

Chapter 20. Telecommunications Policy

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1. INTRODUCTION¹

During the last 20 years telecommunications policy has attracted growing interest from political science. Hundreds of books and articles deal with governmental decisions, programs and actions related to the broadening spectrum of technologies and technical systems that facilitate communication over large distances. Telecommunications policy is studied at national, cross-national and supranational level, and it is widely acknowledged that this specific domain of public policy has changed significantly and taken on a European character. However, the answers diverge regarding the question of which forces have driven this process. Likewise, telecommunications policy is only rarely defined or delineated in a systematic way. Contingent upon what is included when telecommunications policy is analyzed, we arrive at different conclusions concerning the extent and the characteristics of the Europeanization of national telecommunications policies in Europe.

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Telecommunications policy's traditional core area comprises the fixed telephone network, the plain telephone (voice) service and other services based on the telephone network such as facsimile or some simple data transmission services. Mobile telephony has also recently been added to this domain. More encompassing concepts of telecommunications include electronic (mass-)media on the one hand and (value-added) information networks and services, particularly the Internet, on the other.

Usually public telecommunications policy is regulatory policy. In Europe and most other parts of the industrialized world, governments no longer operate networks, nor do they provide services through public companies or administrations. They rather develop, stipulate and enforce rules that guide and control the provision and use of telecommunications technologies by private companies and users. As in the era of public telecommunications monopolies, policies protecting and promoting the telecommunications industry continue to be important elements of government strategies. However, they are now caged in a liberal pro-competitive economic governance regime composed of international, European and specific national elements. In this setting also non-governmental actors play a crucial role as policy-makers. Their activities either influence governmental actions indirectly or contribute directly to collective decision-making and/or to the production of collective goods through mobilizing complementary resources in private-public policy networks. But private actors also generate rules, standards and enforcement capacities without direct involvement of governments, thus enabling them to (self-) regulate the provision and distribution of communication goods and services.

Private and public actors are involved in and affected by the Europeanization of telecommunications without necessarily giving it a specific shape or direction. The literature

on Europeanization uses various concepts with multiple meanings to describe this phenomenon (Olsen 2002; Radaelli 2000). In this context we suggest an analytical distinction between four basic types of Europeanization.

Type 1. A significant engagement of supranational EU actors/institutions in the telecommunications policy domain, the establishment of genuine European institutions, and the adoption and execution of European rules in this area (Sandholtz 1998; Schneider and Werle 1990).

Type 2. Adjustment and adaptation of domestic actors and institutions in EU member states to policy processes and goals at EU level (Börzel and Risse 2000; Cowles et al 2001).

Type 3. Institutional convergence of telecommunications among EU countries and adjacent non-member countries such as Switzerland or Norway mainly, but not exclusively, through horizontal bargaining and other interaction processes that go beyond mere information sharing (Mach, Haeusermann and Papadopoulos 2003; Sciarini, Fischer and Nicolet 2004).

Type 4. Institutional convergence through passive, unilateral policy diffusion, where member states and non-member states simply copy or emulate policy programs of other (not necessarily EU member) states without any active concertation and coordination (Levi-Faur 2004, 2005; Simmons and Elkins 2004).

Types 1 and 2 embrace the “vertical” dimension of Europeanization and, respectively, the “top-down” (download) and “bottom-up” (upload) efforts of European institution building and integration in telecommunications. Type 1 sometimes also is labeled “European integration”, if Europeanization is not used – as we do – as an umbrella concept which covers all forms of institutional convergence triggered by the emergence or existence of the EU as a

new political entity. On the other hand, types 3 and 4 focus on “horizontal” relationships between EU member states and certain non-members as well.

