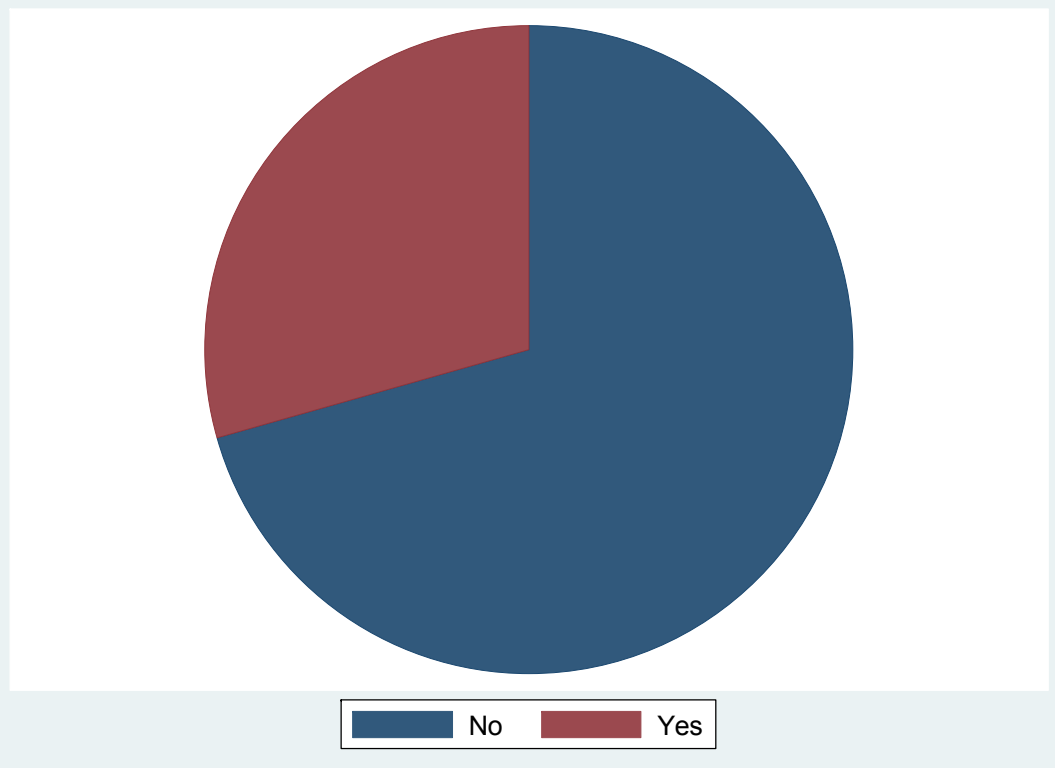


Regno: The organization is not subject to a regular audit
Regyes: Regular audit is done by the organization itself
Regcon: Regular audit is contracted out
Regcom: Regular audit is done by the European Commission
Regeu: Regular audit is done by another EU body
Regaud: Regular audit is done by the Court of Auditor
Regoth: Regular audit is done by other actors commissioned by the oversight authorities



Regno: The organization is not subject to ad hoc audit
Regyes: Ad hoc audit is done by the organization itself
Regcon: Ad hoc audit is contracted out
Regcom: Ad hoc audit is done by the European Commission
Regeu: Ad hoc audit is done by another EU body
Regaud: Ad hoc audit is done by the Court of Auditor
Regoth: Ad hoc audit is done by other actors commissioned by the oversight authorities

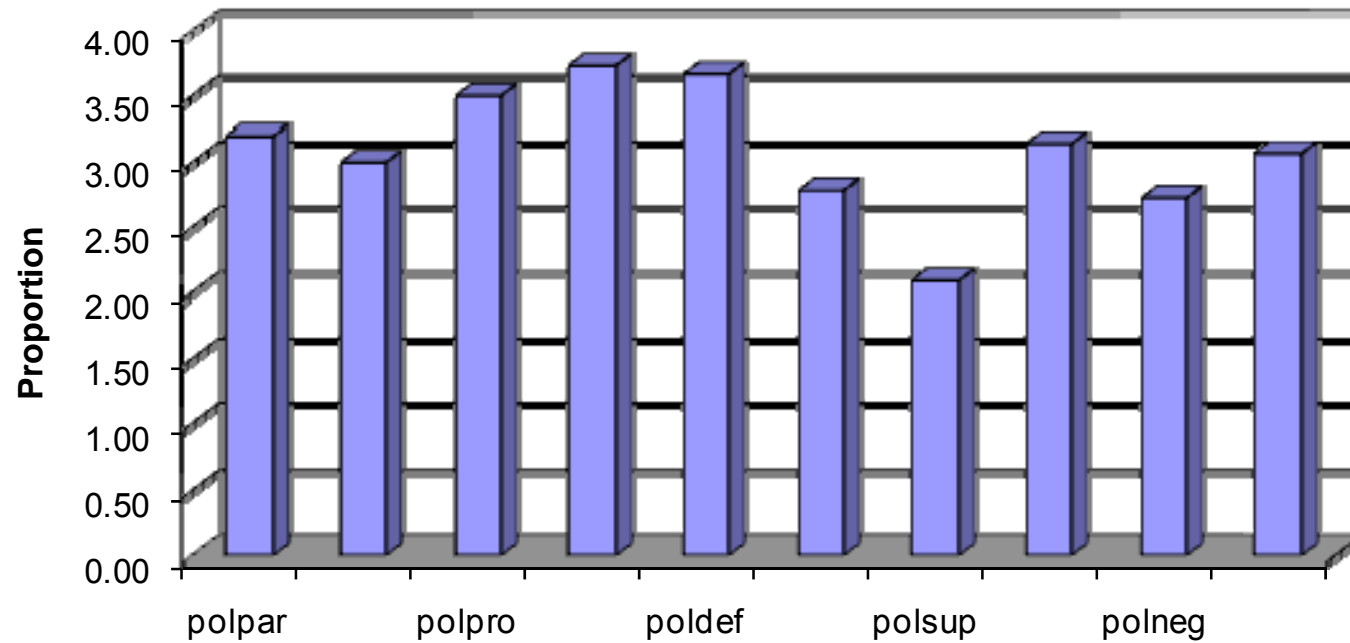
Distribution of EU agencies by presence of representatives detached to the DG they refer to



6. Comments

- Agencies activities and, to some extent, performance is systematically assessed
- About half of the agencies use to a large extent Performance Indicators (PIs) in the relation with the European Commission and other EU institutions/bodies
- Use of PIs by the organizational apex of the agency as 'background information', or an input in actual decision-making?
- PIs are focused on activities/outputs, less on outcomes/impacts (relates to agencies being involved selectively only in some phases of the overall policy cycle?)

