



Robert Elgie: a systematic, original, and impatient thinker

Erik Jones¹

Accepted: 5 April 2022 / Published online: 21 April 2022
© The Author(s), under exclusive licence to Springer Nature Limited 2022

Robert had the office across the hall from mine at the University of Nottingham for a short but very productive period around the turn of the century. He would have teased me for describing it as the turn of the century. He would have been less wordy and more precise. We were friends, collaborators, and co-authors. He often liked to tease, even if he spent more effort on self-deprecation. But it was the turn of the century. It was also a pivotal time for both of us. Robert would leave Nottingham to take up a position at Dublin City University; a year later I went to Johns Hopkins in Bologna. We stayed in those jobs for the next twenty years. We also stayed in touch, albeit infrequently, and eventually had to the chance to work together at *Government & Opposition*. The sense of closeness we developed at Nottingham never really diminished. His death was a terrible loss.

Robert was a very systematic, original, and impatient thinker. This is a unique combination that I can only illustrate through a paper we wrote together. That paper started over a conversation about central bank independence. Robert had written a piece in *West European Politics* on democratic accountability and central bank independence that was gaining significant traction within the political science community (Elgie 1998). His argument was that independent central banks do not necessarily undermine democratic representation. In Britain and France, for example, central bank independence and democratic accountability can exist side-by-side. The European Central Bank may be an exception, however. The ECB does not have the same degree of interaction with democratically elected representatives. He concluded that the ECB would need to be reformed to avoid this ‘democratic deficit’.

Two things struck me about Robert’s argument. The first was the way he did the analysis. His method was to do a kind of meta-review of the economics literature on central bank independence and to pull together the many indexes economists created to capture both the degree to which central banks are insulated from politics and the extent to which they have discretion over their own policy instruments. He parsed the numbers for different national central banks, France and Great Britain in particular. Then he did the same for the ECB to demonstrate that it had much greater political insulation, even if its control over policy instruments was less extensive. It is a

✉ Erik Jones
erik.jones@eui.eu

¹ Robert Schuman Centre for Advanced Studies, European University Institute, Fiesole, Italy



very elegant paper. But the subtle precision of the numerical comparison seemed at odds with the categorical logic of the time-inconsistency argument underpinning the case for central bank independence.

The second thing that struck me was the suddenness of the jump from this comparison of index numbers to the case for reforming the ECB. Central bank independence may be many shades of grey, but democratic accountability is not. In Robert's view, either the central bank is directly accountable to democratically elected officials, or it will be subject to persistent and (possibly) increasing criticism. This raised two questions. The first is whether the ECB – or any central bank – might face persistent or increasing criticism even if it is democratically accountable. The second is whether efforts to make the ECB more accountable might have an impact on its ability to achieve the goals that justify its independence.

When we discussed these questions, it became clear that the economic literature on time inconsistency was not going to provide the answer. That literature would just bring us back to the indexes Robert used to build his argument. More important, Robert had already shifted his interests to principal-agent theory. So instead of answering my questions, he suggested we try to use principal-agent theory to reframe the debate about central bank independence. Robert started with the presumption that the central bank is the agent in an act of delegation from the democratically elected representatives in the legislature. If so, however, it is strange that the delegation focuses less on constraining the agent than on empowering the agent with discretion over the use of policy instruments. It is even stranger that the delegation goes further to insulate the agent from the control of the principal. Robert noted that most of the classics in principal-agent theory (written in the 1980s and 1990s) did not work that way. Those papers focused on constraining the agent through rule-based delegation and oversight mechanisms.

The next thing I knew, Robert started making photocopies of just about every article he could find on principal-agent theory to confirm whether the bulk of the literature focused on the problem of agency drift. He found a few pieces that talked about problems related to inconsistent preferences—much like the time-inconsistency dilemma—but no clear strand in the principal-agent literature that centred on the behaviour of the principal. So, we talked about how a principal-centred approach to principal-agent theory would look, and how that principal-centred approach would differ from the agent-centred analysis he found in his meta-review of the literature. Then we considered the possibility that any act of delegation might suffer from both sorts of defection—agents who shirk, and principals who are inconsistent.

The result was a seven-thousand-word essay that set out a broader approach to understanding delegation that gave equal attention to both sides of the principal-agent relationship. This broader framework suggested that neither democratic accountability nor central bank independence are categorical states. By implication, any delegation of monetary authority is part of a delicate balance. Robert went on to use this insight to reframe his critique of the ECB and to suggest how Europe's democratic deficit could be resolved (Elgie 2002). Principal-agent theory was a 'value-free' 'heuristic' in this new version of the argument (p. 198). The implication was that it is right to look closely at the indexes for independence to see how things really work in practice; it is also right to ask why people might criticize a central



bank and what, if anything, democratically elected politicians should do about it. That paper got even more traction than the first.

The more general, theoretical essay we wrote somehow never even went out to referees. We released it as a working paper for the Centre on the Study of European Governance we founded at Nottingham, and it even attracted a handful of citations, but neither of us was willing to invest the time in trying to get the paper published (Elgie and Jones 2000). We enjoyed the conversation—I certainly learned a lot!—and moved onto other things. Having just read the paper again, I am surprised we did not keep working on it. Then again, it was the turn of the century. It was also a pivotal moment in our professional development. We were impatient.

Looking back, though, I am still struck by Robert's systematic approach to surveying the literature. Of course, everyone does a literature review when they start a new research project, but his work was qualitatively different. He brought that intensity to his role as reviews editor at *Government & Opposition*. He argued that we should stop asking colleagues to write essays on random collections of books and instead ask them to do meta-reviews of key debates in the literature. That formula was an instant success. The reviews he commissioned became some of the journal's most cited contributions. They also became fodder for deep conversation after editorial board meetings about how we might use the insights those articles brought together in addressing other research puzzles. Robert was original as well as systematic. More than twenty years on, though, I am less impatient. I wish he could have stayed around a bit longer.

References

- Elgie, Robert. 1998. Democratic accountability and central bank independence: Historical and contemporary, national and European perspectives. *West European Politics* 21 (3): 53–76.
- Elgie, Robert. 2002. The politics of the European central bank: Principal-agent theory and the democratic deficit. *Journal of European Public Policy* 9 (2): 186–200.
- Elgie, Robert, and Erik Jones. 2000. *Agents, Principals, and the Study of Institutions: Constructing a Principal-Centred Account of Delegation*. Nottingham: University of Nottingham, Centre for the Study of European Governance.

Publisher's Note Springer Nature remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

