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**COMPARATIVE RESEARCH DESIGNS  
IN THE STUDY OF REGULATION:  
HOW TO INCREASE THE NUMBER OF  
CASES WITHOUT COMPROMISING  
THE STRENGTHS OF CASE-ORIENTED  
ANALYSIS**

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# **COMPARATIVE RESEARCH DESIGNS IN THE STUDY OF REGULATION: HOW TO INCREASE THE NUMBER OF CASES WITHOUT COMPROMISING THE STRENGTHS OF CASE-ORIENTED ANALYSIS**

## *Abstract*

The aims of this paper are to explore the role of variations and commonalities in Medium-N comparative analysis and to suggest a technique that could maximize their explanatory power in the context of medium-N comparative designs, especially those designs that combine two or more comparative approaches to the study of regulatory change. The paper identifies four popular comparative approaches to the study of politics and policy in general and regulation in particular. These four might best be titled the National Patterns Approach (NPA), the Policy Sector Approach (PSA), the International Regime Approach (IRA), and the Temporal Patterns Approach (TPA). While these approaches are not necessarily contradictory they represent different assumptions as to the determinant of political and regulatory change. Each of these approaches omits some important sources of variations and commonalities in the regulation of the economy and society. To overcome these omissions it is suggested that combinations of these approaches – through complex research designs – might prove a more sound and effective method for the study of regulation.

## **INTRODUCTION**

Regulatory reforms have gained immense global popularity and are widely pervasive across regions, countries, and sectors. Indeed, very few are the countries that have not exhibited some readiness to restructure their economic regimes and re-evaluate the ways they govern their economies. Amidst a wave of reforms, it is possible to detect some puzzling variations that may feed the interest of scholars for many years to come. For one, variations are clearly visible in the timing of the reforms. Thus, it might be possible to identify pioneering countries (e.g., Britain), fence-sitters (e.g., Germany), and laggards (e.g., France). Similarly, it is possible to distinguish countries that moved towards reforms after severe economic crises and with the active encouragement of international institutions such as the World Bank and the IMF (e.g., a number of Latin American countries). At the same time, some countries took pro-active approach and autonomously reformed their regimes in the hope of strengthening their competitiveness in global markets (e.g., New Zealand, the Netherlands). Some countries adopted rapid reforms across many sectors (e.g., Bolivia) while others were more picky and opted for reform only in a small number of sectors (e.g., Japan). Some sectors are prone to reforms (e.g., air transport), others much less so (e.g., water). Some regions of

the world boast widespread regulatory reforms (e.g., Europe) while in others it is barely noticeable (e.g., the Arab world). Whereas some reforms have often been subject to international agreements (e.g., trade), others have been left to national discretion (e.g., occupational health and safety).

Clearly, the general advance of regulatory reforms, and consequently the new capitalist order itself, is beset by temporal, spatial, sectoral, national, and international-level variations. These variations present yet a further layer of complication for social scientists who are already plagued by complex methodological and theoretical problems. Still, for two important reasons these variations are not merely a burden but are actually blessings for comparativists. First, while we generally seek regularities in human and social behaviour, variations are the most powerful engines of causal analysis. Without variations we cannot establish associations between variables, and without associations the causes, processes, and outcomes of the reforms remain obscure<sup>1</sup>. Secondly, variations are often the subject of research. Why is water, for example, less prone to regulatory reforms than air travel? Or why are regulatory reforms in social spheres (social regulations) lagging so markedly behind reforms in the economic sphere (economic regulation)? The aims of this paper are to explore the role of variations and commonalities in comparative research and to suggest a technique that could maximize their explanatory power in the context of medium-N comparative designs, especially those designs that combine two or more comparative approaches to the study of regulatory change.

The context of this discussion is the search for research designs in the study of comparative politics that will enable the researchers to deal systematically with political analysis in a shrinking world – where political action is conducted in various arenas simultaneously. At the same time, our discussion should be interpreted as part of the search for new techniques for finding a new balance between ‘depth and breadth’ in social science methodology (Ragin, 2000, 22). This is carried through a careful process of increasing the number of observations while staying in the framework of case-oriented research (Ragin, 1987; 1994, 2000; King, Keohane, and Verba, 1994). Thus, the first part of this paper identifies four popular approaches to case selection in comparative analysis: the National Patterns Approach (NPA), the Policy Sector Approach (PSA), the International Regime Approach (IRA) and the Temporal Patterns Approach (TPA). The distinction between these approaches is based on theoretical preference in regard to the cases that need be compared and the variations that they will display (see table 1). The National Patterns Approach (NPA), which predicts that

national variations will be the major determinants of reforms, advocates comparison of nations (e.g., Vogel, 1986; Waarden, 1995). The Policy Sector Approach (PSA) predicts that sector level variables will be the major determinant of reforms and advocates comparisons of sectors (e.g., Atkinson and Coleman, 1989; Hollingsworth, Schmitter and Streeck 1994). The International Regime Approach (IRA) suggests that the major determinants of the spread and depth of regulatory reforms are variations in the strength and scope of international regimes and it therefore focuses on the comparative analysis of regimes. Finally, the Temporal Patterns Approach (TPA) suggests that the major variations in the reforms are shaped by past events, that is, by the particular situation of countries, sectors, and international regimes at a particular time (e.g., the breakdown date of the old order) (e.g., Collier and Collier, 1991; Pierson, 1994, 2002).