Degree of involvement of the organization in the policy process



Polpar: answering of parliamentary questions

Polpre: preparing the European Commission for parliamentary meetings

Polpro: providing other services to the European Commission

Polfor: formulation of guidelines

Poldef: definition of guidelines

Polcom: commenting on draft legislative proposals from the Commission

Polsup: supporting political initiatives

Polimp: implementation of decisions and policy measures

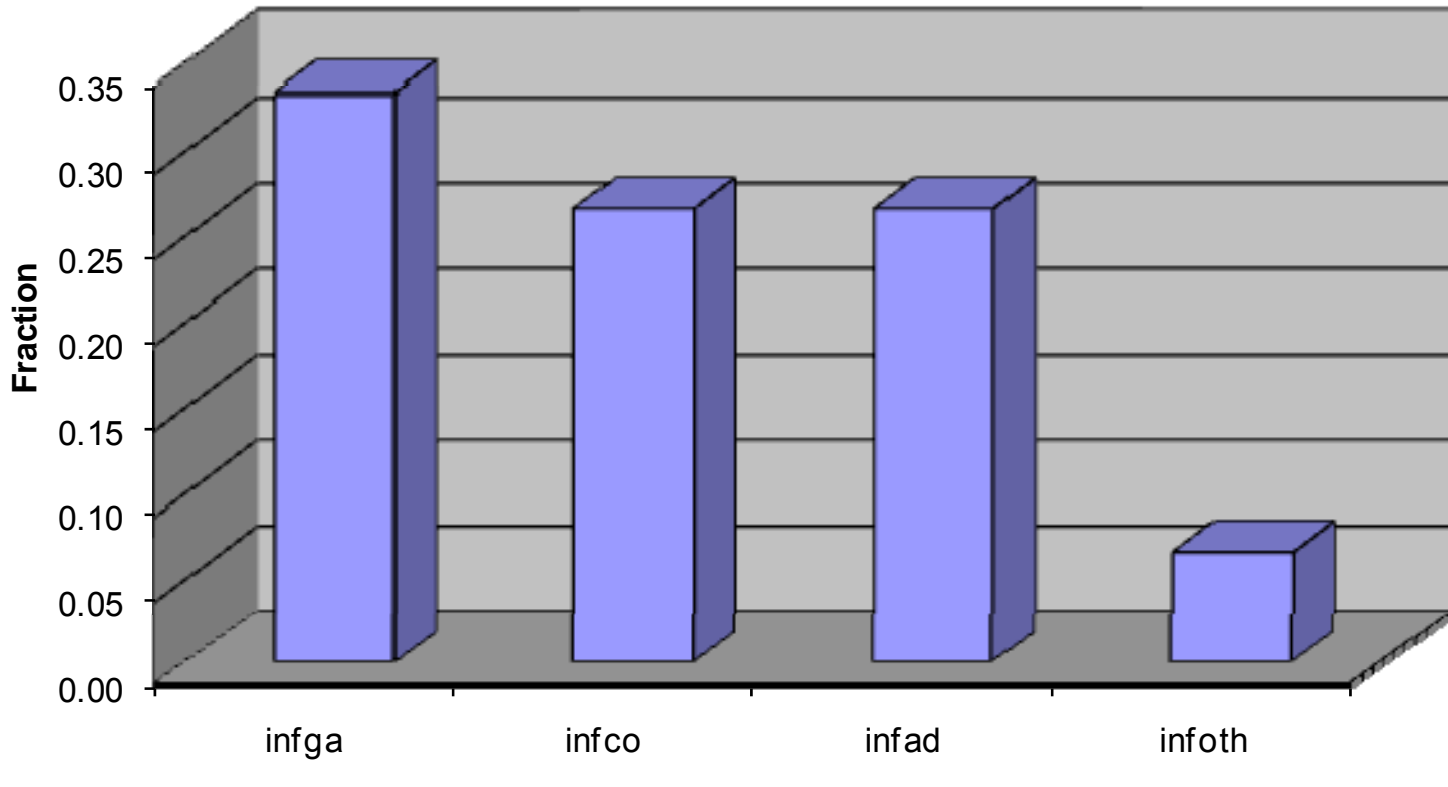
Polneg: participation in negotiations at the international level

