Porażka i sukces w procesie integracji: wyjaśnianie wpływu polityk (przypadek unii fiskalnej i energetycznej)

Streszczenie

Celem artykułu jest wyjaśnienie dlaczego inicjatywy integracyjne w ramach UE mają w czasie kryzysu zróżnicowane efekty, jeśli chodzi o wpływ na kluczowych interesariuszy. Autorzy sugerują, że oprócz tradycyjnych politycznych teorii integracji europejskiej należy uwzględnić znaczenie intencji behawioralnych i czynników skłaniających do wypełniania planu reform.

Rezultaty badań zaprezentowanych w artykule dotyczą dwóch ostatnich poważnych kryzysów w UE: energetycznego i fiskalnego, które ewoluowały równolegle, lecz pomimo tożsamego kontekstu politycznego i instytucjonalnego ich skutki były różne. Autorzy przeanalizowali badania opinii publicznej Eurobarometru oraz dane empiryczne dotyczące wpływu na interesariuszy, zaczerpnięte z Eurostatu.

Autorzy ustalili, że kluczowe dla sukcesu polityki, jeśli chodzi o wpływ na zachowanie jednostek i grup, są bezpośrednie więzy z motywacjami interesariuszy, co można osiągnąć jedynie na poziomie rynku. Reformom polityk w obszarze integracyjnym powinny towarzyszyć bezpośrednie i przejrzyste rozwiązania rynkowe oraz mechanizmy korekcyjne unikające celów ważnych politycznie.

Słowa kluczowe: *integracja europejska, unia fiskalna, unia energetyczna, teoria pól, kryzysy Unii Europejskiej*

Abstract

The aim of the article is to explain why the EU integration efforts have different outcomes in times of crisis with regards to impact on key stakeholders. Besides traditional political theories of European integration, authors suggest to take into account the importance of behavioural intentions and stimuli to adhere to the reforms agenda.

The research results presented in this article explain two recent deep EU crises: energy crisis and fiscal crisis, which evolved simultaneously, but resulted in different integration projects within the same political and institutional background. Authors analysed Eurobarometer public opinion surveys together with empirical data on the impact on stakeholders, based on available indicators in Eurostat.

Authors found that the key for a policy to succeed in targeting agents' and groups' behaviour is its direct ties with stakeholders' motivation which can be done only at market level. Thus, policy shift in integration areas should be reinforced by direct and clear market solutions and corrective mechanisms avoiding politically-relevant targets.

Key words*: European integration, fiscal union, energy union, theory of fields, crises of the European Union.*

Przegląd **E**uropejski
Nr 4 (42), 2016

Iaroslav Petrakov, Chernihiv National University of Technology, Ukraine
Elena Kucheryavaya, Faculty of Political Science and International Studies, University of Warsaw

Between failure and success of the integration process: explaining the policy impact (the case of the fiscal and energy unions)

Introduction

Analysis of the European Union (EU) integration development should be regarded as the best opportunity to apply various theories, concepts and models within one case. Ongoing processes of Brexit, migrant crisis, fiscal and debt unsustainability, and Eurosceptics' growing popularity coexist with the Energy Union, Paris COP21 Agreement, Eastern Partnership (EaP), Transatlantic Trade and Investment Partnership (TTIP) negotiations and other positive movements and moments of the Community.

When speaking of the efficiency and failures of the EU policies and plans a question arises of a threshold between the "win" and "loose" outcome of any actions taken and instruments applied. And despite strong theoretical background of neo-functionalism and liberal intergovernmentalism dilemma, the source and the limits of success are the key issues to be scrutinised at a behavioural level.

Apart from traditional political and international relations approaches to the issue, our research is focused on the phenomenon of the EU intrinsic development – motivation for change at any level (from private household consumption to supranational decision-making). Noticeably, there is no area of the EU policies with only positive or negative track record. Thus, both success stories and policy challenges should be analysed on behavioural origin of decision-making and institutional shifts.

We suggest that the root of various policies success is the sufficient motivation of the key stakeholders (being timely targeted with proper instruments). Thus, effective

policy actions are limited within sectorial level as stakeholders there have enough mutually benefited interconnections and consolidated vision of development in the future. Policy actions at a supranational level with regards to more advanced instruments (e.g. joint fiscal or monetary policy) lose direct ties with the key stakeholders – households and business – as they are applied at political background with ambiguous motivations of the actors. Thus, in order to succeed, certain policy measures should be revisited and focused at deeper gains of basic social "fields".

Theoretical approaches

To verify the above mentioned hypothesis, we combine institutional approach of the theory of fields (Fligstein, McAdam 2012) with sociology of markets theory (Dauter, Fligstein 2006) and behavioural approach to collective actions (Ostrom 1998) with regards to two recent deep EU crises: energy and fiscal, which evolved simultaneously in time but resulted in adverse effects within the same political and institutional background. We will apply the analysis of Eurobarometer surveys on fiscal and energy issues during the last decade and relevant macroeconomic indicators with regards to the efficiency of policy measures.

