THE IMPACT OF THE EU ON AGENCIFICATION AND DEPOLITICISATION IN LITHUANIA

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ABSTRACT

This article compares the actual patterns of agencification and depoliticisation in Lithuania and explains the extent to which the EU influenced these changes. Our research employs (descriptive and inferential) statistical analysis of data on the organisational changes of Lithuanian agencies and the political participation of their managers in the 1990-2012 period. The article found that the EU made a significant contribution to the establishment of new agencies but changes in the scope of politicisation can be explained by a combination of evolution in the political conditionality of EU membership and wholesale government changes. The differentiated impact of the EU on public administration changes was observed with the management of the Europeanised agencies becoming increasingly professional over time. Overall, the results of our research confirm the stronger and more enduring impact of specific acquis rules in the policy domain compared to the much weaker influence of the EU’s political conditionality.

INTRODUCTION

Theoretical approaches to Europeanisation argue that a goodness of fit between EU and national policies and institutions generates adaptation pressures faced by political and administrative parts of the national systems. Consequently, differences in the level of these pressures, which constitute a necessary but insufficient condition for change, define the scope of domestic developments.¹

We consider that such an ‘EU-centric’ approach, which overestimates the significance of EU-level factors and underestimates national factors (Graziano and Vink, 2013, p.46), is less appropriate for analysing policy implementation (actual policy or organisational changes), as opposed to legislative transposition (formal changes). Also, this approach is not suitable to assessing Europeanisation after enlargement, or policy areas where the EU institutions do not have an exclusive or shared competence with the EU member states (including public

¹ If a degree of pressure is high, one can expect a significant change at domestic level. If this pressure is small, the scale of changes is unlikely to be significant. See Risse, Cowles and Caporaso, 2001.
administration where the powers of the EU institutions are very limited). Therefore, it is important to test the explanatory power of alternative theoretical approaches to the study of Europeanisation.

Previous research on Europeanisation in central and eastern European (CEE) countries has focused on political, economic, and policy changes with less attention paid to public administration developments. Analysis of the EU’s influence on the horizontal domain of public administration has most frequently addressed issues of general institutional performance (Zubek and Goetz, 2010), professionalisation in CEE civil services (Dimitrova, 2005; Meyer-Sahling, 2008; Meyer-Sahling, 2011; Meyer-Sahling and Veen, 2012) and, more recently, agencification in CEE institutional landscapes (Randma-Liiv, Nakrošis and Hajnal, 2011; Bouckaert, Laegreid, van Thiel and Verhoest, 2011). Although in the pre-accession period all EU candidate countries implemented very similar acquis requirements, previous studies have found somewhat divergent patterns of politicisation and agencification. Therefore, it is interesting to analyse how the interplay between the EU and various national factors shaped changes in CEE public administrations throughout 1990-2012.

In this article, we analyse the two main trajectories of public administration changes in the context of EU accession: agencification and depoliticisation (Goetz and Wollmann, 2001; Bouckaert, Nakrošis and Nemec, 2011). If agencification is governed by the EU rules that are part of the acquis, depoliticisation was shaped by the EU criterion of political conditionality that was discontinued after enlargement in the majority of CEE countries. It is important to compare public administration changes that occurred as a result of the EU’s influence with domestic factors (changes of governments, public administration reforms, fiscal consolidation measures or elite beliefs) in these two areas of public administration before and after accession.

We aim to describe agencification and politicisation changes, as well as explain these developments by ascribing them to the influence of certain external or internal factors. In addition, we seek to determine the EU’s impact on Lithuanian public administration before and after enlargement. What is the extent to which the EU has contributed to agencification, agency management, and civil service depoliticisation? Which institutional constellations and mechanisms have enabled this impact?

Lithuania is a particularly suitable case for answering these research questions. Lithuania was one of the agencification leaders in Europe – it had the largest number (88 per cent) of agencified executive functions in western European and eastern European countries that were included in a comparative study of 21 counties (van Thiel, 2011). Also, since 1992 Lithuania has witnessed repeating alterations between left-wing and right-wing party blocs, making its party system very fragmented and prone to politicisation. Therefore, the case of this country can be used for both verifying the existing empirical knowledge and testing new specific hypotheses on the impact of the EU on public administration.

This article follows the four principles of an Europeanisation research agenda. First, it decouples formal rules from their practical application by focusing on actual changes to public administration (the actual autonomy and control of Lithuanian agencies and de
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facto politicisation of their managers). Second, although the quantitative methodological approach takes dominance in our research, quantitative evidence from statistical analysis is complemented with qualitative evidence in order to improve the understanding of agencification and depoliticisation in the CEE region.

Third, this article adopts a longitudinal approach to the study of public administration changes in the period from 1990 to 2012. This allows following the ‘bottom-up-down’ approach to Europeanisation (Graziano and Vink, 2013, p.47), which examines the initial situation before accession to the EU, the intermediate situation during the accession process and the current situation after joining the EU. Also, this makes it possible to connect pre-accession and post-accession developments in a single research exercise (Sedelmeier, 2012, pp.20-38).

Fourth, although this article constitutes a single country study, it was sought to compare agencification and depoliticisation changes in Lithuania to those phenomena in other CEE countries that acceded to the EU (particularly in Bulgaria, Estonia, Hungary, Poland, Romania, Slovakia) in order to better disentangle the EU’s influence from CEE-specific factors. This research design allows explaining the Europeanisation of Lithuanian public administration and determining the impact of the EU on these changes based on rigorous methods and reliable empirical evidence.