Poeval: evaluation/assessment/feed-back

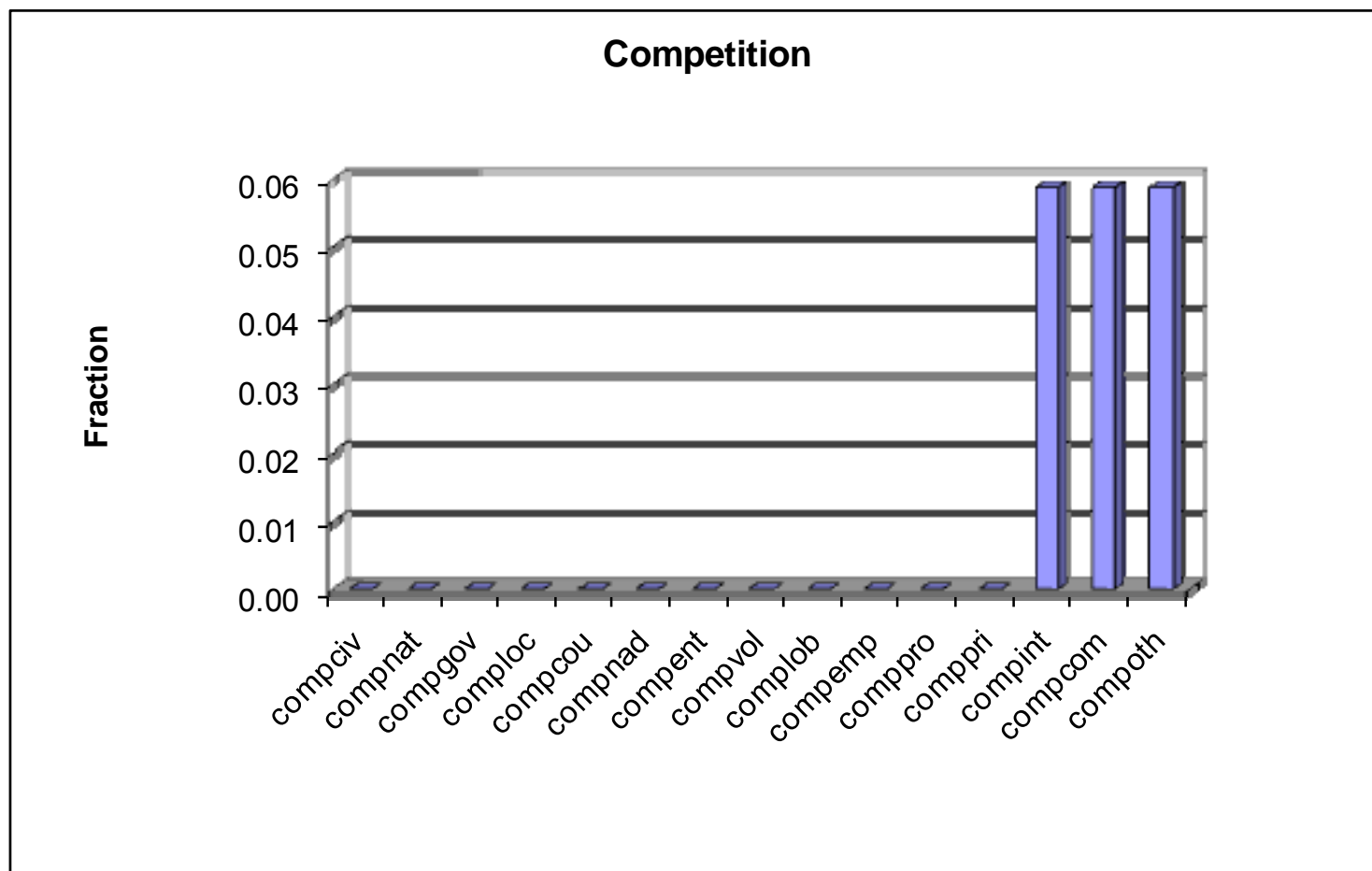
7. Profiles of networks & delivery

- 'Networked governance' as a crucial feature of the EU polity
- Specifically, Agency action and agency performance is affected also by the configuration of the policy network(s) where the agency operates, the functioning of the network, the position of the agency in the network
- Analysis of interdependences (what actors are interconnected to what others, and the contents of the interdependence)

Role link with the Commission



Infga: Information gathering
Infco: Coordination
Infad: Administrative
Infoth: Other



EU agencies 'competitors' are mainly International Organizations and other units of the European Union. (or other specific actors; others than the ones specified in the questionnaire).

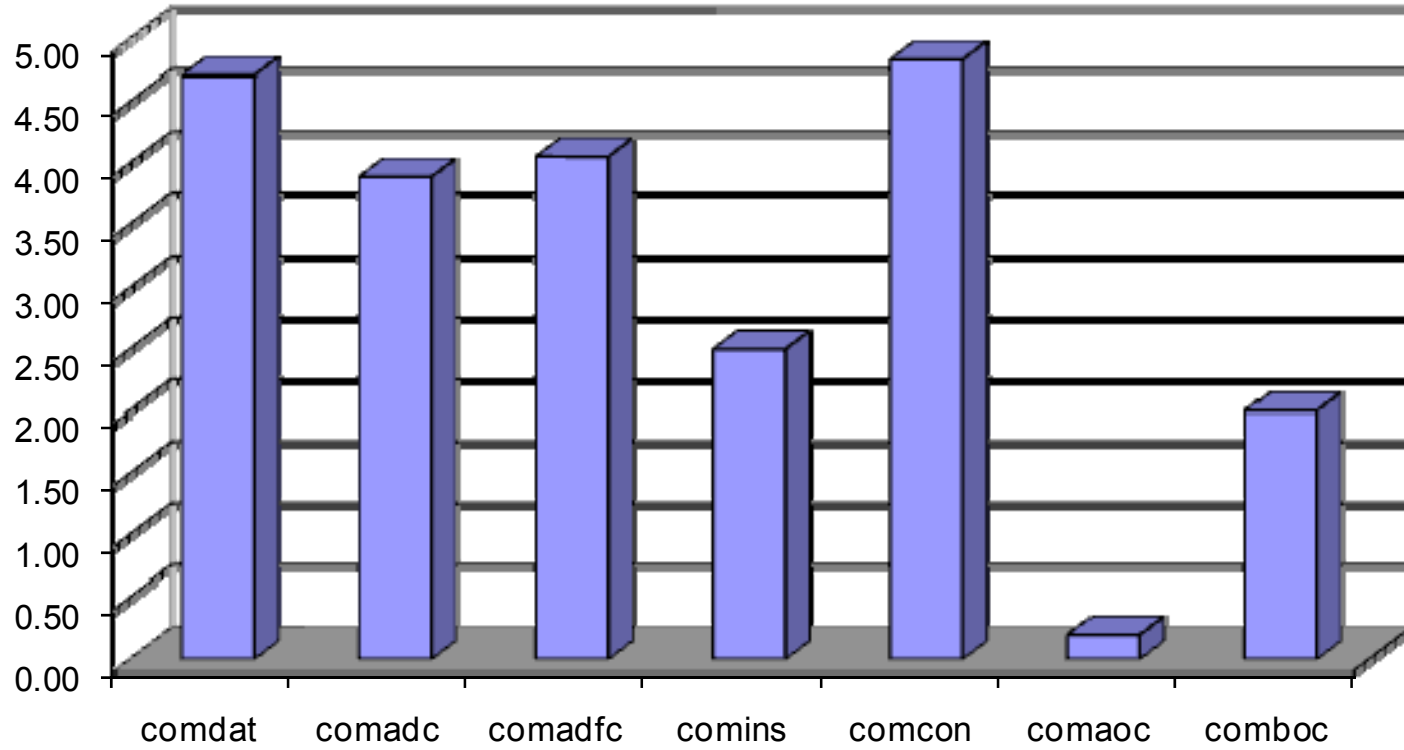
Frequency and type of interactions (1)

- EU agencies interact with different actors:
 - Commission
 - National agencies (bypassing?)
 - Research centers / Focal points
 - Ministries
 - Other EU agencies
 - Interest groups
 - Stakeholders
 - IOs