Political theories of European integration (Borkowski 2007; Master 2014) are based either on Haas' (2001) ideas of neo-functionalism, or on Moravcsik's (1995) ideas of liberal intergovernmentalism, with various interpretations (Gehring 1996; Pollack 1998; Huseynli 2013; Bickerton et al. 2014; Christiansen 2015; Niemann, Demosthenes 2015). Behind this discourse Europeanisation processes are analysed within the institutional theory (DiMaggio 1988; Stone 1999; Fligstein 2002; 2008; Renner 2009; Sandholtz et al. 2001; Sandholtz, Stone Sweet 2012), paradigm of federalism (Witkowska 2013), or individual (Carey 2002; Fligstein et al. 2011; Lantos 2011), social (Giddens 1979; Gunnthorsdottir, Rapoport 2006) and psychological (Yates, Aronson 1983; Letzler 2007) approaches.

Recent EU crisis studies (Falkner 2016; Laffan, Schlosser 2016) reflect the EU strong commitments in ensuring energy security, deeper market integration and sustainability in fiscal sphere to cover Hill's (1993) expectations gap and Jegen and Merand's (2013) constructive ambiguity.

We suggest that market analysis with the focus on behavioural side of the problem (Becker 1978; OFGEM 2011; Pollitt, Shaorshadze 2011) and the instrument impact

assessment (Carpenter 1988; Costanzo et al. 1986; Dupont 2013) can explain success or failure of the integration processes, that will be unveiled by the cases of Fiscal and Energy Unions in the next sections of the article.

Fiscal crisis and debt shocks: why the Fiscal Union failed?

The European Union has a long history of repeated fiscal and debt crises during the last half-century, with ambiguous country-by-country solutions. Negotiations resulted in the Stability and Growth Pact (SGP), which established the thresholds of acceptable budget deficit (3% of Gross Domestic Product, GDP), and debt (60% of GDP).

Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (TSCG) or the European Fiscal Compact (entered into force in 2013) was designed to better tackle fiscal misbehaviour of the Member States, appointing additional targets of a structural deficit (not to exceed 0,5% – 1% of GDP), the debt-braking rule of at least 3-year reducing procedure and an automatic correction mechanisms (ACM).

TSCG contains not only benchmark limitations for fiscal deviation, but also penalties and national policy actions restrictions during the ACM period. So that, the Member States, failing to reach the targets of deficit and debt reduction within the excessive deficit reduction procedure (EDP), negotiated, approved and monitored by the European Commission, are prohibited to enforce tax and/or expenditure-related actions, devastating fiscal stability. Such actions limited the room for political manoeuvre, but because they were not effectively discussed in society, they have provoked strong political crises, especially in the new Member States. Instead of stability, EDP and ACM instruments have generated new long-term challenges.[1]

SGP entered into force in 1999 and was already amended five times:

1999 – corrective rules introduced,

2005 – excessive deficit clarified and eased;

2011 – "Six Pack" European Semester (Code of Conduct of budgetary and economic policies) entered into force;

2013 – Fiscal Compact (introducing SGP's preventive arm – the Medium-Term Objectives within TSCG);

2015 – SGP flexibility rules adopted.

---

[1] For details on European Commission Excessive Deficit Procedure see: http://ec.europa.eu/economy_finance/graphs/2014-11-10_excessive_deficit_procedure_explained_en.htm

General government gross debt of the EU countries is a relevant measure of policy measures undertaken within the Fiscal Union (Table 1). Analysis of empirical data demonstrated that only by 2014 gross debt of EU-28 has stabilised at the level of 86,8% of GDP. Within member states Greece, France, Italy, Romania, Slovenia, and Slovakia repeatedly increased gross government debt ratio, while Bulgaria, Czech Republic, Germany, Hungary, and Poland have substantially decreased the debt ratio.

Table 1: General government gross debt, 2005-2015 (% of GDP)

