

Britain's supersized cabinets are too expensive

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As the search for massive UK public expenditure cuts swings into intensive mode, [Joachim Wehner](#) finds a strong link in comparative work between the number of department heads sitting around a country's cabinet table and the proportion of GDP absorbed in public spending.



In his quest to regain control over the deficit, the Chancellor has asked his cabinet colleagues to propose cuts to their budgets of up to 40%. But perhaps the government should start at the centre and consider reducing the size of Britain's bloated cabinet. British cabinets are among the largest in the industrialised economies. Labour's last cabinet had 25 ministers around the table, which has increased to 29 in [Cameron's first cabinet](#) (mainly to accommodate coalition partners). Contrast that with the much more modest size of the cabinet in countries such as Germany (16), Poland (19), Sweden (21) and France (21). These figures exclude all of the other junior ministers and officials on the government payroll, which usually take the total to around 120 in all in Britain. In contrast to the phalanxes of ministers and junior ministers in every Whitehall department, other governments – for example in Denmark – get by just fine without any junior ministers.

The problem with supersized cabinets is that they are costly. First, ministers need ministerial offices, which have grown in size over recent years, in addition to a big growth of special advisors and the government communications teams backing up each minister. Second, the fewer ministries there are, the less often they are also likely to be subject to expensive reorganisations. There are substantial costs involved in creating, adjusting and maintaining portfolios, as highlighted in a recent joint study published by [LSE and the Institute for Government](#).

The current coalition government sensibly responded by not reorganising Whitehall as soon as it took office.

Unfortunately, this has not curtailed a tendency of each ministry to periodically want to reorganise all the bodies that it supervises, its "departmental group", evidenced by Andrew Lansley's determination to [overhaul yet again the macro-structure of the NHS](#). Such reorganisations involve extra expenses recently estimated by [the National Audit Office](#) at £200 million a year in the period 2005-9, during which there were 90 different reorganisations.

Finally, the far wider problem is that ministers and departments (as key political contact routes) are expensive in a structural way. While finance ministers reap political rewards when they manage to contain spending, most of their cabinet colleagues have different political incentives: Spending ministers easily become representatives of special interests. They are deemed "powerful" when they increase their budgets, but "weak" when their departments suffer below-average increases or disproportionate cuts. Each spending minister benefits politically from their own departmental spending, while the costs of their programmes are shared more widely across the government and taxpayers – a classic example of the "common pool resource



Image Credit: The PM's office

problem”.

In a recent academic paper, I review several studies that have [quantified the marginal cost](#) of expanding the size of the cabinet. All of these contain remarkably similar findings, despite the fact that they use different empirical approaches, samples of countries and time periods. These studies estimate that adding a spending minister to the cabinet is associated with an increase in the deficit of about one tenth of one per cent (0.1%) of GDP, largely due to effects on spending. In other words, if Britain were to cut its number of spending ministers by ten, about a third, this should reduce deficits and expenditures by about 1% of GDP – a significant contribution to fiscal consolidation. At a time when many governments face the most severe fiscal crisis in decades, these findings are gaining international attention. In July 2010 an OECD study team tasked with examining strategies for greater value for money in government considered a draft report that some countries are already seeking to get the number of their top departments down to a maximum of 15.

Most governments include some portfolios that have no obvious justification. One of my all-time favourites is France’s Minister of Free Time, a portfolio that existed between 1981 and 1983 to develop leisure programmes. The problem is that prime ministers use portfolio allocation to reward friends, or to accommodate foes, and to manage coalition governments. Hence, cutting the number of spending ministers is politically difficult. Still, Britain’s cabinet is excessively large in comparison to most of its counterparts in other OECD countries. Does Britain really need a Secretary of State for Northern Ireland, a Secretary of State for Scotland and a Secretary of State for Wales, even if combined with other roles? If the government wants less public spending, getting rid of such luxury portfolios could be a good start. But downsizing the cabinet probably requires a strategic goal also. A recent essay on [joining up public services](#) looked forward to a UK cabinet in 2020 of no more than 15 department heads, with perhaps 50 ministers in total.

At a time when citizens are asked to accept massive cuts in spending on public services, Britain’s supersized cabinets are no longer justifiable.

To learn more, see:

Joachim Wehner, ‘Cabinet structure and fiscal policy outcomes’, *European Journal of Political Research*, (2010), vol. 49, no.5, pp. 631-53.

<http://dx.doi.org/10.1111/j.1475-6765.2009.01914.x>