APPROACH	CASES TO BE COMPARED	PREDICTIONS AS TO VARIATIONS	PREDICTIONS AS TO COMMONALITIES
National Patterns Approach (NPA)	Nations	Across nations	Across sectors, time, and international regimes
Policy Sector Approach (PSA)	Sectors	Across sectors	Across nations, time and international regimes.
International Regime Approach (IRA)	International regimes	Across international regimes	Across sectors, time, and nations
Temporal Patterns Approach (TPA)	Politics before and after major event	Across time	Across sectors, nations, and international regimes

**Table 1: Four Common Approaches to Comparative Analysis**

The second part of this paper focuses on the particular comparative design in Steven K. Vogel's *Freer Market, More Rules* (1996). This is a most remarkable study, though not problem-free, in its effort to employ some combinations of these approaches and thus selectively and sophisticatedly to increase the number of cases. Vogel's study is especially suitable to illustrate a technique for increasing the number of cases while sustaining the benefits of case-oriented research (most notably, intimate knowledge of one's cases). We note that most research in the study of regulation is confined to case studies (most often one country-one sector) or to statistical-quantitative analyses. The important terrain of medium-N research (more than two and less than circa fifty cases) is *terra incognita* for many. This is an

unfortunate state of affairs as medium-N designs might serve as shared space where quantitative and qualitative researchers can debate theory and evidence much more freely than in their own (often) exclusive domains. It is also the terrain where consensus can emerge about the value of generalizations on the one hand and about the importance of intimate knowledge of one's case on the other. Medium-N research designs strive to preserve most of the valuable assets of the case-oriented approach while maximizing the explanatory power of the relevant theory through a careful selection of additional cases.

While there might be various useful strategies for increasing one's cases within the terrain of medium-N design we suggest here a particular technique that we label 'complex research design'. It is based on systematic combinations of any two out of the four common comparative approaches employed in the study of regulation (and public policy in general) in a way that at least doubles the original number of cases. Indeed, it is often possible to identify some combinations of some of the four research approaches isolated here. Yet only rarely are combinations of cases selected meticulously. A more formal and structured process of case-selection in comparative research designs may well support the goal of increasing the number of cases in one's research while retaining most of the advantages of case-oriented analysis. At the same time it may solve at least partly two problems of case selection: selecting on particular variations and selecting on variations rather than commonalities (and vice versa).

#### **FOUR APPROACHES TO THE STUDY OF REGULATION IN A GLOBAL WORLD**

As already presented (see table 1) there are at least four popular approaches to case selection in comparative research designs. Let us explore each of them.

##### **The National Patterns Approach**

The National Patterns Approach (NPA) suggests that national level characteristics exert a major impact on policy, politics, economics, and society. Cross-national comparative designs are expected therefore to reveal significant variations across the countries studied and to explain major variations in the policy process and outcomes, and the factors that shape it. The NPA has strong roots in the discipline of politics, as some of the major works in the discipline employed cross-national design. Alexis de Tocqueville's *Democracy in America* (1945 [1835, 1840]), Barrington Moore's study of the *Origins of Dictatorship and Democracy* (1966), and Theda Skocpol's *States and Social Revolutions* (1979) are some of

these remarkable studies that explicitly draw on the comparative method and specifically on cross-national analysis. When applied to the study of regulation, the NPA suggests that political processes and outcomes are shaped by a country's unique national and historically determined characteristics embedded in specific state traditions.

The pioneering work of Andrew Shonfield (1965) on the different approaches and capacities of the British and French states to economic planning is one of the main departure points for students of comparative public policy and comparative political economy when they embark on the study of 'varieties of capitalism'. Typical for this research approach is the suggestion that policy making is determined in a specific national centre and predominantly by national institutions. These institutions are products of historical circumstances and cultural characteristics that create specific 'national institutional Gestalts' (Waarden, 1992, 158, see also Castles, 1993). Some of the critical cross-national variations especially emphasized by cross-national comparativists include the national form of intermediation between state and society (pluralism vs. étatism vs. corporatism); preferences for action (active vs. reactive policies); the policies' extent of integration (comprehensive vs. fragmented); flexibility of rule formulation and application (legalism vs. pragmatism); state-clientele relations (adversarialism vs. consensualism vs. paternalism); and network social relations (formal vs. informal) (Waarden, 1995).

How do we know that a certain comparative research is grounded in the NPA? Since scholars do not always explicitly state their basic assumptions and their general methodological approach, it may be useful to identify two archetypes of studies in the NPA tradition. First, and most probably the most common in this tradition, are studies that compare two or more countries and ask why they differ in certain aspects of their policy or regulatory regimes. Here state-level characteristics are usually expected to offer a solution to the puzzling differences. Not uncommon would be to ascribe the decisive move towards privatisation and liberalization in the USA and Britain to the common liberal heritage, the hesitant move of Germany to the semi-sovereign characteristics of the German state, and the reluctant move in this direction by the French to the étatist tradition of the French polity and economy. Second, and rather less common, is the 'paradoxical design'. Here the comparison is based on two or more countries which by their characteristics would supposedly have adopted different policies but in practice converged. Thus, the question becomes why have both étatist France and liberal America kept large segments of their water supply under private ownership?

While this puzzle may be explained by variables and explanatory mechanisms that are not necessarily grounded in the national level, the basic premises of the research questions are built on the assumption that nations usually differ. Thus, while in the first research design national variations are the explanatory variables, in the second research design the absence of national variations is itself the subject of the research question.

### **The Policy Sector Approach**

The policy sector approach emphasizes the autonomous political characteristics of distinct policy sectors and therefore the multiplicity of political patterns in any single country. The major point might be summarized by two major propositions: '[First] that the style of policy making and the nature of political conflicts in a country will vary significantly from sector to sector. ...[And second] that policy making in a particular sector will exhibit strong similarities, whatever its national context' (Freeman, 1986, 486). These claims clearly challenge the notion of 'national patterns' that suggest significant commonalities in the modes of political process across different sectors in any given country. In the field of comparative public policy it is the policy networks and meso-corporatism literature that best represent the policy sector approach. These aspects call for a desegregated view of the state, of the network of policy making, and of the national level of policy making (Atkinson and Coleman, 1989). The implications for policy analysis were clearly stated: 'Capitalism can no longer be studied as a whole, but must be broken down into its parts... Both to capture the diversity of capitalism and to render it manageable, *it seems useful to focus on the sector as the key unit for comparative analysis...* A number of changes in technology, market structure, and public policy seem to have converged to make this meso-level... increasingly salient' (Hollingsworth, Schmitter, and Streeck, 1994, 8-9).