This article is divided into several parts. After the introduction, the first part elaborates a theoretical framework adapted to the study of Europeanisation in public administration. This part also presents two sets of hypotheses in order to explain agencification and depoliticisation changes. The second part of the article describes and explains these changes and assesses the impact of the EU on these public administration changes. Finally, the article concludes by summarising its main results and assessing their theoretical and empirical implications.

1. THEORETICAL FRAMEWORK FOR ANALYSIS, HYPOTHESES AND METHODOLOGY

1.1. The main external and internal factors affecting public administration changes

Our framework for analysis is based on the transformational approach that was previously applied in public administration research (Verhoest, Roness, Verschuere, Rubecksen and MacCarthaigh, 2010, pp.41-42). According to this approach, the influence of external factors is transformed by various internal factors. At the domestic level, transformation means that the EU’s influence depends on how national actors manage to exploit the change opportunities offered by the EU and overcome its constraints. While academic literature on Europeanisation recognises that domestic changes are affected by various mediating factors (e.g. veto players, formal institutions or political and organisational culture (Börzel and Risse, 2000), they always act in a hierarchically lower sub-system and depend on a particular adaptation pressure. We argue that domestic factors should be more central to explaining post-accession institutional developments. For instance, an actor-centred approach was proposed to explaining the different outcomes of post-accession developments in the CEE region (Dimitrova, 2010).

Agencification and depoliticisation (dependent variables) depend not only on the EU’s influence but also on other factors that are external and internal in the public administration
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sub-system. Based on desk research besides the EU’s leverage, we identified such external factors as the influence of government changes on the politicisation of CEE civil services (Meyer-Sahling and Veen, 2012), the importance of public administration reforms, and fiscal consolidation measures in recent public administration developments in the context of the financial crisis (Kickert, Randma-Liiv and Savi, 2013).

Internal factors were derived from public policy studies. In contrast to the existing Europeanisation literature whose main recurring themes are EU conditionality, a degree of fit, an adaptation pressure or domestic compliance costs, the main public policy approaches emphasise the beliefs or resources of public policy actors, which determine their behavioural strategies and public policy decisions in a certain sub-system of public policy (Sabatier and Jenkins-Smith, 1999).

Beliefs of the political and administrative elite include their attitudes to agencification and depoliticisation, while their resources used to pursue their operational strategies and attain certain changes comprise financial and other resources (Weible, Sabatier, Jenkins-Smith, Nohrstedt and de Leon, 2011). This article analyses how beliefs of the Lithuanian elite and the use of financial and formal resources (the legal framework and agency functions) affected domestic changes. The main unit of analysis in this article is the public administration sub-system that consists of actors from different levels of governance or organisations who are concerned with certain policy or administrative issues and seek to influence decisions and their implementation in that domain (Sabatier and Jenkins-Smith, 1999).

Moreover, it is important to assess the main mechanisms of the EU’s influence on public administration changes. These mechanisms include both ‘hard’ and ‘soft’ measures, ranging from ‘gate-keeping’ to EU assistance (Grabbe, 2011). The strongest instruments of the EU’s leverage (such as the Accession Partnership, Commission’s Regular Reports and negotiations) were exercised during the pre-accession process. They allowed for the mobilisation of domestic financial and non-financial resources required for domestic changes (e.g. for the establishment of new institutions and restructuring of existing institutions, approval of new civil service positions or professionalising the existing civil servants).

The pre-accession process should be divided into two periods before and after the start of EU accession negotiations. The EU institutions exercised their highest leverage on institutional changes in the EU candidate countries during the process of accession negotiations (Lippert, Umbach and Wessels, 2001). After the accession of the candidate countries to the EU, the ex ante control of EU institutions was replaced with an ex post type of controls (except for Romania and Bulgaria whose performance continues to be regularly monitored by the European Commission). Although the specific acquis rules continue to be applicable after enlargement, the EU institutions cannot impose the ultimate sanction of withholding EU membership, and financial sanctions take time to impose (Epstein and Sedelmeier, 2008, p.797). Also, although Article 7 of the Lisbon treaty allows sanctioning a member state that does not respect democratic rules by suspending its voting rights, the EU institutions have never used this provision. These factors should have attenuated the EU’s ability to affect domestic administrative changes (in agencification and especially depoliticisation that was
part of the EU’s political conditionality). Therefore, after enlargement, domestic changes
should have become more conditional on various national factors.

It is also important to emphasise that the EU rules and influence mechanisms can be
used, or even abused, by various actors realising their own beliefs and pursuing their own
strategies. For instance, it is possible that unnecessary agencies or positions could have been
established in some CEE countries in order to satisfy some political or bureaucratic interests.
It also feasible that politically motivated organisational reforms could have been proposed
or adopted in CEE public administrations by allegedly following some EU requirements. The
interaction of domestic actors with different beliefs and strategies within the same particular
policy sub-system may create conflicts over particular decisions or their execution.

1.2. Agencification explanations and research hypotheses

Agencification can be described as an increase in the number of agencies as a result of their
establishment or other organisational changes (secession and division). De-agencification
is the opposite process of reducing the number of agencies through their termination or
other organisational changes (merger and absorption) (Nakrošis and Budraitis, 2012, p.35).
Agencification was part of the acquis (the body of EU law) whose successful adoption was
a condition of EU membership. In its regular reports on the progress of candidate countries
towards accession the European Commission identified particular obstacles to meeting the
obligations of EU membership in specific acquis areas where the creation of new agencies or
the strengthening of existing agencies was often proposed as a policy response.