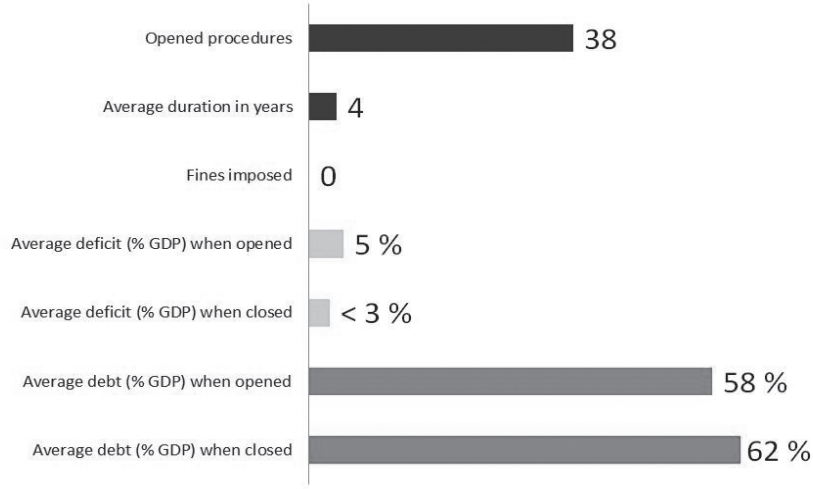
Period Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU-28	61.8	60.4	57.8	60.9	73	78.5	81	83.8	85.5	86.8	85.2
EU-27	61.9	60.5	57.9	61	73.1	78.5	81.1	83.8	85.5	86.8	85.2
Bulgaria	26.6	20.9	16.2	13	13.7	15.5	15.3	16.8	17.1	27	26.7
Czech Republic	28	27.9	27.8	28.7	34.1	38.2	39.9	44.7	45.1	42.7	41.1
Germany	66.9	66.3	63.5	64.9	72.4	81	78.3	79.6	77.2	74.7	71.2
Greece	107.4	103.6	103.1	109.4	126.7	146.2	172.1	159.6	177.7	180.1	176.9
France	67.2	64.4	64.4	68.1	79	81.7	85.2	89.6	92.4	95.4	95.8
Italy	101.9	102.6	99.8	102.4	112.5	115.4	116.5	123.3	129	132.5	132.7
Hungary	60.5	64.7	65.6	71.6	78	80.6	80.8	78.3	76.8	76.2	75.3
Poland	46.7	47.2	44.2	46.6	49.8	53.3	54.4	54	56	50.5	51.3
Romania	15.7	12.3	12.7	13.2	23.2	29.9	34.2	37.4	38	39.8	38.4
Slovenia	26.3	26	22.8	21.8	34.6	38.4	46.6	53.9	71	81	83.2
Slovakia	33.9	30.8	29.9	28.2	36	40.8	43.3	52.4	55	53.9	52.9

Source: Eurostat.

The results mean that country-specific measures can result in successful deficit and debt reduction, and that such outcome is not achieved through supranational power (Greece and Italy are the opposite cases). Anna auf dem Brinke's (2016) analysis of the EU EDPs demonstrates similar results with further average growth (but in lower pace) of a debt level. At the same time the EU general government deficit/surplus for the period 2005–2015, with the non-evident deficit-mitigating fiscal policies, should not be interpreted only negatively (see Table 2).

First, only Greece, Spain and France have over-reached the SGP target of 3% of GDP. Second, local maximum of deficit increase in majority of countries relate to financial crises with subsequent supply-side shocks (especially in construction sector, mining, engineering, and processing industries). Third, fiscal stimulus packages of 2009–2011 in the EU were adhered to energy sector support programmes (both tax and expenditure-related).

Figure 1: The EU excessive deficit procedure in numbers



Source: Anna auf dem Brinke (2016)

Table 2: General government deficit/surplus in the EU, 2005-2015 (% of GDP)

Period Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EU-28	-2.5	-1.6	-0.9	-2.4	-6.7	-6.4	-4.5	-4.3	-3.3	-3	-2.4
EU-27	-2.5	-1.6	-0.9	-2.4	-6.7	-6.4	-4.5	-4.3	-3.3	-3	-2.4
Bulgaria	1	1.8	1.1	1.6	-4.1	-3.2	-2	-0.3	-0.4	-5.4	-2.1
Czech Republic	-3.1	-2.3	-0.7	-2.1	-5.5	-4.4	-2.7	-3.9	-1.3	-1.9	-0.4
Germany	-3.4	-1.7	0.2	-0.2	-3.2	-4.2	-1	-0.1	-0.1	0.3	0.7

Greece	-6.2	-5.9	-6.7	-10.2	-15.2	-11.2	-10.2	-8.8	-13	-3.6	-7.2
Spain	1.2	2.2	2	-4.4	-11	-9.4	-9.6	-10.4	-6.9	-5.9	-5.1
France	-3.2	-2.3	-2.5	-3.2	-7.2	-6.8	-5.1	-4.8	-4	-4	-3.5
Italy	-4.2	-3.6	-1.5	-2.7	-5.3	-4.2	-3.5	-2.9	-2.9	-3	-2.6
Hungary	-7.8	-9.3	-5.1	-3.6	-4.6	-4.5	-5.5	-2.3	-2.6	-2.3	-2
Poland	-4	-3.6	-1.9	-3.6	-7.3	-7.5	-4.9	-3.7	-4	-3.3	-2.6
Romania	-0.8	-2.1	-2.8	-5.5	-9.5	-6.9	-5.4	-3.7	-2.1	-0.9	-0.7
Slovenia	-1.3	-1.2	-0.1	-1.4	-5.9	-5.6	-6.7	-4.1	-15	-5	-2.9
Slovakia	-2.9	-3.6	-1.9	-2.3	-7.9	-7.5	-4.1	-4.3	-2.7	-2.7	-3

Source: Eurostat.