Each type of Europeanization operates through specific mechanisms. For instance the supranational type is driven by policy-entrepreneurship of the Commission (corporate actor model), by judicial decision-making through the European Court of Justice (ECJ) or by collective decision-making (based on different voting rules) through the Council and the European Parliament (EP). A good example of a type 1 indicator is the establishment of the European Telecommunications Standards Institute (ETSI) in 1988. Conversely, structural adaptation and assimilation at the level of the member states refers to the process of transposition and implementation of EU rules which are imposed by supranational actors but usually leave room for modifications through intermediation by domestic institutions and actors. Additional mechanisms may be competitive selection of regulatory systems, ideological framing and horizontal diffusion by learning, as well as imitation and emulation among member states (Knill and Lehmkuhl 2002a; Scharpf 2001; Schneider 2002). They may reshape EU institutions or establish them (decentralized) at the level of the member states. An instance of this Type 2 Europeanization is provided by the emergence of National Regulatory Authorities (NRAs) in the member states. The core of Type 3 Europeanization relates to horizontal feedback processes and mutual influence among the EU, the member states and the European non-members of the Union. But apart from these more or less EU-centred phenomena also other instances of European convergence in telecommunications can be classified as Type 3 if specific European spaces of interaction and bargaining emerge. An historical example is provided by the European Conference of Postal and Telecommunications Administrations (CEPT) which was established outside the EU in 1959. Type 4 may be accounted for by globalization processes and related processes of information

diffusion or by the spread of political ideologies (e.g. neo-liberalism). In this case global developments take on a European character based on dense networks of information exchange in this area.

The four types of Europeanization are the theoretical background for the core issues addressed in various theoretical and empirical studies of telecommunications policy in Europe. Most of these studies – often implicitly – focus on fixed and mobile voice telephony. But the scope of telecommunications policy is much broader and also includes other areas of technical communication such as broadcasting and television or data communication, particularly the Internet.

2. CORE RESEARCH QUESTIONS

Based on the four types of Europeanization and the various functions, by which public policy makers can be involved in telecommunications, we encounter a broad spectrum of policy-making activities. However, not all areas that are theoretically thinkable have been Europeanized during the last decades. This is especially true of the provision of telecommunications infrastructures, which was never a realistic option for European institutions although it was an important function of the modern state in many countries (in particular in continental Europe). It might well have been possible during the 1980s, that the European Community would channel a part of its R&D resources into the establishment of a pan-European telematic network (Videotex), a kind of European Minitel, in order to promote the emerging information society. However, at that time intra-European rivalries, in particular

between Britain, France and Germany, prevented such a big jump. The conflicts between these big European players even prevented the adoption of common technical standards (Schmidt and Werle 1998). Huge trade barriers in the telecommunications and computer industry protected the national markets (Genschel and Werle 1993) and reinforced techno-economic divergence (Bouwman and Christoffersen 1992; Schneider et al 1991). Thus, up to the middle of the 1980s the telecommunications industry was extremely resistant to all European dimensions and it appears paradoxical that some twenty years later large parts of this same industry are Europeanized. Therefore, the core research questions are a) why and how did the EC/EU expand into the domain of telecommunications policy; b) what are the direct effects of European telecommunications policy on domestic actors and institutions in member states, candidate states and associate countries; c) what are the indirect or horizontal effects of European integration on domestic telecommunications policies in member states, candidate states and non-member countries; and, d) which methods, concepts, approaches, and empirical research domains enhance the further study of European telecommunications policy?

The literature which tackles these questions often focuses on one of the four basic mechanisms that are distinguished above. We introduce and discuss the studies in the above mentioned order. Although interesting and partly competing explanations are offered, many studies restrict themselves to describing the transformation processes or just illustrating and further specifying the core questions.

Supranational expansion into telecommunications policy. The first crucial question is why in the middle of the 1980s the European community started to successfully expand into the telecommunications policy domain, and why this expansion was so pervasive during the

1990s. In the 1950s when the European Coal and Steel Communities were formed, a European postal and telegraph union was also proposed. But the European governments opted for a much looser, if more inclusive, integration in this area and, in 1959, created the European Conference of Postal and Telecommunications Administrations (CEPT) with 19 West European member countries.

