STILL IN THE ERA OF AREA STUDIES?
Political-Scientific Perspectives on European Competition Policy in the 2000s

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STILL IN THE ERA OF AREA STUDIES?
POLITICAL-SCIENTIFIC PERSPECTIVES ON
EUROPEAN COMPETITION POLICY IN THE 2000S

Yannis Karagiannis

Abstract: This note reviews the political-scientific literature on European competition policy (ECP) in the 2000s. Based on a data set extracted from four well-known journals, and using an upfront methodology and explicit criteria, it analyzes the literature both quantitatively and qualitatively. On the quantitative side, it shows that, although a few sub-policy areas are still neglected, ECP is not the under-researched policy it used to be. On the qualitative side, the literature has greatly improved since the 1990s: Almost all articles now present a clear research question, and most advance specific theoretical claims/hypotheses. Yet, improvements can be made on research design, statistical testing, and, above all, state-of-the-art theorizing (e.g. in the game-theoretical treatment of delegation problems). Indeed, it is paradoxical that ECP specialists do not pay more attention to theoretical questions which are so central to the actual policy area they study.

Key words: Competition policy, Methods, Research questions, Theory.
1. Introduction: motivation and definitions

This note reviews the political-scientific literature on European Competition Policy (ECP) in the 2000s, and compares it with both the ECP literature in the 1990s and the literatures on other EU policies in the 2000s. The goal is to discover whether there is enough competition in the ECP literature. Do we strive enough to identify gaps, ambiguities, and mistakes in extant works, thereby improving the quantity and quality of political-scientific scholarship? In order to address this issue, I seek to answer three more manageable sub-questions: (1) How much, (2) How, and (3) Why do political scientists study ECP?

Based on both quantitative and qualitative evidence, I find that the glass is (only) half-full. Although the ECP literature has progressed considerably since (and compared to) the 1990s, work on a few important dimensions is urgently needed. More specifically, the literature has greatly improved on three dimensions: (a) the quantity of works; (b) the definition of research questions; and (c) the connection to theory. On the other hand, we still seem unsure regarding (d) certain fundamental issues of methodology; (e) the real nature of the social-scientific theories to which we most frequently refer; and (f) the added value of focusing research exclusively on ECP.

It may be useful to motivate the discussion by a definition of ECP and some comments on its real-world importance. First, ECP consists of all ex post regulatory measures to control market power in the European common market. As such, it includes the regulation of numerous business practices: horizontal agreements (e.g. price-fixing and/or market-sharing cartels), vertical agreements (e.g. vertical price-fixing, distribution agreements, franchising), monopolistic practices (e.g. excessive pricing, predatory pricing, tying), and mergers. It also includes the supranational control of competition-distorting state subsidies, as well as measures to liberalize formerly nationalized/regulated markets. Second, ECP is one of the oldest, most central and far-reaching, and most supranational policies of the European Union (EU) and its predecessors. In fact, several practitioners, historians, and political-scientists have argued that (i) ECP was at the heart of the process of European integration ever since its inception, and (ii) different national preferences on that front were instrumental in defining the institutional architecture of European integration. (Ehlermann 1992, Karagiannis 2007, Monnet 1976: 411-12, Spierenburg and Poidevin 1993, Witschke 2009.)

Until relatively recently, the centrality of ECP in the history, politics, and policies of the EU was reflected neither in the quantity nor in the quality of the political-scientific literature. For example, in 1996 Doern and Wilks claimed that their “book stresses a political science and public-administrative approach, and in so doing has some claim to originality.” (Doern and Wilks 1996: 4). Similarly, in a survey of political-scientific analyses of EU policies from 1994 to 2004, Franchino found that “there are some worrying signs that we are spending too much time and resources on some clearly secondary policies, and ignoring core ones [such as] agriculture, competition, and free movement.” (Franchino 2005: 246). Damro argued that “Competition policy plays a fundamental, but often overlooked, role...” (Damro 2006: 867; reference in Table 1).
These views raise a number of questions regarding whether, how, and why political scientists (do not) research ECP. I seek to provide some answers by tackling each sub-question sequentially. Section 2 focuses on quantitative aspects of the literature: it describes the data set and the research methodology, it reports the results of a bibliometric count for ECP-related articles, and it finds that ECP is not anymore the unequivocally under-researched policy area it used to be. Section 3 addresses more qualitative aspects: It first sets out certain evaluation criteria to judge the quality of social-scientific work; and it then presents and discusses data, finding that ECP-related scholarship can still improve by focusing more on the connection between theory and research design. Section 4 turns to the reasons for studying ECP, makes the case for a stronger role for more rigorous theorizing, and in particular for a game-theoretical understanding of EU politics, and concludes.