How do we know if a research work adopts the Policy Sector Approach? Since scholars do not always explicitly state their basic assumptions and their general methodological approach, it may be useful to identify two archetypes of studies in the PSA tradition. First, and most probably the most common in this tradition, are studies that compare two or more sectors and ask why they differ in certain aspects of their regulatory regimes. Here, sector-level characteristics are usually expected to offer a solution to the apparent divergences on the level of the sector despite common institutional configurations and policies on the national level. For example, the rapid advance of technological change in telecoms is often used to



explain the rapid advance of regulatory reforms as compared with ‘lagging’ sectors such as electricity. Second, and somewhat less common is the ‘paradoxical design’. Here the comparison is based on two or more sectors that on the basis of their characteristics would supposedly have responded differently to the pressure to reform policies but in practice converged, with either no change at all or similar changes. While this puzzle may be explained by variables and explanatory mechanisms that are not necessarily grounded in the level of the sector the basic premises of the research are build on the assumption that sectors should make a difference. Thus, while in the first research design cross-sectoral variations are the explanatory variables, in the second research design the absence of sectoral variations is in itself the subject of the research question<sup>2</sup>.

Let us however provide some indications about the practical problems involved in a decision to identify a study as following or not following the PSA. James Q. Wilson’s edited volume *The Politics of Regulation* (1980) assembles nine studies of regulatory agencies and regulatory politics in the United States that served as the basis for Wilson’s introduction and conclusion. This ‘collaborative’ research design, where different sectors are examined and implicitly compared and where the national level (United States) is constant (i.e., under control), has some affinities with the PSA but cannot be considered an ideal representative of the approach. The reason is simple: the PSA design expects variations across sectors, and to identify variations one has to move from the implicit comparisons that are evident in Wilson’s conclusions to an explicit and systematic study of variations in the ‘politics of regulation’ across sectors. In other words, an ideal research design from the PSA standpoint will allow explicit comparison across the sectors under research. A notable example of a study that does exactly this is Harris and Milkis’s *The Politics of Regulatory Change: A Tale of Two Agencies* (1996) which compares the dynamics of administrative politics in the Federal Trade Commission and the Environmental Protection Agency.

### **The International Regime Approach**

The International Regime Approach suggests that the major determinant of the spread and depth of regulatory reforms are variations in the strength and scope of international regimes. Regimes at the international level are considered to have their own autonomous characteristics and to differ in a number of important aspects (Krasner, 1983; Hasenclever, Mayer and Rittberger, 1997). While much of the discussion around international regimes is

directed towards the verification and negation of some meta-theories of international relations such as neo-realism, neo-liberalism, and constructivism, in the last decade growing attention has been paid to the nuances of commonalities and variations across regimes. This recognition is followed by a more widespread use of comparative research designs in the study of international relations and international political economy. A pioneering book in this tradition is Keohane and Nye's *Power and Interdependence* (1977 [1989]) which compared the international regimes for oceans and money.

The growing recognition of the importance of comparative methodology in the fields of International Relations and International Political Economy is at least partly the result of the challenges of globalisation, internationalisation, and Europeanisation, which have narrowed the gap between the national and the international. As these forces and processes are hardly reversible one may expect that comparative methodologies will continue to grow in importance in the fields of IPE/IR. Increasing interdependence of the national (and therefore the sectoral) and the international requires us to reconsider the boundaries of cases and levels, and to analyse simultaneous deeds on various levels of political action (Tsebelis, 1990). It is also expected to be a major force beyond the reach of complex research design in the study of politics and policy.

How do we know that a comparative study is grounded in the International Regimes Approach? Since the general methodological approach is not always explicitly stated by scholars, it may be useful to identify two archetypes of studies in this approach. First, and most probably the most common in this tradition, are studies that compare two international regimes and raise the question of why they differ on one point or another. The second type of study by this approach, and somewhat less common, is based on the 'paradoxical design'. Here the comparison rests on two or more international regimes which on the basis of their characteristics would supposedly have responded differently to the pressure of regulatory reforms but in practice converge, with either no change at all or with similar changes. While this puzzle may be explained by variables and explanatory mechanism that are not necessarily grounded in the level of the international regimes, the basic premises of the research question stand on the assumption that sectors should make a difference. Thus, while in the first research design variations across international regimes are the explanatory

variables, in the second the absence of variations is in itself the subject of the research question.

John Braithwaite and Peter Drahos's *Global Business Regulation* (2000) may serve as an example of a comprehensive and penetrating study of international regimes in various spheres of political and economic action. The study covers thirteen international regimes, from trade to financial regulation and from labour standards to marine transport. The empirical basis for the thirteen studies rests on a comprehensive study of secondary material and 500 interviews conducted by the two scholars. The studies are followed by a comparative analysis that focuses on three issues across the thirteen cases: actors, mechanisms, and principles. Thus, across each of the cases the study identifies key actors (e.g., organization of states, states, international business organizations, corporations, and epistemic communities), governing principles (e.g., lowest-cost location, best practice, deregulation, strategic trade, rule compliance, and most-favoured nation) and mechanisms of globalisation (e.g., military coercion, economic coercion, systems of reward, capacity building, and reciprocal adjustment). Another notable example is Zacher and Sutton's (1996) comparative study of the international regimes for transport (shipping and air travel) and communications (telecoms and post).

