# Mass Administrative Reorganization, Media Attention, and the Paradox of Information

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**Abstract:** How does media attention influence government decisions about whether to terminate independent administrative agencies? We argue that an agency's salience with partisan audiences has a direct effect, but a high media profile can disrupt normal government monitoring processes and obfuscate termination decisions. We evaluate our argument in the context of a recent mass administrative reorganization by the British coalition government using probit and heteroscedastic probit regression models. Evidence suggests that termination is less likely for agencies salient in newspapers popular with the government's core supporters, but not those read by its minority coalition partner. We also find that agencies with greater overall newspaper salience as well as younger agencies have a higher error variance.

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#### **Practitioner Points:**

- (1) Enhanced media attention can disrupt the normal views politicians have about what an administrative agency does, making the future of the agency less predictable, especially for relatively younger agencies.
- (2) The influence of attention to an agency by a media outlet depends on its audience; attention in outlets serving core voters of parties in government places agencies in less peril of reform than attention in outlets serving opposition party or swing voters.
- (3) Media attention can affect the structure of public administration.

The existing literature on media and bureaucratic organizations tends to consider the responsibility administrative agencies take for policies (Bawn 1995; Koop 2011) rather than politicians' decisions about structuring the bureaucratic state. Yet scholars have argued that media attention is intertwined with the relationship between agencies and political power (Bertelli 2008; Calvert, McCubbins, and Weingast 1989; Spence 1997; Ringquist, Worsham, and Eisner 2003). Governments may use that power to reorganize public administration. Even an agency operating at arm's-length from politicians is not entirely out of their reach, although changes are more easily accomplished in high accountability systems like the U.K. rather than in the U.S., with its separation-of-powers. Rarely is the potential for agencies to lose their independence more apparent than in the context we study, in which a new British government sought to restructure its entire portfolio of independent agencies in one reform effort. Closing an agency removes its policymaking independence and can even remove its function from government. Both actions impact accountability as they identify the government with an issue area and the way policymaking is done within it. We expect media attention to impact the termination decision, since the media in its monitoring function provides one corridor for popular accountability.

How does media attention influence government decisions about whether to terminate independent administrative agencies? We argue that the influence of media salience on the government's decision to close or retain an independent agency follows two pathways: an agency's salience with partisan audiences—core supporters of parties in government, opposition supporters, and swing voters—has a direct effect on this political decision, but a high media profile can also disrupt the normal government processes of monitoring agency behavior. Other literature on agency termination also attempts to capture partisanship and ideology (e.g., Lewis

2002; 2004), but no statistical studies to our knowledge attempt to capture the type of media influence we uncover. Our claim that termination decisions should be less systematic as salience increases is also novel, creating what we call a paradox of information in which public information available through the media works against the government's private information.

To test these claims, we employ heteroscedastic probit regression to model the direct effect of media salience through the index function and the indirect effect through the variance function. Examining the decisions to terminate or retain independent agencies in the British coalition government's 2011 reform proposal, administrative data, and newspaper mentions of each of the 400 agencies in our sample to capture media salience, we find evidence that termination is less likely for agencies salient in newspapers that are popular among the government's core supporters, but not those read by its minority coalition partner. We also find that agencies with greater overall salience have a higher error variance, suggesting that the partisan audience model is less useful in predicting termination and lending support to our argument about the paradox of information. Taken together, these findings contribute two important elements to the literature on agency termination, namely, that media salience and the public information it creates matters in the government's decision, but that it makes that decision less systematic as it increases.

We begin by reviewing studies relating media attention to bureaucratic policymaking and the literature on the termination of administrative agencies. We then draw on these literatures to develop hypotheses regarding the influence of partisan media outlets and the impact of information about the public information, operation, and performance of agencies on the government's termination decision. We subsequently discuss the heteroscedastic probit statistical model as an appropriate method for testing these hypotheses and describe our data and

its sources. A presentation of our results and a broader discussion of their implications for public administration research follows. The paper concludes with some implications for practitioners.

#### **Media and Bureaucratic Politics**

In the limited literature on media and bureaucracies, there has been a long-standing view that the salience of agency policymaking with the public is an important feature in the responsibility politicians assume for it. Bawn's (1997, 106) formal treatment of politicians' decision to acquire information about agency operations incorporates two aspects of public salience as factors that influence the political benefits of monitoring: the "importance of the agency's actions to constituents" and "the likelihood that constituents give the [politician] credit for the corrected problem" uncovered *ex post* through costly monitoring. If claiming responsibility for policymaking can be of political benefit to legislators, then a variety of scholars predict or document a positive influence by public salience on the efforts of politicians to oversee or control agency action (see generally Bertelli 2008; Calvert, McCubbins, and Weingast 1989; Spence 1997; Ringquist, Worsham, and Eisner 2003). Media attention frequently has been considered an empirical proxy for public salience (e.g., Carpenter 2002; Ringquist, Worsham, and Eisner 2003).

Scholars have argued that "public managers are, by necessity and training, acutely aware of their audiences and that their audiences monitor them" (Carpenter and Krause 2011, 27; see also Carpenter 2010). The influence of multiple audiences on administrative policymaking is critical to the theoretical perspective we take in this study. Bureaucratic politics scholars provide two principal theoretical mechanisms suggesting political benefits that accrue from taking responsibility for policymaking when media attention increases public salience. A threshold

claim for each theory is that the media provide cues about public policies that serve as heuristics guiding the formation of opinion among groups of individuals or the polity as a whole (e.g., Jasperson, Shah, Watts, Faber and Fan 1998). One argument is that greater media attention to particular policies indicates public salience, capturing greater "political demand" for them (Carpenter 2003, 25). Studying time to drug approval by the U.S. Food and Drug Administration, Carpenter (2002, 493) shows evidence that increased media attention to the illness decreases approval times. An alternative perspective argues that media salience provides the opportunity for agencies to become scapegoats (e.g., Fiorina 1977; Hood 2002; Lavertu forthcoming). In theoretical contributions, Krause (2003) argues that the likelihood of blame shifting toward administrators feeds into the risk aversion characteristics of agencies, while Whitford (2003) argues that it can raise costs of agency failure to perform mandated functions. Through either mechanism, media attention influences the perceived salience of agency policymaking among the public.