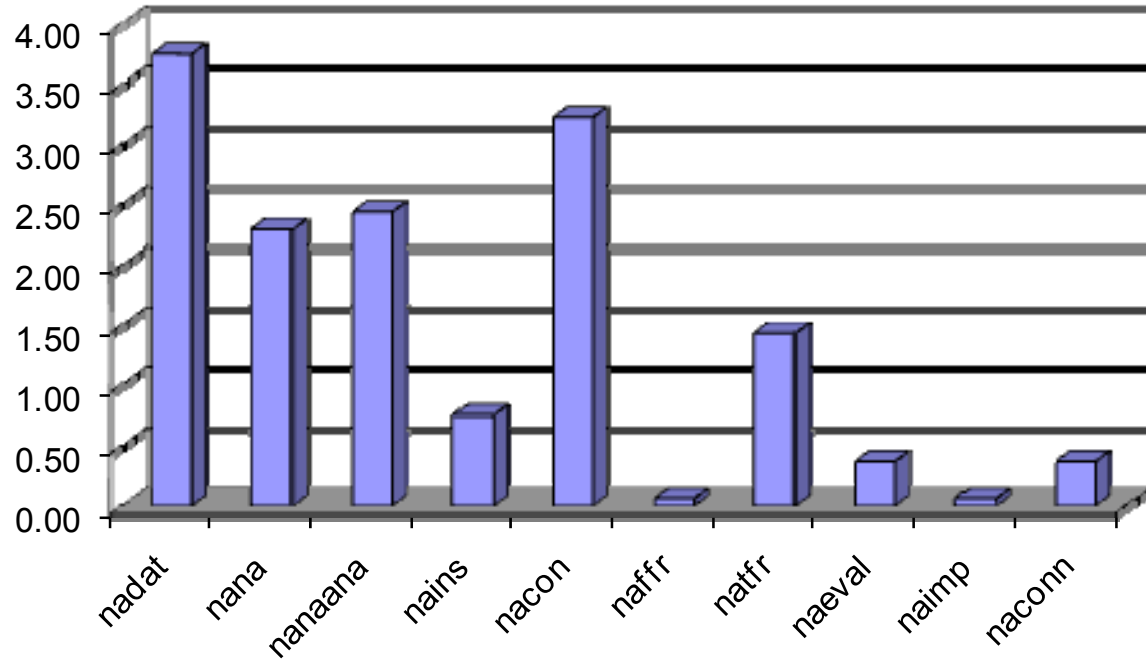
Frequency and type of interactions (2)

- The following graphs show the frequency of interaction with the actors above on a 0-6 scale
- Interactions may be in terms of
 - Data exchange
 - Advice to and from
 - Mandatory instructions
 - Consultation
 - Audit and evaluation, and rewards/punishments
 - Transfer of financial resources to and from