Several studies show (Natalicchi 2001; Schneider, Dang Nguyen and Werle 1994; Thatcher 1999) that despite the establishment of the CEPT the EC managed to expand into this policy domain in various interrelated steps. The Commission launched R&D programs and initiated measures to liberalize the market for telecommunications equipment. It proceeded with actions aiming at regulatory harmonization complemented by large programs intended to facilitate Europe's transition to an information society. Current EU policy-making covers almost all aspects of communications policy – from simple telephony to the Internet, multi-media and broadcasting, and from rule setting for markets and technologies to the pursuit of social and security goals (Curwen 1995; Gibbs 2001; Goodwin and Spittle 2002; Halpin and Simpson 2002; Hills and Michalis 2000; Jordana 2002b; Kofler 1998; Michalis 1999; Mina 2003; Niebel 1997; Simpson 2000; Waesche 2003).

During the 1980s telecommunications was increasingly regarded not only as an important object of trade integration but also as a promising instrument of a common industrial policy. To explain these initial steps towards Europeanization two approaches stand out: supranational integration and variants of the multi-level governance approach. We rarely find intergovernmental explanations of the type which Moravcsik (1991) used to explain the adoption of the Single European Act. Grande's perspective comes close to Moravcsik's (Grande 1989; 1994). In his view, the changes in telecommunications are an expression of a

more encompassing transformation of the state. In the state's positive form governments were involved in the provision of infrastructures whereas in the regulatory state governments leave the provision of formerly public services to the market and merely concentrate on regulatory oversight. Accordingly, policy-making at the European level does not appear as a factor in its own right, but as a kind of derivative.

Supranational and multi-level governance approaches, in contrast, see European policy-making as an important independent factor explaining institutional and policy change in the telecommunications sector. The approaches diverge with respect to the weight of the different levels, as well as regarding the number of actors that have to be integrated in an explanation model. Early accounts of the European Community's "assault" on telecommunications policy highlight the importance of the European Commission and the European Court of Justice (Sandholtz and Zysman 1989; Schneider and Werle 1990). Referring to structural changes of the economy they emphasize that the decisions of core actors were a response to these challenges. According to Sandholtz and Zysman (1989), at the end of the 1970s and in the early 1980s European policy makers realized that the old strategies promoting national champions had failed. They responded by transposing dispersed national strategies to a coordinated European industrial policy. The liberalization of certain European high-tech markets, they believed, would help prepare the European multinationals for the competition in the world market. In this perspective the new collective European response that first materialized in research and development programs (ESPRIT, RACE) was achieved through elite bargains between the Commission, certain political leaders, specific national government agencies, and senior business leaders. The Commission which the authors conceive as an "entrenched, self-interested advocate of further integration" plays the central role of a policy

leader who mobilizes business coalitions exercising crucial influence on their respective governments (Sandholtz and Zysman 1989: 108).

In contrast, Schneider and Werle (1990: 93) consider the triggering event to be not so much the failure of old strategies but the perceived requirement to respond to the immediate American threat that was indicated by an expected global expansion of AT&T (after the divestiture) and the diversification of IBM into telecommunications. In this situation of increasing competitive pressure, they argue, the Commission managed to convince the member states that close European cooperation in telecommunications under the leadership of the EC was advantageous, if not necessary. To specify the preferences of EC institutions the authors introduce the corporate actor concept which emphasizes the emergent interest of formal organizations to expand their established domains and competences (Coleman 1974). A similar explanation inspired by supranational integration theory and focusing on supranational policy leadership is provided by Sandholtz (1993, 1998). He stresses the role of a proactive Commission and a supportive European Court of Justice in creating a supranational telecommunications policy domain. Business users in particular needed advanced international services and a growing number of equipment and service providers eagerly wanted to meet this demand. Thus, business actors with high stakes in the liberalization of telecommunications markets became the coalition partners of the Commission and the ECJ which was able to intervene because private actors took telecommunications-related cases to the court. The decisions by the ECJ provided the Commission with institutional resources on which its expansive actions could be based.

