# REGULATORY NETWORKS & REGULATORY AGENCIFICATION:

# TOWARD A SINGLE EUROPEAN REGULATORY SPACE

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# Regulatory Networks & Regulatory Agencification: *Towards a Single European Regulatory Space?*

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**Abstract:** .The European regulatory space has been expanding rapidly since the 1990s, and the idea of the single market is increasingly assessed against the idea and emergence of a Single European Regulatory Space (SERS).  Both markets and regulatory regimes in Europe are split across nations and regions; but the double movement toward a single market and a single European regulatory space is evident almost everywhere. This paper explores the role of politicians and regulators and processes of institutionalization and administrative rationalization at the EU level in order to shed light on the characteristics and the driving forces of regulatory governance in the EU. The paper begins with the question of the relations between agencies and networks in EU regulatory governance and then raises a second question, namely, what explains institutional choice in favor of agencification? An updated survey of the institutional landscape in 36 regulatory regimes of the EU's regulatory space and a comparative analysis of agencification in aviation safety and failed agencification in telecoms shed light on the dialectical relations between agencies and networks in the making of the SERS.

# Regulatory Networks & Regulatory Agencification: Toward a Single European Regulatory Space ?

The European regulatory space has been expanding rapidly since the 1990s, and the idea of a single market is increasingly assessed against the emergence of a Single European Regulatory Space (SERS). Of course, markets are still split and across nations, regions and even different neighborhoods of the same urban space; yet the dynamics toward a single European market is evident everywhere. Similarly, the multi-level, multi-spatial European regulatory space is still divided and fragmented between different types of institutions, actors and instruments on the one hand and modes of coordination and decision making on the other hand. Nonetheless, a regulatory space increasingly defines and shapes not only the European administrative order but also the future of the integration project itself.[1] The emergence, scope, characteristics, outcomes and politics of the SERS are increasingly attracting the attention of political scientists and scholars of regulatory governance (Dehousse, 1997; Thatcher and Coen, 2008; Eberlein and Newman, 2008; Lehmkuhl, 2008; Börzel and Risse, 2010; Börzel, 2010; Christensen and Nielsen, 2010; Ciara and Scott,2010).

The SERS compromises standing committees, committees of wise men, working groups, programs, task forces, ad hoc high-Level experts groups, forums, agencies, networks, Directorates-General – all operating in a multi-level and multi-spatial architecture. The expansion and diversification of the EU can be explored in various quantitative ways: via the horizontal and vertical administrative specialization and division of labor; via the growing numbers of regulations, directives and other legal outputs of the EU (Alesina, Angeloni and Schuknecht, 2005; König, Luetgert and Dannwolf, 2006); via the expansion in the number of regulatory regimes at the EU level; via the growth in the number of agencies (Groenleer, 2009; 2011; Kelemen, 2002; 2005; Dehousse, 2008; Egeberg, Martens and Trondal, 2009); and via the

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growth in the number of regulatory networks (Eberlein and Grande, 2005; Eberlein and Kerwer, 2004; Coen and Thatcher, 2008).

This paper focuses on the institutionalization of regulatory regimes and assesses the process by looking at the EU's public agencies and intergovernmental networks. It offers a survey and analysis of networks and agencies in 36 different regulatory regimes as well as a focused, case-oriented comparative analysis of the politics of agencification and networks in telecoms and aviation safety. While agencification was a marginal development before 1990, and while it started to grow in importance in the 1990s, it boomed after 2000. The first regulatory agency was established in 1975 but the second only in the 1990s. By the end of 1999 the number of agencies grew to 8; by 2007 there were 24 and by the end of 2010 there are 28 regulatory agencies covering 29 of the 36 regimes surveyed here.  No fewer than 6,857 administrative posts are assigned to these bodies in 2010, representing a significant and growing share of the EU administrative space (see also Dehousse, 2008; Wonka and Rittberger, 2010).  The cumulative budget of EU agencies for 2011 is expected to amount to about 1.5 billion euros.

The expansion and institutionalization of regulatory networks is a second interesting feature of the SERS. Regulatory networks of public officials became a popular form of EU governance in the 1990s. Their origin goes back to the 1930s and the postwar period, however. Nonetheless, within the context of the EU system, the first EEC/EU regulatory network that was identified in my survey is the network of heads of EEC central banks ("Committee of Governors") that was established in 1964.[2] The second that was identified in this survey is the TREVI network, which was established in 1975 as a secret intergovernmental policing forum in the context of domestic terrorism. These two networks are now both "dead", and two agencies – the European Central Bank (ECB) and EUROPOL – respectively are now dominating the two regimes.  This raises the question of the relations between agencies and networks in EU governance and more generally at the global level. Are networks only a preliminary step on the long road to higher and more developed forms of

institutionalization, or are they perhaps independent, stable and new regulatory actors? At the same time, we observe that until recently agencification was strongly prevalent in safety and social regulation, while networks were the instrument of choice in economic regulation.[3]

The agencification of networks in electricity and gas in 2009, and in securities, insurance and banking in 2010, suggests a trend toward agencification of the SERS. It is likely that in the coming decade agencies will be part of the regulatory space also in other economic regulation spheres such as telecoms, post, water, product safety, consumer protection, broadcasting and competition. This expectation is based partly on the observation that the demarcation lines between agencies and networks are becoming blurred at the EU level. Two hybrid organizations, a "networked agency" and an "agencified network", were identified, and demonstrate the accountability and efficacy challenges facing EU governance. While agencification proceeds and while networks are adapting, the lack of agencification and networking economic regulation in spheres such as transport (aviation, maritime and rail) and pharmaceutical, where regulation mainly focuses on safety and risks issues, is striking and paradoxical given Majone's emphasize on economic motivations in the rise of the EU regulatory State (Majone, 1994; 1997).

European agencies are usually constrained in their formal authority to regulate, and generally have limited resources; yet, it is agencies – rather than networks – that are the preferred option for the EU's institutional architects. One way to better understand the development of the institutional architecture of the SERS is to examine the institutional choices made by policymakers in deciding whether to opt for network arrangements or regulatory agencies. This line of inquiry was taken by Pierre and Peters (2009) in their study of aviation safety regulation, where they analyzed the de-institutionalization of the Joint Aviation Authority (JAA) and re-institutionalization of the European Aviation Safety Agency (EASA). Their main claim is that, in order to understand processes of re- or de-institutionalization one needs not only to undertake intra-organizational analysis but also to examine the relations between the existing institution and in its environment. The rise of agencies is analyzed as a move toward a benign form of bureaucratization and away from the "closed-club" network. The

institutionalization of the aviation agency is explained as mainly in terms of the European Commission's decision to extend and tighten its control over aviation governance and the momentum of agencification in other European sectors. Pierre and Peters' study allow us to go one step further and to ask what determines movements from networks to agencies in other cases. In order to discuss the issue, this paper compares telecoms with aviation safety and asks what explains agencification in aviation safety and an agency disguised as a network in telecoms.

