Is Competition Policy Worth It?

An ESRC Research Centre
CCP CENTRE FOR COMPETITION POLICY
Newsletter

Issue Number 7
November 2004

Editor: Catherine Waddams
Editorial Assistant: Rupert Sheldon

Director's Letter ***Catherine Waddams***

Is Competition Policy worth it? asked Professor Paul Geroski in his address inaugurating the new ESRC Centre for Competition Policy (CCP) at the University of East Anglia on September 14th. He went on to produce some convincing and measurable benefits as examples of the positive impact of competition policy. From 2003-2007 the CC's mobile phones remedy alone would yield between £325 million and £700 million to consumers – compared with the CC's costs of £2.5 million for this case or even its total costs of £25 million a year.

Professor Paul Geroski and UEA Chancellor Sir Brandon Gough.

The CCP's own research for the Department of Trade and Industry (DTI) explores other success stories for competition policy, as Steve Davies and Matt Olczak show in their article on the next page. But as both the DTI study and the article in this newsletter on energy markets show, success stories are not always so straightforward, and judging the effect of competition can be complex. Pat Barrow discusses the challenge to Information Systems of identifying representative views in newly deregulated markets, and the implications for consumers, consumer watchdogs and other stakeholders. And Lindsay Stirton identifies the potential contribution of political science to understanding the evolution of sector specific regulation. We look forward to making our contribution to understanding these challenges and the appropriate policy response through the Centre's research programme.

CCP INAUGURAL CONFERENCE

January 19th 2005,
University of East Anglia, Norwich.

1.00 - 1.30	Registration
1.30-2.15	Professor John Vickers; *Chairman of the Office of Fair Trading*
2.15-3.00	Lars-Hendrick Röller; *Chief Economist of DG Competition*
3.00-3.30	Refreshments
3.30-4.15	Christopher Bright; *Partner: Shearman & Sterling London*
4.15-5.00	Presentation of current work by members of CCP
5.00 Onwards	Refreshments and informal discussion

For More Details See our Website at www.ccp.uea.ac.uk

PhD Students Workshop

A one week workshop for PhD students and recent graduates on Competition Policy.

27th June 2005 to 1st July 2005.

Including a two day conference on the economic, legal and political science aspects of establishing and measuring credibility in Competition and Regulation authorities on June 28th and 29th.

Keynote Speakers:
Roger Noll – Stanford and
Tim Besley – LSE.

in this issue.....

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The Benefits from Competition: Some Illustrative UK Cases

Steve Davies and Matt Olczak

As economists, we are schooled, almost from the academic cradle it might seem, in the benefits of competition. And, although experience might caution most of us against advocating unfettered competition in all circumstances, the basic belief remains more or less intact. However, a search through the academic journals reveals remarkably few studies devoted to what might seem a very simple question for the layperson: "in practice, what sorts and magnitudes of benefits accrue to society when competition is introduced into a particular market?"

Over the past year, a team of CCP economists, Professor Steve Davies and four doctoral students, have compiled a report for the DTI which is designed to answer just this question. The challenging task set for us, by the DTI, was to assemble, over a short period of time, a small number of case studies which illustrate, in a non-technical way, the benefits of introducing competition into UK markets in which, previously, it had been absent or muted. This article reports a brief summary of some of our findings[1].

Six illustrative cases

The first task was to decide on a set of appropriate cases to investigate. Given the small number and time constraints, we made no attempt at a random selection, preferring instead to conduct a small email survey of friends and colleagues from academia and the UK competition authorities, asking them for their opinions on which markets they perceived had benefited recently from the introduction of beneficial competition. Although we received a large number of different suggestions, there appeared to be something of a consensus that certain cases were 'success stories'. The cases eventually selected were among the most common suggested by the respondents, and although the sample is not necessarily representative of the population as a whole, we attempted to ensure that it includes a number of different forms of competition-enhancing 'events': retail opticians, international telephone calls, the Net Book Agreement, passenger flights in Europe, new cars and replica football kits.