Europeanisation was found to be a significant driver of agencification in all CEE countries
(Randma-Liiv, Nakrošis and Hajnal, 2011). Therefore, we expect in this article that through
the conditionality of EU membership and ‘hard’ instruments of influence in different acquis
areas the EU institutions made a significant impact on agencification (the establishment of
new agencies), in particular in the pre-accession period. Since the specific acquis provisions
continue to be applicable after enlargement, one can also expect that the EU institutions still
yield a certain influence on agencification in the EU member states during the post-accession
period.

More specifically, we hypothesise that the survival time of the Europeanised agencies is
longer than that of the non-Europeanised ones because politically or economically motivated
strategies for restructuring the former agencies face much higher costs than in the case of
the latter agencies. First, the Europeanised agencies that carry out more important functions
of the state are usually more resistant to politically or economically motivated organisational
reforms. Second, attempts to reorganise the Europeanised agencies face higher costs because
of control and possible sanctions from the EU institutions.

After enlargement domestic factors are likely to play a more influential role in agencification
developments. Since as a result of the recent financial crisis some CEE countries initiated
government-wide reforms (Kickert, Randma-Liiv and Savi, 2013), it is important to analyse the
impact of these changes on (de-)agencification. We expect that due to severe fiscal austerity
in several CEE countries (including Lithuania) public administration reforms are likely to follow
the post-New Public Management model, leading to de-agencification (in terms of deaths, absorptions and mergers of organisations).

Organisational changes in CEE countries were found to be related to the inconsistent development of public sector organisations in the absence of a clear agency model, which can be associated with the politicisation of public administration in this region (Randma-Liiv, Nakrošis and Hajnal, 2011). The fact that most (67 per cent) organisational changes were implemented by the Lithuanian governments that came into power after a large change in the parliamentary majority points to the significance of domestic political factors (the turnover of governments and their composition) for the (de)agencification process (Nakrošis and Budraitis, 2012). Therefore, it is interesting to compare the stability of Europeanised and non-Europeanised agencies throughout their life cycle (in the context of changing governments).

Besides politicisation, this article analyses the management of Lithuanian agencies in terms of their actual autonomy and control. We predict that in contrast to the agencification process the EU’s impact on actual agency management was more limited – their autonomy and control depend on various national factors (such as the existing legal framework) rather than on the EU’s influence. The exception could be specific sets of regulatory or executive agencies whose performance is related to the implementation of EU regulatory or redistributive policies – they should have a higher degree of autonomy or be subject to a stronger ex post control, or both. In order to assess the impact of the EU on agency management, this article also compares the Europeanised and non-Europeanised agencies: to what extent and how is their management different?

1.3. Politicisation explanations and research hypotheses

Politicisation can be defined as “the substitution of political criteria for merit-based criteria in the selection, retention, promotion, and discipline of members of the public service” (Peters, 2013). Rewarding loyal political party members and controlling the decision-making process are the two main (and interrelated) factors of political party patronage and the politicisation of state administration (Kopecký, Mair and Spirova, 2012). In the context of CEE countries, party competition was determined to be a significant factor driving the process of politicisation (Meyer-Sahling and Veen, 2012). This finding refuted the previous claim of Grzymala-Busse (2007) that the existence of a competitive ideological opposition bloc is a precondition for controlling party patronage. In addition to instability and polarisation of party systems, there are other factors influencing politicisation in the CEE region: “the rules of the game” legitimising party patronage; dense party networks and their building through patronage; as well as insufficient regulation and weak enforcement of the merit principle in state administrations (Nakrošis and Gudžinskas, 2013, pp.102-103).

Depoliticising the civil service was perceived to be a major reform objective in CEE countries in an attempt to break from the communist past when party bureaucracy was superior to state administration (Goetz and Wollmann, 2001). As a professional civil service was established as a pre-condition for the successful application of the acquis, it was recommended that all candidate countries professionalise and depoliticise the management of their civil services. For instance, in its 1997 opinion on Lithuania’s application for EU membership the European Commission noted
that the principle of political independence was established in the Lithuanian civil service, but senior positions were not always independent of the influence of political parties (The European Commission, 1997). It was also argued that the achievement of the depoliticisation objective required relying on a career civil service model, while avoiding inappropriate ‘medicines’ of the New Public Management doctrine (Verheijen and Coombes, 1998).

Previous research emphasised a direct relationship between Europeanisation and civil service depoliticisation (Dimitrova, 2005). In the Lithuanian context, it was suggested that “since the re-establishment of independence the Lithuanian civil service had been politicised for a long time. Politicisation was reduced after the adoption of the new Civil Service Law and during its gradual professionalisation. It was part of the Lithuania’s Europeanisation process” (Maniokas, 2013). In contrast, other empirical studies based on perceptual evidence argued that new civil service legislation did not actually depoliticise the management of top officials in some CEE countries (Meyer-Sahling, 2009).

It is also necessary to consider the opposite effect that could have possibly occurred during the accession process. By increasing the number of agencies and senior executive positions, the agencification process could have provided more opportunities for the incumbent governments to politicise top agency management, notwithstanding the EU rules concerning democracy and the rule of law. Besides, an increasing fragmentation in the institutional framework could have produced a greater need for controlling the decision-making process at the agency level through political appointments.

Furthermore, as civil service professionalisation was part of the EU political conditionality that is no longer applied in the majority of the new EU member states in the post-accession period, one may expect that the implementation of such pre-accession commitments may be stopped or even reversed after enlargement (Epstein and Sedelmeier, 2008, p.797). On the other hand, through acquis-specific provisions, EU institutions continue to safeguard the autonomy of regulatory agencies and to control the performance of executive agencies engaged in the implementation of EU public policies (Nakrošis and Martinaitis, 2011). Therefore, as proposed above, for the analysis of agencification, it is useful to compare the politicisation of the Europeanised and non-Europeanised agencies: To what extent and how are these agency groups similar and different in terms of political appointments? How is the scope of politicisation changing in these agencies over time?