Scholars have linked increased media attention to greater accountability of politicians for policies in a variety of settings. Ruder (2013) shows evidence that formal agency structure helps to determine whether agency policymaking is associated with the U.S. president. He finds, *ceteris paribus*, that media associate policymaking by U.S. executive agencies with the president, but connect policymaking by independent agencies to those bodies themselves. In a study of Dutch agencies, Koop (2011) observes that as media attention to agencies grows, those agencies gain political accountability. These relationships are consistent with a line of work by political economists that focuses on politicians, not administrative agencies (see Prat and Strømberg 2011). Like the literature on media and action by members of the U.S. Congress (Arnold 2004) and President (Barabas 2008), this body of work supports the claim that media attention informs

the public about policymaking, and this informational conduit increases government responsiveness and accountability through a variety of mechanisms. In sum, public information from the media impacts democratic responsiveness and accountability; in particular, it shapes politicians' view of the political costs and benefits of administrative reorganization.

## The Politics of Administrative Reorganization

An influential literature on administrative reorganizations is rooted in a claim of agency immortality: agencies "keep going because they enjoy some kind of natural immunity to the forces that kill off nongovernmental organizations" (Kaufman 1976, 1; see also Daniels 1997). Scholars have found independent agencies in the U.S. to have more longevity than executive agencies under tighter presidential control (Meier 1980), but that they risk termination, *inter alia*, due to opposition from political elites (Lewis 2002) and a failure to reach programmatic objectives (Downs 1967; Horn 1995; Carpenter 2001; Carpenter and Lewis 2004). Structural insulation against the efforts of politicians also adds to their longevity among U.S. agencies (Lewis 2004), though qualitative accounts suggest that this is less important in the British context we study (Skelcher and Dommett forthcoming).<sup>2</sup>

An important consideration in such analyses is the initial matter of defining agency termination. Lewis (2002, 90) notes that termination usually means transfer of functions to another agency. Termination by this definition is not a final disposition of the functions of the agency, which begs questions about its characterization as "the ultimate act of political control" as well as the claim that it "can be cleanly observed" (Carpenter and Lewis 2004, 202). Recent research by Yesilkagit (2014, 12) on Dutch agencies uses a competing risks model of organizational duration to separate the outcomes of merger with other units, the replacement of

organizations, and program termination. Berry, Burden, and Howell (2010, 6) focus on programs, not agencies, and employ a similar analytic strategy. Yet their claim is more reserved, namely, that outcomes short of program termination are not distinctive.<sup>3</sup>

We examine the closure or retention of independent (arms-length) administrative agencies (see Bertelli 2006a; 2006b; 2006c) and the dependent variable in the statistical analysis that follows captures this distinction. We say that an independent agency is terminated if its functions are transferred to another agency or are no longer provided directly by government. Alternatively, an agency's independence is maintained if it continues to function at arm's-length from government (as a Non-Departmental Public Body, or NDPB), though its structure and procedures may be altered. While this distinction is important for understanding the disposition of agencies in which public managers make regulations and provide services, it does have ambiguous consequences for democratic accountability (Bertelli and Sinclair 2015).<sup>4</sup> Nevertheless, the importance of this definition of termination, which focuses on the organization as the unit of analysis, is fundamental to public administration as it captures a political choice about arm's-length policymaking in the administrative state. Because the salience of administrative policymaking in specific agencies is central to our argument, this kind of formal independence is particularly important as it provides a basis for distinctions by elites and the media about the nature of administrative responsibility.

## **Media Attention and Agency Termination**

We claim that news coverage, bureaucratic politics, and the government's decisions about agency independence connect not only through perceptions of responsibility and retrospective voting, but also through an informational mechanism. In high accountability

political systems such as Britain, agencies cannot be truly independent of a government that can easily legislate their demise. If the public perceives an arm's-length agency to be poorly performing, and the government makes a structural choice to avoid responsibility by keeping that agency independent, voters may blame the agency rather than politicians for the poor performance (e.g., Ruder 2013). Likewise, terminating an agency under our definition can signal responsibility to the public in one of two ways, depending on the disposition of the agency's functions. First, it can bring an arm's-length function into a ministerial department to increase political control over it. Second, it can eliminate what the agency had been doing from the government's portfolio of functions, leaving interests to influence non-governmental actors in the policy domain, but identifying the government as the cause of the termination. While there are also accountability consequences of more nuanced functional dispositions (Bertelli and Sinclair 2015), the government must accept whatever the ultimate consequences may be from its choice to terminate a particular area of arm's-length public administration.

If a policy domain is very important to voters and government is not identifiable with important choices in it, voters may use this information in making retrospective judgments on the government's competence (cf. Fiorina 1981; Johnston and Pattie 2001). Consequently, a naïve expectation would tie increased public salience to the termination of agency independence. Yet that positive effect of media attention on the removal of agency independence is ambiguous. Coverage may, of course, be positive or negative and often strictly neutral, but what governments learn about public perceptions from such stories can be idiosyncratic, making it difficult to offer directional hypotheses about tone and sentiment. Moreover, coding for tone and sentiment can introduce a large degree of measurement error.<sup>5</sup> Our present theory and

corresponding measurement strategy focuses on media attention (see also Jones and Baumgartner 2005).

We seek to understand the impact of media salience on audiences of partisan voters and argue that attention rather than sentiment can help us to do this in a straightforward way (Bertelli, Sinclair, and Lee forthcoming). British newspapers have identifiable ideological audiences and varied depth of reporting, suggesting that if we distinguish salience by particular newspapers, our understanding of the relationship between public salience among partisan voters and agency independence will be enhanced. Gentzkow and Shapiro (2006, 282) argue that readers perceive newspapers as having higher quality when their stories are written to conform to their own expectations. This, in turn, leads a newspaper to write stories that are consistent with the expectations of some discernable subgroup of readers—in our case, supporters of a political party—in order to build "a reputation as a provider of accurate information." The literature we have discussed suggests that media attention is not equally influential.

The first claim we test relates termination to information available to core government supporters and can be stated in the following way.