All six cases took place within the last decade with the exception of retail opticians, where deregulation and in particular the removal of restrictions on advertising and entry occurred in the mid 1980s.[2] In 1996 deregulation of the UK telecommunications industry ended the duopoly period in the market for international calls, by facilitating subsequent entry. This case highlights the potential importance technological change can play in promoting competition. In 1995 the ending of the Net Book Agreement removed a vertical restraint, which had previously constrained the retail price of books by preventing any bookseller from setting a price below that chosen by the publisher. The liberalisation of the European aviation industry in 1997 facilitated entry and thus enabled low-cost or 'maverick' firms to establish a position in the industry. In addition this case provides a European angle rather than purely focusing on the UK. The new cars case considers the impact of both a Competition Commission report (2000) into the use of vertical restraints imposed by car manufacturers on retailers and the forthcoming changes in European legislation. Finally the most recent of the cases examined considers the impact of the 2002 OFT investigation into price-fixing in the UK replica football kits market and therefore provides an example of the direct consequences of competition policy. In this case the recent powers given to the OFT by the Competition Act (2000) enabled them to obtain substantial evidence of price fixing and impose considerable fines on the infringing firms. The cases selected therefore cover both the removal of government imposed restrictions on competition (perhaps imposed in the past to prevent some perceived adverse side effect of competition), such as in the European aviation industry; and strategic market power enhancing activities of incumbent firms, such as the price fixing in the replica football kit market.

Effects on prices

In each of the cases, our starting point was to establish the effect of the relevant intervention on prices. The evidence shows that in some of the cases the introduction of competition can lead to substantial reductions: in the markets for international telephone calls and European economy airfares, average prices more than halved in the decade after the intervention.

In the replica football kit case, prior to their investigation, the OFT found that football shirts were generally priced at £40 for adults and £30 for juniors. A price survey conducted as part of our own research shows that, despite the fact that some retailers continue to set these high prices, average prices have fallen dramatically in the 2 years following the OFT intervention, and the range of prices offered is now considerable (table 1).

Evidence on new car prices in the UK shows that the announcement of an investigation and a subsequent report by the Competition Commission both lead to significant reductions in prices (*figure 1*).

Table 1 Prices of Replica Shirt (UEA survey, 2003/2004)

Replica Shirt	Minimum	Average	Maximum	Observations
Manchester Utd (Adult)	30.00	35.50	40	15
Manchester Utd (Junior)	17.50	26.50	30	13
Chelsea (Adult)	29.99	34.00	40	10
Chelsea (Junior)	17.50	24.94	30	9
England (Adult)	24.00	32.94	40	17
England (Junior)	17.50	25.15	30	13

On the other hand, in both the Net Book Agreement and the retail opticians cases, the evidence on prices is far less conclusive. At least in part, this appears to be due to difficulties in obtaining detailed and reliable price data.

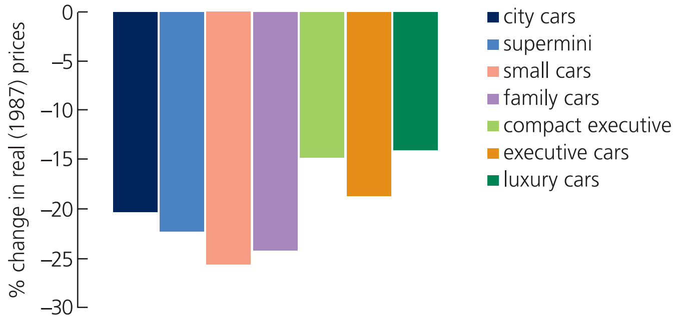

Figure 1 *Change in Alliance & Leicester price index by market segment, 1998-2003*
Source: http://www.allianceleicester.co.uk/smartermotoring/carpriceindex/

