

Evaluation of the Bergen Center for Competition Law & Economics, BECCLE

1 The assignment for the evaluating committee

The University Board decided to establish the Bergen Center for Competition Law and Economics (BECCLE) as of 1 July 2007.

In compliance with the steering documents for BECCLE, the University of Bergen (UiB) appointed an evaluation committee 22 January 2015, consisting of:

- Professor Lars Henriksson, Stockholm School of Economics
- Professor Thomas Rønde, Copenhagen Business School
- Legal director Karin Stakkestad Laastad, Norwegian Competition Authority

(hereinafter referred to jointly as “the committee”).

The committee’s assignment is to evaluate Bergen Center for Competition Law and Economics (BECCLE) by 1 July 2015 according to the aims and objectives outlined in the steering documents jointly decided by the University of Bergen (UiB) and Norwegian School of Economics (NHH). The committee is also asked to evaluate the financing model and organisation structure of the centre.

BECCLE was established 1 July 2007 with the following objectives (in Norwegian):

- Styrke den konkurransepolitiske kompetansen i Norge og dermed kunnskapsgrunnlaget for konkurransepolitikken
- Sikre at fagmiljøene (UiB/NHH/KT/UiO) har felles plattform for faglig diskusjon, interaksjon og rekruttering
- Samle den nasjonale kompetansen på dette fagfeltet som kan opptre uavhengig av private interesser og myndigheter
- Skape rammevilkår for norsk næringsliv som sikrer vekst og sysselsetting

The subject-matter of the evaluation essentially covers whether BECCLE has succeeded in fulfilling the objectives and if the current organizational structure as well as financing model are adequate and sustainable.

The committee received the self-assessment report and visited BECCLE on May 21, 2015. During the visit, the management of BECCLE presented the centre and its activities, and the committee had the opportunity to ask questions.

In accordance with our assignment we, the committee, hereby submit our findings of the evaluation.

2 Overall findings of the committee

The Committee’s overall perception is that BECCLE has succeeded in achieving its objectives. The centre has a high level of activity. The members of BECCLE organize seminars and conferences, contribute significantly to the generation of

new and interdisciplinary courses, and participate actively in the public debate in Norway.

BECCLE's members are highly qualified researchers who (continue to) publish well in journals within their own fields. More importantly, the centre has succeeded in stimulating interdisciplinary collaboration, resulting in a number of publications co-authored by economists and legal scholars. The committee finds that continued funding according to the existing financing model is well warranted and highly recommended.

3 Main activities carried out at BECCLE

3.1 Summary of the self-assessment

3.1.1 Research and recruitment

The self-assessment report highlights that the members have published a number of articles and case notes in international journals in law and economics. Notably several articles are co-authored by legal scholars and economists. A large number of PhD students have been affiliated with BECCLE since 2010, and several master theses are written on competition policy during the first four years of BECCLE's existence. The management of BECCLE is satisfied with the research activity and recruitment this period.

3.1.2 Education

BECCLE's education program consists of courses in competition policy and competition law at UiB and NHH. BECCLE has also arranged two PhD courses. BECCLE's ambition was to stimulate collaborate between legal scholars and economists. While BECCLE has been successful in stimulating interdisciplinary research, it is noted in the self-assessment that there is an even larger potential for this type of collaboration. BECCLE has actively encouraged master students to write assignments in competition policy. BECCLE has contributed to expanding the recruitment pools of the local PhD programs and of the Norwegian Competition Authority.

3.1.3 Conferences, seminars and other dissemination activities

BECCLE has arranged a large number of seminars open for the public, typically with 10-40 participants. Since fall 2014, it is has been possible to attend most seminars online using a streaming service. BECCLE has further organized several workshops and half-day conferences. As one of 11 institutions, BECCLE is part of CLEEN – Competition Law and Economics Network, and BECCLE arranged CLEEN's annual conference in May 2013. BECCLE's own Annual Conference was arranged for the first time in the spring 2015. BECCLE's members have also been active in the public and academic debate.