### **The Temporal Patterns Approach**

The Temporal Patterns Approach suggests that systematic diachronic comparisons of sectors, nations, or international regimes may reveal some of the most important features and determinants of the spread of regulatory reforms. Certain 'remarkable' events, such as the rise to power of new leader, the appearance of new technology, the spread of some ideas beyond critical threshold, wars, and revolutions, serve as turning points and mark a boundary between the 'old' and the 'new' orders. The researcher then undertakes a comparative analysis of commonalities and variations between the old and the new orders. Examples of such studies are Peter Gourevitch's (1986) comparative study of the economic depressions of 1873 and 1929 and the Colliers' study of critical junctures in the interaction of the Latin American labour movement with the state (1991). Some systematic modelling of the effect of time and sequencing in political analysis is evident in Pierson's work (1994, 2000, 2003).

The temporal patterns approach has strong affinity with historical approaches of research as both are highly sensitive to time and context. Yet unlike traditional historical research they conceptualise the different eras as ‘cases’, and subject these cases to the regular tests of ‘case selection’ (for an excellent discussion of various issues related to temporal comparisons see Bartolini, 1993). The basic premises of the approach are widely used in comparative research, and not many readers will object to the idea that certain patterns of politics are time-dependent and that these patterns should therefore be compared systematically. More controversial, perhaps, would be a stronger claim that regulatory politics critically depends on the temporal dimensions of the case rather than on within-time (or synchronic) variations across nations, sectors, or international regimes. As will be demonstrated below, this stronger claim can be systematically examined in a complex research design, but for the moment let us keep the tension between different approaches to comparative research on hold, and explore some examples of the TPA.

How do we know that a research work is based on the Temporal Patterns Approach? Since scholars do not always explicitly commit themselves to any one of the approaches, and since some temporal perspectives (if not comparisons across-time) are part of most research designs, it may be useful to identify two archetypes of studies by this approach. First, and most probably the most common in this tradition, are studies that compare two eras before and after a major event and ask why they differ on one point or another. Indeed, many accounts of the development of the regulatory state in the United States stand firmly on this approach. This is evident from the frequent portrayal of the advance of regulation with wave-like metaphors: emergence in the populist era, expansion of economic regulation in the progressive and the New Deal era, the rise of social regulation in the 1960s and early 1970s, and the deregulation era since the second half of the 1970s.

A second type of study by this approach is the ‘paradoxical design’. Here the comparison is based on two or more ‘eras’ and the expectation that these eras will be characterized by different patterns of regulatory politics. The researcher’s quandary arises from ‘paradoxical findings’ that point to similar outcomes across the eras despite the opposite predications of the TPA. While this puzzle may be explained by variables and explanatory mechanisms that are not necessarily grounded in the level of the international regimes, the basic premises of the research question arise from the assumption that ‘temporal cases’ should exhibit

variations. An example of this second type of research that is driven by the TPA is given in a paper by Stigler and Friedland, *What Can Regulators Regulate? The Case of Electricity* (1962). The paper treats the establishment of regulatory authorities for electricity as a turning point in the history of regulation, and suggests that if ‘regulation matters’ then the ‘era of regulation’ will be characterized by lower electricity tariffs. The puzzling evidence that they do not substantially differ was used to criticize public-interest theories of regulation and to substantiate private-interest theories.

### **Why distinguish between these approaches?**

So what is the use of distinguishing the four comparative strategies? I can think of three. First, and probably the least important, is that it clarifies and formalizes prevailing notions and practices of comparative analysis. Second, it asserts the importance of variations in the selection of cases for comparison in order to avoid the problem of selection on the dependent variable. But third, the major advantage of the distinction is its ability to help us to increase the number of cases without compromising the strength of the case-oriented approach. This critical advantage is demonstrated through an outstanding example in the next section of the paper.

