3
Antitrust: Ideas, Institutions and Change

The success of antitrust institutions is normally associated with the degree to which the economic conditions they create are conducive to the achievement of interests such as profits or welfare. In this respect, the role of interests in determining social constructions and influencing the social realm has long been considered prominent. However, from being marginal, the study of ideas in the process of economic structural change has acquired a central role, bringing to light a new set of theories that seek to explain institutional transformation from a more ontological point of view, i.e., in terms of ideological constructs and their influence on the social realm.

Qua mental models, ideas are considered essential to understand and categorise the evolution of institutions and of the social realm. It follows that these are in turn determined – or in fact constructed – as much by material interests as by ideas themselves. In this view, the power of ideas is consistent, and indeed concomitant, with the existence of social actors and particular interests. In this frame, this chapter is firstly going to analyse the role of ideas and interests in determining the evolution of competition institutions. Precisely it will investigate how the development of antitrust policy was made possible by different social and political actors in the pursuit of particular interests. Secondly it will take into consideration how mechanisms of policy diffusion or isomorphism and path dependence have contributed to the diffusion and institutionalisation of specific antitrust ideas, without, however, resulting in a total harmonisation of antitrust practices.

Ideas, institutions and interests

By determining the general background upon which specific models of capitalism develop, ideas seem to be extremely influential tools in
shaping reality. In Hall's words (1989, p. 1), John Maynard Keynes (1936, p. 383) once observed that the ‘ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood’. In order to understand the evolution of antitrust institutions and the models of capitalism, one should investigate the policy-making process that determined the institutionalisation of specific decisions and how each of those political choices was necessarily influenced by the normative or cognitive beliefs political leaders hold about macroeconomic dynamics.

In this sense, it is essential to analyse the specific functions played by ideas in this process. Even so, the scholarly attention received by ideas should by no means overshadow the role of interests. For instance, historical institutionalist Peter Hall (1989), in his analysis of the influence of economic ideas on the Conservative Thatcher governments of the 1980s, maintained that the bold changes that invested the UK during those years were caused by major clashes among economic needs. Specifically, the shift from Keynesian policy to neo-liberalism was justified by the rise of new interests that were not pursuable through the previous political imprinting because of the incapacity of the old ideological structure to provide the basic tools to understand the crisis. However, ideas, and the consequent policy paradigms constructed by policymakers, are the means through which it is possible to mobilise alliances, foster collective actions and, at the same time, maintain the fundamental requirements for the two latter conditions. While material circumstances may help to discern what is possible and what is needed, policy paradigms are the only beacons of clarity in any given political struggle.

Academics have long tried to balance the capacity of both material and ideological elements to influence policy outcomes; nonetheless, many scholars have criticised ‘ideas-matter’ enthusiasts for ignoring the important role of interests as determinants of change (Larsehn and Andersen, 2009, p. 240). In fact, according to Blyth (1997, p. 236), ‘attributing a change in behaviour to a change in ideas is tenable only if it is counter factually demonstrated that the change could not have occurred without the ideas. The lack of such a methodological check is a weakness on two counts’.

As a result, the main critique on the part of the functional-interest supporters is that the role of ideas in influencing policy-making is largely epiphenomenal. Indeed, according to a functional approach, every time there is a situation of instability, actors modify the institutional framework in order to maximise their interests. Ideas have a purely utilitarian