

Power
Governance
Capitalism
State Size
Gas
United States
Liberalisation Europe
privatisation
Oil shale
Investments Resource Varieties
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Stepwise
Process Energy Logics gas
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**EUROPEANISATION, GLOBALISATION, AND
UNCONVENTIONAL ENERGY: A STEPWISE
COMPARISON OF TELECOMMUNICATIONS AND
ENERGY IN ESTONIA AND POLAND, 1990-2011**

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Outline

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

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 - 'Unconventional 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 non-small 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

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)