Competition is multifaceted

However, the case-studies illustrate that competition is not just about price: non-price factors are also usually an integral part of the competitive process. Competition may stimulate new ways of doing things and/or significant improvements in product quality and consumer choice. These factors are generally unpredictable *ex-ante* and often difficult to measure *ex-post*. However these and other possible changes that occur in the industry as a result of introducing competition may be extremely beneficial to consumers. One example is the entry of low cost airlines following the liberalisation of the European aviation industry. Consumers now not only benefit from lower prices but also a greater choice of airlines, routes, quality of service and more convenient travel times. A second example is the changes in retail book outlets that have occurred since the Net Book Agreement was abolished. Retail outlets have now increased stock holdings and arguably provide more amenable stores. Thirdly, following deregulation of the retail opticians market, casual observation suggests that the quality and variety of spectacles available has increased dramatically; spectacles have become a fashion commodity for many consumers and consumers now have increased choice.

Adverse side effects?

Often in the cases studied it was initially feared that some adverse effects would result as a consequence of the intervention. It was therefore also important, especially in the cases in which sufficient time had passed since the intervention, to examine whether these adverse effects had actually materialised. Examples of such initial concerns include worries about reduced safety in the airline industry and reduction in the quality of service provision in the car industry. In these two cases there has been no evidence of these problems occurring. In contrast however, in the retail opticians case, fears were raised that following deregulation fewer eye tests would be conducted due to the introduction of charges for a significant proportion of the population. The evidence confirms that at the time of deregulation a reduction in the number of sight tests conducted did indeed occur, followed by a return to the pre-deregulation growth rate, albeit from a lower base.

Competition can be enhanced in a number of ways

This project was not designed explicitly as an assessment of competition policy – the very small number, and non-randomness, of the sample makes any such grand objective impossible. Nevertheless, the sample does include clear examples of where competition policy has 'worked': replica football kits, new cars and the removal of the Net Book Agreement. Equally important however, even this small sample emphasises that competition policy *per se* is not the only source of new competition. Deregulation/liberalisation was the driver in airlines, opticians and phone calls. Sometimes, of course, new opportunities are made possible by rapid advances in technology, such as in the international telephone calls market.

The role of entrepreneurs

The sample also highlights another important factor: in many cases, it was essential that a pool of resourceful entrepreneurs were available, to enter or act from within the market, and exploit the changed market conditions. In the airline industry for example the entry of Ryanair and Easyjet had a significant effect and likewise in the international telephone calls market firms such as Onetel have had an important influence.

Conclusion

Overall, taking into account all the evidence on prices, innovation, product improvement, and the lack of evidence of adverse side effects, we believe that at least five of the six cases are classic examples of the successful introduction of competition. The one possible exception is retail opticians, where the evidence on prices and a reduction in the number of sight tests suggests that this case is far less clear cut.

But it should always be remembered that markets evolve over time, and competition should always be viewed as a long run process. Just because an impediment to competition is removed at one point in time, this does not necessarily mean that the market concerned will remain competitive for ever more. For example, it is not uncommon, in markets which are liberalised or deregulated, to observe an immediate surge of competition-enhancing new entry. However, it is also often the case, subsequently, that the industry undergoes a period of intensive consolidation – merger and exit of the inefficient – leaving an industry which becomes increasingly concentrated over time (retail opticians in our sample is such a case). With that subsequent concentration may come fears of a long-run softening of competition. Our case studies are generally too recent to provide any hard evidence of this possibility, but the importance of frequent monitoring of markets is clear.

[1] The full report can be found on the DTI webpages at: http://www.dti.gov.uk/economics/economics_paper9.pdf

[2] In most of the cases it is difficult to provide an exact date for the intervention, the dates provided are therefore for illustrative purposes only

Do Competitive Energy Markets make Rising Energy Prices Worse for Poor Consumers?