In line with the results of previous research we hypothesise in this research that the politicisation of agency heads was decreasing during the first few years of Lithuania’s accession to the EU due to the conditionality of EU membership and ‘hard’ mechanisms of the EU’s influence. However, we expect that the scope of politicisation at a later period (after meeting the Copenhagen political criteria and gaining EU membership) was starting to increase as a result of lower EU leverage, including a fast growth in the scope of top civil service positions until 2008 and regular wholesale changes in governments. Nevertheless, it is possible that despite this general trend, heads of the Europeanised agencies and agencies acting in Europeanised policy areas can remain less politicised than their non-Europeanised counterparts because of higher politicisation costs in Europeanised policy areas.

We test the two sets of hypotheses by following the methodological approach outlined below.
1.4. Methodology

Previous research on public administration changes has relied on single-country or few-country studies. Although larger-N studies permit the use of statistical methods in explaining variation on the dependent variable, their use in the Europeanisation studies has been limited (Haverland, 2007, pp.59-70).

This article analyses data from the two main data sets. The first data set (LAOC) provides data on Lithuanian agencies (Government agencies and agencies under the ministers; N = 309) and their organisational changes in the 1990 to 2012 period. The second data set (AHCP) provides data on the career and politicisation of agency managers (N = 314) in the same period. In addition, the 2008 COBRA survey of Lithuanian public sector organisations (COBRA, 2011) (N = 73) provides data on, among other things, the establishment, autonomy and control of Lithuanian agencies, while the 2014 survey of the Lithuanian elite (N = 74) contains data on how agency management and politicisation is perceived by Lithuanian politicians and top civil servants. Moreover, we complemented the quantitative data with qualitative evidence from the case studies of Lithuanian agencies that were previously carried out in order to gain an in-depth longitudinal perspective of the set-up, autonomy and control, and innovative behaviour in Lithuanian public sector organisations.²

A number of variables on agencies and their heads are used in this article. We consider agency heads to be politicised if they have: (1) served as ministers or held a position of political (personal) confidence in the Lithuanian civil service; (2) stood or been elected to the Lithuanian parliament, a municipal council, or the European Parliament; (3) been appointed by a political party as a delegate, observer or member of an electoral commission or the Higher Electoral Commission; (4) been employed by a political party in its structure; and (5) been appointed from an organisation associated with a certain political party.³ The Europeanised agencies are defined as the agencies that fulfil acquis-specific tasks, while the functions of the non-Europeanised agencies are not related to the EU rules. Other variables were operationalised in a more extensive report of this research project.

Various tests of descriptive and inferential statistics were applied while analysing the data. In order to assess the strength of association, we used Chi square (when both dependent and independent variables were categorical), ANOVA (when the dependent variable was continuous), Kendall’s tau_b (nominal by ordinal) and Cramer’s V (nominal by nominal) coefficients. The Mantel-Cox test was also employed in this research in order to measure equality in survival distribution. A level of significance was set at 0.05 for all statistical tests, which were performed using SPSS 19.

² See Nakrošis and Martinaitis, 2011. This article refers to the findings of the following case studies: a multiple-agency study of two regulatory agencies (the Communications Regulatory Authority and the Competition Council) and a multiple-agency study of four EU support agencies implementing the Common Agricultural Policy and the EU Cohesion policy (the Lithuanian Agricultural and Food Market Regulation Agency, the National Paying Agency, the European Social Fund Agency and the Central Project Management Agency).
³ We adapted the definition of a politicised agency head, see Dahlstrom and Niklasson, 2013: 891–907.
2. EMPIRICAL RESULTS OF RESEARCH

2.1. Agencification changes and the EU's impact

The landscape of Lithuanian agencies experienced quick organisational changes during Lithuania’s accession to the EU. According to the LAOC data set, the number of agencies increased by about 62 per cent (from 111 in 1996 to 173 in 2004) during 1997 to 2004 (see Figure 1). Agencification was fastest in the policy areas of environment and defence (where the number of agencies grew by 11 respectively). This was associated with the EU’s influence on a relatively new environment area, while changes in the number of defence agencies were related to Lithuania’s accession to NATO.

The most common type of organisational changes during the pre-accession process was the establishment of new agencies. Various newly established regulatory (such as the State Inspectorate of Inland Waterways Navigation) or executive (such as the National Paying Agency under the Ministry of Agriculture) agencies were mentioned in the European Commission’s progress reports.

In order to meet regulatory requirements of the EU, a number of regulatory agencies with certain autonomy (in such Europeanised domains as competition, telecommunications, energy, water, railways, post, public information, environment, food safety, and personal data) were set up or strengthened in Lithuania (Maniokas, 2003). Agencification was not limited to the areas of EU regulatory policy and extended to the provision of public services and other areas of policy implementation. For example, in order to implement EU-funded programmes in the areas of EU redistributive policies (such as EU cohesion and agricultural policy), new autonomous agencies were set up or strengthened in this country (Nakrošis and Budraitis, 2012). Findings of the Estonian agencification research also confirm that the EU’s influence was strongest on regulatory agencies and those exercising the functions of EU financial support administration (Sarapuu, 2011, p. 64).