The discussion proceeds as follows. The next section presents the literature and the main findings so far on the dynamics of the European Regulatory Space, focusing on the architecture of the space, that is, the institutionalization, de-institutionalization and re-institutionalization of agencies and networks of regulatory governance. The second section present the methodology, while the third presents the findings from a mapping exercise of 36 regulatory regimes and the incidence of networks and agencies within them. The fourth section explores the determinants of agencification and network governance in aviation safety and the economic regulation of telecoms. The final section concludes.

## I. Mapping the Single European Regulatory Space

State organizations, and probably organizations more generally, are notoriously difficult to capture in definitions, classifications and typologies (Wettenhall, 2003; Vidar and Roness, 2009). The EU organizations are no exception. The terrain of institutional forms is diverse and constantly changing with additional layers of complexity in what is already a complex system of governance. What an "agency" is and how a "regulatory agency" is to be distinguished from an executive agency or an advisory agency, are still contested issues in the literature, and it therefore useful to begin by contrasting three related pairs of terms: agency *vs.* network, agencification *vs.* networking and *de*-agencification *vs.* *de*-networkization.

While networks are often understood in the literature as distinct from markets and hierarchies (Rhodes, 1990; Powell, 1990; Klijn, 2008; Sørensen and Torfing, 2007; Kahler and Lake, 2009), and while agencies are often contrasted with traditional ministries (Levi-Faur and Gilad, 2004), here they are both understood and conceptualized as two distinct types of organization which differ in the extent and scope of the formalization of their decision rules; the extent of their administrative capacities; the extent of their internal hierarchies; and the existence of external principals. An agency is defined as an administrative organization with a distinct, formal identity, an internal hierarchy, functional capacities and at least one principal (cf. Pollitt and Talbot, 2004; Christensen and Lægreid, 2006). Our interest here is with special types of agencies: those that are separate from political organizations and are given specific tasks that are considered to be less political than the tasks of the parent organization or the principal. We are also mainly interested in regulatory agencies rather than agencies that are also or mainly involved with planning, administration of services, distribution and redistribution.

Regulation, both as an étatist tool of command and control and in its softer forms of civil regulation, standards, ranking and benchmarking, allows decentralization and transformation from government to governance. Regulation in a narrow sense is about the ability to set "rules'", but as an administrative capacity or activity the setting of rules is only one of at least four aspects of the regulatory process, which also includes fact finding (or information gathering), monitoring and enforcement. This paper, therefore, defines as a regulatory agency any agency that is involved with fact finding, standard setting, monitoring and enforcement (cf. Hood, Rothstein and Baldwin, 2001; Levi-Faur, 2010). It is often the case in transnational jurisdictions that the four elements of regulatory activity are divided between different organizations. Regulation is often understood as an instrument of control of a principal over his or her agent; but it is also an instrument that is used in relations between agents and between principals. In democratic, complex systems, regulation is also an instrument of control by agents over their principals. In a world where resources and capacities are embedded in organizations, regulation also involves regulation of one part of an organization on others, as well as the mobilization of third or even fourth or fifth

parties to accredit, adjudicate or monitor the interrelationships between agents. Regulation is also a type of policy that can be contrasted with at least three others, namely, distribution, redistribution and constituent policies (Lowi, 1964; 1972). To say that the EU system of governance is mainly regulatory is to say that the EU institutions mainly employ fact finding, standard setting, monitoring and enforcement, and that their regulatory tools are more significant than their distributive and redistributive tools. It is also involves the expectation that the EU will expand by deploying and extending (in both scope and depth) regulatory regimes. These regimes include institutions, rules, actors and norms that may form one single regulatory space with common characteristics and particular conventions and ways of understanding and dealing with problems and challenges.

In order to better understand the architecture of the SERS, it is useful to distinguish, therefore, between regulatory agencies according to the extent to which they fulfill the four functional tasks of information gathering, rule setting, monitoring and enforcement, and the extent to which they share responsibility with other institutions and organizations at the EU and the member-state levels. Omnipotent regulatory agency will cover all the four activities and will not share regulatory responsibilities with other EU institutions or with member state agencies and institutions; in contrast, feeble regulatory agency will be involved with only one of these tasks and will share responsibility with both member-state institutions and with the other EU-level institutions. Of course, agencies are neither omnipotent nor impotent all the time and on all issues; but, as will be demonstrated later, agencies such as the European Central Bank are often considered as powerful, while agencies that perform only an information-gathering function and share this function with other institutions are often considered as feeble.[4] In the EU's "distributed system governance" agencies are more likely to be feeble than omnipotent (Flinders, 2004). The European Central Bank is in this sense a highly distinctive institution. Yet the story of agencies and agencification cannot be told and fully grasped without reference to networks and policy networking.

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Networks are a set of relatively stable relationships of a non-hierarchical and interdependent nature which link a variety of actors (cf. Börzel, 1998, p. 254; Podolny and Page, 1998, p. 58; Ahrne and Brunsson, 2010, p. 6). Unlike agencies, networks do not have principals or administrative and independent financial capacities, their decision rules are flexible and informal, and membership of them is voluntary. The literature on policy networks distinguishes between intergovernmental and supranational networks, between public and private networks, between informal and formal networks, and between advocacy, regulatory, and strategic networks. Networks can function as agenda setters, consensus builders, coordination mechanisms, exchanges of information and knowledge, and norm setters (Martinez-Diaz and Woods, 2009). There is, however, scant literature on the question of the independence of networks and on the institutional platforms that encourage, inhibit, accommodate and challenge their independence. Bringing together agencies and networks within one framework of analysis demonstrates (*a*) how agencies replace networks, displaying an evolutionary trajectory of development in a process that might best be called the "agencification of networks" (Thatcher and Coen, 2008); (b) how agencies compete with networks and are often capable to capture them, creating what might best be called "agencified networks"; and (c) how networking empowers agencies (Martens, 2006; 2010), creating a new type of regulatory organization that might best be called a "networked agency".