2. Quantitative aspects: the increasing popularity of ecp?

Both my quantitative and my qualitative assessments are based on an upfront methodology and the definition of explicit evaluation criteria. Before presenting the results and my interpretation, I describe that methodology.

2.1 Methodology and Data Set

The goal is both to arrive at a good approximation of the real size of the ECP-related literature, and at an accurate view of that literature's place in the broader field of EU politics in the 2000s (compared both to scholarship on other EU policies, and to the ECP literature in the 1990s). For that reason I have analyzed all the articles published in four enduring and well-known publishing outlets for public policy analysis in the EU for 1989-1999 and for 1999-2009: the Journal of Common Market Studies (JCMS), the Journal of European Public Policy (JEPP, starting in 1994), the Journal of Public Policy (JPP), and West European Politics (WEP).

This sample is not representative of other political-scientific journals, European or otherwise. First, to the best of my knowledge the resulting data set covers about 80 to 85% of all ECP-related works articles published in English-speaking reviews of political science and / or public administration during the last decade. This means that any statistical inferences on the quantities involved in the ECP-related literature would be biased upwards. Second, JCMS, JEPP, JPP, and WEP are among the most highly-regarded outlets where an ECP-based paper could appear. This means that any qualitative assessment of the whole literature based on this sample would probably be biased upwards, too. Third, only one of these reviews is not highly-ranked in the ISI Social Sciences Citation Indexes (JPP).
Coding followed five instructions, which taken together bias the results upwards for ECP (i.e. they exaggerate the real proportion of ECP-related works compared to works on other policies):

1) Go through all the abstracts published in JCMS, JEPP, JPP and WEP for the periods 1989-1999, and 1999-2009. Classify each one into only one of 22 policy categories (see Figure 1), if applicable.

2) To minimize error due to conventional dates, publishing delays, and/or omission of researchers who were publishing on ECP in 1999 (or 1989) and who were therefore almost certainly active in that field in 2000 (1990), too, start the count in the year preceding that conventional start of the decade, counting 1999 twice.

3) Count articles where ECP represents at least 30% of the policy areas covered (theoretically, empirically, normatively, etc), independently of whether they appear to fall under political science and/or public administration, or not. This is to avoid opaque value judgments regarding what constitutes social-scientific inquiry, or what are the borders of various disciplines.

4) Where an article deals with more than one policy, classify it on the basis of the policy which constitutes the dependent variable. If there are more than one policies as dependent variables, count the first for the first article, the second for the second article, etc. Ignore both of these rules if ECP is either one of the main independent variables or part of the dependent variable, and then follow rule (3). The reason for that exception is that such articles do contribute to our knowledge of ECP.

5) Unless it is an ECP article, do not count articles which analyse national policies in less than two countries. This biases the results upwards for ECP (+3 articles), but it also allows to establish a list of all ECP-relevant articles, while not doing the same for every public policy with an EU component.

To illustrate, Jean Dermine’s 2000 article in JCMS (‘Bank Mergers in Europe: The Public Policy Issues.’ 38(3): 409-26) was not counted, not because it was not deemed sufficiently social-scientific, but because competition policy covered less than 30% of the analysis. Jan Zielonka’s 2007 article in JCMS (‘Plurilateral Governance in the Enlarged European Union.’ 45(1): 187-209) was classified under “Institutions/Theory” and not under “CEEC/Enlargement”, because the dependent variable was governance.