Despite almost permanent negotiation process concerned with the Fiscal Union, it lacks positive results and support from the Member States. What could be the reasons of such disappointing results of long and difficult negotiations?

Firstly, the subject of ACM is a policy by itself taking into consideration only political decisions without clear and direct linkages to different business and social groups (which would be affected with aftermath of such decisions).

Secondly, the decision-making process within EDP is rather politically-constrained and troublesome, as it concerns the issues of raising taxes and cutting the expenditures. In this situation the efficiency of public spending or tax expenditures are rarely among the first criteria in negotiations process.

Thirdly, the penalties on a country that has broken the rules are paid from the taxpayer's money, not politicians. Thus, markets are out-bridged and demotivated, signaling to politicians through bail-outs, crowd-outs and traditional failures.

Finally, tough economic consequences of fiscal squeezing infringe consumption behaviour of households and corporate investment plans, affecting FDI inflows. In this situation fiscal and debt stabilisation depresses economic growth and poses additional pressure on labour market.

In general, high-level (supranational) policy instruments do not have evident and direct impact on decision-making of economic agents, are not taking into account by them and contain politically-related traps for governors, that make them only second--best by impact criteria and require further integration within *acquis communautaire*.

The case of the Fiscal Compact failure is a strong reminder of a need for better communication with basic societal groups with explanations of reasons of actions taken and

positive long-term consequences for the economy, industries and households of unpopular but necessary fiscal measures applied. Nevertheless, the Fiscal Union case should be regarded positively and developed in order to support growth and global competitiveness of the EU. Yet, the Energy Union is an opposite case that needs to be analysed.

Energy crisis and the Energy Union: origins of success

Energy (fuel) crisis in the EU emerged in 2005 from a strong hike of world oil prices. Being unable to face that challenge the European economy rolled down to sluggish growth rates with culmination in 2009, when global financial crisis hit almost all the member-states (except Poland).

The European Union energy policy was only approved at the meeting of the European Council on 27 October 2005. The Treaty of Lisbon of 2007 started the process of creating the common energy market with the focus on energy supply and infrastructure. January 2009 Russia-Ukraine gas dispute, threatening the supply of energy resources, forced both politicians and market players to ensure sustainability in the sector and stimulate environmentally-friendly production and consumption. Russian gas supply blackmailing resulted in the European Union continuous legal and policy actions (European Commission 2006; 2007; 2008; 2014a; 2014b) that ended with the official introduction of the Energy Union in 2015.

In order to analyse the efficiency of fiscal and energy integration policies in the EU we have compared consumer's opinions in Eurobarometer standard and special surveys (see Table 3).

Table 3: Public opinions on fiscal and energy integration issues in the EU, 2006-2014

Energy reforms and spillovers	**Taxes, deficit and debt reforms**
2006 survey 42% of respondents believe the national level is the best decision-making level for the new energy challenges (Eurobarometer, 2006, P. 4). 49% of respondents declare information needs on efficient use of energy. 40% of respondents consider tax incentives as an efficient means of changing consumption habits.	*2010 survey* Split A: 74% of respondents agree that measures to reduce the public deficit and debt in their country cannot be delayed.

59% of respondents are no prepared to pay more for renewable energy (Eurobarometer, 2006, P. 7,10). 49% of respondents intend to reduce their energy consumption, and would not be prepared to pay more (Eurobarometer, 2006, P. 17). *2007 survey* 64% of respondents believe that their country is entirely or very much dependent on energy coming from abroad (Eurobarometer, 2007, P. 23). Respondents in the new Member States (82% likely) appear to have a greater fear of rising energy prices than respondents in the EU15 (75%) (Eurobarometer, 2007, P. 47). 63% of respondents believe that use of fossil fuels, in particular oil and gas will drop drastically and will be replaced by renewable energy, in particular solar and wind energy. (Eurobarometer, 2007, P.51–53).	*2013 survey* Split A: 77% of respondents agree that measures to reduce the public deficit and debt in (OUR COUNTRY) cannot be delayed. Split B: 42% of responders agree that measures to reduce the public deficit and debt are not a priority now (Eurobarometer, 2013, P. 29–31). *2014 survey* Split A: 78% of respondents agree that measures to reduce the public deficit and debt in (OUR COUNTRY) cannot be delayed. Split B: 35% of responders agree that measures to reduce the public deficit and debt are not a priority now (Eurobarometer, 2013, P. 29–32).