"Agencification" is the process of formalizing roles and missions in organizations with spatial boundaries and formal identities, either by devolution of functions from the core organization or the creation of new organizations for performing new functions. The literature on agencification has focused so far on the agencification of ministerial units into autonomous agencies (Pollitt and Talbot, 2004; Christensen and Lægreid, 2006) but, as we demonstrate below, the EU Commission has managed to agencify networks and to turn them into mechanisms of European governance and integration, creating a hybrid organization, a potential innovation that might usefully be adopted at the global level more generally. Like "agencification", networking in the policy arena is the process of formalizing roles and missions in loose organizations in a way that bridges the gaps between insulated hierarchies to form a

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network of stable and interdependent relations. To recognize networking as a political strategy is to recognize the importance of the informal aspects of power and the ability to shape it, accumulate it and apply it outside the boundaries of formal organizations (Ansell, 2000; Slaughter, 2004). The terms "de-agencification" and "de-networkization" capture the end of the lives of agencies and networks. As we will demonstrate, agencies are more resilient than networks, which tend either to disappear or to be captured by agencies and other hierarchies.

Agencies, networks and new instruments of regulatory design are some of the most interesting aspects of the changes in regulatory governance and the reform of bureaucracy since the 1980s (Levi-Faur and Gilad, 2004). They imply new ways of policymaking, represent new venues and challenges for accountability, transparency and participation, and suggest changes in the power relations within the state administration, between types of bureaucrat, between politicians and bureaucrats and between citizens and administrators. Neither agencification nor networks are new features of bureaucratic organization; but the extent to which they have grown since the 1980s in some countries and political arenas may represent a radical change in the way the modern state is constructed and exercises its authority (Slaughter, 2004). In short, agencification on the one hand and networking on the other may serve as indicators of changes in the organization of the state, of the economy and of civil society.

## II. Methodology and Case Selection

The empirical analysis starts with the mapping of the regulatory terrain. In order to avoid selection bias in the dependent variable, the starting point is not agencies or networks but regulatory regimes. The selection of regulatory regimes is based first on a data set from Jordana, Levi-Faur and Fernandez (2011) on national regulatory authorities, which identifies 16 regulatory regimes for data collection: central banking, competition, electricity, environment, financial services, food safety, gas, health services, insurance, pensions, pharmaceuticals, postal services, security and

exchange, telecommunications, water and work safety. Twenty more regimes that were surveyed for the purpose of the paper bring the total number to 36: shipping, railways, aviation, gender, privacy, human rights, policing, drugs, justice, chemicals control, fisheries, fraud, administrative integrity, working conditions, broadcasting, network communications, intellectual property rights and trademarks, product safety and consumer protection. This selection is based on the author's reading of the literature and observation of policy discussion at the EU level and in national policymaking institutions. While wider than in other exercises, the scope of the regimes covered is not clear because we simply do not have an exhaustive list of regimes from which a random sample can be drawn.

The regimes covered often have blurred boundaries. Thus, the railway safety regime also deals with the interoperability of railways, which has direct and immediate implications for economic issues. The aviation and maritime safety regimes have more subtle implications for competition among airlines and producers of aviation equipment. Yet the existence of both regimes at the EU level should not distract us from the fact that economic regulation – mainly determining market conditions and rules of competition - is limited in these spheres, as in many others, to the authority of competition law, and does not fall under sector-specific agencies. These three examples – all drawn from the transport industry – suggest that there might be a bias in the mapping exercise and that economic regulation regimes are under-represented here. In other words, the scope of agencification and networking is likely to be somewhat less than the data collected may suggest.

Deciding what is an agency and what is a network was not as simple as one might have expected. Nor indeed are all of the agencies called "agency". Four are called "authority", another four "office" and two "centre". In other cases we have a "unit", a "supervisor", an "institute", a "foundation", an "ombudsman", and another is simply a "central bank". Only 11 out of the 28 agencies, or 40 percent, were identified are straightforwardly called "agency". The situation is similar in the organizations that were identified and classified as networks: their titles include "forum", "working

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party", "conference", "system", "advisory committee", "joint authority", "group", "council", and "platform". Only 19 out of the 51 networks identified, or 38 per cent, are straightforwardly called "network". There are nine Committees, seven Groups and four Forums.

The extent to which an agency or a network is indeed regulatory is not easy to determine. Agencies' mission statements and legal mandates are determined by negotiations and political compromises, and negotiations do not necessarily prioritize analytical clarity. Neither agencies nor network necessarily stick to their mission statements and therefore we took here a different approach. If  a regime was regulatory in nature (the EU system of governance is indeed predominantly regulatory), and if its major function is not the direct distribution or provision of goods and services, then for the purpose of this study, agencies and networks that act in it, were classified as regulatory. Agencies that collected information for the purpose of fact finding, rule setting, monitoring and enforcement were defined as regulatory. Agencies whose major function was administration, research or service provision were not included. Examples of agencies and policy spheres that were not regulatory and therefore were not included in the list of regulatory agencies are the European Training Foundation, the European Centre for the Development of Vocational Training, the European Satellite Centre, the EU Satellite Center, the GNSS Supervisory Authority, the Executive Agency for Competitiveness and Innovation (EACI), and the Education, Audiovisual and Culture Executive Agency (EACEA). A complete list of the agencies that were identified as regulatory in the European administrative space is available on the author's website.

In each of the cases included, the type of regulation was identified. A distinction is commonly made between economic regulations and social regulations. Economic regulations include those that aim to shape the organization and the governance of the market. They can be constitutive (in Polanyi's sense) or corrective, that is, directed toward market failures such as monopolies and cartels.  Social regulations include those that aim to shape the organization and the governance of the social aspects of

human life. They include subtypes such as safety regulation, health regulation, integrity regulation, moral regulation, rights and environmental regulation. Again not all agencies fall into clear-cut categories. Maritime safety agencies operate systems promoting safety and preventing pollution. The regulation of fisheries is not only about conservation but has important economic dimensions. The regulation of broadcasting has moral, social and economic aspects that are hard to disentangle. Another relevant distinction is that between sector-specific regulation (for example, the regulatory regime for telecoms or workplace health) and multi-sector regulation where an agency had responsibilities beyond one sector (for example, environmental and consumer protection, labor conditions and antitrust regimes). For our purpose it is also important to distinguish between EU regulation of second parties (such as European businesses or member states) and EU regulation of its own conduct (so-called regulation inside government; see Hood et al., 1999). As we will see, most of the regulatory regimes surveyed here are implemented by EU institutions over external actors (second party), but OLAF (the European Anti-Fraud Office) and the European Ombudsman regulate other EU institutions.