While these supranationalist approaches do not ignore the actions and interests of national actors, they do put strong emphasis on the role the supranational institutions have played in

this transformation process. In addition, European institutions appear as relative autonomous actors, equipped with their own resources and oriented towards their own interests. However, a number of studies try to qualify these capacities and orientations by pointing to conflicts among member countries on the one hand and by indicating interest divergences between European institutions and member states on the other. These studies show that in crucial cases supranational integration in telecommunications did not materialize despite the efforts of supranational actors. An important example here is the establishment of national regulatory agencies instead of a single European regulator (Thatcher 2002).

In order to specify the autonomous action capacities, the particular legal powers of the Commission are studied in detail (Schmidt 1997; 1998). Particularly in telecommunications, where they were to some extent based on the former Article 90 III, they certainly go beyond mere agenda-setting. The Commission, however, rarely made use of the Article 90 III competence to issue directives without the participation of the Council of Ministers and the European Parliament. It preferred an informal procedure of consultation in which the relevant actors at the European and national level were involved. On the other hand, acting in the “shadow” of its further reaching formal competence, the Commission could build up pressure if arguing and bargaining alone turned out to be less successful (Schmidt 2000). Similarly, Thatcher (2001) argues that a number of institutional control arrangements make the Commission very sensitive to the preferences of national governments in substantive EC telecommunications regulation. Such structures limit the discretion of the Commission but also the degree of freedom of member states in the implementation of European regulations and directives. As a result the Commission and the national governments acted in partnership.

In contrast to these models, which treat telecommunications policy as a two-level game between national governments and the Commission, there are approaches that integrate private actors in a multi-level framework. In Grande's view, for instance, ESPRIT was the result of a multilevel process in which the Commission, member countries, and private actors interacted in complex ways (Fuchs 1994; Grande 1996). Accordingly, the Round Table of Industrialists, an important actor in this context, appears as an initiative by the Commission and not by the companies themselves, thus demonstrating that the prime target of the companies' pressure was not the Commission, which would have supported IT programs anyway, but the Council and the national governments. The Commission thereby created a kind of lobbying group which helped overcome the Council's resistance to the new technology programs (Grande 1996: 323). This essentially is a network perspective integrating various actors operating at the national and supranational level (Esser and Noppe 1996; Schneider, Dang Nguyen and Werle 1994). The network approach distinguishes not only between the private and public status of political actors, but also between organizational forms such as business associations on the one hand and directly lobbying European firms on the other (Schneider 1992). The interactions in this multilevel system do not necessarily follow hierarchical pathways. For example, national firms and associations exercise pressure, simultaneously, on national governments and on supranational institutions; and the latter, in turn, interact with national firms and associations (Natalicchi 2001).

Domestic impacts of European policy-making. The supranational expansion in telecommunications policy has led to a large number of EU regulations and directives which liberalized markets, harmonized regulatory arrangements, and supported the communications sector by various research and development programs. An important research question is how these policies and related institutional changes become effective at the member states level –

the main aspect of what we call Europeanization Type 2. The question is, as Börzel and Risse (2000) phrase it, when and how “Europe hits home”. Since much of this research is based on variants of neo-institutionalist theory, a major hypothesis is that the domestic impact of EU policy-making is mediated by particular national institutions enabling or prohibiting domestic change. National institutional arrangements include formal institutions which concentrate or diffuse political power (e.g. few or multiple veto points) but also encompass national political culture, distinct identities and policy styles (Börzel and Risse 2000; Green-Cowles, Caporaso and Risse 2001).