### **THE ROAD TO MEDIUM-N DESIGNS: VOGEL’S STUDY OF REGULATORY REFORMS**

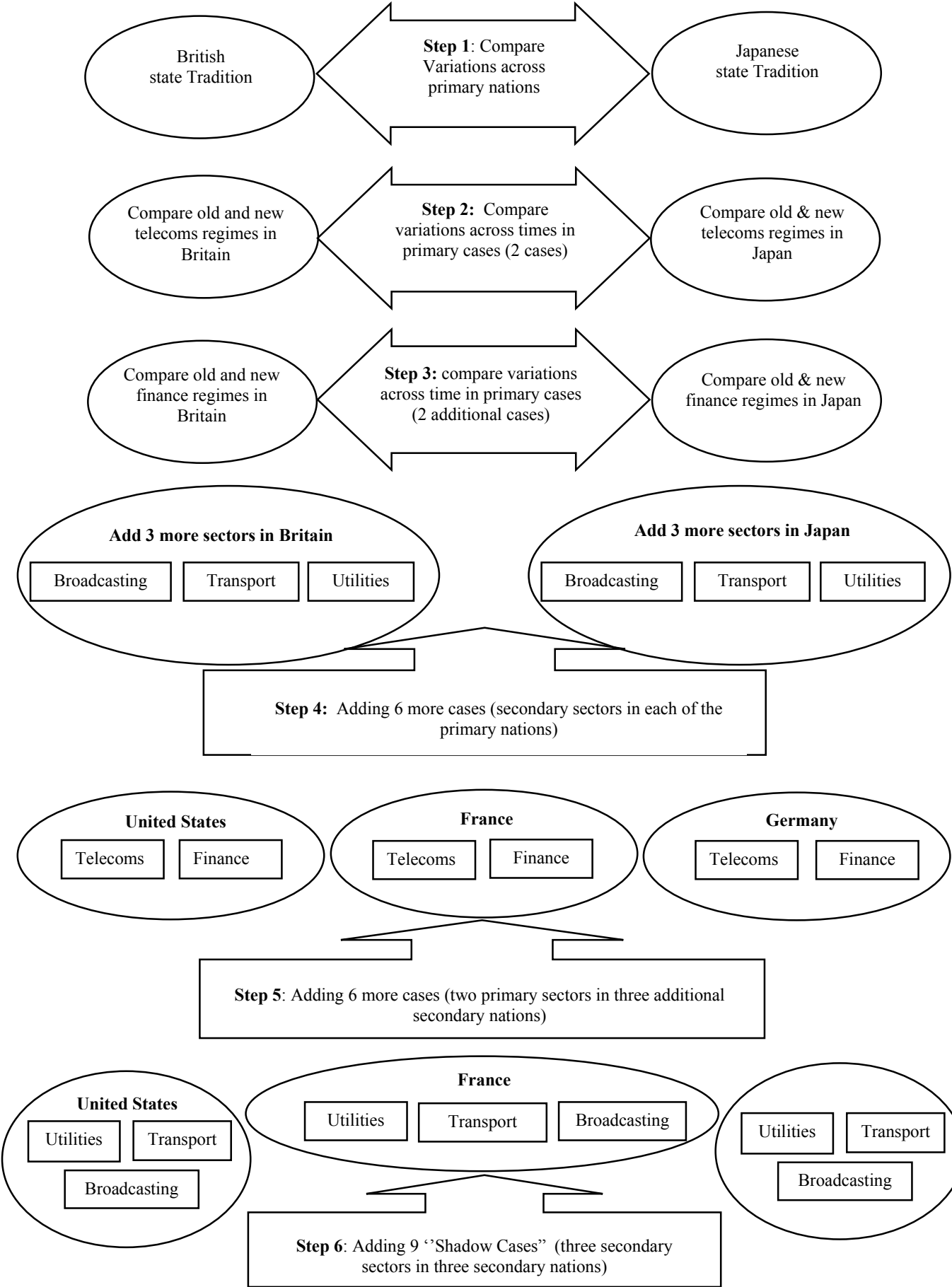
Steven Vogel’s *Freer Markets, More Rules: Regulatory reforms in Advance Industrial Countries* is widely considered as one of the best studies of the subject. One of the major strengths of the book is its exceptional research design, namely its technique of increasing the number of cases and its particular combination of some major comparative approaches. In this part of the paper we discuss extensively four issues that cover the strength and weakness of Vogel’s research design. First is Vogel’s strategy for an increase in the number of cases, while staying firmly in the framework of case-oriented research. Second is his conception of what is a case. Third is his selection rules in the choice of cases. Finally is Vogel’s technique for combining various comparative approaches in his research. Let us start with some discussion of his particular technique for increasing the number of cases.

### **From few to many: Increasing the number of cases**

Figure 1 summarizes Vogel's technique of non-random selection of cases in a multi-steps process. The figure distinguishes six different steps in the formulation of his theory and extension of validity beyond the first few cases that he employs. The first step is a comparison of the two primary countries studied (Britain and Japan) with emphasis on the variations in their orientation (ideas) and organizations (institutions) prior to the reform<sup>3</sup>. The second step of the research design introduces two additional sets of comparisons. In the first set the old and the new telecoms regimes in Britain are compared, and in the second the same comparison is made in regard to Japan. The third step repeats this comparison but in respect of the financial sector in each of the countries. In the fourth step Vogel adds three more sectors (broadcasting, transport, and utilities) in Britain and Japan. In the fifth step he adds three countries (France, the USA, and Germany) and in each he examines the two primary sectors (finance and telecoms). In the sixth step he adds the three secondary sectors (broadcasting, transport, and utilities) for the three secondary countries.

The gradual increase in the number of cases is remarkable, not least because Vogel employs different types of cases: more nations and sectors, as well as old and new sectoral regimes. Thus, the increase in the number of cases is not mechanistic and random and he does not resort to the quantitative style of research. The selection of his cases is done with care and variations are sought on different dimensions (sectoral, national, and temporal). This selection process, which maximizes the type of variations against which Vogel's arguments are framed, increases the validity of the conclusions. Vogel seems well aware that in non-random comparative research strategies not all cases are methodologically or theoretically equal, and that the variety of cases is often more important than their sheer numbers. At the same time Vogel is daring enough to include cases that are not studied in depth (broadcasting, transport, and utilities; Germany, the USA, and France). As it is impossible to cover so many cases in depth he opts for a rather limited coverage of these cases rather than dropping them from his agenda. Indeed, the legitimacy of such a bold decision might be best sustained by the fact that this is routine practice in any quantitative research. Indeed, this is a combination of quantitative and qualitative practices that demonstrates the emerging entry into the medium-N terrain of political inquiry.

**Figure 1: Vogel's Multisteps Research Design**



### *Types of cases in Vogel's Research Designs*

A puzzling aspect in Vogel's design however is his conception of what is a case. According to his own count of the number of cases in his study is twenty-five. After some adding up and multiplying it becomes clear that a case in Vogel's conception is only a sector, and the twenty-five reflect the fact that he studies five sectors in five different countries. This is a puzzling calculation because the countries and the temporal regimes are not considered cases even though he compares Britain and Japan and old and new regimes for telecommunications and finance. An even larger number of cases might be identified if we could only develop a distinction between different types of cases in medium-N designs. We therefore distinguish five types of cases in Vogel's study. These vary in (a) the extent to which they involve in-depth inquiry, (b) their comparative traditions, and (c) their inferential role in the study.

The first type of cases includes four 'primary cases': British Telecoms, British Finance, Japanese Telecoms, and Japanese Finance. These cases are 'primary' in the sense that they are studied 'in depth' and most probably serve as the pillar for Vogel's theoretical construction. The second type of cases in the study includes twelve 'secondary cases'<sup>4</sup>. These secondary cases add three more sectors (broadcasting, transport and utilities) first in Britain and then in Japan. A comparison of the four primary cases reveals that the secondary cases are studied less in-depth and are reviewed more briefly. The third type of cases includes nine 'shadow cases'<sup>5</sup> that are not specifically addressed in his study but nonetheless are integrated into his analysis in the final chapter (Vogel, 1996, 259). These cases cover the reforms in the three secondary sectors (broadcasting, transport, and utilities) in the three secondary nations (the USA, France, and Germany).

