
One persistent theme in public administration is whether a government portfolio should be organized as an integrated ministry or as a dual organization composed of a ministerial department and one or several semidetached agencies (Verhoest et al. 2012). “Agencification” has been high on the agenda of administrative policy makers for two decades, partly because of the New Public Management (NPM) wave. Two decades of NPM reforms have made the agencification phenomenon highly topical and attracted considerable scholarly attention. After at least two decades of agencification research, it is time to take stock. Our starting point for doing so is Government Agencies: Practices and Lessons from 30 Countries, edited by Koen Verhoest, Sandra Van Thiel, Geert Bouckaert, and Per Lægreid. Essentially, this book offers a state-of-the-art account of agencification. One ambition of this book review is to bring two literatures together that are often mutually ignorant: public administration and European studies. Whereas most studies on agencification have ignored this, the book under review represents an attempt to advance research along this line. Still, the European dimension receives scant attention in this study. This book review highlights a broader set of implications of agencification, particularly with respect to (1) political steering and autonomy and (2) the rise of multilevel administration.

Students of agencification have focused on the causes of agencification as well as its consequences (e.g., Christensen and Lægreid 2006; Lægreid and Verhoest 2010; Pollitt and Bouckaert 2004; Pollitt et al. 2004). One noticeable bias in this literature is that the vast majority of the “agencification” scholarship is geared toward administrative history, reform, and change and less toward the effects of agencification (e.g., Pollitt et al. 2004). Moreover, to the extent that this literature has explored the effects of agencification, organization structures, procedures, and legal capacities have served as key independent variables. A comprehensive understanding of agencification needs to bring several literatures together. Government Agencies contributes to rebalancing an overly legal bias in much of the agency literature.

This book review asks three sets of questions:

1. What is agencification?
2. What explains agencification?
3. What implications does agencification yield?

What Is Agencification?

Historically, ministerial portfolios have been arranged either as “integrated ministries,” meaning that a ministerial portfolio constitutes a unitary organization, or as vertically specialized structures, meaning that a portfolio is split into a ministerial, or cabinet-level, department, on the one hand, and one or more separate agencies, on the other (Verhoest et al. 2012, 3). Over time, agencies seem to have been moved out of and into ministerial departments, often in a cyclical manner (Aucoin 1990; Hood and Jackson 1991; Pollitt 2008; Verhoest, Bouckaert, and Peters 2007). By an “agency,” we mean an administrative body that is formally separated from a ministerial, or cabinet-level, department and that carries out public tasks at a national level on a permanent basis, is staffed by public servants, is financed mainly by the state budget, and is subject to public legal procedures. Agencies are supposed to enjoy some autonomy from their respective ministerial departments in regard to decision making (Verhoest et al. 2012). However, the respective ministers normally keep the political responsibility for agencies’ activities (cf. Pollitt and Talbot 2004). “Agencification” thus signifies a transfer of government activities to bodies vertically specialized outside ministerial departments. Related to the NPM movement, governments across continents have...
established agencies at arm’s length from ministerial departments in order to take care of certain regulatory and administrative tasks (Pollitt et al. 2004; Verhoest et al. 2004).

Agencification seems fairly often accompanied by geographic relocation away from the national capital. This spatial dimension has largely been neglected in studies of agencification. Although an old topic of administrative science (e.g., Gulick 1937), in the study of state building, party formation, and voting behavior (Rokkan and Urwin 1982), as well as the symbolic meaning of architecture (Goodsell 1977), the significance of place has been largely neglected in scholarship on agencification (see, however, Egeberg and Trondal 2011a).

During the last couple of decades, agencification has also been observed in the European Union (EU) (Ongaro et al. 2012). Currently, more than 30 EU agencies have been established (and new agencies are pending). Apart from being geographically spread throughout the Union, EU agencies cover multiple policy areas; have various legal standings and formal powers, staffing, and funding provisions; and engage in a web of relations with external institutions. EU agencies have been considered weak in most terms. However, the quantitative leap of EU agencification is increasingly causing a qualitative shift in terms of the establishment of EU agencies with ever-more regulatory power and within policy domains of core state powers (e.g., economic affairs, foreign and security affairs). Studies show that agencification at the EU level in many cases is basically about transferring action capacity from the constituent states to the EU level. For example, EU agencies seem to establish relatively stronger relationships with the European Commission than with members’ state governments. This seems to particularly be the case in relationship to the implementation of EU legislation and also in areas where the Commission has established administrative capacities that partly overlap or duplicate the capacities of EU agencies (Egeberg and Trondal 2011b). Agencification at the EU level thus seems to contribute to a consolidation of executive power of the Commission, although at arm’s length from political oversight by commissioners.