![Agencification Graph](image1.png)

**FIGURE 1.** Dynamics in the number of Lithuanian agencies, 1990-2012

Source: analysis of the LAOC data.
According to the 2008 COBRA survey data, 38.7 per cent of representatives of the Lithuanian public sector organisations stated that the EU had a large influence on their set up or reorganisation (while 32.3 per cent said that the EU had a small influence, and the remaining 29.0 per cent - no influence). As many as 75 per cent of the agencies whose managers acknowledged the EU’s large influence are Europeanised in terms of their functions. However, it is possible that a certain part of these agencies (in particular the non-Europeanised agencies according to their functions) could have been unnecessarily established by exploiting the EU’s leverage. This is rather likely in the context of a fast and insufficiently controlled agencification, which produced a large fragmentation in the Lithuanian institutional set-up. Other evidence also points to the abuse of EU leverage: “although the replacement of vice-ministerial posts by career civil service positions in 2002 was partially associated with accession to the EU, it enabled the ruling majority parties to enhance protection of the civil servants loyal to them” (Vilpišauskas and Nakrošis, 2003).

Public administration reforms, which were initiated by the Lithuanian authorities during the financial crisis due to severe budgetary constraints, reversed the trend of agencification (Nakrošis and Martinaitis, 2011). According to the LAOC data, the number of Lithuanian agencies decreased from 183 in 2010 to 167 in 2012 (by about 9 per cent), pointing to a pattern of de-agencification achieved through agency deaths, mergers and absorptions.

The analysis of agency survival shows that the Europeanised agencies have longer life spans: their average survival time is 16.9 years compared to the average survival of all agencies equal to 14.1 years. The Mantel-Cox test of equality of survival distributions found a statistically significant relation between these types of agencies by Europeanisation (Chi-square = 9.407, p = 0.02). This difference can be explained in terms of higher costs of the Europeanised agencies’ restructuring.

For instance, the Labour Party, which joined the current ruling coalition after a wholesale government change in 2012, attempted to reorganise the European Social Fund Agency in order to allegedly force non-loyal agency management out of office. However, the Ministry of Finance (a Managing Authority of the EU structural funds in Lithuania) and the Government Office, which are politically controlled by the Lithuanian Social Democratic Party (a leading coalition party), intervened on the grounds that this initiative can create a serious risk for the sound functioning of the EU structural assistance administration system, which could ultimately lead to the suspension of payments from the EU budget by the European Commission (Delfi, 2013). Consequently, this particular politically motivated organisational change has been stopped, despite a good deal of politicisation in other agencies and public sector organisations controlled by the Labour Party.

The remaining part of the agencification hypotheses concerns the impact of the EU on actual agency management. Our statistical analysis found no significant relation between EU-related variables (the EU’s influence on organisational changes in the Lithuanian agencies, EUINFL; types of agency function, EUROPE) on the one hand and the autonomy of agencies (SPA, FA, INSTRU) and their control (EXPOST) on the other. According to the COBRA data, the EU did not have a systemic influence on the actual management of Lithuanian agencies – no specific types of agency autonomy and control emerged as a result of the Europeanisation process.
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However, the EU had a certain influence on the management of various Lithuanian agency groups. The studies of specific Lithuanian agencies illustrated that the EU affected the autonomy of regulatory agencies and the control of EU support administration agencies (Nakrošis and Martinaitis, 2011). In the absence of a single EU agency model the EU’s leverage was transmitted through various national factors. As a result, special legislative provisions were adopted during the process of legal transposition. For instance, sectoral legislation contains special provisions concerning the appointment of managers and board members for some regulatory agencies, while appropriate government resolutions define special procedures for the management of EU support administration agencies.

If there was no systemic EU impact on the Lithuanian agencies, which national factors could explain their management characteristics? The results of statistical analysis in Table 1 show that it is the formal status of agencies and their functions that accounts for variation in their autonomy and control. A medium strong statistically significant relation between formal autonomy (FORAUT) and strategic personnel autonomy (SPA) was found. State institutions that are regulated by the Civil Service Law have lower human resource management autonomy. In addition, a weaker, but still statistically significant relation was established between agency functions (FUNC) and strategic personnel autonomy (SPA). Lithuanian regulatory agencies have lower strategic personnel management autonomy (40 per cent compared with the average of 29.4 per cent for all agencies) and a higher autonomy concerning the choice of policy instruments (41.7 per cent compared to the average of 28.8 per cent for all agencies). This autonomy mix could be explained by the fact that although sectoral legislation grants policy implementation autonomy to the regulatory agencies, the same provisions of the Civil Service Law are applicable to all types of agencies.

### TABLE 1. Correlation between formal autonomy, agency functions, and their actual autonomy and control

<table>
<thead>
<tr>
<th></th>
<th>SPA</th>
<th>FA</th>
<th>INSTRU</th>
<th>EXPOST</th>
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<tr>
<td>Kendall $\tau_b$</td>
<td></td>
<td></td>
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<tr>
<td>FORAUT</td>
<td></td>
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<tr>
<td>Correlation coefficient</td>
<td>0.469**</td>
<td>-0.211</td>
<td>-0.089</td>
<td>0.173</td>
</tr>
<tr>
<td>Significance (2-tailed)</td>
<td>0.000</td>
<td>0.112</td>
<td>0.471</td>
<td>0.106</td>
</tr>
<tr>
<td>N</td>
<td>63</td>
<td>51</td>
<td>54</td>
<td>59</td>
</tr>
<tr>
<td>Cramer $V$</td>
<td></td>
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<tr>
<td>FUNC</td>
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<tr>
<td>Correlation coefficient</td>
<td>0.368*</td>
<td>0.303</td>
<td>-0.326</td>
<td>0.611</td>
</tr>
<tr>
<td>Significance (2-tailed)</td>
<td>0.024</td>
<td>0.128</td>
<td>0.221</td>
<td>0.390</td>
</tr>
<tr>
<td>N</td>
<td>68</td>
<td>54</td>
<td>59</td>
<td>64</td>
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</table>

Source: analysis of the COBRA data.