## III. The Rise of Agencies and the Capture of Regulatory Networks

Table 1 (see at the end of the paper) provides a comprehensive overview of the findings on EU agencies and networks. An agency was identified in 29 of the 36 regimes that were explored (this count includes one agency that covers both electricity and gas, so the number of regulatory agencies identified is 28). European agencies do not exist in seven of the regimes surveyed – namely, broadcasting, competition, telecoms, water, post, product safety and consumer protection; in these regimes networks are the preferred form of institutionalization. Agencies were identified in 8 of the 11 economic regulation regimes (73 per cent) and in 21 of the 25 other regimes (84 per cent). As noted in the previous section, this relatively high degree of agencification is somewhat exaggerated and should be treated cautiously. Nonetheless, it is clear that regulatory agencies represent a significant – probably *the*

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most significant – group in the process of agencification at the EU level.[5] Twenty-eight of the 50 agencies that were identified in the survey have a regulatory role. As is common in the EU regulatory space, this role was shared with the corresponding unit in the European Commission and with a multitude of actors, networks and committees that together are shaping the regulatory regime. EU regulatory agencies tend to retain a stable organizational identity. None of the agencies was dismantled while still young, and the two changes in organisational identity that have occurred so far were in the context of role expansion.

Fifteen of the agencies that were identified in the survey were established between 2001 and 2010; another 11 between 1990 and 1999 and 1 in 1975. The agencies vary considerably in size of staff and budget. In the largest group of 16 agencies the annual agency budget ranges from 5 million to 25 million euros and the number of staff from 30 to 175. In a second group of 7 agencies the annual agency budget ranges from 36 million to 70 million euros and the staff from 170 to 440. Finally, in the smallest group of 4 agencies – European Medicines Agency (EMEA), Europol, Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) and the ECB – the annual agency budget ranges from of 100 million to 400 million euros, and the staff from 470 to 1,500. While the total budget of the EU regulatory agencies approaches 1.6 billion euros, it is minuscule compared with the regulatory budget of the US Federal agencies (with the notable exception of the ECB, which has a similar budget and staff to the Federal Reserve). In terms of both their ability to set rules and their financial and human resources, US federal agencies such as the Securities and Exchange Commission, the Environmental Protection Agencies, the Federal Aviation Agency and the Food and Drug Administration are bigger and more resourced than EU agencies.

Altogether, the survey identified a total of 50 intergovernmental networks. Some of these networks were dismantled and replaced by new ones. In 28 out of the 36 regimes (77 per cent) there was at least one active network. These figures probably underestimate the number of informal and ad hoc networks because of their short life

span and the fact that they tend to escape public and academic attention. In some cases, such in the environmental regime, more than one network was identified. The extent of networking (or networkization as an institutional design) is outstanding and points to a model of agency that might best called a "networked agency". To advance environmental standards, the European Environmental Agency (EEA) collaborates with at least five different networks. Some of the five enjoy more formal status than the others. The Environmental Protection Agencies (**EPA**) network is an informal grouping bringing together the directors of environment protection agencies and similar bodies across Europe. The network exchanges views and experiences on issues of common interest to organizations involved in the practical day-to-day implementation of environmental policy. The **Eionet,** established in 1994, is a partnership network of the EEA and its member and cooperating countries. The European Union Network for the Implementation and Enforcement of Environmental Law **(IMPEL)** is an international non-profit association of the environmental authorities. IMPEL was set up in 1992 as an informal network of European regulators and authorities concerned with the implementation and enforcement of environmental law (Martens, 2006). The European Network of Heads of Nature Conservation Agencies (**ENCA-Network**) was established to strengthen nature conservation in the European Union by enhancing cooperation between its members. Finally, European Environment and Sustainable Development Advisory Councils (**EEAC)** aims to enrich the quality of policy advice at national and regional levels by exchanging information with colleagues from other countries and "to exert, where appropriate, an influence on policy developments at EU level by acting cooperatively". Two more intergovernmental environmental networks exist in connection with DG environment rather than the EEA: **GreenForce** (conservation practitioners) and the **Green Spider Network** (environmental information officers).

Some of the networks were established outside the scope of the EU but gradually were attracted and reoriented into the EU policy arena. This is the case with aviation safety but also policing, post, telecoms and broadcasting. The only regime in our survey that included a network outside the scope of the EU and with no EU-oriented counterpart is that of rail transport, where an early form of institutionalization in the

form of The Working Party on Rail Transport (est. 1951) existed as a network in the United Nations Economic Commission for Europe (UNECE) .

While the image of a network is that of an informal voluntary forum of exchange and advice, the findings here reveal that agencies and the European Commission are making considerable investments in creating networks and in institutionalizing them as their agents.  In most of the 50 agencies identified here only 17 (34 per cent) were identified as independent networks, meaning that they controlled their own agendas and operated with their own members' financial resources.  One example of a network that was not independent is the European Regulators Group for Postal Services (ERGP). This network was established recently by the Commission. Its existence, procedures and institutional design were established by a Commission Decision (2010/C 217/07) on the basis of directives on the internal market in general and postal services in particular. The decision determines the name of the network, its membership, its operation and its meeting expenses.  All four tasks that are defined by the decision make the Commission the target or major principal of the network.  The network's budget will be set by the Commission, and the network is obliged to submit an annual report of its activities to the Commission.  A similar legal style of networkization is evident in all financial regimes, telecoms, energy, competition, justice and crime.

The case of the postal services regime is an example of the institutionalization of networks that is so broad that a new hybrid institution, which we might call an "agencified network", should be recognized. The degree of institutionalization – formalization of decision rules, administrative capacities, formal hierarchy and the existence of an external principal of the network – suggests that we need to rethink the relations between hierarchy and networks and to recognize the extent to which networks can be institutionalized as agents in global and European governance. While only one "networked agency" (the EEA) was identified in the survey, it is possible to identify at least five similar cases, such as the Committee of European Securities Regulators (CESR0), the Committee of European Banking Supervisors (CEBS), the

Committee of European Insurance and Occupational Pension's supervisors (CEIOPS), the Body of European Regulators in Electronic Communications (BEREC) and the Agency for the Cooperation of Energy Regulators (ACER). In each of these cases the new institution seems to be a temporary solution in the Commission's and supranationalists' quest for agencification. In the three cases of finance (CESRO, CEBS, CEIOPS) an agency was already established, replacing the "agencified network" form. In one case (ACER) the agencification was so advanced that it is codified as an agency in Table 1 (see at the end of the paper). The differences are ones of degree; and what is important is to identify trends and processes.