What Explains Agencification?
The book under review suggests several mechanisms of agencification. Agencification may be accounted for by (1) organizational, (2) functional, (3) contingency, and (4) institutional (myth) approaches. According to an organizational or institutional approach, agencies come about through power struggles and compromises conditioned by preexisting organizational structures. Organizational change is framed by the heritage of structures, and new agencies are thus likely to be embedded within existing organizational architectures (see Radin 2012, 17). According to a functionalist account, agencification is a response to collective action problems. The principal–agent model is often the analytical expression of this functional logic, together with the notion of transaction costs (see Tallberg 2003, 25). The benefits of agencies “lie in the reduction of political transaction costs, by providing solutions to collective-action problems that prevent efficient political exchange” (Tallberg 2003, 26). Contingent events may help explain institutional change and the timing of organizational birth (see March and Olsen 1989; Pierson 2004). Decisions to create agencies have been motivated by the need to respond to particular circumstances of the moment and, in some cases, to crises. Finally, the creation of agencies can also be seen as a trend in public policy and as a fashionable idea within the realms of public management (see Christensen and Lægreid 2006). Meyer and Rowan (1977, 343) emphasize the importance of cultural rules within wider institutional environments that take the form of “rationalized myths.” They are myths because they are widely held beliefs whose effects “inhere, not in the fact that individuals believe them, but in the fact that they ‘know’ everyone else does, and thus that ‘for all practical purposes’ the myths are true” (Meyer 1975, 75). Delegating tasks to “independent” agencies was increasingly popular in domestic politics across the Organisation for Economic Co-operation and Development area in the late 1980s and therefore was likely to appeal to many national governments.

Implications of Agencification
Implications of agencification are noticeable with respect to (1) political steering and autonomy and (2) the rise of multilevel administration. Government Agencies is particularly interested the first type of effects and largely ignores the latter. This bias in the study of implications of agencification, however, is prevalent in agencification studies. Before proceeding, we should emphasize that the sheer number of agencies across countries should not, in itself, matter with regard to the effects of agencification. These effects are arguably conditioned by particular organizational forms, not by the statistical distribution of these forms.

A recent study (Egeberg and Trondal 2009) shows that agency officials pay significantly less attention to signals from executive politicians than their counterparts in ministerial departments. The relationship is a robust one: it holds when controlling for the type of tasks, the amount of public debate, and contestation and officials’ rank. Last, but not least, the findings are highly consistent across time. At the agency level, the more modest attention to political signals from above seems partly “compensated for” by more emphasis on user and client interests. Thus, the autonomous institution is seldom found; more autonomy gained in one relationship may be followed by more dependence
in another relationship (Olsen 2009; Thatcher 2002). Officials routinely have to cope with what might become competing expectations. However, because it is often assumed that the relationship between formal structure and actual behavior is relatively weak in this respect (e.g., Christensen and Lægreid 2006), it might be expected that changing administrative doctrines (e.g., NPM, "whole of government") made a difference in regard to agency decision making. This is not the case, however: the proportion of agency personnel emphasizing political signals was not smaller in 1996 (the NPM era) than it was in 1986 (the pre-NPM period) (Egeberg and Trondal 2009). However, the more organizational capacity is available in the respective ministerial departments, the more agency personnel tend to assign weight to signals from their respective ministers (see also Verhoest et al. 2010).

_Government Agencies_ focuses primarily on organizational structure and procedures as independent variables. One neglected variable is agency location. Even though geographic relocation fairly often (but far from always) seems to have accompanied agencification (e.g., in the EU), the potential effect of agency location has thus far escaped scholarly attention. A recent large-scale survey (Egeberg and Trondal 2011a) documents that agency site does not make a significant difference for agency autonomy, agency influence, and interinstitutional coordination. This study focused on already semidetached, often highly specialized agencies whose "need" for being steered, influenced, or coordinated with others is relatively modest. It may thus still be possible that organizational location makes a difference if the research focus is directed toward bodies that are relatively more involved in the policy-making process.