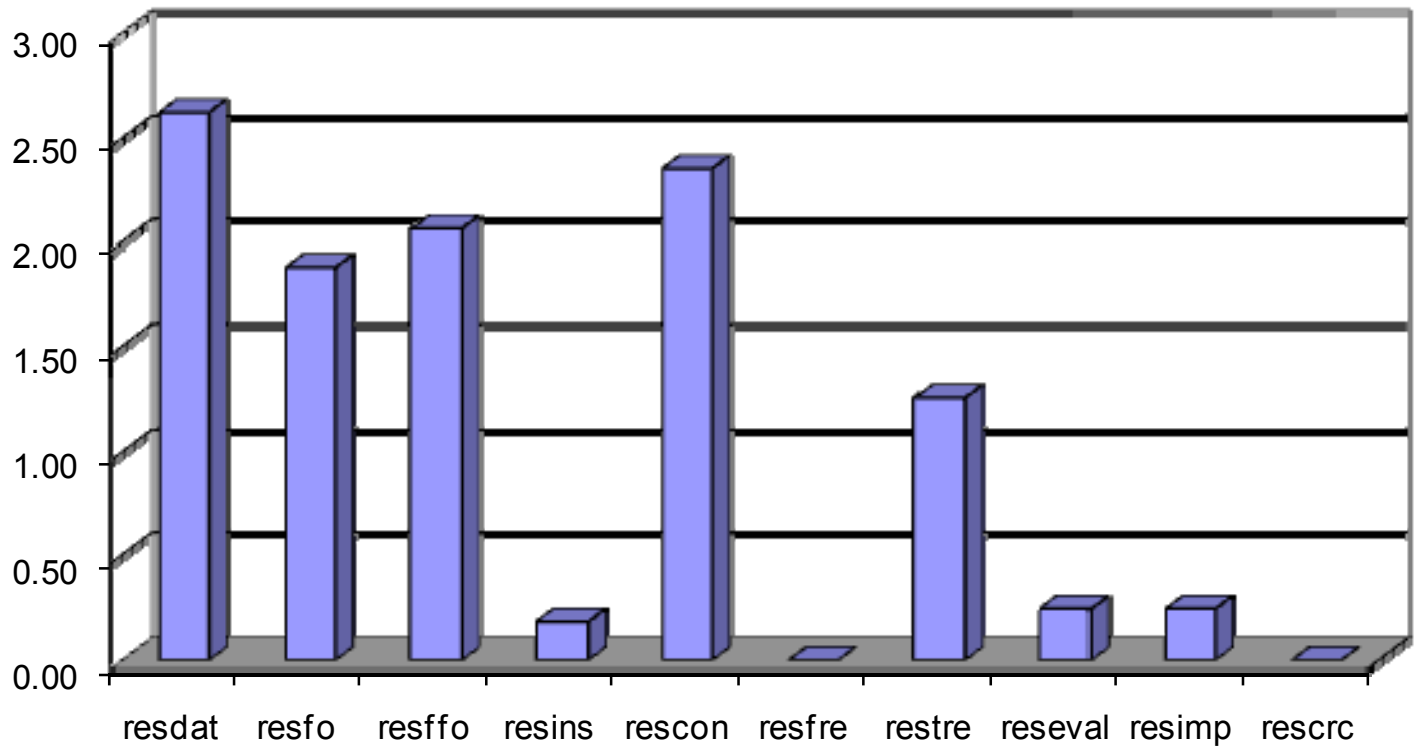
Network: European Commission



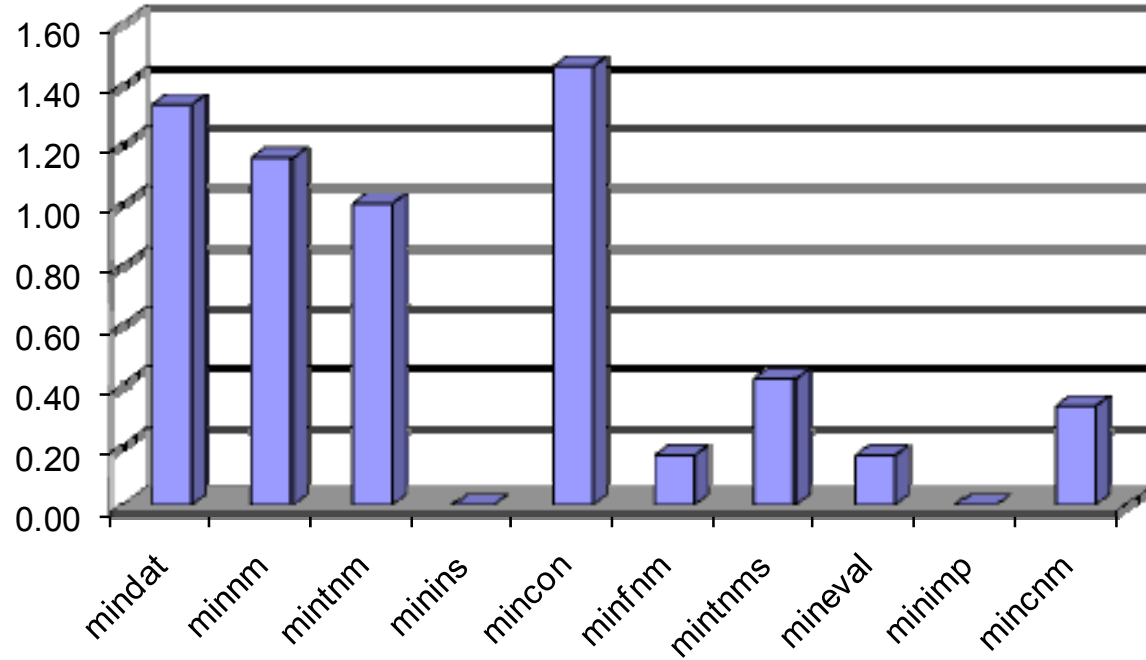
Network: National Agencies



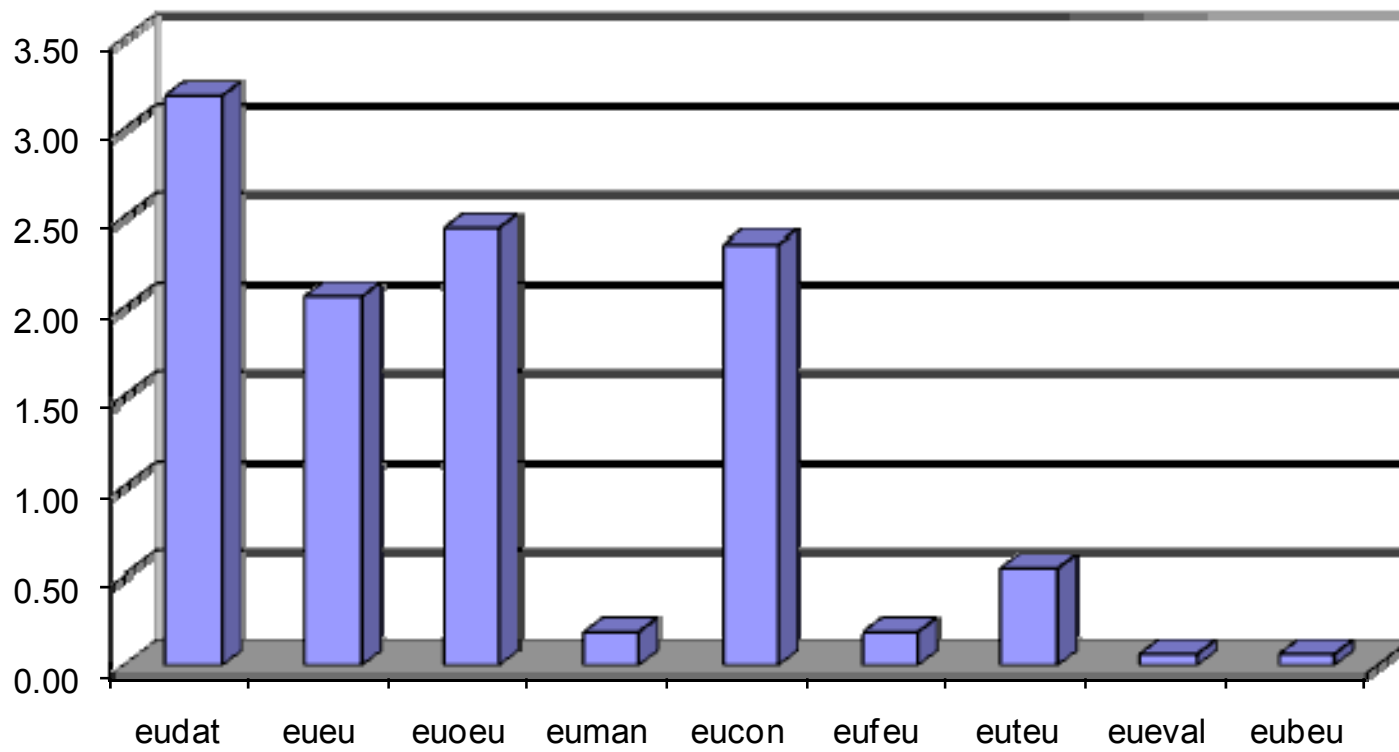
Network: Research Centres/Focal Points



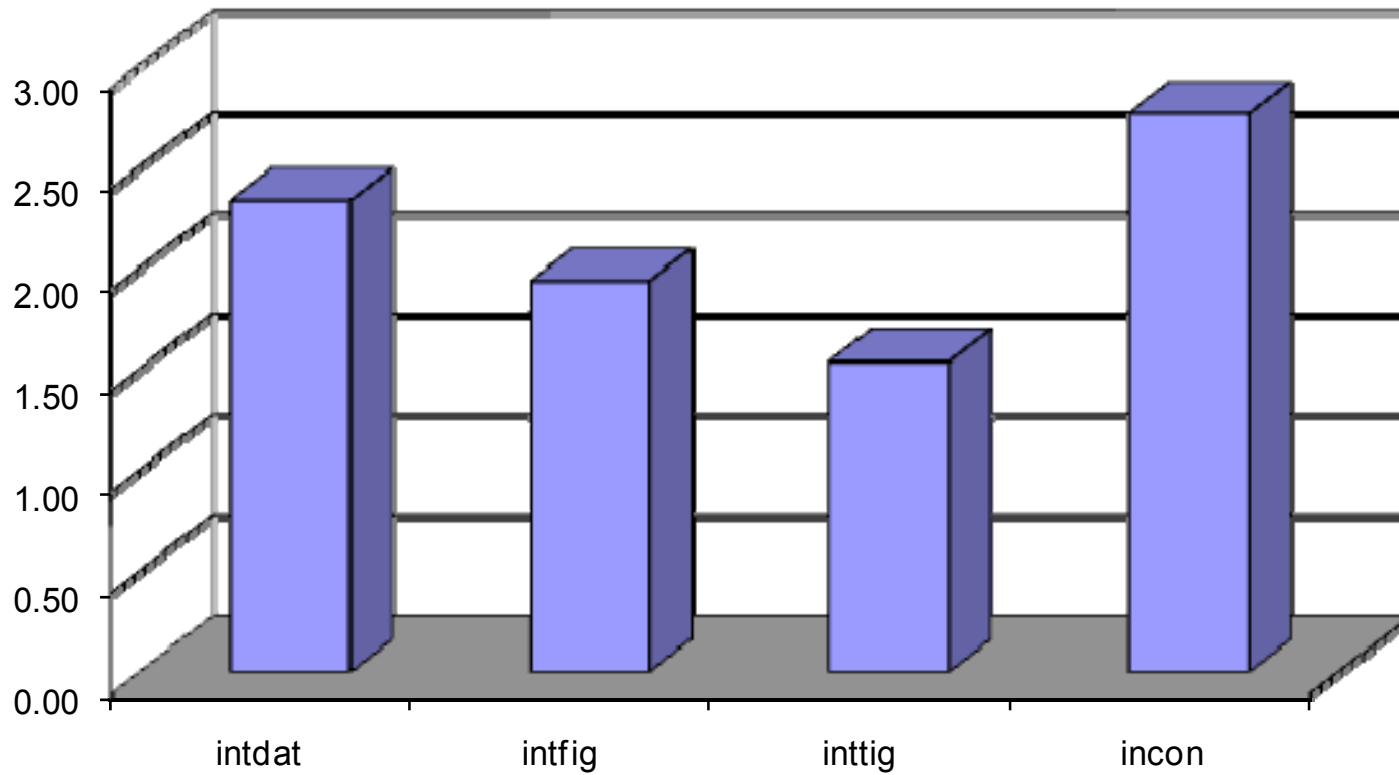
Network: National Ministries



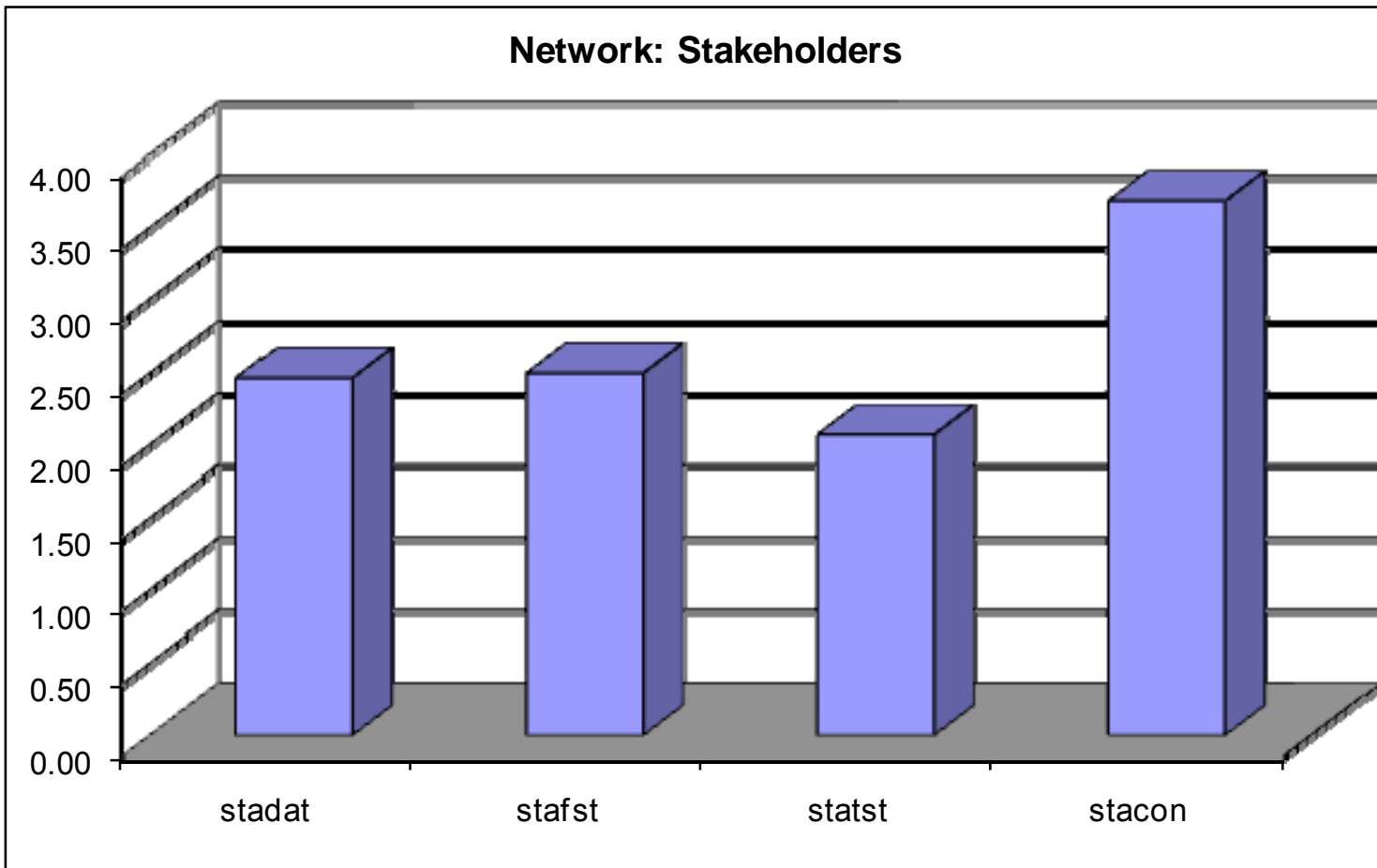
Network: EU Agencies



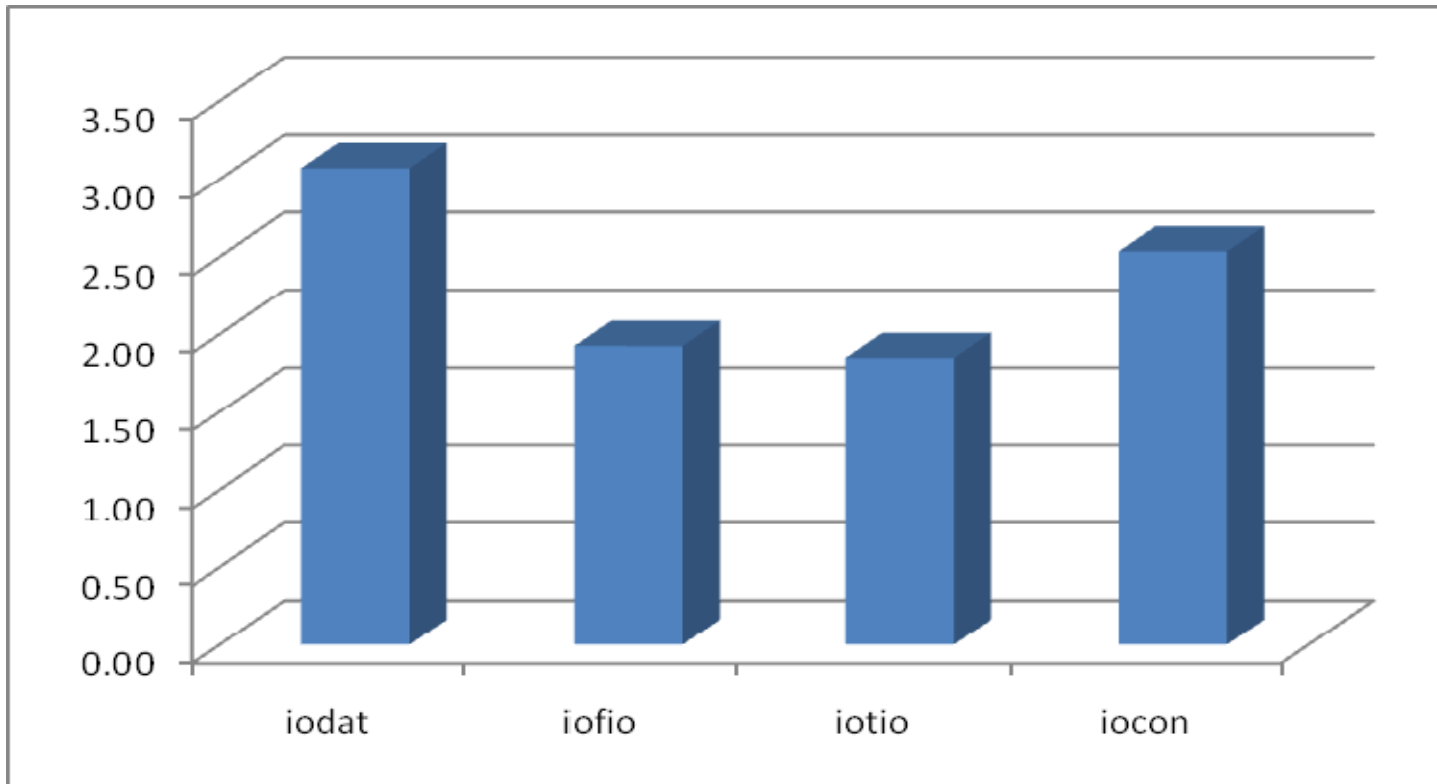
Network: Interest Groups



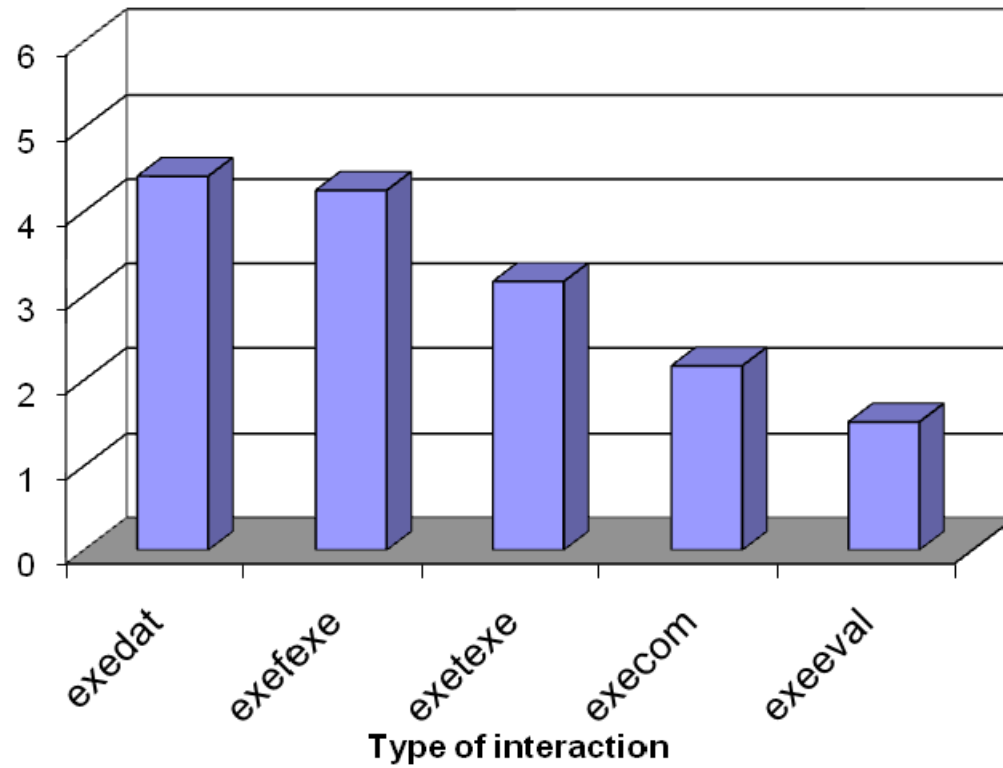
Network: Stakeholders



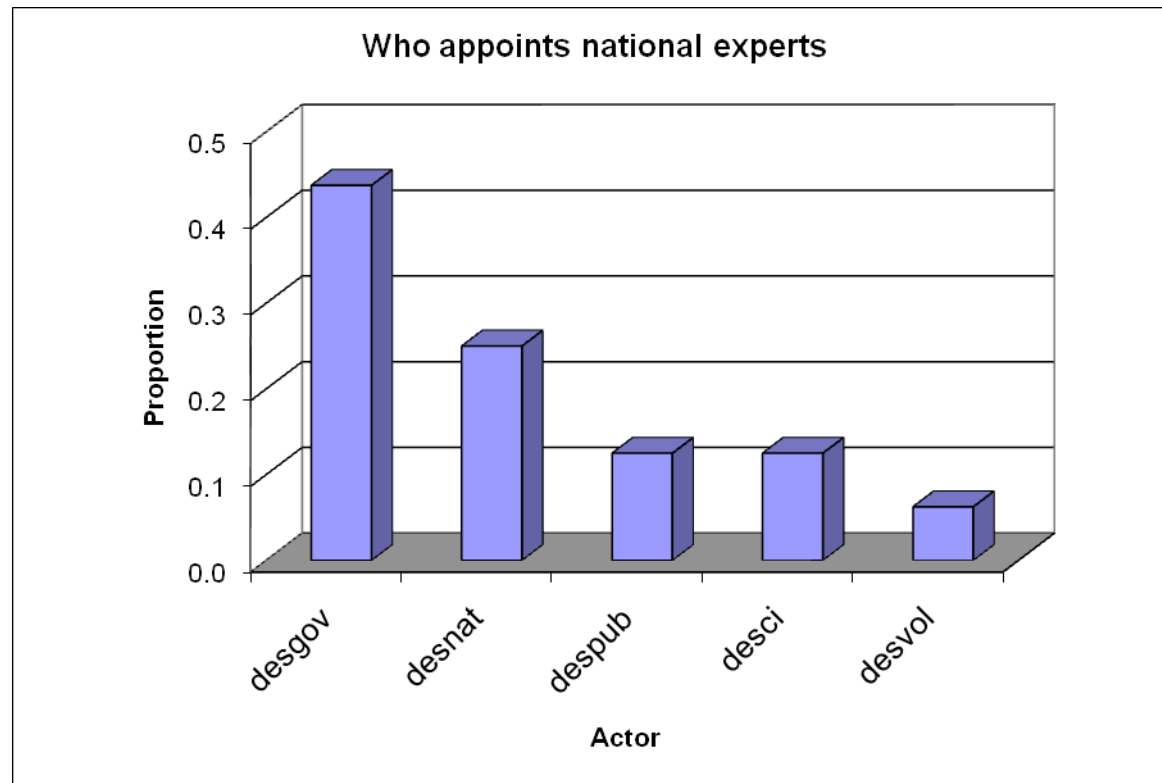
International Organizations



Interaction with national experts



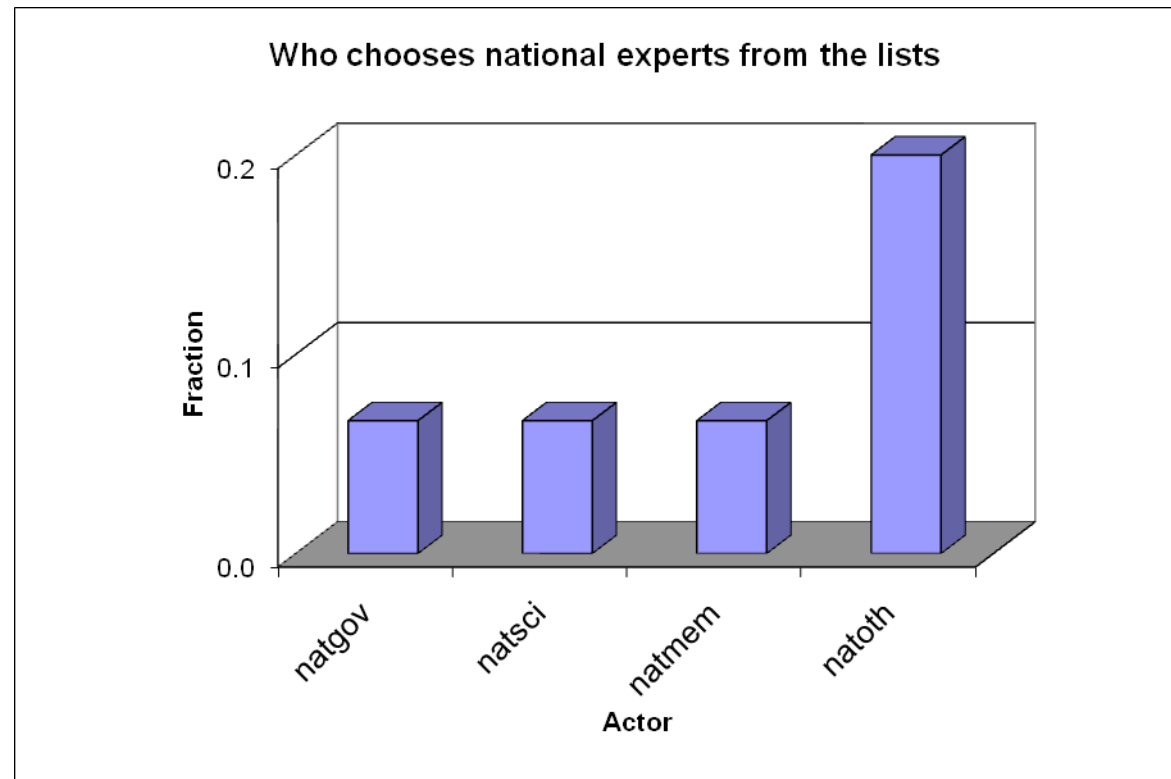
Designation of national experts into the lists



desgov = MS
desnat = national agencies
despub = local agencies

desc = scientific institutions
desvol = voluntary

Choice of national experts from the lists



natgov = agency board
natsci = scientific committees

natmem = MS
natoth = others like agency director

7. Comments

- Process: multiple interactions, reinforcing the networked governance
- Contents: data exchange and consultation are the most frequent kinds of interaction with other actors