2.2 Results and Interpretation

Since 2000, JCMS, JEPP, JPP and WEP have published 602 articles on the comparative, EU-level or international dimensions of some EU policy. This represents an annual average of around 60 articles on EU policies, and a mean of around 28 articles per policy area. During the same period, 287 articles were dedicated exclusively to theoretical and/or institutional (i.e. non-public policy) issues. Both figures represent increases of about 20 percent compared to the preceding decade, but this is at least partly explained by the fact that JEPP started publishing in 1994. Figure 1 summarizes these data for 1999-2009.
The first striking feature that comes out of these data is that ECP does not seem to be any longer among the most under-researched policy areas. Whereas it was studied in 12 articles in 1989-1999 (two of which were mostly focused on the liberalization efforts of Directorates General the European Commission other than DG COMPETITION), it was the theme of 27 articles in 1999-2009. Over this the annual average was around 3 articles, with little variance (from 1 to 4). That put ECP in the 10th place among the most researched EU policies out of 21 policy areas (i.e. it was at the median). (Correcting for the upwards bias introduced by counting purely national treatments for ECP but not for other policies, the number of ECP articles is 24.) So, ECP ranks well behind “constitutive” policies such as welfare/social and EMU. But it also attracts slightly more attention than big spenders, such as agriculture and fisheries combined; and considerably more than the regulation/liberalization of telecommunications and energy (combined), or indeed other big spenders, such as structural funds. Compared to 1989-1999, this is a novelty.
A more sobering observation relates to the comparison between, on the one hand, political science and public administration, and, on the other hand, law. The centrality of ECP in the history, politics, and policies of the EU seems to be much better reflected in the main legal journals and EU law textbooks than in their political-scientific counterparts. For example, surveying the Cumulative Index Volumes 1-40 (1964-2003) of the Common Market Law Review one finds 1317 articles, editorials, and case reports. Among these, 263 (about 20%) are dedicated exclusively to ECP, making that policy the third most-studied issue, just behind “General/institutional issues” (313 articles/editorials/reports) and “Internal market” (272). The fourth most-studied category, “Commercial policy”, counts only 74 articles/editorials/reports.

A closer look at the 27 articles published on ECP in 1999-2009 reveals some additional facts. Table 1 below lists these articles, the sub-policy area on which they focus, and the broader research field of EU politics they engage with.

These data reveal several interesting facts:

• First, although no single sub-policy area monopolizes political-scientific attention, three seem to be perceived as particularly important: (1) the Europeanization of national policies, (2) State Aid as both an independent and a dependent variable, and (3) General/institutional issues, such as modernization. These subfields account for 7, 6, and 5 articles respectively (their combined share is 66%);

• Second, no particular author or institutional affiliation seems to dominate. In the 1990s, a small nucleus of authors associated with the Department of Politics of the University of Exeter (UK), clearly dominated ECP-related publications (Wilks, McGowan, Cini, Doern). Beyond them, only Mitchell P. Smith seemed to be really active in this field, in these journals. In the 2000s, by contrast, no single institution seems to be at the centre of ECP studies. Scholars from both continental Europe and the USA have joined that little community, which has therefore widened a lot. In principle, this should trigger more competitive and better scholarship.

• Third, no particular year of publication seems to dominate. Contrary to the 1990s, when there was a peak in publications around 1995 (8/12 articles were published from 1994 to 1996, with no articles from 1989 to 1992, one in 1997 and one in 1998), interest in various aspects of ECP seems to be constant and relatively sustained. Again, this stability should be conducive to more knowledge accumulation and more competitive scholarship.