Catherine Waddams

Britain was one of the first countries to introduce competition into retail energy markets, a process helped by falling world energy prices, and a gas incumbent handicapped by long term contracts struck below the prevailing spot price. Now that energy prices are rising again, will the competitive market make things worse for low income households? Will the vulnerable suffer more, now that price regulation has been removed? We look at evidence, some reported in previous editions of this newsletter, which suggests that the main issue may be the general competitiveness of the market, rather than the relative prices charged to different consumers, often the focus of previous concern.

When competition first threatened, the incumbent suppliers' immediate response was to rebalance prices in favour of higher income direct debit payers. They maintained that other prices did not adequately reflect the costs; they needed to lower prices to direct debit customers to meet the better deals which they expected entrants to offer in these markets. The result was to reduce the bills of these consumers relative to others - by over £14 per year in gas and £4 a year in electricity between privatisation and 1996 when the markets opened[1]. Commentators were particularly worried about households using prepayment meters, whose income was well below the average, and who saw their relative prices rise even before any entrants came into the market.

When electricity competition started in 1999, companies entered each others' regional markets. Here their prices were not regulated and they could choose a price structure which reflected the relative costs of serving consumers using different payment methods. A company entering any market had to offer all payment schemes. Companies offered much deeper discounts for direct debit payers, compared with the prepayment tariffs, as entrants than they did in their home markets, where the regulator controlled prices. This did not augur well for prepayment customers once the price caps were removed, and there was widespread concern from the consumer watchdog and others that prepayment consumers served by incumbents would see their prices rise once *ex-ante* regulation was withdrawn.

Despite these fears, five years later, two and a half years after all price caps were removed, we find that prices are rising no faster for prepayment meter users than for others; indeed if anything they are rising more slowly. One of the five major consolidated electricity companies has lowered the price for prepayment *relative* to direct debit in its home areas, where it still retains about 60% of the market, and the other four have not changed the differential. The companies seem to have changed their behaviour as entrants, too. Between 1999 and 2004 three of the six[2] major suppliers have reduced the relative cost of prepayment, one has increased it and the other two have made no change. In November 2004 Powergen announced that it was cutting the prepayment premium across the board, while raising the general level of its prices. Perhaps these changes are because suppliers are very sensitive to comments and potential adverse publicity from regulator, consumer watchdog and media[3]. This may be acting as a 'surrogate cap' on the relative prices charged for tariffs used mainly by lower income groups, particularly in the region where the supplier is still dominant.

Even though low income consumers have not suffered as much as was feared from tariff rebalancing in the competitive market, they are more vulnerable to increases in general energy price levels because they devote a higher proportion of their income to energy expenditure. In 2002 the average expenditure by the poorest tenth of households was nearly 6% of their income, while that of the richest tenth was less than 2%[4]. Energywatch[5] estimates that 3 million people are in fuel poverty (spend or need to spend more than 10% of their income on energy), and Help the Aged maintains that another half million are added for every 10% rise in fuel bills[6]. If removing regulatory constraints means that prices might rise more than they otherwise would have done, the poor will suffer most.

There are some worrying signs that considerable market power does remain two and a half years after the last price caps were removed. Incumbents are still able to charge a considerable premium over other companies. Their incumbent power would be constrained if consumers actively switched to cheaper suppliers, but many believed that the incumbent would match the lower entrants' prices[7], and many of those who did switch chose more expensive suppliers[8]. These results do not suggest a vigorously competitive market. Of course rising energy bills may galvanise consumers to seek better deals, contributing directly to more effective competition.

However even if more active consumers succeed in preventing incumbents from charging more than entrants, they may not be able to prevent a concerted raising of prices in the market. There are now only 6 significant players, and three market leaders. They share an interest in keeping prices well above costs, and market conditions make this feasible, without any need for explicit collusion. This small number of companies interacts repeatedly in 14 regional electricity and one national gas market; the product is homogeneous and the companies of a similar size; they are required to publish their tariffs to facilitate informed consumer switching, and the regulator regularly publishes assessments of the market to assess the health of competition, making it easy for companies to keep an eye on each other. Rising world energy prices provide a perfect excuse for companies to raise their own prices, and they frequently signal their intention to do so through public statements about rising costs. We have seen that any increase in fuel prices has the most severe impact on the lowest income groups, and seriously threatens the Government's target of reducing fuel poverty. The regulator is right to examine these issues in its latest market review[9] as prices continue to rise across the board. Controlling market dominance will yield benefits for all consumers, but especially for the poorest who have to spend more of their income to heat, light and power their homes.