Source: Eurobarometer 2006; 2007; 2010; 2013; 2014.

We noticed that special surveys were held just after the EU Energy Strategy announcement, which means that policy-makers' decisions were based on voters' demands and public opinion surveys with the strong feedback from the main stakeholders.

The surveys were also conducted on fiscal issues in 2010–2014 with contradictory results as the share of respondents, who had agreed that measures to reduce the public deficit and debt in their country could not be delayed, increased from year to year, while deficits remaining high. The theory of fields partially explains this, as respondents did not identify themselves with consolidation measures required, therefore, they did not have any expectations or beliefs that fiscal policy would affect their welfare. On the other side, conducted policies were softer, as politicians understood the negative likelihood of fiscal rigidity on their careers.

We agree with Zachmann's (2014) definition of the Energy Union objectives: sustainability, security of supply and competitiveness. As each of them is closely related to the final policy beneficiaries (respectively environment, society, and market con-

sumers) it is easy to define direct impact within market indicators (alternative energy generation, energy prices and market shares – tables 4–6).

Table 4: Market share of the largest generator in the EU electricity market, 2005–2014 (%)

Period Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Czech Republic	72.0	73.5	74.2	72.9	73.7	73.0	69.4	68.0	58.2	57.5
Germany	31.0	31.0	30.0	30.0	26.0	28.4	n/a	n/a	32.0	32.0
Greece	97.0	94.6	91.6	91.6	91.8	85.1	n/a	77.0	67.0	71.5
Spain	35.0	31.0	31.0	22.2	32.9	24.0	23.5	23.8	22.0	23.8
France	89.1	88.7	88.0	87.3	87.3	86.5	86.0	86.0	83.8	86.8
Italy	38.6	34.6	31.3	31.3	29.8	28.0	27.0	26.0	27.0	29.0
Hungary	38.7	41.7	40.9	42.0	43.1	42.1	44.1	47.1	51.9	53.5
Poland	18.5	17.3	16.5	18.9	18.1	17.4	17.8	16.4	17.3	17.9
Romania	36.4	31.1	27.5	28.3	29.3	33.6	26.0	26.7	26.8	29.9
Slovenia	50.1	51.4	82.0	53.0	55.0	56.3	52.4	55.2	57.1	52.4
Slovakia	83.6	70.0	72.4	71.9	81.7	80.9	77.7	78.9	83.8	81.9
Norway	30.0	30.9	32.5	27.4	29.5	29.8	33.6	28.6	31.2	30.5

Source: Eurostat.

Between 2005 and 2014 Czech Republic, Greece and Romania demonstrated an increased level of competitiveness of energy supply in electricity sector, with Hungary having the opposite trend. Third Energy Package implementation by the Member States together with alternative energy infrastructure development demonstrate positive shift of the Energy Union towards more secure, competitive and efficient energy markets.

During the last decade solar infrastructure in the EU-28 has almost tripled from 18 mln m^2 to 47.7 mln m^2 (Table 5). These positive shifts could be explained by recent demand-side shocks on the energy markets, induced by Russia. This hypothesis is supported by the data from the CEE-countries on the way of the gas transit: Bulgaria,

Czech Republic, Hungary, Poland and Slovakia. Solar infrastructure development has been supported by strong governmental fiscal incentives (green tariffs, investment tax credits, tax rebates).

Table 5: The EU Infrastructure – surface of solar collectors, 2005-2014 (thousand m²)

Period Country	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
EU-28	18 291	21 059	23 692	27 818	31 701	35 259	38 337	41 038	44 770	47 735
Bulgaria	0	25	28	30	0	194	230	256	309	327
Czech Republic	85	105	131	165	217	309	375	425	470	530
Denmark	286	305	325	356	402	480	556	597	712	810
Germany	7 099	8 501	9 437	11 330	12 909	14 044	15 234	16 309	17 222	17 987
Spain	797	948	1 199	1 617	2 010	2 373	2 651	2 855	3 094	3 348
France	583	744	917	1 139	1 302	1 447	1 595	1 810	1 975	2 162
Italy	680	866	1 152	1 476	1 876	2 415	2 744	3 018	3 318	3 538
Hungary	45	55	65	100	120	140	150	150	158	160
Poland	95	128	236	365	510	656	909	1 200	1 470	1 730
Portugal	289	304	330	390	493	752	876	967	1 024	1 079
Slovakia	64	72	80	89	98	123	146	154	160	166
Turkey	11 000	11 500	12 000	12 000	12 250	12 350	18 000	18 000	19 300	19 490

Source: Eurostat.