**Hypothesis 1** (**Core Voter Salience**): Attention to an independent agency in newspapers read by an incumbent government's core partisans decreases the likelihood of that agency's termination.

From the government's perspective, core partisans provide the "highest electoral rate of return" for incumbent government because the risk that they will vote for an opponent is low (e.g., Cox and McCubbins 1986, 375, 379). In their own right, partisan voters use the positions of their favored parties as heuristics for making sense of complicated policy landscapes (Lupia and McCubbins 1998). Our claim is that terminating an independent agency that is salient

among core supporters generates some electoral risk for the governing party. As noted above, the arms-length functioning of an independent agency offers an opportunity for blame shifting in the agency's domain of operations. By removing a salient independent agency, the government sends a message to its core supporters that it is responsible for that domain of policymaking or for removing the function from government. This is politically risky because the government is no longer insulated from responsibility in a salient area for those voters whose support is not hard for the incumbent to mobilize and who rely on the party for providing clarifying information about policies.<sup>7</sup> If a controversial action is taken in that domain, it is either done by the government itself, or by non-governmental actors because the government is identified with the choice that the function is not to be done by government at all.

The 2010 British general election ended 12 years of government by the Labour party, but resulted in a hung parliament in which the Conservative party won most, but not a clear majority of seats (47.1%), and entered into a coalition agreement with the Liberal Democratic party (which won 8.8% of seats). Due to the strength of the Conservatives' position in the coalition government, we operationalize this hypothesis through media attention in outlets read by Conservative supporters.

We further theorize that salience of an agency among swing voters has a different impact on the likelihood of termination. Attending to the concerns of swing voters is riskier for governments because the chance of gaining their support is smaller than among core voters. However, taking responsibility for policymaking in salient areas may be a risk worth taking given the electoral benefit of winning their support. As we argued above, the government faces downside risk in the event that policy actions in these domains is controversial, but the upside may be important to government among supporters on whose support it cannot count. That is,

taking responsibility for policymaking or for its removal from government identifies such action with incumbent politicians, and if policymaking proves not to be controversial, this action may indeed help to win electoral support among swing voters. It is not that these voters react differently than core supporters, but that the government must consider winning, rather than losing, their support.

We test two claims in regard to swing voters that differ in regard to how those voters are defined. Our first claim (Hypothesis 2a) defines swing voters as those who are undecided in the electorate. By contrast, Hypothesis 2b defines swing voters as supporters of the Liberal Democratic Party, the minority coalition partner in Westminster. Liberal Democratic support allowed Conservative leader David Cameron to form a government in 2010. The latter claim is that retrospective evaluations of Liberal Democrats may have helped these voters choose a party in the 2010 election, but the government is unclear where their support will lie in the future. Courting their support in the next election requires competence in policy areas of importance to them, because to do otherwise would be to risk their retrospective evaluation of the coalition in a way that makes them abandon the party.

**Hypothesis 2a (Undecided Voter Salience)**: Attention to an independent agency in newspapers read by undecided voters increases the likelihood of that agency's termination.

**Hypothesis 2b** (**Minority Party Salience**): Attention to an independent agency in newspapers read by supporters of the minority coalition partner increases the likelihood of that agency's termination.

To aid in operationalizing the foregoing hypotheses, we use responses to the 2010 Pre-Election Survey from the British Election Study (BES)<sup>8</sup> as a means of mapping specific newspapers to supporters of the three parties most relevant to our analysis, namely, the Conservatives and Liberal Democrats as coalition partners as well as the Labour opposition. Table 1 shows readership of leading morning daily newspapers among voters with high election interest, undecided voters, and party supporters. Large proportions of Labour supporters (59%) read the *Guardian*, and the *Telegraph* has the strongest readership among Conservatives (67%). The *Telegraph* is thus important for assessing the core voter salience hypothesis.

#### TABLE 1 ABOUT HERE

An interesting distinction relevant to the present context is that between the *Independent*, which has the highest audience among Liberal Democrats (29%) as well as a relatively large undecided readership (32%), and the *Times* with its stronger Conservative (40%) and lower Liberal Democrat (16%) share, while maintaining similar popularity among undecided voters (34%). The undecided voter salience hypothesis would be consistent with a finding that *Times* and *Independent* attention to an independent agency should increase the likelihood of termination, while the minority party salience hypothesis would anticipate that more attention in the *Independent*, with its strength among Liberal Democrats, would lead to increased likelihood of termination, but coverage in the *Times* would not. Because of its popularity among Conservatives, Hypothesis 1 anticipates the impact of *Times* attention to decrease the chance of termination.

Some of the newspapers included in Table 1 have relatively small shares of total readership, even when restricted to those interested in electoral politics (answering "Very Interested" to the BES question "How interested are you in the general election that will be held

soon?") as shown in the second column. Most striking is the *Financial Times* (1%), which focuses on business news, but has a large audience among Conservatives (44%), and the *Independent* (4%). Because the minority party salience hypothesis is motivated by retrospective voter evaluation of the current government, this low number is less important. Hypothesis 2b tests the effect of Liberal Democrat partisans, not those retrospectively evaluating the government for the 2010 election. The *Daily Mail* has relatively large shares of politically interested readers (20%), undecided voters (36%), and Conservatives (55%) rather than Liberal Democrats (7%) would also be expected to align with the core voter salience claim.

#### The Paradox of Information

The role of information in the creation and design of administrative agencies has been well studied in the political economy literature. Of particular relevance to our argument is the theoretical model of Banks and Weingast (1992), which examines the relationship between low-cost monitoring and the level of asymmetric information between an agency and its political principal. Central to their argument is the claim that asymmetric information is reduced when a low-cost monitoring mechanism is available and a concentrated interest is in place. Whitford (2008) marshals evidence from state environmental agencies that the revealed importance ranking of hazardous waste policy issues increases in the presence of right-to-know laws that make monitoring "cheap" and an environmental constituency that serves to concentrate interest in the policy area. In their theory, Banks and Weingast (1992) build on this claim to argue that where a low-cost mechanism for monitoring agency conduct cannot be put in place, the political principal will forego the agency loss by simply not creating an agency at all. While Banks and Weingast (1992) argue that this explains a selection effect in the array of existing agencies, 9 one

can extend this logic to the mass termination context in the Westminster setting we study. Agencies with low-cost monitoring technologies are more appealing to *any* government, and the availability of information for monitoring can complicate the termination choice in an important way that we analyze.