• Fourth, important ECP areas which absorb much of the European Commission’s and the courts’ competition resources, and which often make media headlines, such as mergers and cartels, attract very little political-scientific attention. This is perhaps surprising, both because most authors do adopt a small-n research style, and because specific decisions offer the opportunity to map all actors, their preferences, and their interactions (Riker 1990);

• Finally, and even more surprisingly, there is not a single article on the whole sub-policy of the abuse of dominant positions (the EU term for monopoly, with a legal basis in Article 82 EC).
This analysis shows that ECP is probably not any more the under-studied policy it used to be. Considering that the data set analyzed here was constituted by coding only four journals, and no books, it is very likely that the whole body of ECP-related article-length works produced in the 2000s exceeds 40. For example, three articles that appeared in issue 30(2) of the Policy Studies Journal (2002), and various others which have appeared in journals such as Governance, were not included. Overall, these published works (should) constitute a solid bibliographic basis, offering the possibility for (a) competitive, and (b) cumulative knowledge production.

### Table 1

<table>
<thead>
<tr>
<th>Policy Area (Research field)</th>
<th>Article Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mergers (Governance/delegation)</td>
<td>Journal of Common Market Studies</td>
</tr>
</tbody>
</table>

West European Politics

3. Qualitative aspects: the glass half-empty

Assessing the quality of social-scientific work is a notoriously difficult, and partly subjective, exercise. Not only are there numerous technical trade-offs and general evaluation criteria, but the very reasons why social-scientific work may be conducted vary (and are often left implicit). Indeed, different research goals such as theory-testing, theory-development, explanation, interpretation, or even “giving voice” to under-represented groups, may best be served by different research strategies (Bates 1990, Ragin 1994, Elster 1998). For this reason, it is particularly important to be as up-front as possible regarding the evaluation criteria used.

3.1 General Evaluation Criteria

In proposing an evaluation of the ECP-related literature, I start from two assumptions: First, political science and public administrations are both social sciences, and should therefore be distinguished from other disciplines (especially current history, legal/normative analysis, advocacy, and policy-oriented commentary that simply seeks to reveal the stakes behind a given issue). Second, the predominant pluralism in political science and public administration does not translate into a view that, in terms of quality, anything goes. Rather, pluralism means that each work has to be judged according to some standard minimum criteria, plus the specific criteria applicable to the goals, theories, and methods it sets for itself – provided, of course, that it does so. According to that view, the minimum criteria are:

a) Definition of a clear and answerable research question (“research” may refer either to historical “investigation” or to more mainstream “inference”-oriented activities), or justification of why an ambiguous event really needs interpretation. This serves to separate social-scientific endeavors, and policy-oriented accounts and/or non-scientific exercises in conceptualization;

b) Engagement in a “dialogue between ideas (theory) and evidence (data)” (Ragin 1994, 2000: 7), including a dialogue with extant arguments/theses. Note that “theory” refers to social-scientific theories or models, such as functionalism, Marxism, rational choice, or social constructivism, and not to theorized empirical concepts, such as Europeanization or path dependence. This serves two purposes. First, it separates research which aims at developing specific theses with the aim of furthering knowledge, and research which either does not further knowledge, or which does so only at a very applied level. Second, social theories are more complete, complex, and consistent than theorized empirical concepts;

c) Justification of the chosen theory in terms of its logical completeness, its internal consistency, and its falsifiability, and, if possible, derive some hypotheses. This serves to separate truly theoretically-grounded works which also seek to provide micro-foundations, and works which use theories instrumentally, unselfconsciously, or non-rigorously; and
d) Discussion of the kinds of data sources and research design that best serve its purposes. This serves to separate truly scientific endeavors, and informal and/or anecdotal interpretations.

Further, it may be possible to define rationally, and more or less consensually, some general evaluation criteria which go beyond these minimum standards, and which apply to different types of social-scientific works. On the methodological front, for example, Lijphart has defined the type of research questions and the conditions under which comparativists should engage in large-N, medium-N, and small-n research respectively (Lijphart 1971); two well-known research teams have produced criteria for the evaluation of qualitative research designs motivated by the inferential discovery of causal relationships (King et al. 1994. and Brady and Collier 2004); and Ragin has defined criteria for the rigorous completion of both case studies and medium-N studies (Ragin 1994, 2000). On the theoretical front, the statement that logical completeness and internal consistency make better theories, and that formal expression facilitates the search for these attributes, is probably equally uncontroversial.