The positive results from policy measures have two-fold base. On the one side, countries have official commitments to increase supply from renewable energy sources by 2020, 2035 and 2050 (targets of the energy strategies). On the other side, green technologies generate "double-dividend" – revenues from them do not harm environments, and additional revenues from energy taxes are used to decrease fiscal burden on labour force and gain additional competitive advantages. The largest shares in solar infrastructure belong to Turkey, Germany, Italy (electricity bail-out in 2003), Spain and France (nuclear reactor wastewater contaminated with uranium runoff in 2008). These countries stimulate competition on energy markets as it drops spot prices on electricity

and gas for households and businesses, and decrease production costs for industries (see IER, 2014 for Germany case with negative electricity prices).

Despite strong negative expectations of consumers in 2006–2007 on further energy prices increase, there ex post dynamics analysis demonstrate stabilisation in 2012–2014 while gas consumption in the EU declined from 439 billion m^3 in 2010 to 385 billion m^3 in 2014

Table 6: Natural gas prices in the EU for domestic consumers, 2007–2015 (EUR/Gj)

Period Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EU-28	n/a	11.66	12.62	11.05	11.91	13.49	14.03	14.33	14.24	n/a
EU-27	n/a	11.69	12.65	11.06	11.93	13.51	14.05	14.35	14.24	n/a
Bulgaria	n/a	8.20	10.95	8.51	9.96	11.44	11.87	11.36	11.05	8.52
Czech Republic	n/a	10.25	11.55	10.87	12.60	15.26	14.71	12.59	13.18	13.38
Denmark	18.12	14.32	10.77	13.13	14.72	13.40	12.25	10.13	9.92	7.95
Germany	n/a	13.32	13.48	11.54	12.08	13.22	13.77	14.18	14.13	13.78
Italy	11.56	12.03	14.16	10.45	12.25	14.19	15.66	14.78	14.00	:
Hungary	n/a	9.36	11.15	11.90	12.46	10.35	9.46	7.99	7.72	7.53
Netherlands	12.54	11.82	14.40	10.88	11.52	12.92	13.28	12.81	11.91	n/a
Poland	n/a	9.48	8.85	9.68	10.46	10.58	10.61	11.05	11.30	8.84
Romania	n/a	5.95	4.84	4.18	4.14	3.94	4.22	4.44	4.17	n/a
Slovenia	n/a	12.14	14.44	12.56	14.23	17.23	14.14	13.85	12.55	11.84
Slovakia	n/a	9.99	10.78	10.18	10.78	11.93	11.54	11.75	11.48	10.65
Moldova	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	8.24	7.76
Note: total consumption billion m^3	396.8	420.5	405.5	439.1	426.2	414.8	413.9	384.9	n/a	n/a

Note: 1-st semiannuals, prices excluding taxes and levies; n/a – not available.

Source: Eurostat.

Without any exaggeration the Energy Union is the best case of the EU policies of the last two decades. Despite complex multi-policy context of the energy integration

processes, decision-making, policy measures and markets' reaction demonstrate positive impact on social welfare, security and stability (even outside the Union).

Conclusions

Case studies of the EU's Energy and Fiscal Unions reflects alternative approaches to intergovernmental policy actions and their impact, and gives us valuable insight on effective design of complex agenda involving both the markets, stakeholders and policy-makers.

We found that motivation and expectation targeting has its limitations and constraints in the form of bureaucratic institutions standing between the impulse and direct beneficiaries and distorting initial goals by political regulation.

The Fiscal Union case study demonstrates regular review of rules cannot directly target the deficit/debt problem. Thus, additional interventions are needed to reconciliate tools and target groups, and also to split political and economic priorities. Therefore, the limits of integration are easily observed, but not covered.

We found that country-specific measures can result in successful deficit and debt reduction, and cannot be achieved through supranational power, as it lacks support from the Member States (due to political constraints, limited efficiency of public spending, demotivation of the markets, general macroeconomic constraints).

In general, high-level (supranational) policy instruments do not have evident and direct impact on decision-making of economic agents, are not taking into account by them and contain politically-related traps for governors, that make them only second-best by impact criteria and require further integration within *acquis communautaire*.

The Energy Union case study supports the hypothesis of behavioural imperative of markets. We found that well assessed and applied tools to meet the stakeholders' (as well as politicians') expectations, with clear signals to the market transformation, together with external pressure (Russia-Ukraine gas conflicts), resulted in social welfare increase, security, and stability (even outside the Union).

Taking into account theory of fields' institutional approach, sociology of markets theory and behavioural approach to collective actions, we found that the decision-making process in the EU within various integration projects should be grounded on understanding and inclusion of the motivation of the key stakeholders of the policy impact – households and business groups. As direct targeting of their interests via different

policy instruments (energy and fiscal in our case), can be clearly viewed only at the industry/market level, the success of integration process will depend not only on political arrangements, but also on strong stakeholders support. Thus, policy shift in integration areas should be reinforced by direct and clear market solutions and corrective mechanisms avoiding politically-relevant targets.