Note: ** Correlation is significant at 0.01; * correlation is significant at 0.05.

A comparative review of agency autonomy and control in CEE countries (Croatia, Estonia, Hungary, Lithuania, Romania and Slovakia) indicated that a formal agency status is one of the
key factors explaining considerable variation in their (financial and human resource) autonomy (Randma-Liiv, Nakrošis and Hajnal, 2011). This corroborates the finding of this single-country study that the pattern of agency autonomy and control is a result of national factors (rather than the EU’s influence).

2.2. Depoliticisation changes and the EU’s impact

In the pre-accession period, the Lithuanian Ministry of Public Administration Reforms and Local Authorities delineated a reform objective “to form a corps of professional officials to ensure continuity in the performance of state and municipal institutions, political neutrality, efficiency, publicity, flexibility and high quality of services” (Valdymo reformų ir savivaldybių reikalų valdymo ministerija, 1996, p.21). The Civil Service Law that was adopted by the Lithuanian parliament in 1999 stated that candidates for civil service positions (including heads of institutions) to be recruited on the basis of public competition. However, this legislation also provided for the establishment of political (personal) confidence positions in the Lithuanian civil service.

The substance of Lithuanian civil service legislation and its adoption time was linked to the influence of the EU. It was decided to expedite the adoption of a still unfinished Civil Service Law draft in the Lithuanian parliament during the preparation for the Commission’s 1999 Regular Report in order to increase the possibility that Lithuania will be invited to start negotiations on EU membership (Nakrošis and Meyer-Sahling, 2009). The sanction of a delayed EU membership became less probable when, in its 1999 Report, the European Commission

![Figure 2. Politicisation of heads of the Lithuanian agencies, 1990-2013](#)

**FIGURE 2. Politicisation of heads of the Lithuanian agencies, 1990-2013**

Source: analysis of the AHCP data.
declared that Lithuania met the Copenhagen political criteria, which allowed starting formal negotiations on the conditions of EU membership in the beginning of 2000.

This section of the article analyses data on the actual politicisation of heads of the Lithuanian government agencies and agencies under the ministries. The number of these agency heads, which were involved in the activities of political parties, was about 19.1 per cent throughout 1990 to 2013. Heads of the government agencies were more politicised (28.4 per cent) than heads of the agencies under the ministries (16.4 per cent). This difference is related to more frequent political appointments of the former managers.

A more in-depth analysis of the AHCP data does not point to depoliticisation of the Lithuanian higher civil service during the pre-accession process. If the scope of politicisation tended to decrease during the first years of accession (up to 1999 when Lithuania adopted the Civil Service Law and was invited to start negotiations on EU membership), it began growing in the subsequent years. As shown in Figure 2, the scope of politicisation was 16.3 per cent in 1996 (before the start of accession), but it fluctuated during the accession process and reached its highest point in 2003 at the level of 23.5 per cent. After joining the EU, the level of politicisation started gradually decreasing until it reached 18.1 per cent in 2012. The dynamics of politicisation in the Hungarian higher civil service is also in line with the depoliticisation trend during the same period: the country’s leadership was initially politicised as a result of changing national governments, but subsequently politicisation stabilised at a quite high level (Meyer-Sahling, 2008).

In Lithuania, the largest number of politicised agency managers (21.6 per cent) was appointed and the smallest number of such managers (16.2 per cent) was dismissed during the pre-accession period of 1997-2004, compared with the periods of 1990-1996 and 2005-2013. Since accession to the EU was characterised by a quick expansion in the number of agencies and, respectively, of agency heads, these results suggest that agencification was abused for politicising the Lithuanian civil service, in spite of new civil service legislation. Such a politicisation mechanism was also observed in Poland throughout 2001-2006, when “the creation of new quangos, which were staffed by party loyalists, was a means of increasing the number of appointments available for the governing party” (Gwiazda, 2008, p.819).

There is considerable variation in the level of politicisation according to more or less Europeanised policy areas. The majority of the Europeanised policy areas were less politicised compared to the average (19.1 per cent), except the policy areas assigned to the Ministry of Social Security and Labour (40.7 per cent), the Ministry of Energy (33.3 per cent), and the Ministry of Agriculture (22.7 per cent). Most of the non-Europeanised policy areas were more politicised compared to the average, except for the Ministry of National Defence whose agency managers were not engaged in political activities. Also, there is considerable variation within these policy areas. For example, most politicised heads from the policy areas managed by the Ministry of Social Security and Labour and the Ministry of Agriculture were employed in the non-Europeanised agencies.

Politicisation studies in other CEE countries provide similar evidence on politicisation differences across policy areas or types of public sector organisations. For instance, there is relatively weak evidence of party patronage in the Bulgarian organisations that are subject to
substantial external control (such as financial institutions) and much stronger evidence of this phenomenon in the organisations that are free of external controls (such as in cultural policy and welfare policy) (Kopecký, Mair and Spirova, 2012, p.363). This can be imputed to the EU’s influence, which constrains patronage opportunities in more Europeanised policy areas.

Furthermore, it is necessary to compare the politicisation of CEOs in charge of the Europeanised and non-Europeanised agencies. This analysis shows that the Europeanised agencies employed fewer politically affiliated senior executives compared to the non-Europeanised ones (12.8 per cent of the former versus 24.4 per cent of the latter). The relationship between these groups of agencies became significant when agencies in the de-politicised policy area assigned to the Ministry of National Defence were coded as Europeanised (or Euroatlantised). The test of Chi square indicated a statistically significant relation between the two categorical variables (Chi square = 6,314, p = 0,012, N = 293).