In most of the cases networks coexist with agencies; yet, as will be demonstrated, in some cases agencification implies *de*-networkization. For example, the Joint Aviation Authority (JAA) will be almost completely dissolved as soon as the aviation safety agency is finally able to take over its functions. The same will probably happen following the recent establishment of the three new agencies in banking, securities and insurance. Another example of dissolution is the EU network of independent experts on fundamental rights.

Coexistence and intensive cooperation are evident in some other cases as well. For example, networks exist around the office of European Ombudsman and energy and workplace health agencies. Yet in most cases agencies are substitutes for networks. In telecoms, for example, network organization – in a much enhanced form – was the compromise arrangement after the failure of the Commission to establish a regulatory agency. Table 2 presents the data on the coexistence of networks and agencies (as of November 2010) in the 36 regimes surveyed. As can be seen from the table, in 15 of the 36 regimes networks and agencies exist but in most of these cases the networks are not independent from the agencies. In a similar number of cases (14 of the 36) only an agency exists. In seven of the regimes only a network exists. There is no regime without either an agency or a network, although the extent of the institutionalization of the water network is very low, and the railways transport network exists outside the EU.

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**Table 2: Networks and/or agencies in 36 regimes**

| | | Agency | |
|---|---|---|---|
| | | Yes | No |
| Networks | Yes | 15 of the 36 regimes (42%) | 14 of the 36 regimes (39%) |
| | No | 7 of the 36 regimes (19%) | 0 of 36 regimes (0%) |

# IV.   Comparative Agencification: Telecoms vs. Aviation Safety

In order to help assess the politics of the SERS, this section compares a successful case of agencification with a case of repeated failure to create a full-fledged, assertive regulatory agency, resulting in the turn to an "agencified network".  Safety regulation in aviation was for many decades provided by a network of senior national bureaucrats who, on a consensual basis, drafted regulations that were inserted in their respective national regulatory frameworks (Pierre, 2009; Pierre and Peters, 2009; Schout, 2008a; 2011). This regulatory regime was transformed: the network was mainly dissolved (leaving a training office in The Hague) and the EU regulatory agency is nowadays the major organization that steers and coordinates EU aviation safety. With an annual budget of 102 million euros and a staff of almost 500, it is also one of the largest agencies of the EU (fourth in terms of budget and fifth in number of

staff). In telecoms, by contrast, successive attempts to create a regulatory agency failed and networks increasingly became the major locus of regulatory decision making (Sutherland, 2008; Simpson, 2009). To some extent this is a paradox because the EU Commission had already started to proceed toward harmonized rules in telecoms in the mid-1980s, and it was in telecoms that the EU made much capital promoting the vision of the "information society" (Levi-Faur, 1999; Goodman; 2006; Michalis, 2007). Unlike with telecoms, the Commission is a latecomer to the field of aviation safety, and had more and greater difficulties with aviation (Kassim and Stevens, 2009; Woll, 2006). Yet it still managed to dissolve a long-standing network of aviation safety experts and to create an agency. In what follows, I first provide the background to the governance of European telecoms and aviation safety, and then provide an analysis of the actors and factors that shaped the different outcomes. I conclude with an analysis of the implications of the different institutional structures of the two sectors.

Unlike aviation safety, in Europe and elsewhere the telecoms industry has experienced radical regime change since the 1980s. Throughout Europe and the world, with a few notable exceptions, telecoms sectors that had been publicly owned for many decades were privatized. State monopolies that were directly run by Weberian bureaucracies in the form of a state administration and supervised by a cabinet minister were sold to private buyers. New telecommunications providers gained entry to the growing electronic communications market, and ministries that in the past had been the service providers, the regulators and the policymakers found themselves in a position where they kept, at best, only their policymaking function. A new bureaucracy – a regulocracy in the form of independent regulatory agencies – was born and a new type of public servant, independent of political supervisors, appeared as a powerful player in the telecoms policy network. These new actors, with a domestic power base in their respective home countries, formed an independent network of European regulators whose influence in the field grew in a parallel manner to that of the EU Commission.

A notable attempt (though not the first to be proposed) to create a European agency to regulate the so-called single European market in telecoms was made in the late 1990s (Goodman, 2006). It was followed in the early 2000s by a proposal to establish a permanent Communications Committee, COCOM, which would be a comitology committee consisting of national representatives and chaired by the Commission and a pan-European regulator (Michalis, 2007; Groenleer and Kars, 2008, pp. 12–13). These initiatives stalled again and again. More recently, at the end of 2007 Viviane Reding, then the Commissioner responsible for communications, promoted the establishment of a telecoms agency, the European Electronic Communications Market Authority (EECMA) (Sutherland, 2008; Simpson, 2009). This agency would be primarily advisory and was described as a "specialized and independent expert body". The Commission would retain the power to take decisions on most issues (Groenleer and Kars, 2008, p. 14). Nonetheless, these efforts, too, failed, and by way of compromise the telecoms regulatory network – the European Regulators' Group (ERG) – was renamed the Body of European Regulators in Telecommunications (BERC). Its powers and responsibilities were integrated formally into European law, expanding the degree and scope of hierarchy, formalization, principalization and administrative capacities of the network, turning it into an "agencified network".

What explains these different results? One explanation that we can reject outright is that of crisis followed by public outcry. Crises create obvious opportunities for change that policy entrepreneurs exploit to promote their institutional solutions in the face of the forces of the status quo and competing interests and priorities. Thus, the European Food Safety Authority was established in 2002 following a series of food crises in the late 1990s; and the European Maritime Safety Agency was established after the *Erika* tanker ran aground and polluted large parts of the French coast (Groenleer, Kaeding and Versluis, 2010). Yet this line of explanation has absolutely no validity in our cases. In both cases, regulatory change and suggestions for reform did not result from a safety or a technological or an economic failure. In both aviation and telecoms sectors, technological and economic advances and (to some extent) efficient regulatory structures made it possible to promote important social and economic goals such as aviation safety and the rolling out of sophisticated communications networks.

This of course does not mean that public outcries in response to policy crises and catastrophes are not important factors and perhaps critical factors in the agencification process. It just means that in the two cases under study they were probably not critical. The only way I can see to bring the twin processes of catastrophe and public outcry into the picture is to exceptionalize aviation safety agencification or even treat it as *sui generis* and to argue that in the absence of crisis agencification is unlikely to happen. This of course requires us to treat telecoms as the paradigmatic or at least a representative case.