1 Distributional Effects of Liberalising UK Residential Utility Markets by Catherine Waddams Price and Ruth Hancock, Fiscal Studies, Vol 19, Number 3, 1998
2 British Gas is an entrant in electricity, but not an incumbent in that market
3 Social Obligations and Economic Regulation; Coincidence or Conflict – A Report on the UK Energy Supply Industry by Diane Sharratt, 2003
4 A Report on the 2002-03 Expenditure and Food Survey, ONS (2004)
5 Press release 2nd November 2004
6 Reported in The Guardian, 3rd November 2004
7 Consumer Choice and Industrial Policy: A Study of UK Energy Markets by Monica Giulietti, Catherine Waddams Price and Michael Waterson, Revised Version of CCR Working Paper 01-5, 2003
8 Spoilt for Choice by Catherine Waddams Price, CCR working paper 04-1, 2004
9 Domestic Competitive Market Review, Ofgem (2004)

MA in Competition & Regulation Policy

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Regulation by Directors General and Independent Commissions: The Political Dimension

Political science will play a central part in CCP's research agenda over the next five years. Here *Lindsay Stirton* examines the contribution that this discipline can make in an area traditionally dominated by lawyers and economists.

In 1987, when the UK privatisation of utilities was at its zenith, Cento Veljanovski claimed:

> "There has been little serious discussion in the privatisation debate about the way the new economic regulation should be administered. Most of the attention has focussed on the legal detail and the general form of the controls that should be imposed on the utilities."[1]

This neglect was all the more surprising since the creation of statutory offices of Directors General, each responsible for a single industry, and supported by a non-ministerial government department was one of the distinctive features of the Conservatives' privatisation programme, and one which has been imitated, more or less closely, in other Commonwealth countries such as Jamaica and Botswana.

Following the election of the New Labour government in 1997, there has been a marked shift from regulation by Directors General towards multi-person regulatory commissions, often accompanied by a broadening of jurisdictional responsibility. The Office of Communications has replaced five separate media and communications regulators, while the Gas and Electricity Markets Authority has replaced the Directorates General of gas and electricity regulation. In transport, the functions of the Office of the Rail Regulator were transferred to the Office of Rail Regulation, while outside the utilities sectors, the complex statutory and self-regulatory arrangements for financial regulation have been replaced by the Financial Services Authority.

Arguably this represents a return to a more traditional form of administration, despite occasional claims about the present government's preoccupation with the 'new'. For example, a cross-sectoral regulatory commission, the Railway and Canal Commission was established in 1888; before this, regulation of the railway sector was undertaken by the single-sector Railway Commission. That decisions of this sort, regarding the scope of the regulator's responsibilities, as well as the appropriate *governance structure* for the regulator are political as well as legal can be seen from the contrasting styles of the present Labour and previous Conservative governments.

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In spite of a proliferation of literature on regulation from the disciplinary perspective of public law, including important book-length contributions from Ogus, Prosser, and Baldwin & Cave[2], all of which note the variety of institutional forms through which regulation is administered, there is relatively little discussion of why different forms have been chosen at different times (though these sources have more to say about which principles ought to inform such choices). Without denying the importance of these contributions, public lawyers still have work to do in responding to Veljanovski's challenge. Recent developments in political science, as well as from earlier scholarship, point in interesting directions.

Former New Zealand Treasury Secretary, Murray Horn, building on an earlier argument of Richard Posner, has argued that the scope of the regulator's responsibilities is intimately connected with the ability of legislative 'principals' to control their 'agents', the regulators[3]. The more narrowly defined the responsibility, the easier it is for Parliament to monitor and influence performance. If there is anything to this argument, then the shift towards a multi-sectoral communications regulator, and combining responsibility for electricity and gas regulation might be thought to weaken accountability to Parliament.

