Managing Policy: Executive Agencies of the European Commission

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Abstract: 'Agencification' in the European Union has emerged as an important research topic at the intersection between political science and organizational studies. This Working Paper focuses on a group of six agencies under the wings of the European Commission that is often overlooked in the literature, despite the fact that these agencies are now set up for more than a decade, and despite the fact that their portfolio is growing. It sheds light on the historical context of their establishment and their legal foundation, looks at their organizational structure, and investigates the fields of action in which they are tasked to operate.

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1   Introduction[i]

In his seminal article, Renaud Dehousse has described 'the creation of European agencies' 'as a response to […] functional needs' (1997, 255; similarly, Kreher 1997). Since then, more and more European agencies have been created, and 'agencification' has become a significant field of research in European integration. Several special issues in first-class journals, as well as collective volumes and monographs, have substantiated our knowledge about agencies, and also added political and institutional reasons to Dehousse's functional argument (Groenleer 2009, 111; Rittberger and Wonka 2011, 782). The subject of those studies has been the group of (by now more than 30) European agencies with '(semi-)regulatory, monitoring, and coordination tasks' (Groenleer 2009, 15) that 'have their own legal personality and a certain financial autonomy' (Pollak and Riekmann 2008, 777).

In the lingo of European institutions, these bodies are nowadays called 'decentralized agencies' (cf. European Parliament, Council of the European Union, and European Commission 2013, C 373/1:6). This attribution seems more appropriate than that of 'regulatory agencies', which has been a favorite among scholars for a while, likely because their research interest has been stimulated by studies on equivalent administrative bodies at national level (such as Gilardi 2008). The problem with the attribution of 'regulatory' is that many of the agencies at European level fulfil other (minor, in the sense of less autonomous) tasks than regulating (Vos 2003; Busuioc 2013, 38–42). The notion 'decentralized', on the hand, indicates not only a geographical component (most of those agencies are located in places different than Brussels and Luxembourg), but also a functional one, subsuming more generally that certain governmental tasks are delegated to the decentralized bodies.[ii]

Decentralized agencies are a stimulating research object, for at least three reasons. First, they have distinctively different roles than national independent regulatory agencies (Thatcher 2011). Second, their 'wide varieties of […] formats' can be regarded as exciting examples of the 'trial-and-error process […] well known from state-building history' (Pollak and Riekmann 2008, 777; similarly, Egeberg and Trondal 2011). Third, the unclear degree of their autonomy or independence in a polity with multiple delegation chains (Curtin 2005) raises questions such as whether they can 'really take autonomous action' (Groenleer 2009, 17; similarly Makhashvili and Stephenson 2013), and to what extent they are accountable to democratically elected institutions (Busuioc 2012, 2013).

The European nomenclature also foresees a second type of administrative bodies, for which the notion 'executive agencies' is used. Formally at least, they, too, are legal personalities, delegated with a (more or less) clear list of tasks, and outfitted with

resources from the European budget to fulfil them. Yet as Madalina Busuioc has once aptly described them, they are 'an altogether different breed of bodies'; what separates them from their decentralized siblings is that they 'fall under the responsibility of the Commission' (Busuioc 2013, 24). Due to this intimate relationship with the European Commission, agencification scholars seem to have assumed so far that executive agencies at European level are not a particularly interesting object for research, as there is no academic paper on them so far.[iii]

This Working Paper takes on the quest of answering whether that assumption is true. In doing so, it takes a closer look at executive agencies at European level, lifting them out of obscurity through a set of questions equivalent to those that agencification scholars have been asking for a while now: where do they come from and what are the policy fields in which they are tasked to operate? What is their specific functionality within the ever growing European administrative landscape, and what role do they play in 'the internal politics within the European Commission' (Bauer 2008, 641)? In the following three sections, the most important and peculiar features of executive agencies are highlighted. The sections' topics follow loosely the distinction by Rittberger and Wonka (2011).

The next (second) section focuses on the historical context of their emergence and functionalities for the Commission. The third section investigates the size and growth of executive agencies since establishment, the fields of action to which they have been assigned, and the type of work that they are actually doing. Section four addresses the organizational setup of the agencies, namely how they are organized, what their relationship is to the parental organization; it also elaborates on indications for de facto differences between the individual agencies. The Working Paper ends with a more comprehensive comparison of differences between executive agencies and decentralized agencies at European level, and summarizes the findings and open questions.

This Working Paper takes up conceptual findings from the growing literature on European 'agencification', which has emerged as a vivid research field on its own at the intersection of political science and organizational studies. Methodologically, the paper's analysis is mostly based on publicly accessible documents (legal texts, communications, reports, etc.) from the respective agencies and from the European institutions. Specifically, in section 2 and 3, documents concerning the EU budget and the last two editions of the EU Multi-annual Financial Framework (MFF) have been used.[iv] This material provides a great wealth of formal information about the executive agencies; however, since the data is drawn from documents that have been written for various different (namely, political, fiscal, and bureaucratic) purposes and certainly not for an academic assessment, and since there has been no complementary in-depth

analysis of the agencies based on interviews or ethnography, there are also important limitations as to what can be concluded from this data. That's why each of the three main sections will necessarily leave questions open, questions that will be directly addressed in the final section for further research.

2 Brief historical outline of executive agencies

Since the 1990s, the transnational polity nowadays known as European Union was in a constant mode of enlargement. With that is not only meant to describe a spatial dynamic, but also the fact that more and more policy tasks were delegated to the European level by the polity's member states. Yet for the European Commission, the main executive institution of this polity, the extension of its programs came as a 'mixed blessing': increasingly, 'it does not just have to pay to plan and devise policy, but also to implement and manage it.' (Bauer 2002, 4). The Commission's answer to that dilemma generally was outsourcing of services to a vast number of so-called 'technical assistance offices'.

Early in the 2000s, in the aftermath of the resignation of the President Sander's College and amidst grave accusations of nepotism and fraud, the Commission was forced to make changes to its traditional mode of operations (European Commission 2000a; Kinnock 2004; Kassim 2008). Among other issues, and as part of 'an explicit policy on externalisation', the traditional practice of delegating services to private firms had to be terminated and replaced by what was initially called 'a new type of implementing body' (European Commission 2000a, Sec III.2, see also 2000b, 18–22).[v] Council Regulation 58/2003 established the right of the Commission to set up executive agencies, in order 'to delegate some of the tasks related to the management of Community programmes to third parties.' (Council of the European Union 2002, L 57/1:1).