As said, crises create opportunities; but for what? Why would we expect this particular solution – agencification – to be chosen rather than others? Sociological institutionalists and diffusion theories may help us to provide another explanation here. The script of an agency – small, open, transparent and accountable – becomes a dominant form of good governance and is diffused from one sector, one country and one level of governance to another. Here agency is the solution for everything: a fad or a fashion (Levi-Faur, 2002; Jordana, Levi-Faur and Fernández, 2011). Yet again, while this account may prove useful in explaining the turn to agencies and the growth in their number, it still falls short of explaining the differences between our two cases. If there were an institutional script, and if institutional scripts were important, why didn't it lead to agencification in the case of telecoms? The limits of institutional sociological explanation in this case are more troubling because in telecoms agencification is the norm. Most countries in the world now have a regulatory agency for telecoms, while aviation safety in many countries still seems to be organized under ministries. Again, as with crises and public outcries, the limits of the sociological institutionalists' explanation in this case do not suggest that this explanation is not useful in most cases. But it requires us to view telecoms as the outlier or the exceptional case.

Can functional explanations account for the different results? On the assumption that agencies are superior to networks, are functional demands more important in aviation safety than in telecoms? The answer to this question is negative or at least not that

clear. The institutional design of the European aviation safety agency was not clearly superior to that that of the previous network (Schout, 2011). Perhaps more important was the fact that the governance arrangements in aviation safety functioned well if we measure them against the number or percentage of safety failures. While the commissioners involved made similar arguments in the two cases for the great benefits associated with a unified regulatory structure, the advantages in telecoms are clearer. A better-unified European telecoms market, where telephone calls over landlines or mobiles from Germany to Italy and from Greece to Sweden cost the same as domestic calls, would be a great advantage and a significant step in the direction of European integration. In short, if anything there is a stronger functional rationale for a telecoms agency than for an aviation agency.

Another line of explanation would be to view the Commission and the Parliament as the forces that drive the agencification process. The stylized narrative would start with the reluctant and hesitant view of the Commission with regard to agencies and the constitutional constraints as expressed by the Meroni ruling, and would then progress to the Commission's change of mind and its interest articulation. Indeed, it is clear that the Commission was an important actor in the promotion of most agencies and that as a supranational actor it invested significant capital in setting the framework for the constitutional and well-ordered framework for the process of agencification. Moreover, it is the Commission that in both our cases proved to be the force behind the effort to agencify the two spheres. This is not of course to suggest that agencification is always in the interests of the Commission, nor is it the case that the Commission is at all interested in strong agencies. It is to say that in both cases the Commission behaved as expected. Parliament, however, did not support telecoms agencification. Current research on this issue is limited, and why, and which members of, the Parliament opposed the agencification is not clear.

We have little information also on the role on business. While Pierre and Peters (2009) note the support of passenger operators and aircraft manufactures for the aviation safety agency, the role of the telecoms business in the failed attempt to

agencify is not clear. Nonetheless, if we are to assume that European telecoms operators in various European markets are extracting significant revenue in the form of network connection fees, then we might assume that the telecoms industry prefers the status quo to a European agency. This is convincing but to some extent exaggerated. The regulatory networks in telecoms are lively but the issue did not experience the high politicization and degree of social conflict that will entice business to be active and forward looking on general issues of institutional design. The elephant in the room of the SERS is that it did not experience the same degree of social conflict that characterized the emergence of the American regulatory state.

A more convincing explanation of the different outcomes requires us to look not at the role of business but at the role of national regulocrats, who now have considerable autonomy in running their national telecoms markets. This requires us to look inside the black box of the member states and to identify the domestic actors that may create effective coalitions at the European level. In the last two decades telecoms regulators have achieved considerable autonomy. An agency at the European level may degrade their role or oblige them to enforce policies against the interests of domestic actors. This might have been the case also in aviation; but then, the extent of agencification in aviation is limited. Aviation experts are still under ministerial control and could not defend their autonomy in the same way as telecoms regulocrats could. Indeed, as suggested by Schout (2011), one reason why ministers of transport and their bureaucrats supported agencification was to regain control over safety experts. The emerging analysis – which should be subject to a deeper investigation – suggests that the lack of business support for a telecoms agency and the opposition of national telecoms regulocrats are the major factors behind the failed agencification. While the support of the Commission for agencification is critical, it was not enough in the case of telecoms. It might not be enough in other economic fields, too.

# V. Conclusions

The patchwork of regulatory institutions, instruments, committees, observatories, directives, rules and networks at various levels and arenas that together make up the SERS is diversifying and expanding. The scale, depth and scope of agencification create the world's largest and probably most complex transnational regulatory system. The European regulatory system is constantly changing and reinventing itself in order to keep pace with Europeanization, liberalization and market integration on the one hand and new and old risks and occasional economic, social and environmental crises on the other. As demonstrated in this paper, and in line with the work of scholars of both agencies and of networks, there are increasing pressures for agencification and expansion of regulatory power in the SERS. Agencification is not, of course, a guarantee of successful Europeanization, especially given the small size of the EU regulatory budget when compared with that of the federal government in the US. Moreover, it is neither the sole nor the most effective mechanism of governance. Yet it is fast becoming a dominant form. The extent of agencification across the regimes examined here is surprising, even though regulatory institutionalization is lagging in some important regulatory spheres and despite the likely selection bias in the choice of the 36 regimes. While the EU Commission's repeated efforts to promote a European regulatory agency for telecoms have so far failed, and while the existing agencies have limited independence and limited scope of responsibilities, the dynamics is clearly in favor of agencification. Networks, both in their "captured" form and in their "independent" form, seem to allow the agencies and the Commission to deal flexibly with institutional constraints that are more limiting to their formal sphere of authority.   Still, from the point of view of democratic governance, accountability and effective steering, the "network" agency in the form of the EEA seems a more suitable model of governance.

The European Union's system of governance is the most developed and progressive transnational system in the world. In this regard it is important not only in its own right but also as a laboratory for trends in governance more generally.   This paper opens a window on the study of emerging global systems of governance via the study

of the emergence of European agencies and their relations with networks. Let us conclude with three insights. First, behind the peculiarities of the path of regulatory institutionalization in the EU, there is an evident paradox. The early agencification in the fields of risk and safety creates supranational administrative capacities that are in conflict on the one hand with the liberal principles of the EU (Weale, 1999, p. 37) and on the other hand with Majone's portrayal of the European regulatory state as driven mainly by economic efficiency and managerialism (Majone, 1994; Simon, 2010). If agencies indeed represent progress toward administrative rationalization, and if the major goal of the EU is rationalization of the governance of the single market, then why are agencies still lagging in the field of economic regulation? A look into the black box of the "member state" suggested that the attitudes and interests of independent regulators in the member states – and not necessarily politicians – are critical factors in the establishment and scope of the responsibilities of the agencies.