A comparison of the agency groups at three different points of time reveals interesting differences in the professionalisation process. Whereas politicisation of these groups was almost the same in 1996, a certain difference emerged in 2004, when the non-Europeanised agencies became more politicised. However, this difference became significant only for the year of 2012, when politicisation of the Europeanised agencies dropped to 9.1 per cent (see Table 2 below).

**TABLE 2. Dynamics in the politicisation of heads of the Europeanised and non-Europeanised agencies, per cent**

<table>
<thead>
<tr>
<th>Scope of politicisation</th>
<th>1996 (initial situation)</th>
<th>2004 (intermediate situation)</th>
<th>2012 (final situation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicisation of heads of Europeanised agencies</td>
<td>15.8</td>
<td>16.7</td>
<td>9.1</td>
</tr>
<tr>
<td>Politicisation of heads of non-Europeanised agencies</td>
<td>16.7</td>
<td>27.3</td>
<td>26.0</td>
</tr>
<tr>
<td>Chi square</td>
<td>Group differences not significant</td>
<td>Group differences not significant</td>
<td>Group differences significant (value of 4.517, p = 0.034)</td>
</tr>
<tr>
<td>Total politicisation of all agency heads</td>
<td>16.3 (N = 47)</td>
<td>22.1 (N = 86)</td>
<td>18.1 (N = 94)</td>
</tr>
</tbody>
</table>

Source: analysis of the AHCP data.

Therefore, it is possible to claim that the Europeanised (or Euroatlantised) policy areas and agencies are less politicised. More specifically, the results of our statistical analysis point to the politicisation of the non-Europeanised agencies during the accession process, whereas that of the Europeanised agencies started declining after Lithuania gained membership in the EU. Politicised managers of the Europeanised agencies were frequently dismissed due to misconduct in office, or after undertaking voluntary moves to the private sector. Also, stabilisation of the Lithuanian agency landscape and a lack of new CEO positions limited politicisation opportunities in the post-membership period.
Unlike the survival of agencies (see section 2.1.), heads of the Europeanised and non-
Europeanised agencies do not differ significantly in terms of their life span – their survival is
close to the average (7.635 years). Whereas the Europeanised agencies have somewhat longer
life spans, this is not true for their managers whose careers are affected by various factors.
Since heads of the Europeanised agencies are relatively less politicised and, respectively, more
professional than their peers in the non-Europeanised agencies, they have more employment
opportunities outside the civil service. The AHCP data indicate their moves are to international
organisations (including EU institutions), and to other institutions from the governmental,
public, or private sectors.

Overall, these results point to the gradual emergence of two different agency groups. The
case studies of Lithuanian agencies confirm that that the Europeanised agencies (such the
Central Project Management Agency, an EU structural support administration agency) are
quite innovative and professionally managed (Nakrošis, Vijeikis and Polka, 2011), unlike
non-Europeanised and strongly politicised government agencies such as the Department of
Physical Education and Sports, which was assigned to the competence of the Ministry of the
Interior, or such ministerial agencies as the Department of Youth Affairs controlled by the
Ministry of Social Security and Labour (Bogušinskaitė and Nakrošis, 2014).

Are there any other factors that explain the change and politicisation of agency managers?
First, it is competition between the Lithuanian political parties and their blocs, changes
associated with parliamentary ruling majorities, and corresponding government changes.
Most of the Lithuanian agency heads were appointed and dismissed by the governments that
came into power after large changes in the parliamentary majority (in particular during the
political terms of Lithuanian Government 8 and Lithuanian Government 15, which reorganised
government agencies) (Bogušinskaitė and Nakrošis, 2014). There was a sudden rise in the
scope of politicisation from 2001, when Lithuanian Government 12 came into office following
a major change in the parliamentary majority. The ruling Lithuanian Social Democratic Party
appointed party members from its large network of loyal candidates to new positions of agency
heads, whose number was rapidly increasing during the ongoing agencification process.

A gradual decline in the scope of politicisation from 2003 can be imputed to slowing
agencification and greater government stability. Although the 2008 wholesale government
change increased structural politicisation through the replacement of career top management
positions with those of political appointees, there was no substantial *de facto* politicisation
during the term of Lithuanian Government 15. The variable of wholesale government changes
was also found significant in explaining the politicisation of ministerial leadership in several
CEE countries (Estonia, Latvia, Lithuania, Hungary, the Czech Republic, Slovakia, Poland,
Slovenia) (Meyer-Sahling and Veen, 2012).

Second, one should note the importance of sufficiently strong politicians’ beliefs in the
exercise of political patronage. The 2000 survey of 53 Lithuanian ministers from the main
ministries indicated that over 80 per cent of respondents agreed that ministers themselves
should appoint civil servants. A more in-depth analysis of the two time periods (before and
after 1996) identified a slight change in the ministers’ attitude: about 78 per cent of the
ministers who held office after 1996 supported the exercise of these powers compared to as
much as 94 per cent of ministers who headed the ministries before 1996 (Drengsgaard and Hansen, 2004, p.26). These changes in the beliefs of politicians coincided with the increasing professionalism of the Lithuanian civil service. According to the AHCP data, the scope of politicisation during these periods decreased from about 22 per cent in 1996 to about 16 per cent in 2000.

Data from the 2014 survey of the Lithuanian elite revealed that about 50 per cent of respondents fully agreed or agreed more than disagreed with the statement that after a change of the governing majority politicians should have a right to replace state officials and career managers employed in the civil service. Although these survey results are not comparable to those of the 2000 survey, the current beliefs of the Lithuanian elite on politicisation are somewhat more moderate, which corresponds to the decreasing trend of political appointments after Lithuania’s accession to the EU (Nakrošis and Bankauskaitė-Grigaliūnienė, 2015).