As it provided a solution to an imminent problem of the Commission, the new executive agency template was quickly and pragmatically taken advantage of. The first executive agency was set up in early 2004, and until late 2007, a total of six such agencies were established. It's noteworthy that the Commission, still being under considerable organizational distress at that time (Peterson 2008), was rather pragmatic. The legal text required the Commission to subject any aim for outsourcing to 'a cost-benefit analysis which includes the costs of coordination and checks, the impact on human resources, efficiency and flexibility in the implementation of outsourced tasks, simplification of the procedures used, proximity of outsourced activities to final beneficiaries, visibility of the Community as promoter of the

Community programme concerned and the need to maintain an adequate level of know-how inside the Commission.' (Council of the European Union 2002, L 57/1:1). Yet an early assessment of executive agencies found that, 'despite the intentions …, staff shortages (in number and specialisation) at the Commission were the main driver for externalisation' (European Court of Auditors 2009, 14).

Did the new type of administrative body live up to expectations? The historical records are ambiguous. Since 2007, no new agency has been established, and from the existing ones, three have been renamed (see figure 1). Still, available numbers indicate that those six agencies were, overall, deemed successful by their parental organization. After all, their staff has been growing from 33 in 2004 to 1,609 in 2012 and to 2055 in 2016. Similarly, the annual operative budget (i.e., the budget that the agencies have to carry out their various tasks) has climbed from € 5.3 Bio of committed appropriations in 2012 (or 3,42 per cent of the total European Commission budget of that year) to almost € 10.5 Bio in 2016 (or 6,77 per cent). To explain this peculiar development, it is necessary to look closer at the specific legal requirements of founding executive agencies, and to reflect on the general political context since 2007.

Figure 1: Lifeline of executive agencies

04	05	06	07	08	09	10	11	12	13	14	15	16
EACEA (Education, Audiovisual and Culture EA)												
IEEA (Intelligent Energy EA)			EACI (EA for Competitiveness and Innovation)							EASME (EA for Small and Medium-sized Enterprises)		
	PHEA (Public Health EA)		EAHC (EA for Health and Consumers							CHAFEA (Consumers, Health and Food EA)		
	ERCEA (European Research Council EA)											
	REA (Research Executive Agency)											
	TEN-T EA (Trans-European Transport Network EA)									INEA (Innovation & Networks EA)		

Author's own compilation, based on http://europa.eu/about-eu/agencies/index_en.htm (2017-08-08), and a Commission dossier on the matter (Commission En Direct 2016, 32–45).

To better understand the existing executive agencies' function for the Commission and the increase of their staff as well as of the assigned tasks, it's important to emphasize the link to the routinely negotiated EU budget. Setting the EU budget between the main EU institutions had always been intertwined with political struggles (Laffan 2000). Traditionally, this concerned contributions and returns for each of the member states' governments, as for them, 'the net balance remains the decisive point for assessing the outcome' (Becker 2012, 10). The budget negotiations in the mid-2000s, preparing the financial framework for the period of 2007-13, exposed a new weakness: politicians of different origins readily used the occasion to boost their (domestic) profile by publicly

denouncing the waste of taxpayers' money at European level. In particular, the budget heading dealing with administrative costs (providing, among other things, the salaries of Commission staff) was under attack.

The European Commission faced the prospect was of a financial framework that was increasing in volume and, more problematic, in numbers of programs to be carried out, while administrative costs would be frozen. Since the financial framework determined the ceiling of EU spending, but not the actual annual budget, the Commission had to find a way to cut administrative costs beyond the salary cuts already implemented in the wake of the Kinnock reforms (Gray 2004). In this situation, it must have been more than convenient that the administrative budget of executive agencies was 'drawn from the financial envelope of the programmes under their management.' In other words, 'the corresponding appropriations are … outside the ceiling on resources' that determine the overall Commission budget (European Court of Auditors 2009, 11).

A similar development was going on when negotiations started for the next budget cycle. This time, in its proposal for the financial framework for the period 2014-20, the Commission not only took pre-emptive measures by producing evidence of its own frugality, but also included a series of measures of 'simplification', consisting of two types of reform: re-packaging the programs run by the Commission (for example, putting several independent programs under the 'Horizon 2020' framework), and reducing administrative costs – basically saying that it would continue outsourcing the conduct of its programs to executive agencies more aggressively (European Commission 2011a, C 264/18:21–23). This could not avoid political debate about the Commission wasting taxpayers' money again;[vi] and also, it did not prevent Council and Parliament to insist on cuts in the administrative budget to be applied 'to all institutions, bodies and agencies' (European Parliament, Council of the European Union, and European Commission 2013, C 373/1:5). Yet it elevated once more the role of executive agencies. The current financial framework, for the first time, downsized its overall budget ceiling (Council of the European Union 2013). The only budget that continued to grow is under heading 1a – 'Competitiveness for growth and jobs' (European Commission 2013a, 17).

If this helps to understand why the existing executive agencies play an ever more important role in the administrative logic of the European Commission, it leaves the question open why no new executive agency has been founded since 2007, and why the name of three agencies has changed. For this, the initial Regulation 58 has to be consulted. Two aspects are crucial here: one is that the Regulation prescribes that setting up a new executive agency from scratch requires the consent of the member states (Council of the European Union 2002, L 57/1:7 (art.24)). Obviously, this requirement involves considerable political-administrative costs, and, as the historical

analysis of one case has shown, not only in negotiations between Commission and Council, but even within the executive branch (König 2017, 87). Since 2007, then, is seems as if those costs have been deemed too high, even though the overall mandate of executive agencies has been quite substantially enlarged.

This is particularly true given the second provision in the legal text that helps to explain why names are changing (and, as that's what a new name usually signals how the mandate is changed): by definition, the lifespan of an executive agency is limited, but it can be extended (Council of the European Union 2002, L 57/1:art.3(1,3)). Obviously, this makes executive agencies very flexible: whenever there are new programs delegated to the European Commission that are labor-intensive (and, usually, also less related to policy-shaping), the existing agencies can rather easily be reprogrammed. This avoids the costs of setting up new agencies, and it has the additional benefit that expertise built up by the respective agency staff is maintained, too. Since updating the list of tasks is connected to the seven-year cycle of the EU multi-annual financial framework, the renewal of agencies is also linked to this political process. That's why two agencies changed their name in the aftermath of adopting the financial framework 2007-13, as did three of the six during the implementation of the successive framework, 2014-20.

With this analysis, a picture emerges of executive agencies as convenient administrative vessels for outsourcing tasks. They are convenient because they remain flexible (due to their limited lifespan) to the changing demands of their parental organization, and because they build up a (somewhat separated) workforce that is, in total, cheaper than Commission personnel, and that is not to be calculated into the administrative costs of the Commission. Finally, they are also convenient because they all rely on the same legal provision, which implies that, at least in theory, steering and oversight is following the same template for all six of them.

