

Why is it worth to be a member? The consequences and implications of European Regulatory Networks

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Motivation

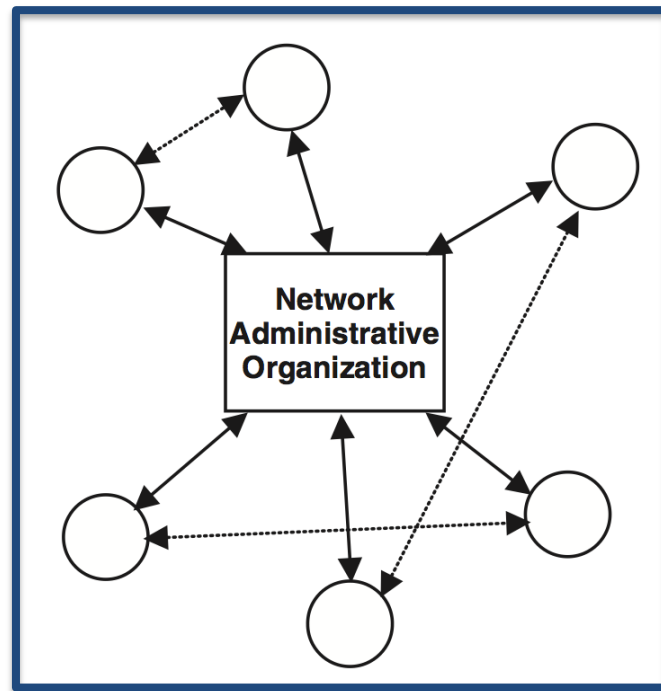
- Networks are increasingly relevant*
- Extensive literature on the effects of networks on collective outputs and outcomes**
- Lack of research on their member-level effects

*Hooghe, L. and Marks, G. (2003) “Unraveling the central state, but how? Types of multi-level governance”, *American Political Science Review*; Slaughter, A.M. (1997) “The real new world order”, *Foreign Affairs*

**Börzel, T.A. (1998) “Organizing Babylon: On the different conceptions of policy networks”, *Public Administration*; Adam, S. and Kriesi, H. (2007) “The network approach”, In P.A. Sabatier (ed.), *Theories of the policy process*