In addition to these three types of cases, one may identify two other types of case that for some reason are not explicitly described as such by Vogel. The first of these is 'composite cases', namely cases that take their value (or character) from cases at a lower level. Specifically they include five nations that draw their unique 'national style of regulation' from the direction and extent of regulatory reforms in each of the five sectors studied. Two of these composite cases – Japan and Britain – are primary cases. The other three are 'shadow cases'. The second type of case is the temporal case. Here the old and the new regimes of each sector might be conceptualised as a case and thereafter compared diachronically. The distinction between the five types of case rests on the implicit assumption that cases are not



discovered but are defined by the researcher (for an extensive discussion of this issue, see Ragin and Becker, 1992). It is the researcher who decides when one regime ends and another starts, which activities and which actors are included in a sector and which are not, and similarly what are the particular 'regulatory orientation' or 'policy characteristics' of a country. When one counts up the countries and the old regimes as cases as well, the sum of cases in Vogel's study is over thirty.

### ***From Simple to Complex Research Designs***

As already argued, Vogel's research design is also exceptional in regard to his ability to combine different comparative strategies and to optimise the lessons from his series of explicit and implicit comparisons. Specifically he employs the Temporal Patterns Approach (comparing old with new regimes), the National Patterns Approach (most explicitly in the comparison of Japan and Britain), and the Policy Sector Approach (most explicitly in the comparisons of telecommunications and Finance). Yet despite his achievements in this task, his case-selection is open to criticism for four major reasons. First, his case selection does not always follow the rule of 'choose the least favourable cases for your argument'. Secondly, he does not explicitly define the variations across his sectoral cases (telecoms and finance). Thirdly, he does not maximize the potential explanatory benefits from his temporal cases. Finally, he does not explicitly present and discuss the full range of outcomes that arise from his decision to include different types of cases in his analysis. Let us discuss his case selection first with regard to the primary nations and then in regard to the primary sectors.

*Vogel and the NPA:* Vogel's choice of primary nations is justified on the following grounds:

The United Kingdom and Japan began their regulatory reforms programs at the same time and under the similar circumstances, and extended their programs to a similar range of sectors. They were similarly influenced by the U.S. deregulation movement and faced common international market pressures. Thus they provide a good comparative fit: any differences in reform outcomes are likely to reflect differences in domestic politics. The British and Japanese governments adopted a similar rhetoric of 'liberalization' and 'deregulation', yet produced strikingly different reforms. This divergence cannot be explained by a market or interest groups model, but only through an examination of the ideas and institutions that shaped the two countries' reform strategies. (p. 43)

Is this justification for case selection convincing? The answer is that it is only partly so. A more convincing argument for the effect of domestic politics and national institutions would have come from a study of countries that are as similar as possible (MSSD)<sup>6</sup>. Everything that Vogel advocates in this paragraph might have been argued more convincingly on some other pairs of countries. One example is a possible comparison between the UK and the US. Evidence of divergent responses in these countries would have been more puzzling than the divergence between Japan and the UK<sup>7</sup>. In other words, Vogel's case of diverging outcomes between the UK and Japan is more favourable for his argument about states' diverging response to common pressures than is a case of varied outcomes between the UK and the USA.

*Vogel and the PSA:* While Vogel's application of the NPA in his research design is not optimal, the way he applied the PSA is very problematic. Let us examine first the justification for his case-selection at the sectoral level:

Even in the most dynamic and the most global of industries – telecommunications and financial services – I find that governments are hardly overwhelmed by international market pressures. (p. 2)

It is clear from this sentence that Vogel is not looking for variations across these sectors, but instead uses them as two 'critical cases' in order to assess the arguments about the retreat of the state. The observation that telecoms and financial services are among the most global and most dynamic sectors is widely accepted so each of the sectors makes a good case. Yet one may question the logic of choosing sectors that vary so little. Few would doubt the benefits of adding cases when one's aim is to generalize. Yet if one's goal is to show that ideas and institutions are important determinants of the reforms, it might be best to choose one case where markets and technologies are very important and one case where markets and technological changes are radically less important. We may suggest a comparison between financial services (very dynamic and global) and transport (much less dynamic and global). A study that shows that even in the most critical cases (financial services) governments are hardly overwhelmed by international market pressures, and that even in the most static cases (transport) governments are reforming their regulatory regimes (and therefore acting on their own preferences), is more

forceful in its conclusion than a simple rehearsal of the same conclusion on two similar cases. Moreover, since there are not enough variations in his primary sectoral cases, Vogel do not allow for the possibility that variations in governance structures are more important across sectors than across nations. Given that Vogel's approach is entrenched in the tradition of the NPA, it seems that the research design – insofar as we concerned with the choice of sectors – is pretty much favourable to his argument.

*Vogel and the TPA:* While temporal cases (old and new regimes at the national and sectoral levels) are clearly part of Vogel's research design their use is much more limited than that of the sectoral and national cases. First, note that the temporal dimension of the secondary and the shadow cases is not brought into the analysis. Second, and probably more important, is the fact that the dominance of variations over commonalities across the old regimes in the two primary countries is assumed rather than systematically studied. In other words, the post-war reality is assumed to reflect divergences in the institutional and ideational characteristics of Britain and Japan, and the extent of commonalities between the two countries is ignored. The possibility that variations and commonalities are produced and reproduced in each historical era (and those between temporal cases) is not examined, probably because the past seems less interesting than the present.