References

BAUER Michael W., KNILL Christoph (2014), *A conceptual framework for the comparative analysis of policy change: measurement, explanation and strategies of policy dismantling,* "Journal of Comparative Policy Analysis: Research and Practice", no. 16(1).

BECKER Lawrence J. (1978), *Joint effect of feedback and goal setting on performance: a field study of residential energy conservation,* "Journal of Applied Psychology", no. 63(4).

BICKERTON Christopher J., HODSON Dermot, PUETTER Uwe (2014), *The new intergovernmentalism: European integration in the Post-Maastricht era*, "JCMS: Journal of Common Market Studies", no. 53(4).

BORKOWSKI Paweł J. (2007), *Polityczne teorie integracji międzynarodowej*, Warszawa.

auf dem BRINKE Anna (2016), *Excessive deficit procedure without fines?*, Delors Institute, Blog Post, July 2016 (http://www.delorsinstitut.de/en/publications/qa-excessive-deficit-procedure-without-fines) (23.12.2016).

CAREY Sean (2002), *Undivided Loyalties: Is National Identity an Obstacle to European Integration?*, "European Union Politics", no. 3.

CARPENTER Edwin, CHESTER Theodore S. (1988), *The impact of state tax credits and energy prices on adoption of solar energy systems*, "Land Economics", no. 64(4).

CHRISTIANSEN, Thomas (2015), *Institutionalist Dynamics behind the New Intergovernmentalism: the Continuous Process of EU Treaty Reform,* in: Christopher J. Bickerton, Dermot Hodson, Uwe Puetter (eds), *The New Intergovernmentalism,* Oxford.

COSTANZO Marko, ARCHER Dane, ARONSON Elliot, PETTIGREW Thomas F. (1986), *Energy conservation behaviour: the difficult path from information to action*, "American Psychologist", no. 41.

DAUTER Luke, FLIGSTEIN Neil (2006), *The Sociology of Markets*, IRLE Working Paper, 145-07.

DIMAGGIO Paul (1988), *Interest and agency in institutional theory,* in: Lynne G. Zucker (ed.), *Institutional patterns and organizations: Culture and environment*, Cambridge.

DUPONT Claire (2013), *Climate policy integration into EU energy policy*, Brussels Free University.

EUROPEAN COMMISSION (2006), *A European Strategy for Sustainable, Competitive and Secure Energy. Green Paper* (http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Al27062) (23.12.2016).

EUROPEAN COMMISSION (2007), *Communication from the Commission to the European Council and the European Parliament. An Energy Policy for Europe* (http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52007DC0001) (23.12.2016).

EUROPEAN COMMISSION (2008), *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Second Strategic Energy Review. An EU Energy Security and Solidarity Action Plan* (http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52008DC0781) (23.12.2016).

EUROPEAN COMMISSION (2014a), *Communication from the Commission to the European Parliament, and the Council. European Energy Security Strategy* (http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52014DC0330&qid=1407855611566) (23.12.2016).

EUROPEAN COMMISSION (2014b), *Gas stress test: Cooperation is key to cope with supply interruption*, Press-release 16 Oct 2014 (http://europa.eu/rapid/press-release_IP-14-1162_en.htm) (23.12.2016).

EUROPEAN COMMISSION (2015), *Commission communication on the framework strategy for the energy union*, COM (2015) 80 (http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2015%3A80%3AFIN) (23.12.2016).

EUROBAROMETER (2006), *Special issue "Energy"*. No. 258. (http://ec.europa.eu/public_opinion/archives/ebs/ebs_258_en.pdf) (23.12.2016).

EUROBAROMETER (2007), *Special issue on "Energy Technologies: Knowledge, Perception, Measures"*. No. 262. (http://ec.europa.eu/public_opinion/archives/ebs/ebs_262_en.pdf) (23.12.2016).

EUROBAROMETER (2010), *Standard issue "Public opinion in the European Union"*. No. 73. (http://ec.europa.eu/public_opinion/archives/eb/eb73/eb73_first_en.pdf) (23.12.2016).

EUROBAROMETER (2013), *Standard issue "Europeans, the European Union and the Crisis*. No. 80 (http://ec.europa.eu/public_opinion/archives/eb/eb80/eb80_cri_en.pdf) (23.12.2016).

EUROBAROMETER (2014), *Standard issue "Europeans, the European Union and the Crisis*". No. 81 (http://ec.europa.eu/public_opinion/archives/eb/eb81/eb81_cri_en.pdf) . (23.12.2016).

FALKNER Gerda (2016), *The EU's current crisis and its policy effects: research design and comparative findings*, "Journal of European Integration", no. 38(3). DOI:10.1080/07036337.2016.1140154

FLIGSTEIN Neil (2002), *Constructing Polities and Markets: An Institutionalist Account of European Integration*, Advanced Journal of Sociology, 107(5): 1206–1243.