Given that many decision processes are often hectic and intertwined, to be on the spot means that many actors and arenas can be reached in a relatively short time. Thus, under such circumstances, geographic proximity might be convenient. Hence, the impact of site might be conditioned by policy stage and the temporal dimensions of decision making (Goetz 2012). Notwithstanding missing effects of agency location on administrative behavior, agency locus might indeed have symbolic effects of importance (Goodsell 1977).

An often neglected question in the agency literature—and also seen in the Verhoest et al. volume—is how agencification affect the rise of European multilevel administration. National agencies organized at arm’s length from their parent ministerial departments and which also in practice are partly decoupled from direct steering from these departments constitute an _administrative infrastructure_ for agency capture. Essentially, national agencies may become building blocks of a multilevel EU administration. The main EU executive body, the European Commission, lacks its own agencies at the national level for the implementation of EU policies. In order to generate uniform implementation across the EU, the commission in cooperation with EU agencies seems to establish partnerships with national agencies, partly circumventing ministerial departments. National agencies are thus becoming “double-hatted,” serving both national ministries and EU-level bodies (Egeberg 2006). Agency _decoupling_ (from ministerial departments) at the national level makes agency recoupling across levels of governance possible. Integrated ministries would not have been conducive to such a development. Thus, recoupling (“_de-agencification_”) at the national level would seriously challenge administrative integration across levels of governance (Egeberg and Trondal 2011b).

**Conclusion**

Few literatures have addressed the agency phenomenon in a comprehensive fashion (Busuioc, Groenleer, and Trondal 2012; Christensen and Lægreid 2006; Pollitt et al. 2004; Verhoest et al. 2010). _Government Agencies_ is one striking exception. One characteristic of the agencification literature is the study of formal goals, resources, and structures of agencies. It stresses the constitutive rules on which agencies are based and the legal framework in which they are operating. The role of agencies and their potential impact has thus often been derived from their legal competences and their formal design features (e.g., Chiti 2000, 2009; Szapiro 2005; Vos 2000, 2005).

While this constitutes a necessary starting point, such approaches need to be supplemented by the study of actual practices to verify that extent to which the expected cues and patterns manifest themselves in practice. Other students of agencies look into the perceived functional necessity of agency creation or the political dominance of its principals on the agency through design. They emphasize that their creation logically follows from the need for executive capacity or that agencies operate under a set of political constraints. Agencies are considered functional solutions addressing a perceived need by these actors or political instruments through which governments act (Dehousse 1997; Kelemen 2002; Kreher 1997; Majone 1997; Yataganas 2001). Yet others see the agencification process taking place as the emergence of a multilevel administration—primarily in a European context—but pay limited attention to the role of (individual) agencies in the increasingly complex European executive order (Curtin and Egeberg 2008; Egeberg 2006; Trondal 2010).

The underlying assumption in the existing literature on agencies is often that agencies do what their creators want them to do; agencies are expected to develop in ways intended by their creators. The foregoing observation is also largely applicable to studies of the effects of agency creation and design.
As delegation of tasks to independent agencies started gaining momentum with an ever-growing number of agencies being delegated far-reaching tasks (i.e., decision making and quasi-regulatory tasks), anxiety arose at the possibility of them escaping accountability and control. Scholars have pointed to the possible consequences of placing too much power in the hands of such agencies operating at an arm’s length from traditional control and appointed agency heads who cannot easily be held accountable for their actions (e.g., Curtin 2005; Dehousse 2008; Everson 1995; Flinders 2004; Shapiro 1997; Vos 2000, 2005; Williams 2005). However, most studies of agency accountability and control to date have largely focused on de jure arrangements, as provided for in the agencies’ basic acts, without delving into the de facto operation of such arrangements (but see Busuioc 2010a, 2010b).

The volume by Verhoest et al. contributes to rebalancing this overly legal bias in much of the agency literature. In that same spirit, this book review aims to bring scholarship of public administration and European studies together by highlighting a broader set of implications of agencification, particularly with respect to (1) political steering and autonomy and (2) the rise of multilevel administration. The process of agencification inside sovereign states and within the EU system accompanies profound implications for the politico-administrative order in Europe and for how we should understand it.

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References