### **The Range of Outcomes in Vogel's Research Design**

Using different types of cases (or comparative approaches) in one's research design changes the range of possible political outcomes. While a 'simple research design' can summarize along one dimension (yes, no, degrees of yes), a 'complex research design' is characterized by outcomes that vary along two or more dimensions. Take for example the four primary cases (two nations and two sectors) in Vogel's research design. The range of possible outcomes is presence or absence of reform not only in these four cases but in any of the four possible outcomes of the combination of sectors and nations. In what follows we argue that Vogel examines and discusses extensively only one of the four potential outcomes and overlooks the three others.

The four possible outcomes are similarities across nations and sectors, variations across sectors and nations, variations across nations but not sectors, and variations across sectors but not nations. Let us start with the one outcome that Vogel extensively discusses. This is the

outcome of variations across nations but not across sectors. This is Vogel's major finding and he discusses it at length. In doing so he reasserts not only the argument about the state-led process of reforms but also the one about the relevance of comparative studies of nations as the major professional enterprise. Somewhat less attention is given to the possibility of variations across sectors and of similarities across nations. This is a clearly one possible outcome of the research but Vogel seems not really interested in cross-sectoral variations as his choice for comparison of most-similar cases. A third possible outcome is of similarities across nations and sectors. Vogel is aware that important similarities exist across nations and sectors in the twenty-five cases that he analyses, but this outcome is not a significant part of his research agenda. Instead he assumes that marketplace changes, macro-economic trends, and export of the American 'deregulation' are responsible for this common trend of change. Finally, there is the possible outcome of variations both across sectors and nations. Again Vogel overlooks this possibility.

All in all, Vogel offers an innovative and multi-step research design that increases the number of cases without turning into a quantitative-econometric analysis. At the same time however his case selection has some weaknesses and he does not cover the wider range of possible outcomes that naturally arise when one moves from simple to complex research designs. In what follow we suggest a technique of combining two or more of the different research approaches that may help to overcome these problems.

### **FORMALIZING COMPLEX RESEARCH DESIGNS IN THE MEDIUM-N TERRAIN**

Problems of case-selection are inherent in all research based on non-random selection of cases. One of the most notable warnings as to problems of selection bias in case-oriented research was made by Geddes (1990) who pointed to the problem of selection on the dependent variable<sup>8</sup>. Yet there are other types of selection bias that often go unnoticed, and these might prove crucial in any research design. One is the problem of selecting on particular variations. This problem occurs when there is arbitrary selection of one type of variation while others are ignored. For example, such a bias might occur if variations in the advance of regulatory reforms are studied on the level of the European Union without regard to sector-level variations. A second problem is that of selection bias that result from focusing on either variations or commonalities. If variations and commonalities are both an important dimension of the reforms, an analysis that focuses (or constructed), only on one of them

might be biased. Our technique might be at least partly handy here. Let us demonstrate the advantages of the technique in an example of a research design that combines the National Patterns Approach and the Policy Sector Approach. The technique might be useful in studies that combine each of the two common comparative approaches (i.e., also IRA & NPA, IRA & PSA, TPA & NPA, TPA & PSA, and TPA & IRA).

Our starting point is the differences between the predictions of the NPA and the PSA as to the extent of similarities and variations across nations and sectors. When contrasted in one research design, the NPA predicts cross-national variations and cross-sectoral similarities, while the PSA predicts cross-national similarities and cross-sectoral variations. The four possible outcomes when these predictions are considered are portrayed in table 2. First, one can expect cross-national similarities and cross-sectoral variations. Such an outcome will confirm the PSA and thus will guide the researcher to look for sectoral-level factors that shape the regulatory reforms. Second, one can expect cross-sectoral similarities and cross-national variations to prevail. Such an outcome will confirm the NPA and thus will guide the researcher to look for nation-level factors. Third, one can expect similarities across both sectors and nations. Such an outcome implies that there are extra-national and extra-sectoral forces, probably global, which affect the governance regimes of all sectors and nations. The solution here is to move to the global level of analysis and to apply research tools that are more in tune with international relations than with comparative politics and comparative public policy. Finally, one can expect both cross-sectoral and cross-national variations. Such an outcome requires the researcher to explain *when* and *why* one of approaches is more useful than the other.

	<b>Cross-Sectoral Similarities</b>	<b>Cross-Sectoral Variations</b>
<b>Cross- National Similarities</b>	Evidence does <i>not</i> support either of the two approaches. Move to another level of analysis	Evidence supports the Policy Sector Approach (PSA)
<b>Cross- National Variations</b>	Evidence supports the National Patterns Approach (NPA)	Evidence supports both approaches simultaneously. Explore the conditions in which one is more acceptable than the other

**Table 2: Possible patterns of variations and similarities of outcomes in a complex research design that combines comparisons of nations and sectors**

It might be useful to illustrate these possible outcomes with two concrete examples of hypothetical research designs. Let us start with a research design with four cases: the privatisation of water and electricity facilities in Germany and France. This design of two countries and two sectors is complex to the extent that it derives its power from both the NPA and the PSA (see table 3). From the NPA standpoint there are two cases to be compared: Germany and France. From the PSA standpoint the two comparable cases are water and electricity. The NPA predicts considerable variations in attitudes to privatisation across the two countries but minimal variations across the sectors. Specifically, the NPA expects France or Germany to adopt or reject privatisation across *both* sectors. The PSA by contrast suggests that privatisation is subject to sector-level politics and therefore it predicts that privatisation will vary across the sectors, but will vary less or not at all across nations. Specifically one may expect, according to the PSA, that water ownership will keep its private (or public) characteristics in *both* countries. Yet there are other possibilities. First one is likely to find privatisation in both countries and in both sectors (see the left cell at the top of table 3). Second, one is likely to find privatisation in the two sectors in one of the countries but only in one sector in the other country (see the right cell at the bottom of table 3).