We argue that agencies with high salience regardless of partisan audience are less costly for the government to monitor. This logic is consistent with claims in the termination literature that institutional and performance information about agencies shapes a learning process, according to Carpenter and Lewis (2004), where more information is available to the government as the length of time that the agency has been operating increases. When information from these sources reaches the government, it changes the government's relative assessments of agencies in the context of mass reorganization not only because of what it says, but central to our argument, because salience makes monitoring less costly.

The foregoing arguments have an important implication for our present context, one we call the paradox of information. While the claims in hypotheses 1, 2a, and 2b contribute to a model of decisionmaking for mass agency termination that is rooted in sound political reasoning, media monitoring from *any* source, like that of the cohesive interest group in Banks and Weingast (1992), reduces agency loss and confounds the political choice to terminate an agency or to keep it in operation. This paradox leads to a conflict between the role of partisan audiences and the cost of agency monitoring that makes a model of the influence of partisan audience alone less useful in predicting agency termination.

To introduce this paradox into our modeling strategy and to remain consistent with standard models of choice (see Manski 1977), we assert that the government's termination decision has both a systematic component and an idiosyncratic component. Hypotheses 1, 2a,

and 2b (and the control variables discussed below) relate to the systematic component. The public obfuscation hypothesis asserts that those agencies with high media attention increase variance in the idiosyncratic component of the government's termination decision. Here, the paradox of information is operating: agencies drawing more coverage are less costly to monitor, and this makes the partisan audience model less likely to accurately explain the termination choice for those agencies. Moreover, as public knowledge and salience grows about agency operations, it becomes more challenging for the government to make systematic decisions about the disposition of agencies in mass reorganization efforts.

**Hypothesis 3 (Public Obfuscation)**: More public information about an independent agency increases the variance of the stochastic component of the government's choice regarding termination.

**Hypothesis 4 (Institutional Clarification)**: More institutional information about an independent agency decreases the variance of the stochastic component of the government's choice regarding termination.

An alternative hypothesis can be discerned from the termination literature, which we state as hypothesis 4. Institutional information gleaned from longer historical portraits of agencies works in a contrasting manner. Agencies with longer histories clarify their structure and operations, and the idiosyncratic element of their termination decision should not have as broad a variance as in the case of younger agencies. For Carpenter and Lewis (2004, 202), this is due to learning opportunities that arise only on occasion, requiring time to observe: "The relevant data for inferences in these situations—the political infidelity or malfeasance of an appointee, a terrorist attack, a safety disaster—occur rarely and discretely." The institutional clarification

hypothesis thus expects that longer agency histories increase the importance, on average, of systematic aspects of the government's termination decision.

#### **Methods and Data**

Because we model termination as a binary choice for the government between retaining an agency's independence, coded as zero, or terminating that independence, coded as one, we can test the voter salience hypotheses (H1, H2a, and H2b) using probit regression models. We estimate both a restricted model including only total newspaper mentions as well as a full model that includes the details of the newspaper counts and total mentions. Since these are nested models, we perform a likelihood ratio test and determine that the fuller specification improves model fit. The informational hypotheses (H3 and H4) anticipate heteroscedasticity in these models, a potentially serious problem for the probit estimation procedure. Following Alvarez and Brehm (1995; 1997; 1998), we apply a heteroscedastic probit model to account not only for heteroscedasticity, but also to test the public obfuscation and institutional clarification claims. Scholars have used these heteroscedastic probit models in a variety of settings. Alvarez and Brehm (1995; 1997; 1998) model public opinion with the variance dependent on conflicting values, respondent information, and respondent-assessed issue importance. Witko (2006) uses the approach to analyze legislative behavior, while Rubin (2007) studied the perceptions of federal employees of policies at the U.S. Department of Defense.

A heteroscedastic probit model has two components. As described extensively in Alvarez and Brehm (1995), the estimator captures not only the linear predictor of the dichotomous outcome ( $\mathbf{X}\boldsymbol{\beta}$ ), or index function, but also models the error variance,  $\text{var}(\boldsymbol{\epsilon}) \sim \exp(\mathbf{Z}\boldsymbol{\gamma})$ , where  $\mathbf{Z}$  is some matrix of independent variables that affects the variance and  $\boldsymbol{\gamma}$  are the

coefficients for those variables.<sup>10</sup> After estimating these models, we perform a likelihood ratio test to determine if the heteroscedastic version of the model fits better than the standard binary probit.

Agency data are drawn from Cabinet Office *Public Bodies* reports published 2009, 2010, and 2012 and which also have an unambiguous determination in the 2011 reform plan. <sup>11</sup> The 2011 plan provides the population of agencies for our study and agencies without final dispositions therein are not included in our analysis. Our dependent variable takes a value of one if the 2011 reform plan states that an agency's functions are to be transferred to another agency or no longer performed by government and zero if no changes are proposed to the agency's functions. <sup>12</sup>

We measure our key independent variable and measure of public salience, media attention, as the logarithm of the count of newspaper articles mentioning each NDPB between the 2005 general election (won by the Labour party) and the 2010 contest that produced the coalition government. We examine the full period in between elections to avoid inferences that are biased due to substantial attention to a particular agency at one point in time (Wooley 2000). Our data were collected from a Factiva search of the newspapers mentioned in Table 1 for the names of the 403 agencies in the 2011 reform plan. Because our previously discussed analysis of election study data provides associates each of the newspapers in our sample with supporters of a political party, our counts capture the available set of stories that readers might use to inform themselves about an agency as well as the bias in the reporting of those outlets (Wooley 2000). We remove three NDPBs from the dataset because they are repeatedly mentioned in media stories due to the nature, rather than scrutiny, of their functions: the Crown Prosecution Service (the government's criminal prosecutor) and two British Broadcasting Corporation agencies. This

phenomenon makes these agencies significant outliers in the distribution of our media attention measure. These decision rules leave 400 NDPBs for the principal analysis.