3.1.4 Organisation and funding

BECCLE has since the beginning had a location where the members meet, both legal scholars and economists. At the present BECCLE is located at the Faculty of Law at UiB and the economists come twice a week. When established, there was an intention to get employees (on leave) from the Norwegian Competition Authority to stay at BECCLE for longer or shorter periods. This has not yet been possible, but it is still an ambition.

The management consist of three members (Gjendemsjø, Gabrielsen and Sørgard). BECCLE has also a Board of four persons, two from NHH and two from

UiB. In addition, there is a Board of users, which has solely an advisory role. BECCLE suggests that the Board of Users is discontinued due to difficulties in finding relevant issues to discuss with the Board.

BECCLE concludes in its internal report that the overall objectives are met, but note that the last objective ("Skape rammevilkår for norsk næringsliv som sikrer vekst og sysselsetting") is difficult to measure.

3.2 The Committee's evaluation

The founding documents acknowledge the fact that already before the inauguration of BECCLE there was a considerable number of researchers and research projects on-going and completed in the greater Bergen area within competition law and economics. This, in itself, was one of the foundations on which the centre built. Also, there was already established co-operation on education in Bergen between the different institutions and the competition authority. Hence, the relevant question is to what extent BECCLE and its activities have added value and strengthened further research and teaching in competition law and economics in the local area.

Overall, the Committee's finds that BECCLE's self-assessment report is quite modest: BECCLE has achieved a lot during its first four and a half years of existence and has largely succeeded in fulfilling its objectives and ambitions. Indeed, BECCLE as an institution is unique in a Nordic perspective, in both its organization and close collaboration between legal scholars and economists.

BECCLE has delivered convincing results according to the criteria mentioned above:

- (I) A large number of students have been and still are connecting with BECCLE and its members; this has resulted in a large number of master theses in competition policy and competition law, and an impressive number of PhD theses in law and economics. Moreover, it seems evident that the centre has contributed most significantly in the generation of new and interdisciplinary courses and serves as basis for continued competence within the field.
- (II) The members of BECCLE have contributed actively to the public debate in Norway on issues related to competition policy, and BECCLE has been very active organizing events of interest to practitioners and academics.
- (III) BECCLE's members are highly qualified researchers who (continue to) publish well in journals within their own fields. More importantly, the centre has succeeded in stimulating interdisciplinary collaboration, resulting in a number of publications co-authored by economists and legal scholars. Interdisciplinary research is notoriously difficult, and it appears doubtful that the interdisciplinary publications and activities would have been even near the current numbers absent BECCLE. This is not least demonstrated by the fact that no other university or network within the Nordic countries has been able to match the results achieved by BECCLE in the area of law and economics
- (IV) The shared positions (Professors Il Heide-Jørgensen, Shaffer, and Vergé) seem great additions to BECCLE and help integrating the research environment at BECCLE with those in the departments.

The committee's would like to mention two points of attention:

- (A) It is important to keep balance between legal scholars and economists connected to BECCLE. At the moment, economists dominate the research output, so it is important to maintain focus on building a strong research group in competition law at UiB.
- (B) It would be desirable to strengthen female representation both among BECCLE's members, but also among the master students and PhD students.

4 Organization of BECCLE

It is the overall impression of the evaluators that the organization of BECCLE works well. In the following, we comment briefly on the physical organization and on the management of the centre.

4.1 Location and Participation

The fact that BECCLE has a location where the members meet is clearly important for the functioning of the centre. Interdisciplinary collaboration is never easy: it requires trust to develop and time to understand the other's way of thinking. The current arrangement whereby BECCLE is located at Department of Law at UiB and the economists from NHH and UiB come together twice a week seems a good solution. The economists partake in the research environment at BECCLE, but remain active in their respective departments. Furthermore, the legal scholars – whom are the scare resource at BECCLE – are induced to participate in the activities of the centre. This arrangement seems to strike a nice balance between creating an active research environment at BECCLE and protecting the economics departments from depletion of key members.