3   What executive agencies are tasked to do

Council Regulation 58 allows the Commission to 'entrust certain tasks in the management of Community programmes' to executive agencies (Council of the European Union 2002, L 57/1:2). But what exactly are those tasks? This section attempts to compare systematically some indicators that allow to draw some conclusions to answer this question. First, it looks at size and growth of executive agencies since their establishment, before it analyses the fields of action to which they have been assigned. Finally, it also assesses the type of work that they are actually doing.

To start with, how did the individual agencies develop in the last five years? Figure 2 shows that, while the overall staff levels as well as the overall operative budget has been increased for all six agencies, there are substantial differences for each of them. Specifically, the operative budget of agencies differs widely, and so does the increase between 2012 and 2016. Also, staffing levels have developed very differently, with EASME more than doubling, and REA, INEA, and ERCEA at least significantly increasing their staff, while CHAFEA and EACEA were even downsizing somewhat.

Figure 2: Operative budget of agency and staff
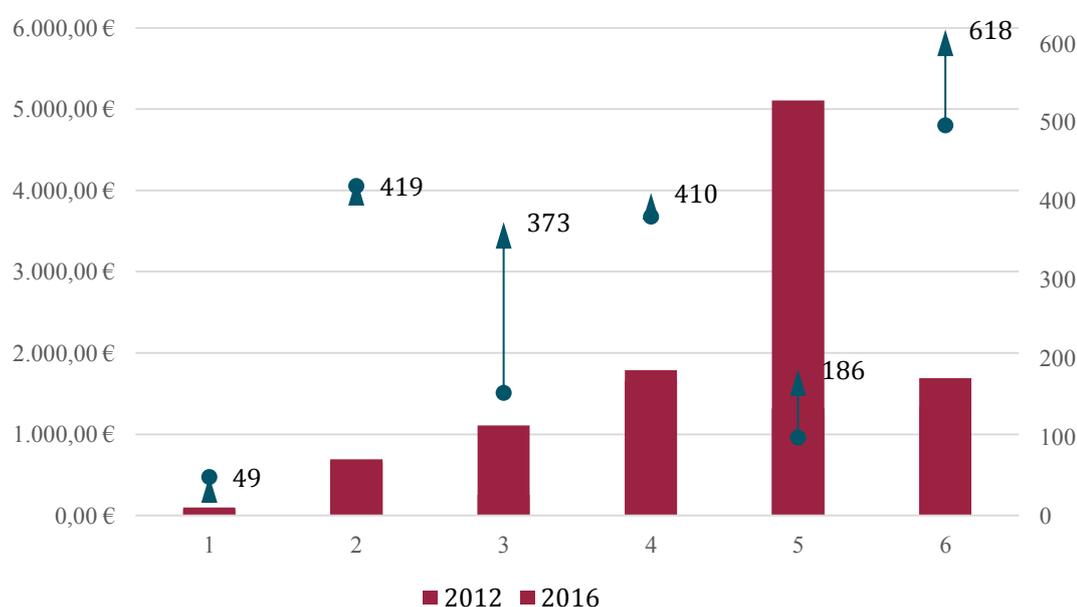
Author's own compilation, based on data as mentioned in endnote iv. Note: left axis refers to operative budget in Mio €; right axis refers to number of employees – the blue arrow indicates increase of staff level in 2016 against 2012.

Another important finding from this comparison is that, overall, the relation between operative budget per employee has been increased since 2012, implying that less workforce is needed to handle a greater operative budget. This may be read by officials as an increase in efficiency. However, it is also notable that, for each agency, the overall operative budget relates very differently to the number of staff, as can be seen in table 1. While, at CHAFEA, for each employee there were approximately € 2 Mio in commitment appropriations available, at INEA it is a whopping € 27.4 Mio. That indicates that not only are the agencies very differently endowed for their various tasks, they are probably also expected to fulfil different types of work, and in different areas.

In what policy areas are the six executive agencies active? While this question is generally difficult to answer, not least due to the ambiguous nature of policy areas,

there are some indications to be found in the depths of individual agency reports as well as the Commission budget. The European Commission (as the executive branch of the European Union) envelopes its vast array of activities in budget numbers along two basic sets of structures. On the one hand, the budget, which allocates certain amounts of money to titles; each title again is broken down into chapters.[vii] On the other hand, in negotiating the multi-annual financial framework, it has become common to operate with so-called MFF headings, probably to represent publicly the overall envelopes of all EU actions. Again, each of those headings consists of several programs.[viii]

Table 1: operative budget per employee

	Mio € per employee	
	2012	2016
CHAFEA	1.47 €	2.04 €
EACEA	1.53 €	1.65 €
EASME	1.64 €	2.98 €
ERCEA	4.37 €	4.36 €
INEA	13.30 €	27.46 €
REA	2.71 €	2.74 €

Author's own compilation, based on data as mentioned in endnote iv.

Intricately (but not surprisingly), the relation between budget titles and MFF headings, as well as between budget chapters and programs is not necessarily straightforward:[ix] the funding for the research program "Horizon 2020", for example, is distributed along several budget titles.[x] The executive agencies are tasked to take care of (parts) of certain programs; yet the (four-digit) budget chapters equip the specific programs (partly) with the necessary funding. Hence, it is possible to compare, for two distinct years, the budget chapters that are mentioned in the executive agency reports with the actual annual budget (for the full list of partly delegated chapters, see Annexes 1 and 2) and to draw some conclusions from this set of data.

As can be seen in table 2, the annual operative budget of the executive agencies has been considerably increased between 2012 and 2016 and so has, overall, the number of delegated chapters, which indicates that the range of programs outsourced to these bodies is growing. Table 2 also reveals that there are some important differences between the agencies. Three have actually reduced the number of chapters (partly) delegated to them (CHAFEA, EACEA, ERCEA), while the others have doubled (REA), tripled (EASME), and sextupled (INEA) the number of chapters partly delegated to them. Yet while the budget of EASME and INEA has been raised as was somewhat to be expected, the budget of REA has only seen some incremental increase, albeit the number of employees has climbed up quite substantially. This may indicate that the

programs that this agency is tasked to fulfil have not been expanded, but only been organized differently in the budgetary procedure; and it may also indicate that this agency has taken up additional administrative tasks as well that do not correspond with an increase of operative budget, similar to what seems to be the case with CHAFEA and, maybe, EACEA.

