

# Analysis of Cartel Duration: Evidence from EC Prosecuted Cartels

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## **Abstract**

This study first analyses the life span of the cartels convicted by the European Commission during 1990–2008 and explores certain issues regarding the empirical definition of cartel duration. The cross-section analysis then investigates the determinants of cartel break up using a competing risk Cox proportional hazard model. The result shows that external disturbances and changes in the cartels' own structures play a crucial role in cartel demise. Moreover, the cartel members' ability to enforce their agreement through better organization also dictates its success. The analysis also reveals that when a leniency regime is in operation, cartels tend to be more fragile.