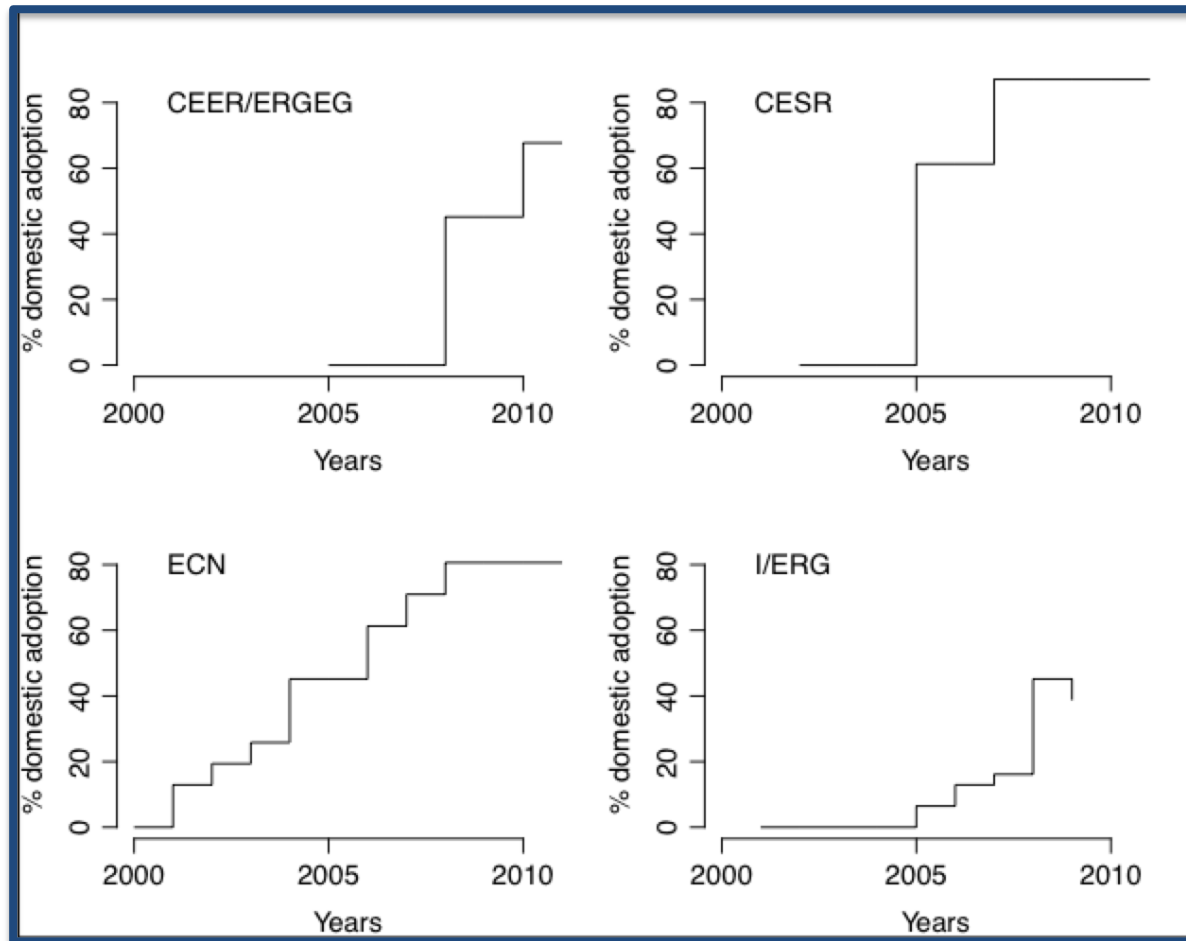
Governance networks

- Networked organizations governed by a specialized administrative entity*



*Kenis, P. and K.G. Provan (2009) "Towards an exogenous theory of public network performance", Public Administration

The case of ERNs*



*Maggetti, M. and F. Gilardi (2014) "Network Governance and the Domestic Adoption of Soft Rules", Journal of European Public Policy

The effects of membership in ERNs*

- Hypotheses:
 - ① Network membership increases the probability that regulatory agencies grow bigger
 - ② Network membership increases the probability that further regulatory powers are delegated to regulatory agencies

*Maggetti, M. (2014) “The Rewards of Cooperation: The Effects of Membership in European Regulatory Networks” European Journal of Political Research

Research design & methods

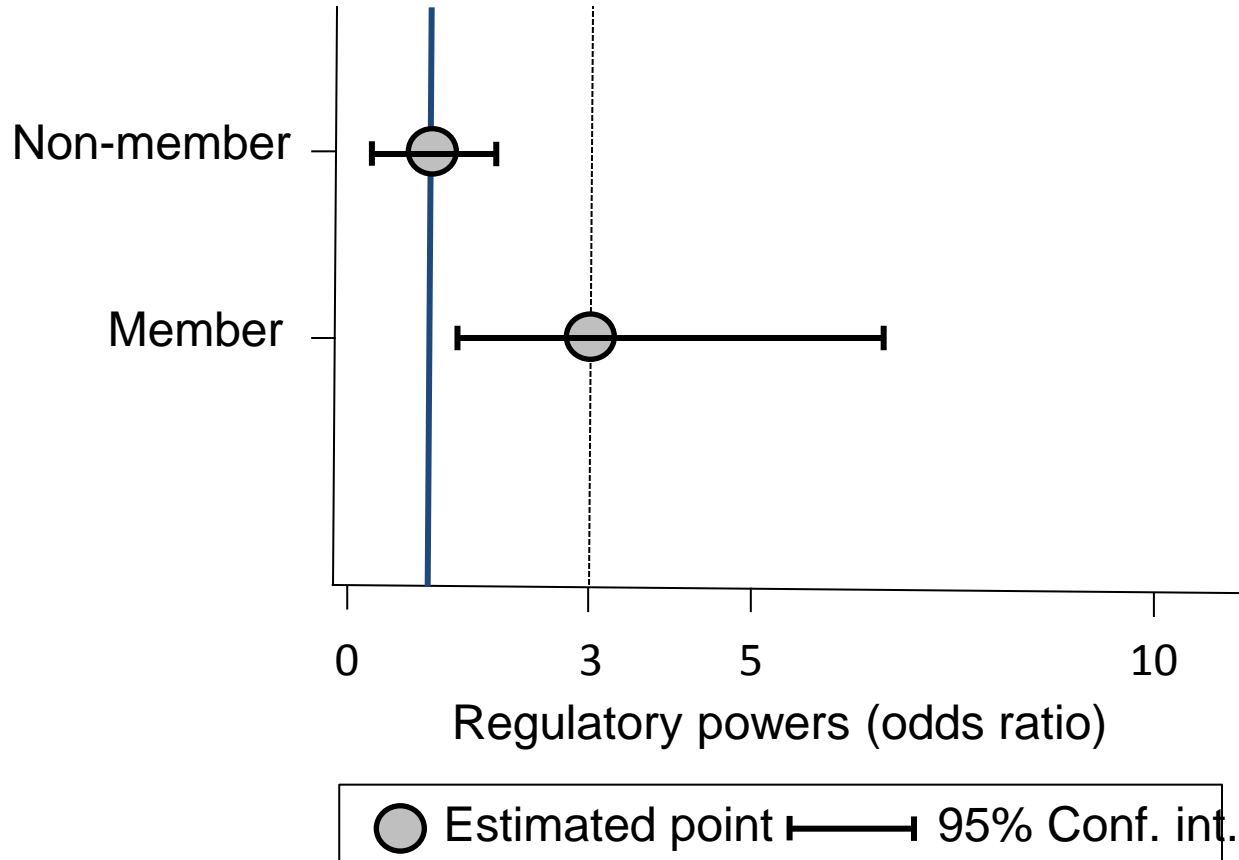
- Panel analysis of all of the 118 agencies that participated in the four main ERNs, 2001-2011
 - 1416 agency-year observations
 - DV: Organisational growth; new competencies
 - IV: Membership in networks
 - Controls: GDP, EU, VPS, previous reforms
 - Official documents + email and phone inquiry
- Qualitative analysis
 - 20 semi-directive interviews with key players