Table 2: Annual commitment appropriations of executive agencies

EA	2012		2016	
	Delegated chapters	*Operative budget (Mio €)*	*Delegated chapters*	*Operative budget (Mio €)*
CHAFEA	5	73,33	4	100,10
EACEA	10	653,35	9	692,47
EASME	3	255,83	9	1.110,25
ERCEA	2	1.660,12	1	1.788,16
INEA	1	1.317,564	6	5.107,881
REA	4	1.346,11	8	1.690,63
Total	**25**	**5.306,304**	**37**	**10.489,491**

Author's own compilation, based on data as mentioned in endnote iv.

Although the annual EU budget and the financial framework follow a different architecture, the budget chapters are linked to the MFF headings. Hence it is possible to look at which chapters (partly) delegated to the executive agencies are assigned to which MFF heading. Table 2 reveals that, broadly, the activities of executive agencies fall into four of the main headings, namely Competitiveness (1.a), Natural resources (2), Security and Citizens (3), and Global Europe (4). Already in 2012, while the number of chapters partly delegated to the executive agencies were somewhat evenly distributed, it is obvious that, in terms of operational allocated budget, 'Competitiveness' was the most prominent heading. In 2016, this trend has become only reinforced. Two thirds of all delegated chapters fall into this heading now, with a budget of more than ten billion Euro. Not only in total numbers, the executive agencies have a much more prominence in carrying out the programs under this heading, with more than 50 per cent of the overall budget of this heading assigned to them. Merely .05 per cent of heading 2, slightly more than 6 per cent of heading 3, and not quite four per cent of heading 4 are delegated to the executive agencies.

Table 3: Assignment of delegated chapters to MFF Headings

MFF	2012			2016		
	Delegated chapters	Budget (Mio €)	% of total	Delegated chapters	Budget (Mio €)	% of total
1.a: Competitiveness	11	4.827,46 €	32,72	25	10.020,40 €	52,71
2: Natural resources	1	14,12 €	0,02	1	18,48 €	0,05
3: Security and Citizenship	5	284,12 €	13,76	6	269,33 €	6,65
4: Global Europe	8	180,60 €	1,92	5	181,28 €	3,95

Author's own compilation, based on data as mentioned in endnote iv.[xi]

Accordingly, as figure 3 shows, only two agencies - CHAFEA and EACEA - have been linked to budget chapters assigned to more than two MFF headings; of the remaining four, three agencies are tasked to carry out programs that fall only into the MFF heading 1a of competitiveness. This trend has been enforced until 2016: now EASME, which was handling partly programs in the field of heading 2, is to be located solely in chapters that relate to heading 1a, too. Thus, five of the six executive agencies firmly belong under the MFF heading called competitiveness. Not incidentally, and as mentioned in the previous chapter, competitiveness has seen quite an increase over the past two decades. Alas, executive agencies are assigned tasks in fields where the Commission has gained responsibilities over the past decades. It is also where the European Commission is tasked to distribute public funds directly, unlike the two areas that, traditionally, constitute the largest share of the EU budget, namely agriculture (heading 2) and regional policy (heading 1b), and where the Commission merely supervises the rules of distribution (the funding is actually distributed by the member states).

Figure 3: Number of budget chapters (partly) delegated
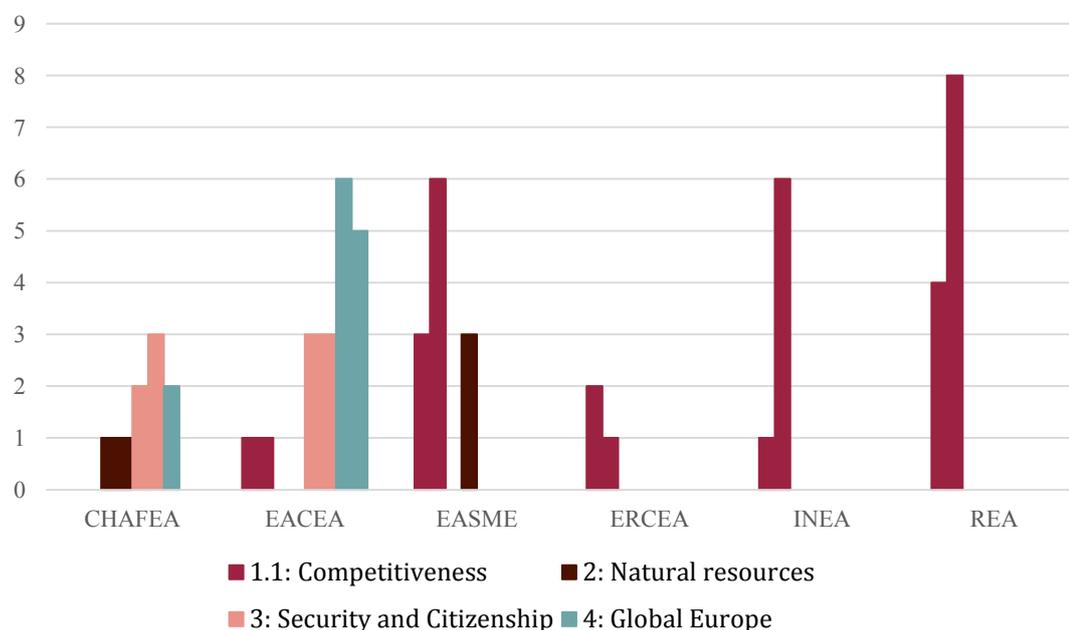
Author's own compilation, based on data as mentioned in endnote iv. Note: dark bar represents 2012, light bar represents 2016. The chapters are distinguished along their (main) assignment to MFF headings in the budget table.

What type of work are the executive agencies actually doing? An (admittedly rough) analysis of the self-description of the six executive agencies (based on the articles in *Commission En Direct* 2016, 40–45) provides some answers and helps to understand as to why the agencies differ so widely in staff, assignment, and operative budget. As can be seen from table 4, one of the six agencies, CHAFEA, is engaged in an entirely different type of work than the others: it promotes, assists, and communicates existing programs, standards, and collaborative networks across Europe, which means, basically, that this agency is 'on the frontline with stakeholders [outside the European institutions, TK] every day'.

Of the other five executive agencies, they describe their work primarily as funding projects. Specifically, they fund 'disruptive and innovative projects across Europe in the areas of energy efficiency, climate mitigation and resource efficiency' (EASME); respectively 'manage parts of the EU's funding programmes in the areas of education, training, youth and sport, audiovisual and culture, citizenship and humanitarian aid' (EACEA); respectively support 'research … in the areas of "Smart, green and integrated transport" and "Secure, clean and efficient energy"' as well as implement 'infrastructure projects across the EU' (INEA); respectively fund projects that 'have produced ground-breaking results, generating new discoveries, boosting European innovation and improving people's lives' (ERCEA).

