Power Gas Governance State Size Capitalism **United States** Liberalisation Europe privatisation Oil shale Community **Investments** Resource **Varieties** Ideas Stepwise Energy Process Logics gas governance Europe **Telecommunications** 21st century Transition Russia Energy Shale Gas Security

EUROPEANISATION, GLOBALISATION, AND UNCONVENTIONAL ENERGY: A STEPWISE COMPARISON OF TELECOMMUNICATIONS AND ENERGY IN ESTONIA AND POLAND, 1990-2011 Alvin Almendrala Camba UCL

Outline

- Design, Theory
- Methodology and Research Methods
- Empirical Comparison
- Conclusion and Contribution

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Rethinking the EU and Policy Transformation I

- Theoretical & Empirical Puzzle: For CEE, domestic institutional/policy transformation (democracy, market freedom, etc), was a result of the accession, the conditions of the *EU acquis* (Moravcik 2008; Brethethon & Vogler 2008; Schemmelfinig & Sedelmeier 2006; Manners 2006, Ganzle 2005)
- Theoretical Departure: For the EU: Disconnecting Europeanisation and Globalisation
 - Are they the same? Does the EU mirror changes in the global context? Is the EU a buffer?

What is Europeanisation?

 Top-down, bottom-up, changes in territorial boundaries; development of institutions of governance; penetration of national and sub-national systems of governance; export of forms of political organisation governance that are typical of and distinct for Europe; a political project aiming at a unified stronger Europe.

What is Globalisation?

 So many, many things, general consensus restructuring towards market freedom and market power

Rethinking the EU and Policy Transformation II

- What is Europeanisation in my research?
 - Institutionalisation of a common political and economic order at the transnational level mainly through membership in the European Union and particularly the creation of issue- and sector-specific regimes at the EU level.
- What is Policy Transformation in Public Utilities?
 - Reregulation (or some scholars call it the Europeanisation of Governance), defined as the creation of accompanying institutions, such as national regulatory agencies (hereafter, NRA), that are politically insulated from electoral volatility, government turnover, and politicisation.
 - Liberalisation (or as some scholars say Europeanisation of Markets) the utility sectors--defined as the privatisation or non-state ownership of public utilities, and fair competition under the rule of law
- Why did I choose Public Utilities? Energy and Telecom
 - analyse the impact of Globalisation and Europeanisation because of Public Priorities and key utilities
 - Utility sectors the necessity of infrastructures to function
 - Study the causality by isolating nations and sectors

Rethinking the EU and Policy Transformation II

If Europeanisation matters more than any other factor

- (a) similar patterns of market integration and similar institutions of governance across; (b) varying degrees of market liberalization depending on the extent to which the specific European regime promotes it; (c) a lesser degree of neomercantilism (promoting national champions and interests) with the advance of Europeanisation; and (d) new strategies of internationalisation by private firms, corresponding to the opportunities and constraints accompanying the progress of Europeanisation. (Levi-Faur 2010; Jordana; Thatcher; Blaithe; 2006)

Why did I choose Estonia and Poland?

- Most Different Cases in CEE Lit, a 'spectrum' (Hölscher & Myant 2007; Bohle & Greskovit 2007)
- Similarity 'Unconvetional Energy'
- Estonia Radical neoliberal capitalism, a more 'salient' ethnic politics, and small state features (Bohle and Greskovits 2007)
- Poland Embedded capitalism, a more salient 'class' politics and nonsmall state features

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Research Questions

- To what extent does Europeanisation matter in the policy transformation of public utilities in Estonia and Poland?
 - What are the consequences of post-accession to both utility regimes?
 - Are there emerging modes of newer varieties of capitalisms in both utilities?

Argument

- The link of the EU membership and regulatory regime and policy transformation in utilities is weak
- Instead the organising logics of transformation are globalising pressures synthesised with domestic factors

Theory and Methods

Theoretical Frameworks:

- Bottom-Up Europeanisation in explaining utilities
 - Type of Capitalism and the Size of the State
 - Globalising pressures

Methodology

- Process Tracing –trace causal processes overtime
- Stepwise Comparison National Sector Analysis and Policy Sector Analysis (Levi-Faur, Jordana, Thatcher, Coen, etc.) and 'Resource' Comparison

Research Methods

- Semi-Structured Interviews of EU Officials, Polish and Estonian officials, Transnational Companies of Energy and Electricity, NGOs
- Policy Documents and Relevant Literature