3.2 Results and Discussion

Table 2 below presents the results of an in-depth analysis of the 27 ECP-related articles published in JCMS, JEPP, JPP, and WEP since 1999, according to the criteria spelled out in the preceding sub-section.

<table>
<thead>
<tr>
<th>Journal Criterion</th>
<th>JCMS</th>
<th>JEPP</th>
<th>JPP</th>
<th>WEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Research Question</td>
<td>1, 3, 6</td>
<td>8, 9, 12, 13, 14, 15, 16, 17</td>
<td>18, 19, 20, 21, 22</td>
<td>23, 24, 25, 27</td>
</tr>
<tr>
<td>Theory and/or Hypotheses</td>
<td>1, 6</td>
<td>11, 12, 15, 16, 17</td>
<td>21, 22</td>
<td>23, 24</td>
</tr>
<tr>
<td>Theory: Completeness, Consistency, Micro-foundations</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Methodology: Research design (case selection, variation, and/or observable implications)</td>
<td>1, 6</td>
<td>13, 16, 17</td>
<td>21</td>
<td>27</td>
</tr>
<tr>
<td>Methodology: Correct research design / sophisticated data analysis</td>
<td>--</td>
<td>16, (17)</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Methodology: Possibly highest category of N available</td>
<td>--</td>
<td>16, 17</td>
<td>18, 21</td>
<td>26, 27</td>
</tr>
</tbody>
</table>

Before discussing these results, it may be appropriate to explain why certain articles are not considered to perform well on certain criteria. For example, articles 2, 11, and 26 are not considered to define a clear research question: 2 is a description of the stakes involved in a policy area; 5 is a one-sided interpretation of long-term policy developments; 11 is a “painting” of a particular historical event; and 26 is mainly a legal analysis (which may otherwise be highly accurate, original, or even innovative). Similarly, articles 3, 9, and 20 (among others) are not considered to rest on a clearly-
identified social-scientific theory which produces identifiable, unambiguous, and falsifiable hypotheses: 3 “only” refers to the empirical concept of Europeanization (though it elaborates on it); 9 “only” refers to hard and soft legal instruments; and 20 does not advance any theoretical or conceptual claims. Third, notice that, for example, article 27 makes it to the first methodological box, but not to the second: this is because the authors pursue a research design based on a combination of direct evidence and “observable implications”, but do not explicate and/or justify it at any length. Note that exclusion from a box does not necessarily affect either (a) performance on certain other dimensions, or (b) the disciplinary identity of the author(s). For example, Nikolaos Zahariadis (article 20) is a well-known social-scientist, many of whose works bear testimony to his formal modeling skills and his statistical literacy.

Again, some interesting points come out clearly from this compilation:

- First, compared to the 1990s, the ECP-related literature has converged towards the mainstream of the social sciences to a very appreciable extent. This is most visible from the vast majority of articles, which now build on a clear research question (21/27, compared to 3/12 in 1989-1999). On the other hand, this trend does not seem unstoppable: Whereas the average publication date for the 27 articles in 1999-2009 is 2004, the average publication date for those with no identifiable research question is 2006;
- 11 out of 27 articles build a sustained dialogue with some identifiable social-scientific theory, and all 11 of them do so starting from a research question. Again, this represents a very appreciable change compared to the preceding decade, when only Susanne K. Schmidt’s ‘Commission activism: subsuming telecommunications and Electricity under European competition law’ (JEPP 5(1): 169-84, 1997) and Mark Thatcher’s ‘Regulatory reform in Britain and France: organizational structure and the extension of competition’ (JEPP 1(3): 441-64) satisfied both criteria.
- More generally, 7/27 articles (12, 13, 15, 18, 22, 23, 24) satisfy exactly two criteria, 3/27 articles (1, 6, 27) satisfy exactly 3, 1/27 articles (21) satisfies exactly 4, and possibly 2/27 articles (16 and 17) satisfy exactly 5. (The present reviewer has a doubt regarding the case selection for the QCA analysis of article 17: whereas the attempted inference concerns the autonomy of independent agencies in policy-making, the selected cases concern legislative politics in the extreme situation where the law under revision is crucial to such agencies.)
- The vast majority of articles seem to ignore two big elephants in the room: statistics (be they inferential or just descriptive) and, above all, rigorous theorizing. Whereas the leading American journals in political science hardly ever go to press without a majority of articles which use advanced statistical methods and/or advanced theoretical tools (e.g. decision theory, game theory, original social-constructivist insights, etc), only article 16 makes use of (intermediate) statistics.
- Finally, the composition of these articles in terms of research themes was already presented in Section 2 above. Note here that, continuing on a research theme which was already popular in ECP-related research (and
beyond) in the 1990s, several articles focus on issues of delegation and control. Articles 1, 3, 6, 9, 10, 12, 13, 15, 17, 19, 20, 21, 22, 24, and 27 deal with such issues. Articles 1, 3, 6, 13, 19, 20, 21, 22, and 24 do so directly, but only article 13 (and to a certain extent 6, 22, and 27) contradict views of bureaucratic centrality/autonomy. And articles 1, 6, 15, 22, and 24 refer explicitly to principal-agent models.