- Variety of actors with which agencies interact (beyond questionnaire's pre-coded list)

8. The organizational development of EU agencies: emerging issues

- There is differentiation in EU agencies (different tasks and modalities of establishment 'candidate explanations' for such differentiation), but to a lesser extent than at national level (Member States)
 - Intervening on the degree of autonomy and the modalities of steering and control (and broadly accountability) may be conducive to improved performances
- But how? Following are preliminary 'indications' emerging from multiple case study (EEA, EFSA, EMEA, ETF - to be noted that between five and seven more agencies are under investigation and findings will soon be integrated)

8. The organizational development of EU agencies (cont'd)

- Regarding the 'division of labour' and coordination of tasks with Member States:
 - some agencies (perceive to) execute tasks that are entirely distinct and specific from Member States involvement
 - Other agencies (perceive to) need the active involvement of Member States to be in the condition to execute their tasks
 - Other agencies (perceive to) rely extensively on member States though they perform a distinct set of tasks
- Task(s) performed may make a major difference (could this differentiation be reflected in the regulation of agencies?)

8. The organizational development of EU agencies (cont'd)

- In the interdependence with the Commission, multiple dynamics are present:
 - Risk management vs. risk assessment (clear separation)
 - Policy design vs. information collection (separation but sometimes advice confused with policy initiative)
 - Policy design vs. best practices' promotion and service delivery (cooperation needed)
 - Scientific evaluation vs. bureaucratic authorization (clear separation)

8. The organizational development of EU agencies (cont'd)

In more lively terms.....

- *The Commission is not our “parent” but it is a partner!*
- *We need the Commission to be involved in our activities to perform better!*
- *When we were established the Commission didn’t trust us, now they consider us very reliable!*
- *When the Commission needs to settle a policy, it calls us!*
- *The Commission doesn’t interfere in what we do because we do a different job!*

8. The organizational development of EU agencies (cont'd)

- Defining different 'types' for the coherence between profiles of autonomy and modalities of steering and control systems (in an dynamic environment) appears to be a promising (though undoubtedly complex) pattern for creating conditions favourable to organizational development
- Scientific Committees (where existing) play an influential role: it might be explored whether there the conditions for 'hiring the best people', and in case consider 'flexible' regulation of scientific committees
- Last but not least, it appears important to explore how performance management techniques in agencies could be further developed?

9. Conclusion & paths for the development of the research

- Explorations of the interconnections amongst
 - Organizational context, network context, and tasks
 - profiles of autonomy, modalities of steering & control, and
 - organizational model (regulation, internal management)appears to be a promising path (contingency approach *à la* Mintzberg)
- What other paths for the development of the research?

Thank you!