The Public Bodies reports include detailed information allowing us to control for a number of potentially compounding effects. We consider two types of political control variables in our analysis. Administrative agencies operate in domains of policymaking on which parties take positions during campaigns and in government. Indeed, some of these domains are owned issues for a party, that is, issues on which a party has more credibility with voters than its competitors (Petrocik 1996; Walgrave, Lefevre, and Nuytemans 2009). To control for influences on the termination decision due to agency substantive policy responsibilities, we include indicator variables for agency functions in social policy, government operations and administration, and domestic and international rights and security; economic policy, the largest category, is the reference category in our models. We draw the detailed policy areas from John, Bertelli, Jennings, and Bevan (2013), who use a modified version of the Policy Agendas Project coding scheme (e.g., Jones and Baumgartner 2005). 14 Party differences and the ideological conflicts they proxy are featured in termination studies, and agencies created by the prior government may be particular targets for closure. To capture such an effect, we include an indicator of whether an agency was created during the preceding two Labour governments under Tony Blair (1997-2006) or Gordon Brown (2006-2010). Indicators for earlier governments did not yield significant results.<sup>15</sup>

A host of organizational characteristics are also likely to be important in government termination decisions.<sup>16</sup> Much of the termination literature discussed above expects that agency longevity should be associated with a decreased likelihood of termination (e.g., Kaufman 1976; Lewis 2002). We model the age of an agency in decades to control for this effect. Advisory

bodies are constituted of experts to provide independent guidance for government policymakers. Often omitted from agency termination studies (see Lewis 2002; 2004), these expert committees are less costly to dismantle given their size and structure and should be associated with a higher probability of termination. The independent agencies we examine, NDPBs, are associated with ministerial "parent" departments that can provide some resources and staff, but not direct control. New governments reshape the core executive in a variety of ways including restructuring cabinet departments (see e.g., Heffernan 2003). Because NDPBs can be implicated in such arrangements, we employ in our models an indicator that the coalition government restructured an agency's parent department. Larger agencies are more costly to terminate, and we follow James, et al. (2014, 21-22) by employing the numbers of full-time employees (FTEs) as a measure. By similar logic, agencies with no FTEs of their own due to sourcing from parent departments or part-time staff are less costly to abolish, and we include an indicator for these agencies in our models. Finally, organizations with greater transparency through the mechanism of public meetings or minutes may be more costly to terminate due to available information, and an indicator taking a value of one if either is used by the agency is included in our specifications.

#### TABLE 2 ABOUT HERE

Table 2 describes the relative proportion of NDPBs that the government retains as independent using the variables from our models. Some control variables capture large institutional differences. For example, NDPBs operating in the rights and security area are very likely to stay independent (82%) while the government is more likely to take responsibility for other areas. Relative to a baseline defined by overall percentages in the first row, the government was much less likely to keep bodies classified as advisory rather than executive, tribunal (quasi-judicial) or public corporations as well as bodies whose parent departments

underwent reorganization. Agencies with larger staffs are also, on the surface, more likely to survive. Operational transparency as measured by public meetings or minutes is associated with proportions that are not much different from the baseline.

#### TABLE 3 ABOUT HERE

For those variables closely related to our hypotheses, agencies that retain independence do tend to get more media attention between 2005-2010, the years between the last Labour election victory and the beginning of the current coalition government. Agencies for which the government takes responsibility get similar attention across newspapers. The *Daily Mail* and *Financial Times* show the largest relative gaps in average mentions between terminated and maintained agencies, although their total mentions are also low, while the *Independent* has the lowest with a ratio of 1.6 to 1.3. The *Telegraph* and *Times* also have low ratios, although both have more mentions overall. Assessing the impact of these differences requires the multivariate analysis we discuss momentarily.<sup>17</sup> Agencies the government retained in the reorganization tend to be older.

#### **Results**

We begin our analysis in Table 3 with the results of two probit models estimated without modeling heteroscedasticity. The first is a limited model of (log) media mentions and the second an expanded model with detailed mentions by specific papers. In the limited model, the media effect is not significant, while in the second model, we observe significant but opposite-direction coefficients for mentions in the *Independent* and the *Telegraph* and, at the 0.10 level, the *Times*. Furthermore, a likelihood ratio test between these nested models establishes that the full model does provide a meaningfully better fit for the data.<sup>18</sup>

#### FIGURE 1 ABOUT HERE

Figure 1 shows the first differences calculated for selected values of the variables in the expanded binary probit model. As expected, agencies created by New Labour (1997-2010), advisory bodies, and agencies with reorganized parent departments faced a greater probability of losing their independence. Agencies in the rights and security policy domain tend to maintain their independence. Changes of just one standard deviation generate relatively large differences in the probability of termination, negative for mentions in the *Telegraph* and positive for those in the *Independent*. These results endorse our core voter (H1) and minority party salience (H2b) claims.

#### TABLES 4 AND 5 ABOUT HERE

We simultaneously examine our hypotheses using the heteroscedastic probit model presented in Table 4 and show first differences in Table 5. Attention in the *Times, Independent*, and *Telegraph* have similar effects to those found in the expanded model in Table 3, providing robust support for hypotheses 1 and 2b. While the *Telegraph* results align with core voter salience (H1), *Daily Mail* attention does not achieve statistical significance in either the expanded or heteroscedastic probit models. One reason for this might be that the *Daily Mail* has covered the reorganization, but in a particular way that focuses on scandal rather than agency policymaking. A one standard deviation increase in *Telegraph* or *Times* attention is associated with a decrease in the probability of termination of 10 and 13 percent respectively. The undecided voter salience hypothesis (H2a) is not supported as *Times* attention is associated with a greater chance of independence being retained. Nonetheless, the minority party salience effect is substantial, with a one standard deviation increase in (log) *Independent* stories corresponding to a 16 percent increase in termination likelihood.

The heteroscedastic probit model shows support for both our public obfuscation (H3) and institutional clarification (H4) claims. Greater total newspaper attention to an agency increases the error variance, while longevity decreases it. This implies that the idiosyncratic portion of the government's decision on termination is obfuscated by increased public salience, but loses force as agencies age. Rights and security related agencies, advisory and parent department reform indicators have similar effects compared with the models in Table 3, while agencies in the administrative policy domain as well as older agencies coincide with a lower termination likelihood. We use a likelihood ratio test to compare the expanded heteroscedastic to the expanded binary model, with the former providing a better fit ( $\chi^2 = 16.69$ , p < 0.001).