Second, the literature on the SERS has so far focused on the EU's internal dynamics and decision-making process. This uncovers the debate on the proper balance between the EU institutions and between the EU and the member states. Yet the political cleavage between social democrats and conservatives, or more generally between right and left, is a central issue in the study and history of state regulation and administrative rationalization more generally. The debate at the European level and the scholarly analysis so far tend not to emphasize this aspect and to converge on the domestic institutional balance. This insight requires us to analyze the question of the administrative architecture of the European regulatory space not only as the outcome of conflicts between proponents and opponents of EU integration but also as the outcome of conflicts between proponents and opponents of regulation. A comparison of the growth of the EU regulatory system with that of the US might be useful here. The intense social, political and class conflict that characterized the creation of the US regulatory state in four waves from the end of the nineteenth century until the 1970s is simply missing in Europe. Social movements with an interest with strong and effective regulatory structures, progressive leaders, "prophets of regulation" (McCraw, 1984) and business opposition are all clearly absent. Also absent is a grand visionary project on the scale of the Tennessee Valley Authority (TVA), which for

decades and until nowadays served as an example of progressive politics. No wonder that the impressive achievements of the EU are deplored as the results of the "politics of stealth". This also partially explains why agencies at the EU level have far fewer resources and much more limited capacities than US federal agencies.

Third, and finally, the study of the SERS sheds some interesting light on the debate about the role of networks and soft instruments in the governance of the EU.  Here the antagonists debate the extent to which the EU governance mix rests on hierarchies, markets or networks (Börzel, 2010). The rapid expansion of agencies on the one hand and the capture and legalization of networks by the European Commission on the other probably confirm Colin Scott's (2002) assertion that the Commission is maintaining its long-standing preference for instruments of control premised on the centralized exercise of hierarchical power.  Such power might be useful as a mechanism of control but it may come at a price of alienating outsiders, provoking aversion toward the EU's policy style and further depoliticizing the process of Europeanization.

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## Table 1: European Regulatory Agencies & Regulatory Networks

| N r. | Regulatory sphere/ Type of regulation | Regulatory agency | | | Regulatory network | | |
|---|---|---|---|---|---|---|---|
| | | Agency name | Est. year | Budget M€ | Staff | Network name | Est/death year | Independence |
| 1 | Social order / Justice | The European Union's Judicial Cooperation Unit (EUROJUST) | 2002 | 23.3 | 175 | European Judicial Network | 1998- | Council network |
| 2 | Social order/ Crime | European Monitoring Centre for Drugs and Drug Addiction (EMCDDA) | 1993 | 14 | 107 | European Crime Prevention Network | 2001 | Independent |
| | | | | | | The European Information Network on Drugs and Drug Addiction (Reitox) | 1993 2003 2006 | Agency's network |
| 3 | Social order/ Policing | European Police Office (EUROPOL) | 1995 | 64 | 605 | TREVI | 1975-1992 | Independent |
| | | | | | | Informal meeting of the Chiefs of Police of the European Union | 2010 | Na |
| 4 | Security/ Communication (networks) | European Network and Information Security Agency (ENISA) | 2004 | 8 | 102 | | | |
| 5 | Social order/ Security & migration / | Agency for Management of Operational Cooperation at the External Borders (FRONTEX) | 2004 | 70 | 198 | Frontex Risk Analysis Network (FRAN) | 2006 | Agency's network |
| | | | | | | European Migration Network (EMN) | 2003 | Commission's network |
| 6 | Environmental risk (general) | European Environment Agency (EEA) | 1990 | 36 | 169 | European Environment Information & Observation Network (Eionet) | 1994 | Agency's network |
| | | | | | | Network of the Heads of Environment Protection Agencies (EPA) | NA | Independent |
| | | | | | | EU Network for the Implementation and Enforcement of Environmental Law (IMPEL) | 1992 | Agency's network |
| | | | | | | European Environment and Sustainable Development Advisory Councils (EEAC) | 1993 | Independent |
| | | | | | | European Network of Heads of Nature Conservation Agencies (ENCA) | 2007 | Independent |
| | | | | | | GreenForce (Conservation practitioners ) | 2005 | Under dg environment |
| | | | | | | Green Spider Network (environmental information officers) | 1995 | Under dg environment |

