# ~~The~~ expansion of arms-length government is not necessarily at odds with democratic accountability

By Democratic Audit UK

*How democratic is arms-length government?* **Catherine Durose**, **Jonathan B. Justice** and **Chris Skelcher** *argue that those who consider it to be an undemocratic phenomenon over-simplify, and make the case for assessing the question in a more citizen and community focussed manner.*



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It is relatively uncontroversial to assert that modern democracies should aspire not only to democracy but also to efficiency and reliance when and as appropriate on expert, evidence-based judgments in designing and implementing governing arrangements and public policies. It is also frequently accepted that these values are often at odds with one another. Can we have both democracy and efficiency in governance? The still-expanding practice of decentralization and delegation of a variety of activities from national and subnational governments to a variety of non-state organizations has been portrayed as evidence supporting both negative and affirmative answers to that question.

Is this practice of "arms-length government" – the use of organisations other than government departments or ministries to undertake public functions such as developing policies, allocating resources, delivering services, and performing a variety of regulatory and adjudicatory functions – counter-democratic? Our research suggests that the answer is something like "not necessarily," and "it depends." Close centralized state control is not in every case necessarily democracy-enhancing, but neither can it be dispensed with thoughtlessly.

The challenge for institutional designers and operators is to distinguish the specific combinations of objectives, contexts, and governing designs that can achieve a favorable balance of democracy, expertise, and efficiency. More controversially, we suggest that many well intentioned advocates who share those three broad goals may need to abandon their familiar state-centric perspectives on the problem if they hope to solve it.

One dominant, state-centric perspective on arms-length government sees it as delegated governance, and

suggests that agency problems and conflicts of interest will tend to lead to a democratic deficit when governing tasks are delegated (by the elected representatives who lead the state, which is the seat of legitimate collective authority) to independent agencies or quasi- or non-governmental organizations.

From this perspective the use of "arms-length" or "third-party" entities may be portrayed as a way to ensure market efficiency, reliance on technical expertise, and consistent decision-making and implementation, albeit at the expense of diminishing democracy  by reducing the directness of elected representatives' control over decisions and operations. Or, in some variants of the argument, this delegation trades "democracy" in the form of maximizing individuals' welfare against "democracy" in the form of engaging individuals actively and expanding their capacity for collective self-determination.

An alternative, "polycentric" perspective articulated in the work of scholars including Elinor and Vincent Ostrom, Bruno Frey, and Archon Fung, views the state not as the sole seat of legitimate governing authority but rather as one locus of  democratically legitimate decision making and authority: often necessary, but not always an optimal or sufficient instrument of self-governance and collective action.

This perspective views individuals and communities rather than the state as the basic locus of legitimacy, and suggests that questions about the normative desirability of governing and service-provision arrangements should be approached empirically and on a case-specific basis. This approach complicates the task of design and evaluation by offering only "it depends" as the generic answer to the arms-length question, but compensates for the additional effort by offering a way for us to see and realise possibilities that might be missed by dismissing non-state institutions of collective action out of hand.

We recently completed a multi-year project, funded by the ESRC, that brought together scholars, practitioners and activists from several countries, sectors, and types of organisation to explore the question of "arms-length government" or "governing beyond the state" in research seminars we organised at the University of Birmingham and De Montfort University. We took away from those discussions an appreciation of the manifold ways in which the polycentric perspective offers not just a valuable theoretical framework for designing and evaluating governing arrangements but also a way to make sense of the astonishing variation in the types and quality of arrangements in use today.

One set of lessons drawn from the seminars is compiled in the pamphlet Beyond the State: Mobilizing and Co-Producing with Communities. In the first part of the pamphlet, organizers Alejandra Ibañez and Lina Jamoul and researcher Liz Richardson demonstrate how community organizing and self-organization can potentially mobilize local resources for the co-design and co-production of services and empower diverse communities through constructive advocacy and negotiation. They trace the progression from oppositional mobilization to the negotiation of arrangements that generated shared power to and with in case studies from Chicago and London. In the second part, Catherine Needham, Janet Newman, Chris Sherwood, and Jess Steele note that the language of co-production encompasses both the liberation and empowerment of power to and power with, and a darker side of more coercive personalization of centrally designed and dispensed services.

In a subsequent review of academic literature on arms-length government, we built on a key insight we gained from the contributors to the pamphlet. A shift in perspective from the state-centric model of legitimate and accountable governance to a polycentric perspective facilitates the analysis of approaches to collective choice and public policies in ways that engage with the potential for undemocratic or inequitable results as one relevant design consideration, rather than as an inevitable product of "delegation" by elected officials. (The article, published in Policy & Politcs, is available here.)

In short, blanket generalisations about the negative implications of arm's-length government for the quality of democracy, based on narrowly state-centric models of democratic legitimacy and accountability, are often factually incorrect and unnecessarily limit the scope of analysis in ways that may foreclose opportunities to increase both democracy and efficiency. At the same time, in the world of political practice, the increasing frequency and diversity of applications in a variety of contexts provides an abundance of material for thoughtful empirical assessment, particularly if we approach it in a way that views strong state institutions as one part of a larger configuration of institutions, rather than as the only legitimate seat of democracy.

And in fact, it is clear that citizens, practitioners, and scholars around the world are taking up the challenges of designing, implementing, evaluating, and then redesigning configurations of institutions and practices that sometimes manage to increase community power (to and with) and democracy.

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