We include a number of variables in the model to control for structural or functional differences across agencies in that may have, or proxy other variables that have, an independent effect on termination probability. In particular, older agencies are slightly less likely to be terminated, in addition to having lower variance. Relative to agencies focused on economic policy, agencies falling under the administration or rights and security categories are less likely to be terminated. Consistent with (Bertelli and Sinclair 2015), bodies classified as advisory have higher termination probabilities, as do those with a connection to reorganized departments. While size as measured by full-time employees is not statistically significant here, this is highly correlated with advisory body status because such bodies tend to be much smaller than agencies of other types.

# **Discussion**

A robust literature on the termination of administrative agencies has emerged in recent years, though it has largely been developed in the context of the American separation-of-powers where mass reorganizations are unlikely to occur because of the greater possibility of insulating features in delegations—such as constitutional barriers to the removal of agency personnel, appointments for fixed terms, or partisan balance requirements (e.g., Lewis 2004, 381). The complexity of choosing targets from a large menu of agencies requires fresh theory and suggests that information should play an important role in which agencies remain independent. While their substantive scope may be narrower than the full range of independent agency functions in our empirical case and their initiation may be closely associated with focusing events, reorganizations such as the creation of the Department of Homeland Security certainly do occur in the U.S. and should be considered in light of the media influences we reveal by future researchers. While we place our study in an existing tradition of public administration research focused on salience, future researchers may also want to further develop alternative and complementary theories of the influence of tonality and sentiment on the termination choice.

Our results suggest that attention from newspapers consumed by core supporters of the incumbent government is associated with a greater probability that an independent agency survives in that form. Reorganizations also appear to be impacted by the desire of parties in government to mobilize their base consistent with our core voter salience hypothesis, but the nuance in our findings provides an interesting question for future research. However, we also find an interesting effect regarding supporters of the minority coalition partner in government. Increased salience among those supporters is associated with a greater likelihood of termination, which comports with an effort to take responsibility for administrative policymaking in areas salient with an important constituency that does not rely on majority party cues for understanding policy. Interestingly, we find no support for the undecided voter salience hypothesis, suggesting that the minority coalition partner represents the relevant swing constituency in the

reorganization choice. Scholars should consider the impact of minority and even niche party support in multiparty democracies, such as the Netherlands, where independent agencies also proliferate.

Government responsibility thus may be an important signal to an electoral constituency or organized interest that was pivotal in forming the present government. While theories of "agencification" rely on arguments about the efficiency and effectiveness of specialization or the need for delegation in the face of increasing complexity (Verhoest, Peters, Bouckaert, and Verschuere 2004, 101-102), we uncover evidence consistent with the argument that maintaining or withdrawing independence from agencies is part of a political strategy of signaling policy commitments to groups of voters. Examining this mechanism in other contexts and in more depth, as well as with respect to organized interest groups would enable public administration scholars to more fully understand how this form of electoral politics might reverse incentives favoring agencification. Given that the foregoing theories underlie scholarly arguments about government contracting as well, it would be very useful to learn whether our theoretical arguments have any explanatory power in that context.

We postulate that in addition to these systematic influences, media attention also has an impact on the idiosyncratic component of the government's termination decision. Agencies having higher levels of newspaper attention relate to larger error variances, a result in line with our claim of a paradox of information—public salience provides obfuscating information to the government. These competing effects add theoretical depth to the learning mechanism of Carpenter and Lewis (2004). While institutional learning appears to occur as an agency performs its functions over time, an expansion of media attention—and with it, public information about agency activities—can work against the government's expectations of whether

the agency requires independence to perform its function or whether it should be terminated altogether. Moreover, they have implications for democratic responsiveness as well. While it might be reasonable to expect that retaining an agency constitutes a response to constituents' support of it (or vice versa), the paradox of information suggests that media attention can confound politicians' attempts to represent supporters.

#### **Conclusion**

We offer a novel theoretical account of the role of public information as generated by media attention and uncover several important patterns that illuminate the politics of administrative reorganization. Media coverage has received scant attention in the agency termination literature, and our findings suggest that it should be a topic of additional study. While, our analysis has a variety of implications for scholars as noted above, it also has important implications for the way practitioners understand the structural politics behind the design of the organizations in which they work. The practitioner community has long been informed by scholars that because media attention can both clarify and obfuscate structural politics, it can, as Schattschneider (1960) argued, increase the audience and make it difficult to know how the stakes and balance of power will change and create "euphoric enthusiasm" during the issue-attention cycle (Downs 1972, 39). Our study suggests that public managers should recognize that media attention to their policymaking activities can disrupt standard political decisionmaking about the structure of the agencies in which they work. Such changes in the way public managers understand structural politics might make the future of their agencies less

predictable. Our data suggest this may be particularly true when agencies have been created more recently.

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**Table 1: Readership of Newspapers from 2010 Pre-Election BES**. The second column shows readership ("Which daily newspaper do you read most often?") for those who state that they have high election interest (answering "Very Interested" to the BES question "How interested are you in the general election that will be held soon?"). The next column shows the percentage of undecided readers for each paper. The final four columns show readership by party support ("Generally speaking, do you think of yourself as Labour, Conservative, Liberal Democrat, or what?").

	Readership	Opinion	Party ID			
	If high election	Undecided Voters	Other	Labour	Lib. Dem.	Conservative
Paper	interest (%)	(%)	(%)	(%)	(%)	(%)
Guardian	11.2	29.9	13.5	59.0	23.1	4.5
Times	10.5	34.1	17.1	27.4	15.8	39.7
Independent	3.5	32.4	22.9	33.3	29.2	14.6
Telegraph	15.0	26.0	18.2	7.7	7.2	67.0
Financial Times	1.2	26.3	18.9	12.5	25.0	43.8
Daily Mail	19.7	36.0	17.9	20.4	6.9	54.8
N	1392	2403	2473	2473	2473	2473

**Table 2: Descriptive Statistics.** The second and third columns provide summary statistics by values of the dependent variable, which indicates termination when taking a value of one. † denotes report of row percentages for a binary variable, with all other values representing within-outcome means.