Similarly, the Conservatives' rejection of the regulatory commission structure was based on a belief that regulation by Directors General would increase answerability and minimise 'legalism'. Though its ancestry is not always acknowledged, the doctrine that administrative responsibility should be vested in "single-seated functionaries" goes back to Bentham. Not only, for him, did the performance of board members themselves diminish when hidden by the screen of collective accountability, but (more importantly for Bentham) so did the performance of subordinate functionaries. Furthermore, the common practice of staggering appointments often meant that retiring members were re-appointed by their fellows, perpetuating poor performance[4]. More recently, it has been argued that regulation by independent commissions, whose members are appointed on fixed and staggered terms makes it more difficult to effect policy change through changes in personnel[5].

Why then, would the Labour government have made these two changes, given that the effect has arguably been to diminish accountability 'upwards' and control 'downwards'? And if there are good reasons for such changes, why didn't the Conservatives establish the initial regulatory institutions in this way in the first place?

The first question is perhaps easier to answer: delegation to an independent regulatory commission with a broad jurisdictional responsibility increases the credibility of a government's policy commitments. Changes which, from a purely 'technical' point of view look like an erosion of political control and accountability, may reassure investors and consumers alike that regulatory policy will not change unexpectedly. Given the high sunk costs and asset specificity associated with network industries, it is necessary for governments to signal their commitment to regulation that does not undermine the ability of utilities to deliver a level of profit which is attractive to investors. Equally, service users will reward governments with electoral support only if they believe that improvements to their position are likely to endure.

This line of explanation also offers clues as to why a Labour rather a Conservative government would be responsible for reforms designed to increase credible commitment in this way. Part of the answer may be that, having imposed a 'windfall tax' on the privatised utilities, for Labour, credibility was in short supply, at least as far as investors were concerned. It may therefore have been worthwhile to trade less control for greater credibility. Another possible explanation is that the Conservatives, who spent much of the twentieth century in office, and regarded themselves as the "natural party of government", would attach comparatively lower priority to ensuring the longevity of their policies. Labour, on the other hand, resigned to long periods of opposition, would place a premium on the ability to 'hardwire' their policies, so that they would endure when they were no longer in government. But if, as some pundits have asserted, the traditional situation has reversed and Labour is now the natural party of government, the 'hardwiring hypothesis' would lead us to expect their enthusiasm for independent regulatory commissions with broadly-defined jurisdictions to diminish.

The foregoing sketch, though impressionistic, suggests two important ways in which a political science perspective can contribute to the analysis of competition and regulation policy. First, political scientists can contribute to improved policy through a better understanding of the consequences of alternative agency designs. Second, through a more nuanced understanding of the calculus of regulatory choice, political scientists can contribute to a better interpretation of regulatory legislation consistent with the intentions of the enacting legislature.

1 Veljanovski, C. (1987). Selling the State: Privatisation in Britain, London, Weidenfeld and Nicolson, p. 174

2 Ogus, A. (1994). Regulation: Legal form and economic theory, Oxford, Clarendon Press; Prosser, T. (1997). Law and the Regulators, Oxford, Clarendon Press; Baldwin, R. & Cave, M. (1999) Understanding Regulation: Theory, strategy and practice, Oxford, Oxford University Press

3 Horn, M. (1995) The Political Economy of Public Administration, Cambridge, Cambridge University Press, p. 44

4 Schaffer, B. (1973). 'The Idea of a Ministerial Department: Bentham, Mill and Bagheot' in The Administrative Factor, London, Frank Cass, pp. 6, 8