Overall, the quality of ECP-related work from a political-scientific/public administration perspective has certainly improved. Compared to the 1990s, we are now doing normal social science, rather than para-legal descriptions of policy issues and stakeholders. On the other hand, the glass is certainly half empty: as much of European political science in general, ECP research is less quantitative, less formal, and less upfront than what is considered the best Americanist and comparative research. The final section qualifies this as a paradox, and discusses some avenues for improvement.

4. Conclusion: possible avenues to further improvement

Just like the quality of social-scientific research can decline in several different ways, it can also improve in various ways. Yet, prioritizing some ways over others often bears a distinctively subjective flavour. To minimize this, I first discuss the reasons why political scientists might want to focus on ECP, I identify the resulting paradox of specializing in a policy area full of statistics and game theory and yet not making use of these instruments in political analyses, and I then advance three recommendations for further improvements.

4.1 Focusing on ECP: Reasons and Opportunities

Although the default goal of mainstream social sciences is to try to discover causes (or, at least, correlations, similarities, or explanations – see Ragin 1994) based on as many cases as possible, some exceptionally important political, economic, or social may warrant engaging in interpretive work. Unfortunately, interesting as it may seem to scholars who specialize in that empirical field, ECP does not often lead to that kind of exceptionally important events. Hence, the reason for focusing on ECP must lie either with the methodological and/or theoretical significance of the cases presented, or with the barriers to entry in gaining a firm understanding of the political issues involved in that policy (i.e. a kind of policy-oriented “Verstehen” which can then be used to frame and inform social-scientific research on ECP).
Methodologically, ECP-related events may be significant because of the way they compare to events in (a) newer, (b) less central, (c) less supranational, or (d) less “productive” policies (i.e. policies where the Commission or the courts do not make so many decisions). Given, however, that only one of 27 articles adopts a large-N style, and does not use policy decisions as its units of analysis, reason (d) should be discarded. The remaining three reasons can be summarized by saying that ECP allows to perform a weak empirical test referred to as “crucial case study” (Eckstein 1975, Gerring 2007). For example, an argument about executive-branch independence which may be thought to be true only where the European Commission enjoys considerable decision-making autonomy would not be true for any policy if it is not true for ECP. Similarly, an argument about the Europeanization of national policies which may be thought to be true only where the EU-level policy is “constitutional”, old, and well-developed would not be true for any policy if it is not true for competition policy.

Although the “crucial case” character of ECP is probably one of the reasons why scholars choose to focus on that policy area, it is often left implicit. For example, Table 2 shows that only seven out of 27 articles explain their (or have a) research design. In addition, ECP is not the only central, old, and fully-fledged policy: several sub-programs is agriculture, the surveillance of the internal market, and commercial policy satisfy the same criteria in a comparable way (Franchino 2007: 90).