	<b>Cross-Sectoral Similarities</b>	<b>Cross-Sectoral Variations</b>
<b>Cross- National Similarities</b>	Privatisation in both water and electricity and in both Germany and France	Privatisation only in water (electricity) in both Germany and France
<b>Cross- National Variations</b>	Privatisation in both water and electricity in Germany (France) but not in France (Germany)	Privatisation in both water and electricity in Germany (France) but only in water (electricity) in France (Germany)

**Table 3:**  
**Possible patterns of variations and similarities of outcomes in a complex research design comparing water and electricity privatisation in France and Germany**

A second illustration of the use of the technique demonstrates how one can increase the number of cases from four to about forty. In the example we include ten liberal countries and ten étatist countries in the same two sectors, water and electricity. The number of cases in this example is forty (twenty countries times two sectors). Table 4 presents fictional outcomes of the propensity to privatisation in each of the countries and each of the sectors. As is evident from the table, the evidence for a large number of privatisations (83% of the forty possible cases) supports the possibility of similarities across nations and sectors. Yet clear evidence exists for each of the other options. Cross-sectoral variations are evident from the greater propensity of water to privatisation than electricity. Cross-national variations are evident from the greater propensity of liberal countries to privatise than étatist countries. Finally, evidence is present of variations across both sectors and nations. These variations are revealed in the tendency of liberal countries to privatise electricity more than water.

	<b>Cross-Sectoral Similarities</b>	<b>Cross-Sectoral Variations</b>
<b>Cross- National Similarities</b>	Privatisation in 33 out of 40 possible cases.	Water is more prone to privatisation (18 cases of water privatisation but only 15 of electricity).
<b>Cross- National Variations</b>	Liberal countries privatised in 18 out of 20 cases while etatistcountries privatised in 13 out of 20 possible cases	Liberal countries tend to privatise electricity more than water etatist countries privatised water more than electricity.

**Table 4:**  
**Possible patterns of variations and similarities of outcomes in a complex research design comparing water and electricity privatisation in 10 liberal and 10 étatist countries**

In the world of small-N research strategy, exemplified in table 3, it is highly possible that one of the four potential outcomes will win clear empirical support. But in the worlds of medium-N research, shown in table 4 (as well as large-N research), it is highly likely that all four of these approaches will get some support. This requires the researcher to examine his or her explanations against various outcomes. Clearly some costs are involved as the challenges to any explanatory framework are bigger, but there are some benefits. First, simple and swift arguments that dismiss one or more mechanism of political change might be more difficult to propose. At the same time it may solve at least partly the two problems of case selection that were discussed above: selecting on particular variations and selecting on variations rather than commonalities (and vice versa).

#### **CONCLUSIONS: REGULATORY ANALYSIS IN THE MEDIUM-N'S TERRAIN**

Not many would want to contradict the argument that significant carelessness exists in regard to methodological issues in comparative research. One indication of this situation is the repeated references to methodological studies from the early 1970s in current comparative research<sup>9</sup>. This stagnation is partly due to the fact that the methodological training in the political sciences and sociology is primarily oriented to statistical training. Yet statistical training, important as it is, is not the only methodology and arguably not the major methodology in political studies, and there is an urgent need for methodological training in



comparative strategies. A significant foundation for progress in this regard was laid by the work of Charles Ragin (1987; 1994, 2000) and the research networks that are hosted by the Arizona State University<sup>10</sup> and the Catholic University of Louvain<sup>11</sup>. Not less important are the efforts to promote multi-method research designs (e.g., Bennett, 2002; Lieberman, 2002).

In the spirit of these efforts to promote the use of comparative strategies in political research, this paper distinguished four major approaches to comparative research. It then offered a technique of comparisons that allows the researcher to increase the number of his or her cases without compromising the benefits of case-oriented research. Using Steven Vogel's technique of a multi-step research design we showed how this could be done effectively. In addition, the paper set forth a technique of a complex research design that allows systematic examination of all possible outcomes when two or more of the four comparative approaches are employed in one's research design. It is now up to the scholars and students of regulatory reforms to decide to what extent these methodological suggestions might be useful in their own research.

## *Notes*

1 This argument holds for both deterministic and probabilistic reasoning. In deterministic reasoning the absence of cause effect is associated with the absence of other effects or causes. In probabilistic reasoning changes in the level of one variable are associated with changes in the level of another variable. Thus, for both probabilistic analysis and for deterministic analysis a precondition for the convincing process of inference is the variations across the cases.

2 The policy sector approach is on the rise in the study of governance issues. According to Vivian Schmidt, it is likely that at 'some point soon, ... sectors across Europe [will be] the most appropriate focus' (Schmidt, 2002:307). Yet while the PSA has given birth to some excellent research, not one study has made a critical impact on the discipline of politics akin to the seminal works that are associated with the NPA.

3 See the summary on p. 45 of his book.

4 Vogel's term is 'mini-cases': see, p. 256.

5 The term 'shadow case' is meant to convey the idea that some cases that the research uses are subtle or embedded in the discussion and the analysis.

6 Selection according to the Most Similar System Design (MSSD) takes cases that are as similar as possible, on the assumption that the more similar the cases being compared, the more possible it should be to control the effects of different variables. The MDSD compares cases that are as different as possible in order to show the robustness of a relationship between dependent and independent variables. For a somewhat confusing exposition of this critical distinction see Przeworski and Teune, (1970).

7 The UK and the US are generally perceived to belong to the same 'family of nations' and thus to have similar approaches. Yet has been shown admirably by David Vogel (1986) the commonalities between these countries are accompanied by significant variations in policy styles.

8 This problem occurs when cases are chosen because of the occurrence of some phenomenon (e.g., revolutions, revolts, policy change) without regard to variations in the occurrence of this phenomenon.

9 These studies most often include references to Lijphart's seminal papers (1971, 1975) and more rarely to Przeworski and Teune (1970).

10 <http://www.asu.edu/clas/polisci/cqrm/index.html>

11 <http://smalln.spri.ucl.ac.be/>

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