5 Horn, op. cit. p. 44

Information Systems, Stakeholder Participation and the Deregulated Markets

Pat Barrow

The discipline of Information Systems (IS) can best be described as the study of where a computerised information system meets its human and environmental context. Although the natural tendency is to perceive a computer-based information system as primarily a technical system, the balance of opinion has recently moved away from this perspective towards the view that it is "....a social system, which has embedded into it information technology"[1]. Contributions to the discipline come from the natural sciences, mathematics and engineering, from the behavioural sciences and linguistics. In that respect it is often labelled a fragmented adhocracy[2], neither a hard science nor a social science, using research approaches found across the ontological and epistemological spectrums[3]. This can be seen as a peculiarly British and Scandinavian perspective; the situation is markedly different in, for instance, the US and Germany where the discipline takes a more positivist business school and software engineering perspective respectively. Its importance as a discipline is arguably in its consideration of the social context of computer-based information systems, in particular the users and wider stakeholders who are affected by them and whose influence over them is substantial. The active participation of the user and stakeholder element has been relatively poor in information systems development (ISD) to date and this has contributed in no small part to the staggeringly high levels of failure of the systems delivered. Ideally, those with a vested interest or 'stake' in a system should be actively involved in the formative and summative stages of development[4,5] so as to heighten their sense of ownership and to ensure the resulting system reflects their needs. In smaller systems developments, where stakeholder numbers are generally more manageable, such participation is relatively unproblematic, although still subject to the problem of effective consensus-building and perhaps political pressures from the organisation or beyond. In larger-scale developments, where stakeholder populations may run into hundreds, thousands or even millions, allowing them active and meaningful participation in the decision-making processes is technically, logistically and politically tricky, and there are few guidelines as to how this could be achieved fairly or successfully. Participation in large-scale systems is therefore a huge challenge to the IS practitioner and academic alike and very little practical work has been done to date.

Stakeholder participation is gaining increasing coverage in a wide range of other interventions and the discipline of IS can learn much from the mechanisms successfully employed in other fields. Increasingly, government and industry bodies are being asked, or required, to involve a broad range of stakeholders in their decision-making processes, for example in the deregulation of various markets, so as to understand diverse stakeholder views, to protect consumer interests, and to facilitate the development of the markets. Such participation has already taken place in the energy markets in Ontario[6] where stakeholders were included in a range of complex consultations. Although the Ontario example did not involve the development of a computer-based IS, it is highly likely that computer-based information systems, e.g. the web, will increasingly be used to disseminate important consumer information. In 2002 energywatch commissioned the development of a web-based information system to disseminate information to consumers about various energy suppliers, based upon the results of extensive stakeholder consultation. The idea was to identify the issues that mattered to consumers and provide that information electronically so consumers could make informed choices about suppliers. It is unclear, however, how far the eventual system reflected the results of that consultation. From an IS perspective, this raises important questions as to the quality of the mechanisms through which consumers and other stakeholder groups are involved in such exercises. Are they ritualistic and empty exercises? Is such participation actually feasible, given its scale? What kind of influence should/do the various stakeholder groups have in such processes, and should/does that influence continue as the various markets evolve? Given that the consumers should in theory be the prime beneficiaries from deregulation, are they actually the main beneficiaries from systems designed to facilitate it, and, if not, which other stakeholder groups are? These are important questions, both for stakeholder groups, and for those disciplines like IS which are likely to struggle with not dissimilar problems in trying to develop computer-based information systems in increasingly large-scale and geographically-dispersed problem domains with large stakeholder populations.

The lessons learned from this work are of interest to those studying the mechanics of the various markets, and to those who hope to facilitate more representative and democratic practice in large-scale IS development in future.