Telecommunications and Energy in the EU

- Telecommunications
 - Consensus on the level of support
 - EU and Commission initiatives laws to further the EU common order
- Energy's
 - First, Second, and Third Package
 - Lack of support from ECJ until recently
 - Most salient resistance from France and Germany
- Thus, it is expected that telecommunications should be more liberal and easier to reregulate

Utilities in Estonia and Poland before 2004

- Soviet Union
 - Telecommunications
 - Estonia State, History of Telecom, Inward Development
 Poland State, Inward Development, Size limits
 - Energy
 - Estonia State, Oil Shale Complex; Poland State, Coal Complex
- Pre-Accession: Comparison
 - Regulation
 - General regulatory institution for Estonia due to state size and type of capitalism; Regulation was judicialised in Estonia
 - Sector-specific Regulation for Poland (URE and URT) due to state size and type of capitalism
 - **Problems in both -** 'Double-hattedness' in Estonia, bureaucracy in both countries,
 - Telecommunications
 - Privatisation and competition much faster in Estonia due to size and state capitalism, Regulatory institutions much more effective
 - Energy
 - Privatisation and competition was slow in both countries, but faster in Poland due to **sectoral demands of globalisation and technology**

Utilities in Estonia and Poland After 2004

- Post-Accession: Comparison
 - Regulation
 - Regulatory harmonisation in Estonia; double-hattedness was removed, but regulatory problems in electricity (amount of cases in the Estonian high court), but not in telecommunications
 - Regulatory problems in telecommunications in Poland, but much less in electricity due to **state size and type of capitalism** (because of previous gradual privatisation)
 - Telecommunications
 - Full liberalisation in Estonia due to size and state capitalism, slow but eventual privatisation in Poland mostly due to globalising pressures
 - Energy
 - Privatisation and competition taking place in Poland because of globalising pressures slow
 - Estonia strong state control in the energy sector
 - State Imperatives in the third package renewable energy

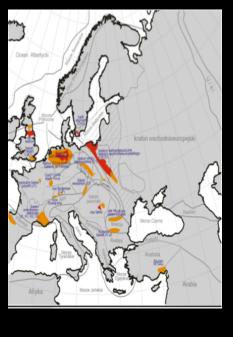
Comparison

- (a) similar patterns of market integration and similar institutions of governance across the two countries
 - To a certain extent regulatory institutions do conform to the basic template, but designed was determined by state size
- **(b) varying degrees of market liberalisation** depending on the extent to which the specific European regime promotes it;
 - Energy was moving towards market liberalisation in Poland, which was not expected in the EU regime
 - Liberalisation of Telecommunications slower in Poland, which was not expected in the EU regime
- (c) a lesser degree of neomercantilism
 - Regulatory institutions of both countries are still questionable
 - Emerging Shale Energy Issues
- (d) new strategies of internationalization by private firms
 - Telecommunications trap within regional firms

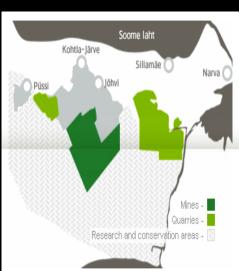
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Conclusion

- Weak Link between EU Regulatory Regime and Policy Transformation
- Rather the organising logics of policy transformation are the type of capitalism, state size, and globalising pressure
 - State Size and Capitalism largely influence the [Re]regulation and Liberalisation during pre and post-accession
 - New Modes of Capitalism--not entirely a radical neoliberal in Estonia, and not exactly embedded capitalism in Poland (against Hölscher & Myant 2007; Bohle & Greskovit 2007)

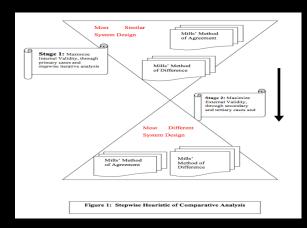












KPMG Kosakowo

KPMG Mogiler

PMG Brzeźnica

PMG Husów

PMG Strachocina

PMG

PMG Daszewo

PMG Bonikowo

clay

sea mud

lake mud

dolostone

limestone

peat sand and gravel oil shale

to improve energy efficiency

to develop the use of renewable energy sources, including biofuels

Energy **Policy**

to develop competitive fuel and energy markets

to enhance security of fuel and energy

supplies

to reduce the environmental impact of the power industry

to diversify the electricity generation structure by introducing nuclear energy