	Maintain	Terminate
Variable	Independence	Independence
Baseline†	68.0	32.0
(Log) Guardian	2.4	1.8
(Log) Times	2.3	1.6
(Log) Independent	1.6	1.3
(Log) Telegraph	2.2	1.6
(Log) Financial Times	1.5	1.0
(Log) Daily Mail	1.1	0.7
(Log) Total Media Mentions	3.8	3.2
Zero Total Media Mentions†	63.0	37.0
Age (In Decades)	3.8	2.0
Policy Agenda Area: Social Policy†	70.3	29.7
Policy Agenda Area: Administration†	69.4	30.6
Policy Agenda Area: Rights and Security†	82.0	18.0
Founded by New Labour Gov't†	60.1	39.9
Advisory NDPB†	50.4	49.6
Parent Department Reorganized†	49.0	51.0
(Log) Full-Time Employees	2.4	1.5
No FTE Indicator†	63.8	36.2
Public Meetings or Minutes†	64.6	35.4

Table 3: Limited and Expanded Probit Regression Estimates of Media Attention on Likelihood of Termination, 2011. The expanded model includes specific newspapers. This table reports probit models with no explicit model of the variance.

	Limited Model		Expanded Model	
DV: Terminate (=1)	Coef.	Z	Coef.	Z
(Log) Guardian			0.01	0.06
(Log) Times			-0.27*	-1.91
(Log) Independent			0.39**	2.49
(Log) Telegraph			-0.40**	-2.55
(Log) Financial Times			0.04	0.46
(Log) Daily Mail			0.03	0.21
(Log) Total Media Mentions	-0.05	-1.04	0.15	0.63
Zero Total Media Mentions	0.03	0.08	0.11	0.23
Age (In Decades)	-0.04	-1.28	-0.03	-0.97
Policy Area: Social Policy	-0.30	-1.62	-0.39**	-2.03
Policy Area: Administration	-0.26	-1.11	-0.26	-1.09
Policy Area: Rights and Security	-0.77**	-3.59	-0.67**	-3.07
Founded by New Labour Gov't	0.32*	1.66	0.43**	2.17
Advisory NDPB	0.68**	3.52	0.63**	3.20
Parent Department Reorganized	0.91**	5.67	0.84**	5.05
(Log) Full-Time Employees	-0.01	-0.09	-0.01	-0.18
No FTE Indicator	0.43*	1.72	0.44*	1.74
Public Meetings or Minutes	0.14	0.81	0.16	0.86
Constant	-0.97**	-2.69	-1.10**	-2.12
N = 400				
Pct. Correctly Predicted	75.0		77.8	

Table 4: Heteroskedastic Probit Regression Estimates of Media Attention on Likelihood of Termination, 2011. This model includes the parameters modeling the variance  $(\gamma)$ .

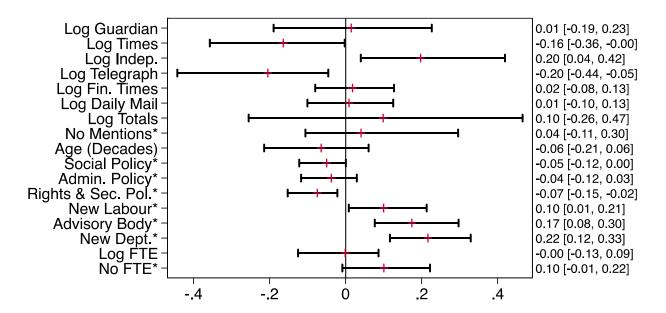
DV: Terminate (=1)	β	Z
(Log) Guardian	-0.03	-0.12
(Log) Times	-0.52*	-1.75
(Log) Independent	0.81**	2.34
(Log) Telegraph	-0.67*	-1.84
(Log) Financial Times	-0.03	-0.13
(Log) Daily Mail	-0.14	-0.54
(Log) Total Media Mentions	0.24	0.56
Zero Total Media Mentions	0.06	0.10
Age (In Decades)	-0.05**	-1.99
Policy Area: Social Policy	-0.37	-1.24
Policy Area: Administration	-0.66*	-1.80
Policy Area: Rights and Security	-1.03**	-2.58
Founded by New Labour Gov't	0.26	0.93
Advisory NDPB	0.79**	2.32
Parent Department Reorganized	1.37**	3.12
(Log) Full-Time Employees	-0.14	-1.27
No FTE Indicator	0.31	0.86
Public Meetings or Minutes	-0.12	-0.39
Constant	-0.79	-1.10
	γ	Z
(Log) Total Media Mentions	0.23**	2.56
Age (In Decades)	-0.15**	-2.61
N = 400		
Percent Correctly Predicted	77.0	

Table 5: First Differences for the Heteroskedastic Probit Model. First differences shown for variables statistically significant at  $\alpha \ge 0.1$ . † denotes a binary variable, changed from 0 to 1. All other variables increased from their means to one standard deviation greater.

	First	Std.
Variable	Difference	Err.
(Log) Guardian		_
(Log) Times	-0.10	0.04
(Log) Independent	0.16	0.06
(Log) Telegraph	-0.13	0.05
(Log) Financial Times		
(Log) Daily Mail		
(Log) Total Media Mentions	0.10	0.08
Age (In Decades)	-0.04	0.02
Zero Total Media Mentions†		
Policy Area: Social Policy†		
Policy Area: Administration†	-0.11	0.05
Policy Area: Security†	-0.17	0.05
Founded by New Labour Gov't†		
Advisory NDPB†	0.16	0.06
Parent Department Reorganized†	0.29	0.07
(Log) Full-Time Employees		
No FTE Indicator†		
Public Meetings or Minutes†		

Figure 1: First Differences from the Expanded Probit Model

First differences for Change in  $Pr(Remove\ Independence|\mathbf{X})$  with 95% Confidence Interval. For continuous variables first differences represent a change from 1 standard deviation below the mean to 1 standard deviation above it; for binary variables, marked with an asterisk, the first difference represents a change from 0 to 1.