Such an approach suggests that the domestic enforcement of European rules differs in relation to national institutional structure and that member states with similar institutional structures produce similar results. A number of cross-national studies support this institutional hypothesis highlighting the differences in the structural reform of telecommunications systems (Grande 1989; Grande and Schneider 1991; Vogel 1996). Countries, such as the UK, in which political power is more centralized, transformed their systems more rapidly and more deeply than countries like Germany and Italy, where political power is more dispersed. This is confirmed by Thatcher’s comparison of French and British telecommunications policy. Distinct and stable national traditions shape distinct path-dependent developmental pathways – despite technological changes, the international regulatory reform, and even the creation of the Single Market. Similarly, Hulsink shows that differential policy evolution in the Netherlands, France and Britain largely corresponds to different national policy styles, e.g. market-oriented vs. state-controlled (Hulsink 1999). However, as Coen has emphasized, the reality deviates from these expectations in some respect (Coen 2002). All countries liberalize, privatize, and introduce independent regulatory agencies. Moreover, all converge to a similar structure and variation exists mainly in the speed of adaptation.

This argument has been pushed much further by Levi-Faur (2004) who shows in a comparison of regulatory reform in EU countries with Latin American states that similar transformation processes have taken place. All countries adapted to international pressure and converged to similar institutional configurations. The author claims that major features of liberalization would have diffused to most if not all member states even in the absence of European level policy-making. Liberalization in Levi-Faur's perspective largely reflects national policy preferences, and Europeanization is only an additional factor reinforcing transnational policy diffusion which originated in the US.

Bartle (1999), even if he does make some similar observations, arrives at different explanations. In his perspective globalization and technical change are the major transformative forces which are mediated by institutional factors concerning the pace and timing but not the direction of policy change (Bartle 2002). That institutional effects on policy development are contingent on time and space is also acknowledged in a recent article by Thatcher (2004) in the context of the "varieties of capitalism" debate. Comparing Britain, France, and Germany he shows that three factors (transnational technological and economic developments, overseas reforms, and European regulation) affected institutional reform. Accordingly, institutional inertia and path dependency can be overcome and different types of capitalism only endure when international pressures are low. Similar observations have been made by Genschel (1997) and Schneider (Schneider 2001a; b).

But this line of argumentation cannot be generalized to all subsectors of telecommunications. It loses explanatory power if a broader concept of technical communications is used, including not only telephony and other forms of interactive communication but also electronic

mass communication. The national regulatory regimes of radio broadcasting and television which emerged in the era of analogue technology have remained widely unaffected by both globalization and EU level regulation which started in the early 1980s with the advent of commercial television. The EU “Television without Frontiers” directive, adopted in the late 1980s, has remained to be not much more than a symbolic move to weaken the tight regulations in this area. The goal of ensuring the free movement of broadcasting services within the internal market (freedom of reception) never gained precedence over the nationally specified rights to preserve certain public interest objectives, such as cultural diversity, the right of reply, consumer protection and the protection of minors. The digitization of broadcasting has challenged the regulatory legacy because it has led to a general realignment of the industry (Clements 1998). On the other hand, the regulatory reactions to this development which dealt with issues such as competition, media ownership, merger control, content control and funding of public service broadcasting all continued to be national in character. The EU Commission’s desire to become a central actor in broadcasting regulation was supported by the media giants but blocked by the member states (Hills and Michalis 2000). Levy (2001), who analyzed this development, argues with a view at Germany and the UK that neither a shift of regulatory competences to the EU level nor horizontal regulatory convergence can be observed in this politically and culturally sensitive area.