The most plausible explanation for the choice of ECP as a focus of research is therefore the “Verstehen” argument: these articles focus on ECP because their authors specialize in that policy in order to gain a deep understanding of the past, current, and future policy issues, of the various institutional and legal rules, and of the relevant actors’ preferences. This hypothesis is also supported by the observation that many authors (Aydin, Bartle, Blauberger, Budzinski, Christiansen, Damro, Kassim, McGowan, Nölke, Smith, Wigger, Wilks, Wright, Zahariadis) are well-known ECP specialists. Given that specializing in ECP cannot be justified in terms of political-scientific theories or methods, it must be that it results from these authors’ desire to combine accurate policy expertise with social-scientific goals.

It is precisely this attribute of most authors (i.e. the fact that they are competition policy specialists), which creates an interesting paradox: On the one hand, ECP literacy involves the understanding of advanced economic and econometric concepts; on the other hand, very few authors apply these concepts to their political analyses. More specifically, in the words of a prominent legal scholar, “Competition law is about economics and economic behaviour, and it is essential for anyone involved in the subject ... to have some knowledge of the economic concepts concerned.” (Wilks 2001: 1) Such concepts include “maximization”, “constrained optimization”, “strategic games”, “Nash equilibrium”, etc (Stroux 2002). In other words, they include all the necessary (and largely sufficient) instruments to perform rigorous political game-theoretical analysis. Given that this is precisely where the new generation of ECP-related works scores the worst, this paradox should guide all recommendations for further improvements.
4.2 Three Recommendations for Further Improvements

On that basis, I believe that any attempt to define the research agenda in ECP should not focus on the identification of new important events or rules. Rather, it should be guided by a desire to (a) improve the rigour of the main theoretical propositions already made in the ECP literature, and (b) exploit the synergies between ECP expertise and political science theory. This leads to the following three recommendations:

1) Much of ECP political theorizing revolves around two issues where strategy plays a very important role, namely (a) Europeanization, and (b) bureaucratic autonomy. Similarly, many articles adopt a case study approach in order to settle the point between two or more conflicting interpretations of a particular event. Both kinds of research would greatly benefit from making more explicit use of game theory, i.e. from transposing knowledge gained in studying the theory of competition policy to the analysis of political research questions. Questions which remain to be answered include: (i) when is Europeanization an equilibrium strategy? (ii) why is bureaucratic autonomy an equilibrium institution? and (iii) which interpretation of an event is more consistent with the axioms of rationality?

2) As mentioned above, several articles refer to DG COMPETITION’s policymaking powers in terms of a “principal-agent theory” (e.g. 1, 6, 22, 24; see also Wilks 2005). Yet, they all find that DG COMPETITION can “slip” and/or “shirk”, thereby imposing ex post agency costs on its political principals (e.g. the Member States). Yet, this conceptualization is precisely what principal-agent theory does not admit. Principal-Agent theory consists of a series of highly rationalistic game-theoretical models where (a) in the presence of informational asymmetries, (b) the principal selects and/or incentivizes the agent in return for a rent which is paid at the time of contracting (and not after). Principal-Agent models are not geared towards discovering whether a bureaucratic agent might slip/shirk, but towards discovering how the principals can avoid such outcomes (Laffont and Martimort 2003). Overall, where advisory committees, seconded national officials, parliamentary controls, relatively large national bureaucracies, numerous “fire alarms”, and a whole range of competing DGs coincide, informational asymmetries may be negligible, and so Principal-Agent issues may vanish. Similarly, where a contract does not offer continuous incentives and is unenforceable, the appropriate theoretical framework may be that of incomplete contracts theory or transaction cost economics, but not Principal-Agent.

3) Although the quantitative style of analysis is certainly not a panacea or a goal in itself, it remains extremely under-represented in ECP research. Because it cannot possibly be the case that all the events studied in the extant literature are “exceptionally important events in need of interpretation” (in Ragin 1994), and because inferences based on a few cases are necessarily weaker than inferences based on more cases, political scientists should use their knowledge in quantitative techniques gained by studying ECP for the purposes of political analysis, too.
References