Variables	1	2	3	4	5	6	7	8
Network membership	0.32** (0.09)	0.08* (0.02)	0.08* (0.02)	0.08** (0.03)	0.82*** (0.34)	1.02*** (0.37)	1.18*** (0.40)	1.09*** (0.04)
Lag dep. variable		0.00* (0.00)	0.00* (0.00)	0.00*** (0.00)				
Log of GDP per capita		-0.12 (0.17)	-0.12 (0.17)	-0.12* (0.07)		-0.17 (0.13)	-0.13 (0.14)	-0.15 (0.14)
EU membership			0.04** (0.01)	0.04*** (0.00)			0.00 (0.00)	0.00 (0.00)
Veto players						-0.56 (1.12)	-0.30 (1.12)	-0.23 (1.12)
Previous reforms								0.23 (0.11)**
t							1.88*** (0.69)	1.89*** (0.70)
t ²							-0.32*** (0.11)	-0.33*** (0.11)
t ³							0.01*** (0.00)	0.02*** (0.00)
Network clustering	yes	yes	yes	no	yes	yes	yes	yes
Entity-fixed effects	yes	yes	yes	yes	no	no	no	no
Country-fixed effects	no	no	yes	yes	no	no	no	no
Network-fixed effects	no	no	no	yes	no	no	no	no
Time-fixed effects	no	yes	yes	yes	no	no	no	no
Random effects	no	no	no	no	yes	yes	yes	yes
N	966	771	771	771	1209	1083	1083	1083
(Adj.) R2	0.10	0.98	0.98	0.98	-	-	-	-
Prob>F	0.03	0.00	0.00	0.00	-	-	-	-
Prob>Chi2	-	-	-	-	0.01	0.03	0.00	0.00

Interpretation

- The effect of networks on organisational growth is small, barely significant and not very robust
- The effect of networks on the attribution of new competencies is large, significant and very robust (odds = 2.97 in the full model)

Main findings



Mechanisms

“It’s interesting, many [agencies] used the agreements on which we agreed to come home and say, but wait, I do not have this power, they have it in other countries, we are the only ones not to have it. And in fact, it was a great tool for member regulators, when they returned home, to see their ministry and say, we must change the law, because I cannot cooperate efficiently with other agencies if you do not give me such power. And therefore, the network has been a great tool for strengthening the authority, I would say legal and moral, of national regulatory agencies in their own country”

Implications

- Governance networks actually empower their members (and not the other way round)
- European networks can influence domestic politics by altering the balance of power in favour of their members
- Endogenous explanation for the development and institutionalization of the regulatory state

Questions