These institutional obstacles notwithstanding, technical convergence of all types of communication in one encompassing system has become a real option on a digital basis. The global Internet provides the platform for convergence. Therefore it comes as a surprise that, having foreseen convergence, the Commission (and the Council of Ministers) still hesitated to promote the Internet, thereby unintentionally slowing down our Type 1 process. One explanation is that the Commission which early on tried to combine supranational expansion

with an industrial and technology policy supporting the European industry (Schneider and Werle 1990) saddled the wrong horse. In line with the dominant national telecommunications network operators and equipment manufacturers the Commission promoted multimedia and ISDN technology based on “European” standards (Kogut 2003; Werle 2002). Only deregulation, liberalization and privatization of telecommunications and the promotion of competition in this area paved the way for a rapid diffusion of the Internet. Partly because of the European public policy failure in the early 1990s the Internet’s expansion and regulation was guided and driven by private actors (Knill and Lehmkuhl 2002b) to an extent that was absolutely unusual in European telecommunications. It took some time until – following the American model – a European Internet policy domain was established besides the traditional telecommunications policy domain (Werle 2000).

The Europeanization of the Internet policy domain has been a bottom-up process pushed forwards by the Scandinavian countries, the Netherlands and to some degree also by the United Kingdom. These countries either had no significant stakes in “European” telecommunications technologies such as ISDN or they had liberalized their telecommunications markets earlier than the other European countries. Coordination and administration of the Internet in Europe covers all European countries. The European top level registry RIPE (Réseaux IP Européens) provides a prominent example of this type of Europeanization. RIPE is an independent, not-for-profit membership organisation which collaborates with national registries in the management and distribution of the Internet address resources. In this context the EU Commission plays a minor role as it does at the global level in relation to the Internet Corporation for Assigned Names and Numbers (ICANN) (Leib 2002).

The Europeanization of Internet coordination and regulation has two crucial dimensions: an infrastructure dimension that involves the technical network and a contents and services dimension that involves the usage of this infrastructure. In both dimension private initiative and bottom-up institutionalization prevails and often has a global rather than a European character. This also holds for the only significant effort of the Commission related to the Internet infrastructure. Here the Commission has promoted a concerted undertaking of the industry to provide an infrastructure for mobile services. The Commission initiated and supported the adoption of a European system via the European Telecommunications Standards Institute (ETSI) which was set up and accredited by the Commission in the process of telecom liberalization, The European system, however, was significantly influenced by private firms with a global rather than a European orientation (Lembke 2002). Concerning Internet services and contents, their growing commercial viability increased the pressure to set up a global regulatory regime that governs commercial transactions. This globalization pressure opened the window of opportunity for the EU Commission to take the lead in the Europeanization of a regulatory framework regarding the commercial use of the network. With the *eEurope* agenda and a series of directives the commission has started to promote a harmonized European e-commerce regime which also includes security provisions such as electronic signatures, cryptography, and privacy protection (Holznagel and Werle 2004). A significant part of the Commission's activities appears to be protecting the emerging European regime against globalization processes which are mainly pushed forward by the United States. The Commission represents European interests and values at the international level and negotiates binding international agreements (Farrell 2003) which, intentionally or not, serve to defend all types of Europeanization.

Spin-offs and side effects of European policy-making. The adoption of European rules is not restricted to member states of the Union. Adjacent countries and/or countries maintaining intensive political or economic relations with the EU also may converge to these European standards. The transmission mechanisms in this process – which we call Europeanization type 3 – include bilateral or multilateral negotiations with the EU. This “direct” Europeanization is distinguished from “indirect” Europeanization where a non-member state adapts unilaterally to existing EU rules (Sciarini, Fischer and Nicolet 2004). The transformation of the telecommunications sector in Switzerland provides an interesting example of such indirect Europeanization. During the 1990s, the Swiss telecommunications were thoroughly restructured similar to the EU member states. The new Swisscom was separated from the PTT, the former national monopolist, and partially privatized. The new institutional framework included liberalized markets and the establishment of an independent regulatory agency, the Commission of Communication. This reform process emulated the development at the European level: (1) the reform proposal was highly similar to the EU directives, (2) the decisions followed a parallel rhythm to the EU decision-making process (Mach, Haeusermann and Papadopoulos 2003). The indispensable alignment of the national law with the EU system was an omnipresent argument to justify the reform. Thus, reference to the EU transformation process helps legitimize change in neighboring countries. But this does not imply that non-member states simply transpose the EU rules into national law. Particularly “direct” Europeanization, which involves political bargaining between the EU and adjacent countries such as Norway, only rarely results in perfect adaptation to the EU (Claes 2002).