1 Land, F.F., The Information Systems Domain., in Information Systems Research: Issues, Methods and Practical Guidelines, R.D. Galliers, Editor. 1992, Blackwell Scientific Publications

2 Hirschheim, R., H. Klein, and K. Lyytinen, Exploring the Intellectual Structures of Information Systems Development: A Social Action Theoretic Analysis. Accounting, Management and Information Technology, 1996. 6(1/2): p. 1-64

3 Barrow, P.D.M. and H.E. Thomson. Choosing Research Methods in IS. in 2nd United Kingdom Academy of Information Systems (UKAIS) Conference. 1996. Southampton, UK

4 Avgerou, C., Evaluating Information Systems by Consultation and Negotiation. International Journal of Information Management, 1995. 15(6): p. 427-436

5 Barrow, P.D.M. and P.J. Mayhew, Investigating Principles of Stakeholder Evaluation in a Modern IS Development Approach. Journal of Systems and Software, 2000. 52: p. 95-103

6 Gregory, R., et al., A Multi Channel Stakeholder Consultation Process for Transmission Deregulation. Energy Policy, 2002

Expanded CCP Retains Focus

The Centre for Competition Policy (CCP) has expanded on the foundations of the Centre for Competition and Regulation (CCR), established at UEA in 2001. While its new status as an ESRC Research Centre has led to a name change, the focus of its research remains broad competition policy, including behavioural remedies to market power delivered through *ex-ante* regulation. Like CCR, CCP is a collaboration between economic, legal and management faculty at UEA, and will develop an explicit Political Science strand to its research. This will be led by Dr Hussein Kassim, on part time secondment from his role as Senior Lecturer at Birkbeck College, University of London. Most of the faculty continues from CCR membership, and we welcome Dr Alexandre Gaudeul as a new economics member; and Dr. Pat Barrow from Computing Science; Tina Chang joins the Centre as a Post Doctoral Fellow; Matt Olczak joins Laurence Mathieu as a Research Associate; and Lucy Moore Fuller completes the administrative team, with Laurence Wild and Rupert Sheldon. Catherine Waddams is now full time Director of the Centre.

Three new PhD students have joined the Centre: Pinar Akman and Andreas Stephan from Law and Luke Garrod from Economics. A new doctoral student sponsored by the School of Management will join the Centre in the New Year. The Centre will continue to make appointments to Research Associate and Post Doctoral positions over the coming year.

Meanwhile the research programme itself is well underway with some joint publications already imminent. For details see www.ccp.uea.ac.uk. Four faculty members, Professor Steve Davies, Professor Bruce Lyons, Dr Michael Harker and Lindsay Stirton, each have a semester 'bought out' in 2004-05 to spend undertaking full time research in the Centre.

Between 20 and 30 Centre members assemble each week for our seminars where perspectives from several disciplinary approaches to the same subject area are provoking stimulating and lively debate.

CONTACT DETAILS

Centre for Competition Policy,
University of East Anglia, Norwich, NR4 7TJ
Tel: +44 (0) 1603 593715
Fax: +44 (0) 1603 591622
Website: www.ccp.uea.ac.uk
Email: ccp@uea.ac.uk

The CCP Team

Faculty

Director

Professor Catherine Waddams — *Management*

Deputy Director

Professor Bruce Lyons — *Economics*

Professor Steve Davies	*Economics*
Professor Morten Hviid	*Law*
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Dr Pat Barrow	*Computing Sciences*
Dr Alexandre Gaudeul	*Economics*
Dr Pinar Guven Uslu	*Management*
Dr Michael Harker	*Law*
Dr Andrew Scott	*Law*
Lindsay Stirton	*Law*

Post Doctoral Fellow

Tina Chang

Research Associates

Laurence Mathieu
Matt Olczak

Students

Pinar Akman	*Law*
Andrew Bugg	*Economics*
Vinh Sum Chau	*Management*
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Alfonso Mendieta-Pacheco	*Economics*
Matt Olczak	*Economics*
Christopher Pike	*Economics*
Alberto Prandini	*Management*
Andreas Stephan	*Law*
Sujitha Subramanian	*Law*
Christopher Wilson	*Economics*

Associates

Dr Begoña Garcia-Mariñoso
Professor Hans Peter Møllgaard
Professor Greg Shaffer
Professor Michael Waterson

Administrative Team

Lucy Moore Fuller
Rupert Sheldon
Laurence Wild