Table 4: Analysis of self-described types of work and results targeted

	Description of work	Result
CHAFEA	Promote / assist / communicate	Awareness / cooperation, networks / trainings
EACEA	Fund, manage	Projects
EASME	Fund, manage	Projects
ERCEA	Fund, manage	Projects
INEA	Fund, implement, manage	Projects
REA	Fund, manage / provide	Projects / services

Author's own compilation, based on analysis of a recently published pamphlet (Commission En Direct 2016).

These agencies are in the business of distributing public funds for a given period of time to enable the conduct a set of dedicated works with the expectation that, in the end, the result will contribute to an overarching policy goal. It is a very labor-intensive type of work, not least because it requires taking into account many European regulations (financial, non-discriminatory, and the like), and also certain secondary actions, including promotion of results that the projects have achieved. In addition to all that, one agency (REA) explicitly mentions yet another type of work in addition to managing the distribution of funds, namely 'support services for the whole of H2020 [the EU research funding program, TK]' in the form of 'expert evaluator contracting, evaluation facility management, project participant validation and the management of the Research Enquiry Service, which handles questions on EU-funded research, calls for proposals, project proposals and projects'.

In her analysis of decentralized agencies, Madalina Busuioc (2013, 38) distinguishes between 'information providing, management, operational cooperation, decision-making, and quasi-regulatory agencies'. Accordingly, CHAFEA would primarily be located in the category of 'information providing'. The other five agencies can be firmly located in the categorical space of 'managing', and particularly so if dealing with large budget appropriations, as is the case with EASME, INEA, ERCEA, and REA. The typology, however, requires additional refinement, along a more detailed analysis of the respective organizational framework of the programs that have been (partly) assigned to the executive agencies. While the operative budget details provide only some indication, it is clear that some agencies are tasked to carry out one (or several) specific (sub-)program(s) entirely on their own, such as ERCEA or INEA, while others provide outsourcing of several different parts of one or several such programs (REA; EASME); some others again have assembled activities from various areas (EACEA; CHAFEA).

4 Organizational setup

How are the six executive agencies organized in order to successfully carrying out the specific tasks assigned to them? And what is their relationship to the parental organization, the European Commission? Again, Regulation 58 is key as it also provides the basic concept for the internal governance of executive agencies. It prescribes that an executive agency 'shall be managed by a Steering Committee and a director', with the latter's term limited to for dour years (Council of the European Union 2002, L 57/1:art.7(1)) Both the members of the Steering Committee and the director are appointed by the European Commission, and, usually, they are all chosen from the higher ranks of Commission functionaries – for the director, it is even foreseen that 'an official within the meaning of the Staff Regulations' of the Commission has to be chosen. (Council of the European Union 2002, L 57/1:art.10(1)). In addition, issues concerning staffing, equipment, auditing, budget, and reporting duties are dealt with the Commission directly, too.

Formally at least this setup assures that each executive agency is operated along the same line. This allows for an analysis of the *de jure* autonomy that the six existing executive agencies enjoy. To do so, four analytical components can be distinguished, according to agencification literature (Wonka and Rittberger 2010). The four components are the formal mandate of the agency; the rules for appointing the agency head; rules for appointing the members of an agency's management board; and the regulations on an agency's (internal) decision-making. Each component can be formally analyzed along several variables, and the variables can be referred to a certain value between 0 and 1. Taken together, the variables result in a 'independence score' of 0.47 for each of the six executive agencies (see Annex 3 for the full list of variables).

While this score has little significance in itself, as it tells little about the agencies' 'actual autonomy or day-to-day policy-making practices' (Rittberger and Wonka 2011, 783), two things become apparent. Even if executive agencies were actively seeking to achieve more autonomy, there is little room for interpretation left, since the four analytical components that constitute the core governance structure, are already defined in Regulation 58. And, those legal provisions in the legal text explicitly foresee that the influence of the European Commission remains high. Still, the agencification literature distinguishes between *de jure* and *de facto* autonomy, and for good reasons. Given the findings in the previous two sections, the extent of *de facto* autonomy might still vary from one executive agency to another.

To that end, three levels of autonomy can be distinguished. Operative autonomy means that agencies have a certain degree of independence for conducting their programs. Organizational autonomy means that agencies are independent, to a certain

degree, to determine their own internal structure. And ideational autonomy means that staff members identify with their agency (as a distinct entity from the Commission) and that it is publicly recognized as a separate body. Yet it has to be pointed out that there is hardly any evidence about the relationship between executive agencies and their parental DG(s), with the exception of formalized reporting exercises and glossy self-description. Since this paper does not draw on first-hand evidence from within the agencies for qualitative analysis (such as interviews and ethnographic studies), it can only discuss potential indicators for building preliminary hypotheses, based on the collected data in table 5.

A first important difference between the executive agencies that may have an impact on their *de facto* autonomy has to do with an agency's degree of ownership of a program. Thus, one hypothesis could be that agencies like INEA and ERCEA have a higher degree of operative autonomy than other executive agencies, because they seem to own a large share of a (sub-)program. On the other hand, it may as well be that the fixation on one program (again, imperfectly expressed in the number of budget chapters in table 5) may limit agencies' ability to achieve a higher degree of indispensableness to the Commission. Again, it should be noted that it is difficult to determine this share simply from the comparison of budget chapters with statements in the annual activity reports of the agencies, due to the fact that programs are only incompletely represented in the share of a budget chapter.

Table 5: Potential indicators for de facto autonomy

	No of budget chapters	% owning budget chapters	Parental DGs	Name changes
CHAFEA	4	24,84	3	2
EACEA	9	37,19	4	0
EASME	9	22,58	7	2
ERCEA	1	33,51	1	0
INEA	6	52,91	4	1
REA	8	33,97	6	0

Author's own compilation, based on data as mentioned in endnote iv.

Another obvious difference between executive agencies is the number of parental Directorate Generals (DGs) that they have to report to. The question is open whether a larger number is beneficial to the organizational autonomy of an executive agency, since it may allow the agency to play with different principals, or whether this is rather detrimental – for example, it could be that the agency's internal organization is forced to enforce multiple ownership in its organizational structure. A last difference concerns the ideational autonomy of an executive agency, in other words: to what extent is an agency able to develop, and pertain, its own identity. Obviously, a crucial aspect of this

is the name of the organization, so the fact that some agencies have changed their name once or twice may indicate that they have less ability to develop this kind of autonomy.

The three different layers of autonomy – operational, organizational, and ideational – cannot solely be determined simply by the data in table 5, but have to be examined through other sources; also, the strict confinement of the legal provisions of Regulation 58 will have to be taken into consideration. Still, there is the example of the ERCEA, which is often seen as an outlier to the rest of the executive agencies, since it is the only one that consists of an additional layer of decision-making and has, *de facto*, a more complicated governance structure (European Commission 2007, L 57/14:art.4, 5(1), and art.10, (4) and art. 5(1)). The existence of this particular agency, however, could also be read as evidence that, whatever the legal provisions, there may be nuances in the degree of autonomy of the six executive agencies worth discovering.