Academic research on politicians’ beliefs in other CEE countries obtained very similar results. For instance, 77 per cent of Slovenian political officials agreed to the statement that “ministers must have the ultimate say in the selection of a candidate”, while 62 per cent admitted “appointments of administrative managers are predominantly political and prearranged” (Nahtigal and Haček, 2013). Therefore, this finding is likely to generalisable to the rest of CEE countries.

CONCLUSIONS

Our research results largely confirmed the set of agencification hypothesis. The EU made a significant impact on the establishment of new agencies but its impact on the survival of the Europeanised agencies within the Lithuanian institutional set-up was somewhat weaker. Whereas the EU’s impact on organisational birth was determined by the exigencies of EU membership, the impact on their survival is associated with the higher costs of reorganising Europeanised organisations due to the control of EU institutions and their potential sanctions, as well as due to the importance of professionally executing core functions of the state. The legal status of Lithuanian agencies was determined by national factors (the formal framework and executed functions), rather than by the EU’s influence.

Although the EU yielded no systemic impact on the actual management of Lithuanian agencies, we observed a considerable impact of the EU on the most Europeanised agencies. However, this impact was not uniform – regulatory agencies gained higher autonomy, unlike executive agencies whose performance is controlled by the EU institutions on the ex post basis. The management of Lithuanian agencies is best explained by such internal factors as the formal status of agencies and their functions.

Empirical evidence also enabled us to largely confirm the set of politicisation hypotheses. Although the scope of politicisation decreased during the first few years of Lithuania’s accession to the EU due to the political conditionality of EU membership and ‘hard’ influence mechanisms, in the following period (after meeting the Copenhagen political criteria and starting negotiations on EU membership) we observed a higher level of politicisation, which
started declining again after enlargement. Therefore, the initial achievements of EU accession were not sustained in Lithuania because less EU influence was extenuated by unfavourable political developments at the domestic level. A growing politicisation during the accession process was also observed in other CEE countries (Hungary and Poland).

Our research indicated that the heads of Lithuanian agencies were less politicised in the Europeanised policy areas (with similar results obtained in Bulgaria). Despite a new wave of politicisation in Lithuanian public administration, the politicisation of heads from the Europeanised agencies did not change much and started dropping after Lithuania’s accession to the EU. Therefore, what actually occurred in this country is not a professionalisation of the whole higher civil service, but a gradual depoliticisation of the Europeanised agencies from 2003.

Our statistical analysis allowed identifying the gradual emergence of the two different Lithuanian agency groups: more politicised agencies that operate in more politically sensitive policy areas and more professionalised agencies that fulfil their tasks in the Europeanised policy areas. The continued differentiation of these agency groups can lead to different outcomes of the adopted EU rules after enlargement, when formal and informal rules largely align (the outcome of institutionalisation) in the case of the Europeanised agencies but parallel informal rules are followed more frequently in the case of the non-Europeanised agencies (the outcome of ‘empty shells’ in Dimitrova’s terms) (Dimitrova, 2010, p.146). This development is associated with the higher costs of politicisation in the Europeanised agencies, not only due to the control of EU institutions and their possible sanctions but also owing to the higher importance of their functions, which requires the appointment of more professional top managers. This conclusion is similar to the results of recent research on the impact of EU networks, which argued that the involvement of national agencies in EU policy-making increases their policy-making role, making it more difficult for parent ministries to monitor and control their performance (Bach, Ruffing and Yesilkagit, 2014).

Our research also illustrated that the EU had a stronger impact on agency management (institutional) than depoliticisation (political) changes in Lithuania. After accession, the EU institutions continued to affect the performance of Lithuanian regulatory and executive agencies involved in the implementation of certain EU policies but its impact was no longer systemic, as in the pre-accession period. Also, these institutional changes largely occurred through the policy domain where domestic legislation should be harmonised with the acquis or specific EU rules should be directly applied (with sanctions possible in the absence of compliance). Overall, these results confirm the stronger and enduring impact of specific acquis rules on public administration changes in the new EU member states compared to the weaker influence of the EU’s political conditionality.

In this background, it is not surprising that new legislative initiatives have been recently proposed by the European Commission in order to enhance its powers to monitor and sanction EU member states that breach fundamental EU rules and the rule of law at the domestic level (Financial Times, 2014). Also, as part of the European semester (a new cycle of economic policy coordination), the EU institutions can issue policy warnings if any EU member state fails
to implement certain recommendations related to budgetary, macroeconomic, and structural reforms.

The results of our research are broadly in line with the previous findings that since 2004 the EU’s political impacts in the new EU member states have been limited (Epstein and Jacoby, 2014). For instance, the EU has been largely unsuccessful in fighting corruption in Romania and Bulgaria, despite the annual monitoring of these countries’ performance by the European Commission and the possibility of sanctions (Spendzhara and Vachudova, 2012). However, a more nuanced analysis revealed the gradual depoliticisation of the Europeanised agencies after Lithuania’s accession to the EU in 2004. This differentiated impact of the EU is associated with the application of specific acquis rules rather than a ‘lock-in’ of pre-accession institutional changes after enlargement.

Our research results, which were found to be similar to agencification and politicisation trends in other CEE countries, should be quite generalisable in EU member states from the CEE region that acceded to the EU in 2004, 2007 or 2013. However, one should be cautious about the external validity of our conclusions in other post-communist countries (including those from the western Balkans) marked by significant differences not only in the EU’s influence but also in their domestic political and policy developments. Therefore, it would be useful to assess cross-country differences between and similarities in the impact of the EU on public administration changes by undertaking comparative research in the future.

REFERENCES