#### **Endnotes**

- <sup>1</sup> To address the cue-taking mechanism, he uses a survey experiment to suggest that the public engages in similar attribution patterns.
- <sup>2</sup> The logic of insulation in the separation-of-powers is far less powerful in a Westminster system where a fused legislative and executive with party discipline reduces the credibility of delegations of administrative authority because of the ease of passing new (or corrective) legislation. On this point, writes Lewis (2004, 381), prevailing views of insulation "depend fundamentally on the difficulty of passing new legislation. If new legislation can be passed, then all attempts at insulating are useless."
- <sup>3</sup> Berry, et al. (2010, 6) identified "consolidations, splits, and transfers, but not simple renumberings or renamings" as "mutations" and "deaths" as "programs that were deleted from the [Catalog of Federal Domestic Assistance] and did not continue on in any other form." The Catalog of Federal Domestic Assistance describes and catalogs spending for all of the federal programs that can provide assistance to state and local governments in the U.S. (https://www.cfda.gov).
- <sup>4</sup> If an agency maintains its independence, the government limits responsibility for policy decisions in that area, maintaining a credible commitment to (e.g., Gilardi 2002; 2007; Bertelli and Whitford 2009) or shifting blame from (e.g., Fiorina 1977; Hood 2002) elected politicians. Should that agency be structurally reformed, the government can claim credit for the modifications while retaining the arm's length benefits. When an independent agency is abolished and its functions are transferred to a unit subject to direct political control, the government increases responsibility. If removing independence effectively delegates provision of a service or regulatory function outside government, say, to the private or third sector,

government oversight decreases while accountability for making the function non-governmental remains (cf. Bertelli and Sinclair 2015; Milward and Provan 2000).

<sup>5</sup> Negative or positive stories may contain similar information, a voter or policymaker from one party may view negative stories from papers associated with another party as positive signals, or stories of any kind may inform policymakers about what seem to be secondary issues within the story itself. The issue of idiosyncracy becomes more ambiguous when one considers how salience works in conjunction with other hypothesized effects. An inherited agency with a robust media profile with which the government fundamentally disagrees provides an example. Party differences between current and enacting governments may increase termination probabilities (e.g., Lewis 2002; 2004), while negative coverage may either strengthen (the public also knows the agency is problematic) or weaken (the public is informed that the agency is important, but requires reform) the influence of party conflict. Likewise, positive coverage may strengthen (terminating a successful agency shows credible policy commitment by the government) or weaken (it is harder to eliminate a successful enterprise) the partisan differential effect.

<sup>&</sup>lt;sup>6</sup> A literature postulates alternative mechanisms for conformity with subgroup preferences (cf. Mullainathan and Schleifer 2005; Baron 2006).

<sup>&</sup>lt;sup>7</sup> In the Korean context, Park (2013) finds that increased media salience of administrative reform efforts is associated with a greater likelihood of agency termination.

<sup>&</sup>lt;sup>8</sup> BES response data are publicly available at http://www.essex.ac.uk/bes/ (Accessed May 10, 2014).

- <sup>9</sup> Banks and Weingast (1992, 521) write: "this argument implies that there exists a strong selection effect at work in the process of agency creation: while bureaucratic discretion is a big problem for some potential agencies, politicians are far less likely to create such agencies."
- These models are estimated using a maximum likelihood procedure in the STATA environment. Altman and MacDonald (2003) note that these models can periodically suffer from issues of numerical stability. Our models included in Table 3 converged after a small number of iterations using two different methods (BFGS, Newton-Raphson).
- <sup>11</sup> This plan is outlined in a report entitled *Public Bodies Reform Proposals for Change* available

http://www.cabinetoffice.gov.uk/sites/default/files/resources/Public\_Bodies\_Reform\_proposals\_for\_change.pdf (Accessed April 18, 2014).

- <sup>12</sup> By and large, the government did carry out this program, although it took some time to close some of the agencies (see, e.g., National Audit Office 2012; HM Treasury 2012).
- <sup>13</sup> As noted, we focus on salience, not sentiment. Nonetheless, hypotheses H1 H2a, and H2b relate to the slant in audience (not content) of the outlets in our sample.
- We collapsed the detailed categories as follows. Economic Policy: Macroeconomics, Agriculture, Environment, Energy, Transportation, Community Development and Planning and Housing Issues, Banking and Finance and Domestic Commerce, and Foreign Trade. For Social Policy: Health, Labour and Employment, Education, Social Welfare. For Administrative Policy: Government Operations, Public Lands and Water Management and Colonial and Territorial Issues. For Rights and Security: Civil Rights, Minority Issues, Immigration, and Civil Liberties, Law, Crime, and Family Issues; Space, Science, Technology and Communications; Defence; and International Affairs and Foreign Aid.

- <sup>15</sup> An unreported model includes additional indicators for the premierships of Gordon Brown, Tony Blair, John Major, and Margaret Thatcher with pre-Thatcher agency foundings as the reference category finding no significant effects of founding government on termination probability. Moreover, this model proved inferior to our preferred specification when comparing Bayesian information criteria (504.20 versus 489.10 in the preferred specification).
- <sup>16</sup> And, indeed, there are some for which reliable measurements are unavailable (like expenditures). We proxy for these as best as we can with the variables included in the dataset that roughly capture size and ideology.
- <sup>17</sup> Note that our total mentions measure includes stories in the *Mail on Sunday* and the *Observer*, newspapers not included in our hypotheses because they are not considered separately in the BES. Additionally, we performed a\_principal components analysis on the six individual papers included in our regressions to motivate the appropriateness of also including the total mentions variable. The eigenvalue for component 1 is 5.17; for component 2, the eigenvalue is 0.28.

<sup>&</sup>lt;sup>18</sup> A likelihood ratio test admits  $\gamma^2(6) = 14.83$ ; p = 0.02.

<sup>&</sup>lt;sup>19</sup> For instance, an article from April 26, 2014 was entitled "'He's a devious b\*\*\*\*\*\*!: How PM's Quango King exploited Tory friends to con his way to £350,000" (Available at http://www.dailymail.co.uk/news/article-2614042/, accessed May 11, 2014).