5 Outlook

Ultimately, executive agencies can be characterized as work horses tasked to carry out labor-intensive programs. They are cheap, since staff is mostly employed along wage levels below that of Commission functionaries. They are easy to oversee, since they follow a simple and mainstreamed governance structure, with the Commission in tight command. And since their mandates are tightly knit to multiannual financial frameworks, they can be reprogrammed without too much effort. Even dissolving one of them would, theoretically, not be too difficult. So what does this make in comparison to the decentralized agencies?[xii]

When it comes to the historical context of their respective emergence and their functionality, decentralized agencies have been incepted at European level since the mid 1970s, and since the early 1990s, there number has been growing rapidly (Kelemen 2005, 180–86; Pollak and Riekmann 2008, 775–76; Wonka and Rittberger 2010, 731–32). Contrary to that, legal provision for setting up executive agencies has only been established in 2002, and all existing agencies have been set up during a short period of time, between 2004 and 2007.

Decentralized agencies have a common denominator, namely that they are outside the institutional framework of the European Commission, and that only the Parliament and the Council decide about their creation. Typically, this is done in a separate legal text per body; given the influence of member states in setting them up, it is hardly surprising that they are distributed across the entire EU. All that does not necessarily mean that they are out of the Commission's political grip, nor that the Commission does not exert administrative power over them.[xiii] Still, in comparison, executive

agencies are under the wings of the Commission; their basic legal provision is the same for all six of them; and they are all in close proximity to the EU power center, that is, five of them are located in Brussels and one in Luxembourg.

Given that there are nowadays more than 30 decentralized agencies in the EU, it would be difficult to come up with one common functionality of all of them. But, on a very common level, they can be called 'tools of regulation and administration', with 'their primary function' being 'to support the policy-making process through the provision of information' (Pollak and Riekmann 2008, 777). The function of the six executive agencies is threefold, at least when it comes to the European Commission. They help reducing administrative costs by using cheaper workforce (primarily contract staff) for program that require particularly intensive use of human resources. Second, they are also flexible organizational tools, being easily re-focused and re-programmed. Third, outsourcing allows the DGs to focus on their immediate tasks, that is, policy formulation and monitoring of implementation.

When it comes to comparing the fields of action, it seems to be fair to summarize their various and differing tasks as 'help[in] in implementing Community regulation', whereas executive agencies are tasked to operate specific programs that the Commission is delegating to them (European Court of Auditors 2009, 31, which also provides a more general comparison between the two types of agencies). Specifically, most executive agencies are primarily engaged in distributing funds in programs under the heading of competitiveness, which is set up to 'the promotion of research, innovation and technological development; specific action in favour of the competitiveness of enterprises and SMEs; investing in education and in human skills […]; and developing the social agenda' (European Council 2013, 7).

Since they are playing an increasingly important role in executing an emerging 'Europe of Knowledge' (Chou and Gornitzka 2014; similarly, Beerkens 2008) that is becoming an important branch of European integration, executive agencies are distributing large amounts of money; the issue of their autonomy and, consequently, of their accountability should also be of general interest. A comparison with decentralized agencies is difficult, as the latters' organizational set-up and the independence, or autonomy, is differing, due to the fact that each of the agencies is established with a separate legal act (regulation). For executive agencies, there is only one, binding, legal provision. In comparison to the results of the descriptive analysis of de jure autonomy, as assessed by Wonka and Rittberger (2010, 731–32), executive agencies, with a projected score of 0.47 (as mentioned in the previous chapter) have more formal-institutional independence than 15 of the decentralized agencies' (whose score lies between 0.21 and 0.46) and are less independent than 14 others (whose score lies between 0.49 and 0.64).[xiv]

This Working Paper has produced some insight into the hitherto unknown world of European executive agencies, attempting to emphasize the significance of the organizational change they represent. It should not end without raising more detailed questions for upcoming research. One important issue would be to move on from the Commission's official perspective on the functioning of executive agencies. It remains an open question whether executive agencies are merely recipients of orders by the parental DGs, or whether they manage to gain independence (via informal expertise, or via collective identity building among their employees), and if so, to which degree this is the case. The same goes for the questions of accountability (what do the tight and formalistic procedures of guiding, auditing and supervising the financial behavior of executive agencies sufficient achieve?) and reliability (does the overriding paradigm of cost-saving undermine the efficiency of executive agencies' employees who are mostly temporarily appointed and, in comparison Commission functionaries, poorly paid?) (Suvarierol, Busuioc, and Groenleer 2013). All these questions require qualitative analysis, such as interviews, ethnographic observation, etc.

Another set of questions concerns the place of the executive agencies in the larger diversifying European administrative space (Balint, Bauer, and Knill 2008, 678). What role, if any, do executive agencies play in relation to national administrative agencies and ministries, and how do they relate to the other European institutions? Are there attempts to use Parliament and Council to gain significance within the Commission? Here, a more detailed and nuanced perspective on single agencies would probably be useful. Do any of the other agencies follow the path of the ERCEA in gaining public visibility and also exerting organizational impact on policy fields in member states? Executive agencies could also be a mode to analyze more coherently policy fields, such as the Europe of Knowledge. For while they cannot clearly be assigned to this broad field, and even if they are not the most important tool of distribution of funds (yet), executive agencies today play a crucial role in executing the growing number of programs in areas such as secondary education, higher education, academic exchange and research funding.

Annex

Annex 1: Table of delegated budget chapters, 2012

EA	Chapter	Name	Budget (Mio)	% of total	FF Heading
EAHC [CHAFEA]	17 04	Food and feed safety, animal health, animal welfare and Plant health	14,12 €	4,22	2: Natural resources
	17 02	Consumer policy	15,89 €	75,34	3: Security and Citizenship
	17 03	Public health	34,82 €	16,25	3: Security and Citizenship
	20 02	Trade policy	0,50 €	4,49	4: Global Europe
	21 02	Food security	8,00 €	3,25	4: Global Europe
EACEA	15 02	Lifelong learning, including multilingualism	247,84 €	18,43	1.1: Competitiveness
	15 04	Developing cultural and audiovisual cooperation in Europe	178,82 €	102,31	3: Security and Citizenship
	15 05	Encouraging and promoting cooperation in the field of youth and sports	27,19 €	18,74	3: Security and Citizenship
	16 05	Fostering European citizenship	27,40 €	85,12	3: Security and Citizenship
	19 05	Relations and cooperation with industrialised third countries	9,22 €	38,38	4: Global Europe
	19 08	European Neighbourhood Policy and relations with Russia	135,51 €	5,73	4: Global Europe
	19 09	Relations with Latin America	0,80 €	0,22	4: Global Europe
	19 10	Relations with Asia, Central Asia and Middle East (Iraq, Iran, Yemen	3,25 €	0,36	4: Global Europe
	21 06	Geographical cooperation with African, Caribbean and Pacific (ACP) States	0,00 €	0,00	4: Global Europe
	22 02	Enlargement process and strategy	23,32 €	2,34	4: Global Europe