4.2 Management of BECCLE

The three professors (one from each department) in the management team have strong academic credentials and extensive practical experience working on issues related to competition policy, which seems an ideal combination given the objectives of BECCLE. Also, the day-to-day management of BECCLE appears lean and well functioning.

In the self-evaluation report, it is written that the Board of Users, which has solely an advisory role, has been difficult to engage. Therefore, it is suggested that the board is discontinued. In principle, a Board of Users may help to ensure that the research done at BECCLE remains relevant to practice. However, the danger of the research becoming disconnected from practice seems minimal at the moment. Given the difficulties involved in organizing meetings and finding relevant issues to discuss, it therefore seems reasonable to discontinue the Board of Users. This may also come with the added benefit of strengthening the independence of BECCLE in the eyes of the outside world.

5 The financing model of BECCLE

Before the founding of BECCLE, informal research groups in competition law and economics had been established and a need for physical co-location of researches was deemed suitable and desirable for further development. Hence, the organisa-

tion model ruled out virtual centres and a centre that did not involve co-location. Instead, the choice was made to set up a centre based upon physical co-location enabling researches to enjoy a true interdisciplinary environment based upon presence and daily interactions.

Traditionally, financing of research activities are done on an individual basis by employment at universities and/or grants for individual or larger projects, the latter most often limited in time. The setting up of an integrated centre between the two disciplines of law and economics was considered to enhance the attractiveness of these activities amongst researches. The financing of this was, nonetheless, deemed to be dependent on both size and organising structure. In all cases, both internal and external funding should be necessary to the setting up of a centre.

The internal funding of the activities was primarily from already existing position of researchers, partly dedicated funds for PhD-students and post doc positions, partly administrative support and lastly additional funds from the universities.

A broad view was adopted towards external funding covering not only traditional sources of research funding such as NFR-projects, but also government funding from e.g. Administrasjons- og Kirkedepartementet (FAD) and Næringsdepartementet (ND) in their roles of overall responsible for competition policy and holder of funds for research purposes.

It was deemed necessary to incur incremental costs in the region of about 500.000 NOK annually to cover additional costs for setting up the centre, office space, and administration. The evaluating committee has been presented with accounting data, revealing the actual costs of the centre appear to remain within that level and all other costs are essentially those that universities would have even absent the establishment of the centre. The self-assessment of BECCLE has indicated that start-up funds were awarded by 500.000 NOK from the FAD, primarily regarding infrastructure. Also the Norwegian Competition Authority has awarded 450.000 NOK for 2015, however these funds are destined to certain activities and cannot be used for infrastructure costs.

The evaluation committee finds that the extra costs incurred for both the principals of the centres are very moderate and it appears objectively difficult to sustain a research environment with less funding. Also, these extra costs relates primarily to infrastructure costs. Obtaining external funding for infrastructure costs is and has traditionally always been, notoriously difficult as most research promoters tend to view such cost as susceptible for university internal funding, whilst the external funding normally is aimed for the research activities per se. It therefore appears unlikely that such funding could readily be found externally, and the centre would not work properly without such internal funding.

Furthermore, and not least important, the moderate internal costs for the centre should substantially increase the possibilities to receive external funding, which in turn could contribute to cover administrative costs for the host universities. Not only does the centre create a rewarding research and education environment, it is also likely to generate research projects – not least interdisciplinary – capable of receiving external funding.

To sum up, it is most notable that the centre has been able generate research, teaching and other activities on such an impressive scale and scope for seemingly very limited investment by the principals. It should also here be noted that BECCLE's teaching activities would most likely have required special funding and re-

sources absent the centre. For a limited amount of extra internal funding, the financing model appear to be stable, and the committee finds that continued funding according to the existing financing model is well warranted and highly recommended.