Appendix for "Are Regulators Independent in Practice? Evidence from Agency Board Members in Spain"

Supplemental Online material, not meant for publication

Abstract

Technical documentation of the article "Are Regulators Independent in Practice? Evidence from Agency Board Members in Spain", including description of the database.

1 Database description

This paper relies on a database on Spanish regulators, which goes beyond data on appointments and explores three different dimensions of their profile. A first set of questions provides biographical detail of regulators, namely, their birth date, the highest level of education attained and their specific area of specialization. The second dimension is related to particular characteristics of appointments, including the initial and ending dates, the specific position (agency head, president and board member), the appointment procedure and the reasons underlying the ending of mandate, amongst others. Finally, a third set of variables looks into regulators professional profile, namely, their capability to influence the public debate on specific regulatory areas and their professional careers before and after the appointment.

2 Individuals and appointments

The units of analysis of the database are both the appointed individuals and the appointments to the agency board. We identified all individuals that were appointed at least once as members of an agency board between 1 January 1979 and 31 December 2010, and gathered biographical data for them: name, date and place of birth, highest level of formal education attained and the area of education. In addition, we look for information to determine whether an individual in our dataset was affiliated to a party, whether he assumed a position of political responsibility or openly collaborated with a political party through publications in the media or by other relevant means. Only those cases where empirical evidence undoubtedly showed the existence of a relation was the regulator computed as having political links. This implies that when estimating the presence of ties with political parties, if there is a bias in the estimation,

this will be based on an underestimation of the relations between regulators and political parties.

Regarding appointments as a unit of analysis, each event represents a single entry in the registers, regardless of the individual characteristics. Our data include the initial and ending dates of tenure, the type of political agreement to appoint the individual (executive, legislative), any additional requirements, whether the mandate has been completed or not, the reasons for the end of the mandate and whether it was renewed. The most innovative and relevant feature of the database is its two-level analysis: at the individual and at the appointment levels. This captures both the fact that some individuals can be appointed successively by more than one agency, or that they can be appointed again by the same agency to fulfil different tenures. In so doing, and when discussing the political links of regulators, for example, we can analyse this data not only at the individual level, but also at the appointment level, what in turns enables a more precise analysis of the degree of political vulnerability of their appointments.

3 Data gathering methods

To identify the individuals that were part of regulatory agencies boards, we carried out a systematic research in the Spanish Official State Gazette (BOE-Boletín Oficial del Estado) was carried out. Additionally the agencies' annual reports and web pages were also analysed. The following protocol was followed to obtain the names of the appointed individuals:

- Webs of the agencies to find out the names of current board members and, if possible, former members.
- In those cases were data on former members was not available, the BOE was consulted.
- When both of the above failed to produce results, direct contact with the agency was established. However, the level of response when using the direct contact was low.

Once the names of the individuals were collected, we looked for biographical data and appointment details through various means, including the following:

- General Internet search engines.
- Agencies web pages.
- Press databases, especially economic press.
- WebPages of institutions and firms where either board members had worked or with whom they maintained linkages.
- The Spanish Official State Gazette (BOE).

Data was then entered into the database with fixed pre-specified categories, facilitating thus its later codification and posterior post-processing.

4 Regulatory agencies in Spain after 2010

Although the temporal scope of the paper ends up in 2010, it is worth mentioning the evolution of the landscape of regulatory agencies from that moment.

Just a few months before leaving office, the socialist party administration (Partido Socialista Obrero Español, PSOE) under José Luis Rodríguez Zapatero sanctioned a Law on Sustainable Economy. The Law, which entered into force on 6 March 2011, included a major reform of several agencies by reducing the number of board members. The reform, however, was not really implemented since the victory of the Popular Party (PP) in November of that same year, led to another proposal aimed at introducing a major reorganization in regulatory institutions in Spain by concentrating most of the powers of the existing agencies in the area of product and service markets in a single regulatory agency under the aegis of the competition body. Clearly, while the temporal scope of the article contemplates several changes in regulatory agencies along this 30-year period, attempts at introducing deeper transformations as in the case of these two initiatives are beyond this study's time framework.

5 Cox models

Survival analysis of the duration of appointments by sector, type of appointment, education, political relationship and civil servant status.

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Call:
coxph(formula = s ~ name_sector + appointed.by + educ.phd.imputed +
    pol_rel + civil_servant_imputed, data = q3)

  n= 448, number of events= 118

                          coef exp(coef) se(coef)     z Pr(>|z|)
name_sectorNetworks      1.295     3.653    0.351  3.69  0.00023
name_sectorRights       -0.399     0.671    0.381 -1.05  0.29516
name_sectorRisk          0.834     2.303    0.295  2.83  0.00468
appointed.byOffice held  0.651     1.918    0.290  2.25  0.02452
educ.phd.imputed        -0.380     0.684    0.207 -1.84  0.06567
pol_relYes              -0.658     0.518    0.231 -2.85  0.00442
civil_servant_imputed   -0.176     0.839    0.206 -0.86  0.39215

                        exp(coef) exp(-coef) lower .95 upper .95
name_sectorNetworks         3.653      0.274     1.835     7.271
name_sectorRights           0.671      1.490     0.318     1.416
name_sectorRisk             2.303      0.434     1.292     4.105
appointed.byOffice held     1.918      0.521     1.087     3.383
educ.phd.imputed            0.684      1.463     0.456     1.025
pol_relYes                  0.518      1.930     0.329     0.815
civil_servant_imputed       0.839      1.192     0.561     1.255

Concordance= 0.698  (se = 0.031 )
Rsquare= 0.091   (max possible= 0.934 )
Likelihood ratio test= 42.7  on 7 df,   p=3.86e-07
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Wald test            = 38.3  on 7 df,   p=2.7e-06
Score (logrank) test = 40.5  on 7 df,   p=9.87e-07
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