EACI [EASME]	02 02	Competitiveness, industrial policy, innovation and entrepreneurship	92,52 €	45,47	1.1: Competitiveness
	06 02	Inland, air and maritime transport	80,64 €	38,50	1.1: Competitiveness
	32 04	Conventional and renewable energies	82,67 €	57,23	1.1: Competitiveness
ERCEA	08 10	Ideas	1.610,17 €	102,89	1.1: Competitiveness
	08 22	Completion of previous framework programmes and other activities	49,95 €	43,87	1.1: Competitiveness
TEN-T EA [INEA]	06 03	Trans-European Networks	1.317,56 €	99,41	1.1: Competitiveness
REA	02 04	Cooperation: Space and Security	268,04 €	44,71	1.1: Competitiveness
	08 13	Capacities: Research for the benefit of small and medium-sized enterprises (SMEs)	197,26 €	78,53	1.1: Competitiveness
	08 22	Completion of previous framework programmes and other activities	22,09 €	19,40	1.1: Competitiveness
	15 07	People: Programme for the mobility of researchers	858,72 €	94,71	1.1: Competitiveness

Author's own compilation, based on data as mentioned in endnote iv.

Annex 2: Table of delegated budget chapters, 2016

EA	Chapter	Name	Budget (Mio)	% of total	FF Heading
CHAFEA	05 02	Improving the competitiveness of the agricultural sector through interventions in agricultural markets	18,48 €	0,68	2: Natural resources
	17 03	Public health	50,00 €	23,27	3: Security and Citizenship
	17 04	Food and feed safety, animal health, animal welfare and Plant health	15,37 €	6,05	3: Security and Citizenship
	33 04	Consumer programme	16,25 €	69,36	3: Security and Citizenship
EACEA	15 02	Erasmus +	323,48 €	19,01	1.1 Competitiveness
	09 05	Creative Europe	106,56 €	82,51	3: Security and Citizenship
	15 04	Creative Europe	58,36 €	75,29	3: Security and Citizenship
	18 04	Fostering European citizenship	22,79 €	99,17	3: Security and Citizenship
	19 05	Cooperation with third countries under the Partnership Instrument (PI)	5,81 €	4,83	4: Global Europe
	21 02	Development Cooperation Instrument (DCI)	98,52 €	3,86	4: Global Europe
	22 02	Enlargement process and strategy	14,72 €	1,00	4: Global Europe
	22 04	European Neighbourhood Instrument (ENI)	54,36 €	2,47	4: Global Europe
	23 04	EU Aid Volunteers initiative	7,87 €	46,60	4: Global Europe
EASME	05 09	Horizon 2020 - Research and innovation related to agriculture	19,67 €	9,18	1.1 Competitiveness
	06 03	Horizon 2020 - Research and innovation related to transport	20,19 €	9,32	1.1 Competitiveness
	08 02	Horizon 2020 - Research	505,49 €	9,47	1.1 Competitiveness
	09 04	Horizon 2020 [ICT]	111,12 €	7,96	1.1 Competitiveness
	18 05	Horizon 2020 - Research related to security	12,31 €	9,05	1.1 Competitiveness

	32 04	Horizon 2020 - Research and innovation related to energy	134,68 €	41,48	1.1 Competitiveness
	07 02	Environmental policy at Union and international level	202,94 €	52,44	2: Natural resources
	11 06	European Maritime and Fisheries Fund (EMFF)	35,88 €	3,98	2: Natural resources
	34 02	Climate action at Union and international level	67,97 €	60,36	2: Natural resources
ERCEA	08 02	Horizon 2020 - Research	1.788,16 €	33,51	1.1 Competitiveness
INEA	06 02	European transport policy	3.778,84 €	96,11	1.1 Competitiveness
	06 03	Horizon 2020 - Research and innovation related to transport	76,15 €	35,17	1.1 Competitiveness
	08 02	Horizon 2020 - Research	528,69 €	9,91	1.1 Competitiveness
	09 03	Connecting Europe Facility (CEF) - Telecommunication networks	70,51 €	50,21	1.1 Competitiveness
	32 02	Conventional and renewable energies	495,13 €	77,22	1.1 Competitiveness
	32 04	Horizon 2020 - Research and innovation related to energy	158,56 €	48,84	1.1 Competitiveness
REA	02 04	Horizon 2020 - Research relating to enterprises	103,01 €	38,00	1.1 Competitiveness
	05 09	Horizon 2020 - Research and innovation related to agriculture	191,18 €	89,25	1.1 Competitiveness
	06 03	Horizon 2020 - Research and innovation related to transport	0,37 €	0,17	1.1 Competitiveness
	08 02	Horizon 2020 - Research	348,69 €	6,53	1.1 Competitiveness
	09 04	Horizon 2020 [ICT]	143,71 €	10,29	1.1 Competitiveness
	15 03	Horizon 2020 [Education and Culture]	845,92 €	85,12	1.1 Competitiveness
	18 05	Horizon 2020 - Research related to security	57,73 €	42,42	1.1 Competitiveness
	32 04	Horizon 2020 - Research and innovation related to energy	0,02 €	0,01	1.1 Competitiveness

Author's own compilation, based on data as mentioned in endnote iv.