| # | Domain | Agency | Year | | | Network | Year | Type |
|---|---|---|---|---|---|---|---|---|
| 7 | Environmental risk (fisheries)/ | Community Fisheries Control Agency (CFCA) | 2005 | 8.5 | 49 | | | |
| 8 | Environmental risks/ safety (chemicals) | European Chemicals Agency (ECHA) | 2006 | 21 | 358 | | | |
| 9 | Human health risks (medicines) | European Medicines Agency (EMEA) | 1993 | 173 | 565 | The European Heads of Medicines Agency Regulatory Network | 1996 | Independent |
| 10 | Safety (Health at Work) | European Agency for Safety and Health at Work (EU-OSHA) | 1994 | 15 | 64 | The European Network for Workplace Health Promotion | 1996 | Independent |
| 11 | Safety health (disease ) | European Centre for Disease Prevention & Control (ECDC) | 2004 | 41 | 64 | | | |
| 12 | Safety health (food) | European Food Safety Authority (EFSA) | 2002 | 66 | 389 | The European Food Safety Network | 1999-20xx | Independent |
| 13 | Safety / product safety | None | | | | The General Product Safety Directive (GPSD) Committee | 1997- | Commission's network |
| | | | | | | The Consumer Safety Working Party (CSWP) | 1998-2008 | Commission's network |
| | | | | | | Product Safety Network (PSN) | 2004-2008 | Commission's network |
| | | | | | | Consumer Safety Network (CSN) | 2008- | Commission's network |
| 14 | Communication (Broadcasting) | None | | | | European Platform of Regulatory Authorities | 1995 | Independent |
| 15 | Rights/ consumer protection/ | None | NR | | | Euroguichets | 1992-2005 | |
| | | | | | | Network for the extra-judicial settlement of consumer disputes (EEJ-Net) | 2001-2005 | Commission's network |
| | | | | | | The European Consumer Centers Network (ECC-Net) | 2005 | Commission's network |
| 16 | Rights (gender) | European Institute for Gender Equality | 2006 | 7 | 34 | Expert Forum | 2009 | Agency's Network |
| 17 | Human rights | European Fundamental Rights Agency (FRA) - previously EUMC | 2007 | 15 | 31 | *EU network* of independent experts in *fundamental rights* (CFR-CDF) | 2002-2007 | Commission's network |
| 18 | Rights (Privacy) | European Data Protection Supervisor | 2001 | 5.4 | 35 | European Conference of Privacy Commissioners | 2004 | Agency's network |
| | | | | | | Data Protection Working Party | 1995 | Agency's network |
| 19 | Transport safety/ Maritime | European Maritime Safety Agency (EMSA) | 2002 | 47 | 181 | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 20 | Transport safety/ aviation | European Aviation Safety Agency (EASA) | 2002 | 102 | 467 | European Civil Aviation Conference | 1955- | Independent |
| | | | | | | Joint Airworthiness Authorities | 1970-1987/90 | Independent |
| | | | | | | Joint Aviation Authorities (JAA) | 1987/90-2007 | Independent |
| | | | | | | Joint Aviation Authorities - Transition (JAA-T) | 2007- | Independent |
| 21 | Transport safety/ railways | European Railway Agency (ERA) | 2004 | 18 | 116 | The Working Party on Rail Transport | 1951 | Unece's network |
| 22 | Integrity (Fraud) / | European Anti-Fraud Office (OLAF) | 1999 | 57 | 438 | OLAF Anti-Fraud Communicators Network | 2001 | Agency's network |
| | | | | | | the Advisory Committee for the Coordination of Fraud Prevention (COCOLAF) | 1994 | Agency's network |
| 23 | Integrity (Admin)/I | European Ombudsman | 1992 (1995) | 9 | 63 | The European Network of Ombudsmen | 1996 | Agency's network |
| 24 | Social regulation / Labor market | European Foundation for the Improvement of Living and Working Conditions EUROFOUND) | 1975 | 20 | 97 | | | |
| 25 | Economic regulation/ property rights (trade marks) | Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) | 1993 | 319 | 643 | | | |
| 26 | Economic regulation/ Property rights (new plants)/ | Community Plant Variety Office (CPVO) | 1994 | 12.6 | 45 | | | |
| 27 | Economic / Competition (Antitrust) | | | | | European Competition Network | 2002 | Commission's network |
| 28 | Finance (Central Banking)/ Economic Regulation | European Monetary Cooperation Fund | 1973 | | | Committee of Governors | 1964-1994 | Independent |
| | | European Monetary Institute | 1994-98 | | | European System of Central Banks | 1994- | Agency's network |
| | | European Central Bank | 1998 | 401 | 1563 | | | |
| 29 | Economic regulation/ Finance (securities) | European Securities and Markets Authority (ESMA) | 2010 | 14.2 | 43 | Group of Chairmen | 1990s-1997 | Independent |
| | | | | | | High Level Group | 1990s-1997 | Commission's Network |
| | | | | | | Forum of European Securities Commission (FESCO) | 1997-2001 | Commission's Network |
| | | | | | | Committee of European Securities Regulators (CESR) | 2001-2010? | Commission's network |
| 30 | Economic regulation/ Finance (banks) | European Banking Authority (EBA) | 2010 | 12.5 | 40 | Committee of European Banking Supervisors (CEBS) | 2003-2010? | Commission's network |

| 31 | Economic regulation/ finance (social insurance) | European Insurance and Occupational Pensions Authority (EIOPA) | 2010 | 10.5 | 40 | Committee of European Insurance and Occupational Pension's supervisors (CEIOPS) | 2003-2010? | Commission's network |
|---|---|---|---|---|---|---|---|---|
| 32 | Economic regulation/ Utilities (electricity ) | Agency for the cooperation of Energy Regulators (ACER) | 2009 | 5.1 | 40 | Florence Forum for Electricity | 1998- | Commission's network |
| | | | | | | The Council of European Energy Regulators (CEER) | 2000- | Independent |
| | | | | | | European Regulators Groups for Electricity and Gas | 2003- | Independent |
| 33 | Economic regulation/ Utilities (gas) | | | | | Madrid Forum for Gas | 1999- | Commission's network |
| | | | | | | The Council of European Energy Regulators (CEER) | 2000- | Independent |
| | | | | | | European Regulators Groups for Electricity and Gas | 2003-2010 | Commission's network |
| 34 | Economic regulation/ (utilities) Telecoms | None | NR | | | Independent Regulators Group | 1997-2011? | Independent |
| | | | | | | European Regulatory Group | 2002-2010 | Independent |
| | | | | | | Body of European Regs in Electronic Communications [BEREC] | 2009- | Commission's network |
| 35 | Economic / (utilities) Water | None (To Some Extent the EEA) | NR | | | Informal Meetings of the Water and Marine Directors | 2000 | Commission's network |
| 36 | Economic/ (utilities ) Post | None | NR | | | European Regulators Group for Postal Services (ERGP) | 2010 | Commission's network |

**NA:** Information not available

**Note:** where available and relevant the table presents the existence of previous networks. The "historical" survey is not exclusive.

**Sources:** Groenleer (2009); Christensen and Nielsen (2010); Wonka and Rittberger (2010); agencies' annual reports, email questionnaires for agencies and networks; EU budget books. Budget data for 2008 except for the agencies that were established in 2010. In these cases the data refer to the proposed budget for 2011

[1] The expansion of the European regulatory space is one important dimension of the expansion of the European Administrative Space (see Olsen, 2003; Egeberg and Curtin, 2008; Heidbreder, 2010). An administrative perspective on European Integration may help develop new and refreshing insights on the subject.

[2] The oldest network in the survey is the railways network (est. 1951), which is organized from the UN Economic Commission for Europe and therefore outside the EU jurisdiction.

[3] There are exceptions, of course. The European Central bank, the Community Plant Variety Office (CPVO) and the Office for Harmonization in the Internal Market (OHIM) represent three agencies in economic regulation.

[4] As suggested by Thatcher and Coen (2008), it is also useful to distinguish between three types of agencies. First, European regulatory agencies (ERAs) enjoy double formal autonomy, both from the Commission and from national regulatory agencies. Examples include the European Food Safety Authority, the European Agency for the Evaluation of Medicinal Products, and the European Aviation Safety Authority. Second, federal European regulatory agencies have powers to make rules and set standards for implementation throughout the EU, but still share authority with lower-level or national regulatory authorities. One notable example for such an arrangement is the Federal Communications Commission (FCC); this body shares responsibilities with member states' agencies, which are usually structured in the same manner. Third, a single European regulator (SER) may be described as the sole supranational body responsible for regulation. The closest analogous body is the Securities and Exchange Commission (SEC) in the US, which regulates the US securities markets.

[5] Agencification also encompasses service provision, distributive functions and research management (Groenleer, 2009; Egeberg and Trondal, 2009).