Processes of institutional transformation of the central and eastern European countries have been even more differentiated and complex. Some of them are now new members of the EU

while others still struggle for candidate status. After the fall of the Iron Curtain these countries adapted to Western liberal capitalism and – in anticipation of a future EU membership – to the EU policy regime. In this process the EU has been one but not the only “tutor” (Jacoby 2001). Others have been the NATO or the International Monetary Fund. Thus, it is clear that not every aspect of what is going on in these countries can be called Europeanization (Type 3).

3. KEY PROBLEMS

Determining the mechanisms and effects of Europeanization in telecommunications creates conceptual and methodological problems. We have argued that four types of Europeanization can be distinguished. In telecommunications these processes have co-evolved. But most studies refer to Type 1. They focus on the activities of supranational EU actors, the evolution of genuine European institutions and the adoption of European rules. In this view the EU appears in telecommunications policy as a federal “supranational state” (Schmitter 1996) which – after an initial period of polity building – performs the usual tasks and deals with the familiar problems of policy formation and implementation. But acknowledging that telecommunications is more Europeanized than other domains of infrastructural policy (Eliassen and Marino 2001) does not necessarily imply that the Type 1 process generally prevails.

If Type 1 were predominant then Type 2 would not mean much more than execution and implementation of European Directives in the member states. But several studies indicate that regulatory change was autonomously initiated by member states, emulated by other members

of the EU and finally taken up and in some cases reinforced by the European institutions (Thatcher 2001). The establishment of regulatory authorities at the level of the member states rather than at the European level provides an example of such Type 2 Europeanization. The member states successfully prevented the creation of a centralized authority even though centralization was regarded a necessary step in the process of liberalization and promotion of an integrated European infrastructure (Lehr and Kiessling 1999). Thus, a European regulatory regime has evolved which is framed and instructed by European guidelines but varies from member state to member state in several respects (Tenbücken and Schneider 2004) without a short-term or medium-term perspective to converge on a single regulatory model (Coen 2005). One instructive difference has been revealed in the process of allocating licenses to the operators of the next generation mobile communication network (UMTS). In line with EU competition rules all member states awarded more than one license, however, some states opted for auctions while others preferred the “beauty contest”, an administrative procedure of licensing (Boergers et al 2003; Cartelier 2003).

The evolution and development of the EU has attracted so much attention that the majority of studies have overlooked our Types 3 and 4 processes. Type 3 concerns institutional convergence of EU countries and adjacent non-member countries such as Switzerland or Norway based on bargaining and intensive interaction. In addition, adaptation and adjustment to the institutional regime of the EU often appears as the result of a one-way diffusion. It is not contentious to say that the EU (as the dominant supranational political institution) and its Single Market regime exert pressure on the neighboring countries towards adaptation. But the differences between the member states of the EU concerning Type 2 Europeanization suggest that also in the EU neighboring countries domestic forces and other factors play a role in shaping the process and the outcome of adaptation to the EU. As for those countries which

were adjacent to and are now new members of the EU, we are confronted with the additional methodological problem that they – after the fall of the iron curtain – at the same time transformed their general political, economic and social order and prepared for the integration with the EU (Stawarska 1999). One factor often used to explain the degree of adaptation of member and non-member states to the EU regime, is the pre-existing fit or misfit between EU institutions and national institutions. But even within the EU this variable explains less than has been suggested for a long time (Falkner et al 2005). Given that the EU has no direct sanctioning power over non-member states adaptation is more self-directed and unilateral in action than imposed by the EU. Interestingly, what appears as autonomous in some respect may well be influenced by encompassing globalization processes and the liberal international telecommunications regime which has been promoted by the OECD and established by the WTO (Cowhey and Richards 2000).