Annex 3: Formal-Institutional Independence Score of executive agencies

Variable	Scores	Remarks
A1: Formal mandate of agency		
V1 Competence EU Agency	0.50	
A2: Appointment 1: Agency Head (AH)	Director, as def. in Reg. 58, art.10-11 of	
V2 Term of agency head (AH)	0.40	Due to missing scoring methodology, the score could be 0.40 or 0.60.
V3 Selectorate/appointees of AH	0.00	
V4 Quorum appointment AH	1.00	Director is appointed by Commission
V5 Rules for AH dismissal	0.00	
V6 Other offices AH	1.00	
V7 Reappointment of AH	0.00	
V8 (Formal) AH independence	0.00	
V9 Formal requirement for AH Qualification	1.00	
A3: Appointment 2: Members of the Management Board (MMB)	MMB = Steering Committee, as def. in Reg. 58, art.8	
V10 Term of office MMB	0.20	See comment on V2
V11 Selectorate/appointees of MMB	0.00	
V12 Rules for MMB dismissal	0.33	
V13 Other offices MMB	0.00	
V14 Reappointment of MMB	0.00	
V15 (Formal) MMB independence	0.50	
V16 Formal requirement MMB Qualification	1.00	
A4: Regulations on agencies' (internal) decision-making	Agency=executive agency	
V17 Formal independence of agency	1.00	
V18 Agency's formal reporting obligations – annual reports (retrospective)	0.00	
V19 Agency's formal reporting obligations – annual working programme (prospective)	0.00	
V20 'Exclusiveness' of agency's competencies in its field of responsibility	1.00	
V21 Agency discretion to decide on activities	0.00	
V22 Agency's external consultation practice	1.00	
V23 Agency appeals board	1.00	
V24 Competent bodies to appeal agency decisions	0.80	
V25 Competence to design agency's internal organization	1.00	
V26 Recruitment of agency's permanent staff?	1.00	
V27 Resource dependency of agency	0.33	
Result	0.47	

This scoreboard follows Wonka and Rittberger (2010, 750–52), based on their interpretation of Gilardi (2002, 2008).
Note that some scoreboard variables are at points unclear (V2 and V10), and that it is difficult to translate the
meaning of some others to the specific circumstances of the executive agencies (V22 and V23).

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i Parts of this account are drawn from my book on the ERC (König 2017), and I have published an article with some of the data on executive agencies from 2012/13 (König 2015). An earlier version has been presented at the ECPR Annual Conference in Bordeaux 2013. I am grateful to Tim Flink, Meng-Hsuan Chou, Inga Ulnicane-Ozolina, and Svend-Erik Skaaning, as well as an anonymous reviewer, for comments.

ii For a brief definition of the term 'functional decentralization', see Böckenförde (2011). I am grateful to the anonymous reviewer for the suggestion.

iii A critical reader may object that claim by pointing to academic literature on one executive agency, the ERCEA (cf. Hofmann 2012; Winnacker 2012; Gornitzka and Metz 2014; Flink 2015; König 2017). It is important to note that literature has been concerned with the European Research Council (ERC) more generally, a funding instrument for academic research; the ERCEA has been created to manage this instrument, but it is not the only entity in the ERC compound (there is also an independent expert group, the Scientific Council). Certainly, nowhere in the literature has there been an attempt to analyze executive agencies as a distinct type of administrative bodies, maybe with the exception of some cursory remarks in an older paper of the author (König 2015).

iv Specifically, and unless no other source is mentioned, the data for the tables in sections 2-4 and in Annexes 1 and 2 has been taken from the adopted EU budget of the years 2012 and 2016 (European Parliament 2012, L 56/1:II/80-1142, 2016, L 48/1:398–1662), and the Annex 3 of the Annual Activity Report of the executive agencies of the same years, ("Draft annual accounts and financial reports", table 1: Commitments, column 'Commitment appropriations authorized') (EAHC 2013; CHAFEA 2017; EACEA 2013, 2017; EACI 2013; EASME 2017; TEN-T EA 2013; INEA 2017; ERCEA 2013, 2017, REA 2013, 2017)

v Those technical assistance offices were privately run and, according to a Court of Auditor report from 2009, 'were criticised in particular for the vague definition of the tasks, the poor control exercised by the Commission over their activities, the threat to budget transparency due to the use of operational appropriations to fund administrative costs borne by the TAO s, and non-compliance with the relevant accountability requirements.' (European Court of Auditors 2009, 8)

vi That did not stop David Cameron, then Prime Minister of the United Kingdom, to insist publicly that 'they [the European Commission, TK] are […] not proposing to make any cuts to the central administrative costs' (cf. The Telegraph 2012). At this point in time, the Commission had already announced to reduce salaries and extend workweeks (European Commission 2011b; European Parliament, Council of the European Union, and European Commission 2013, C 373/1:5) – the second cut within less than ten years.

vii As is quite common for organizing public budgets, the budget is divided into more than 30 titles (two-digit numbers, starting from 01) correlating to policy fields and somewhat identical with the Commission Directorate Generals. Each of the titles includes a number of (four-digit) chapters, and each chapter contains (six-digit) articles, which are specified into (eight-digit) items. Each item constitutes a budget line, and each budget contains a figure, the actual budget of that line.

viii For example, the MFF heading "1a – Competitiveness for growth and jobs" consists of programs such as the Framework Programme for Research ("Horizon 2020"), the European Earth Observation Programme ("Copernicus"), the European Fund for Strategic Investments, etc. And again, for each program there is a figure, which represents the budget committed to carry out this program. The other headings currently are: "1b - Economic, social and territorial Cohesion", "2 - Sustainable growth: Natural resources", "3 - Security and Citizenship", "4 - Global Europe", and "5 – Administration". Note that the naming of the headings is slightly changing over time, but their number as well as their order has been stable for the last two cycles of financial frameworks.

ix As a side note, it seems as if the relevance of the policy areas related to the budget titles has somewhat decreased with the recent Financial Framework 2014-20While the Working Document I accompanying the Commission's annual budget draft has been organized around the policy areas up until the end of the period of the previous MFF (European Commission 2012a), the same type of document is now organized around the MFF headings (cf. European Commission 2015)

x Specifically, it is not only in the budget title 08 ("Research"), where it is to be naturally expected, but also in 02 ("Internal market, industry, entrepreneurship and SMEs"), 05 ("Agriculture and rural development"), 06 ("Mobility and transport"), 09 ("Communication networks, content and technology"), and so on.

xi The titles of the MFF headings have been consolidated on the 2016 version, since there are only little differences in names. Note that within several budget chapters, specific items have been assigned to different MFF headings (specifically, in the 2012 budget, this concerns chapters 15 04, 17 02, 17 03, 17 04, 19 08, 22 02; in the 2016 budget, this concerns chapters 06 02, 07 02, 08 02, 17 03, 17 04, 22 04, 32 02, 33 04, 34 02). In all those cases, a clear majority of budget items within a chapter belonging to a certain MFF heading, also marking the highest absolute share of the entire budget of this chapter, could be identified, which is why all those budget chapters were assigned to one respective MFF heading.

xii For a useful comparison from within the EU bureaucratic apparatus, see also the table provided in the Draft General Budget 2013 of the Commission (European Commission 2012b, 21)

xiii For the latter, a Commission Communication on decentralized agencies makes for an interesting reading (European Commission 2013b).

xiv For comparison: The highest formal independence score of 'independent regulatory agencies' at national level have the score 0.75 (according to Gilardi 2002, 879).