This shows that the studies of Europeanization of telecommunications face substantial methodological challenges. Global, national and supranational European factors are involved in the process of transformation, and the specific characteristics of the telecommunications industry, in particular its innovative technology, also account for significant changes (Just and Latzer 2004). As these factors are compounded, it becomes extremely difficult to estimate their relative weight.

Most studies either focus on a single country or restrict comparison to few cases. Some compare countries, others sectors or industries, and only very few include different countries and different sectors. This allows “thick description” of how Europeanization materializes in telecommunications but it rules out establishing how much variance it explains (Fligstein and Merand 2002). A research design which includes non-European control cases (such as Levi-

Faur 2004) may provide a solution to some of the methodological problems (Haverland 2005) but it still does not solve the problem that the cases are only partially independent because of aforementioned horizontal processes..

In order to estimate the “net effect” of Europeanization, more complex explanatory models have to be built, in which the transformation of the old telecommunications policy regime and the convergence to a new institutional model is shaped by multiple factors. Here EU policy-making is not an independent but an intervening variable and the same forces that bring about supranational Europeanization impinge directly on domestic developments. Membership in the EU has an additional transformative effect in such a model because the supranational European level provides a central decision-making mechanism through which a qualitative majority of member states can impose their policies on other EU members who may be either unwilling or institutionally unable (e.g. because of too many national veto players) to adapt to the new policy trend (Schneider 2001a, b).

The picture gets even more complex if a broader definition of technical communication is applied including not only telephony (one-to-one communication) but also radio broadcasting and television (one-to-many) and the Internet (enabling different types of communication). Before the Internet took off it was comparatively easy to draw a distinction between the different types of electronic communication. Even at the beginning of digitization they were clearly separated and strongly shaped by national institutions. The EU Commission’s strategy to Europeanize mass communication by introducing a competitive market order without national frontiers had to struggle with many obstacles and failed. Only with the advent of the Internet was a new window of opportunity opened, allowing for the supranational European actors to initiate and shape a process of regulatory convergence. But influenced by the USA

and in line with the specific governance tradition of the Internet (Werle and Leib 2000) a more private global regime of self regulation has emerged which restricts EU activities to defensively attuning European regulatory principles to the global regime.

The blurring of boundaries between different types of technical communication and the convergence of media on the basis of digital technology raises doubts concerning the appropriateness of the traditional institutionally fragmented regulatory regime with its national peculiarities. There will be change but it is an open question as to whether it will result in some kind of harmonized regulatory regime and what the relative weight of global, European, national, as well as private and public components of such a regime will be.

4. CONCLUSION

Research on the Europeanization of telecommunications policy has resulted in a broad array of publications which often examine the process of transformation in great detail. Case studies focusing on selected European countries, specific policy areas or particular technological innovations continue to prevail. Both the relatively far-reaching institutional change and the extremely swift technological development provide a rich ground for empirical study. On the other hand, they at the same time require some caution concerning generalizations. Thus, most studies provide thick descriptions of how Europeanization takes shape. Some regard it as a process driven by supranational EU actors, others stress the significance of national processes of differential adaptation to and co-development of European rules. A third, smaller, group of studies analyzes the spin offs of telecommunications policy within the EU

as they affect the adjacent countries including the former accession countries. But with few exceptions they all tend to analyze these phenomena in isolation from trans-European international processes of shaping the institutional and regulatory regime of telecommunications. Most studies narrowly fix their attention on the different facets of the European telecommunications policy process which is guided by the principles of the Single European Market. As a consequence, the studies easily miss the discontents and negative externalities of a pro-competitive policy in telecommunications which have mobilized opposition by civil rights organizations, trade unions and other NGOs.

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