FLIGSTEIN Neil (2008), *Fields, power and social skill: A critical analysis of the new institutionalisms*, "International Public Management Review", no 9(1).

FLIGSTEIN Neil, POLYAKOVA Alina, SANDHOLTZ Wayne (2011), *European Integration, Nationalism, and European Identity*, "Journal of Common Market Studies", no. 50 (1).

FLIGSTEIN Neil, MCADAM Doug (2012), *A theory of fields*, Oxford.

GEHRING Thomas (1996), *Integrating Integration Theory: Neo-functionalism and International Regimes*, "Global Society", no. 10(3).

GIDDENS Anthony (1979), *Central problems in social theory: Action, structure, and contradiction in social analysis*, Berkeley.

GUNNTHORSDOTTIR Anna, RAPOPORT Amnon (2006), *Embedding social dilemmas in intergroup competition reduces free-riding*, Organization Behaviour Human Decision Processes, 101: 184–199.

HAAS Ernst B. (2001), *Does Constructivism Subsume Neo-Functionalism?*, in: Thomas Christiansen, Knud E. Jorgensen, Antje Wiener (eds.), *The Social Construction of Europe*, Thousand Oaks.

HILL Christopher (1993), *The capacility-expectations gap or conceptualizing Europe's international role*, "Journal of Common Market Studies", no. 31(3).

HUSEYNLI Seymur (2013), *Energy Policy of the European Union and Importance of the Energy Resources of Azerbaijan: Neo-functionalist and Liberal Intergovernmentalist Approach*, "International Affairs and Global Strategy", no. 8.

INSTITUTE FOR ENERGY RESEARCH (2014), *Germany's Electricity Market Out of Balance*, http://instituteforenergyresearch.org/analysis/germanys-electricity-market-balance-must-pay-flexible-back-power/ (23.12.2016).

JEGEN Maya, MERAND Frederic (2013), *Constructive Ambiguity: Comparing the EU's Energy and Defence Policies*, "West European Politics", DOI: 10.1080/01402382.2013.818325.

KAPUSNIAK Tomasz (2010), *The eastern dimension of the European Union's Neighbourhood Policy. Inclusion without membership?,* Warszawa.

LANTOS Geoffrey Paul (2011), *Consumer behaviour in action: real-life applications for marketing managers*, New York.

LAFFAN Brigid, SCHLOSSER Pierre (2016), *Public finances in Europe: fortifying EU economic governance in the shadow of the crisis*, "Journal of European Integration", no. 38(3), DOI:10.1080/07036337.201 6.1140158.

LETZLER Robert (2007), *Applying Psychology to Economic Policy Design: Using Incentive Preserving Rebates To Increase Acceptance of Critical Peak Electricity Pricing*, Working Paper 162. Berkeley: Center for the Study of Energy Markets, University of California.

MASTER Beata (2014), *Teorie i koncepcje zjednoczeniowe Unii Europejskiej w założeniach programowych oraz w praktyce polskiej polityki integracyjnej (praca doktorska)*, Instytut Nauk Politycznych i Dziennikarstwa, Uniwersytet Śląski w Katowicach.

MORAVCSIK Andrew (1995), *Liberal Intergovernmentalism and Integration: A Rejoinder*, "Journal of Common Market Studies", no. 33.

NIEMANN Arne, DEMOSTHENES Ioannou (2015), *European economic integration in times of crisis: a case of neofunctionalism?,* "Journal of European Public Policy", no. 22(2).

OFGEM (2011), *What Can Behavioural Economics Say about GB Energy Consumers?*, London.

OSTROM Elinor (1998), *A behavioural approach to the rational choice theory of collective action*, "American Political Science Review", no. 92(1).

POLLACK Mark A. (1998), *The Engines of Integration? Supranational Autonomy and Influence in the European Union,* in: Wayne Sandholtz, Alec Stone Sweet (eds), *European Integration and Supranational Governance*, Oxford.

POLLITT Michael G., SHAORSHADZE Irina (2011), *The Role of Behavioural Economics in Energy and Climate Policy*, "Cambridge Working Paper in Economics", no. 1165.

RENNER Stephan (2009), *The Energy Community of Southeast Europe: A neofunctionalist project of regional integration*, "European Integration Online Papers", Vol.13.

SANDHOLTZ Wayne, STONE SWEET Alec, FLIGSTEIN Neil (eds, 2001), *The institutionalization of Europe*, Oxford – New York.

SANDHOLTZ Wayne, STONE SWEET Alec (2012), *Neo-functionalism and supranational governance*, "The Oxford Handbook of the European Union" (ed. by Erik Jones, Anand Menon, Stephen Weatherill, 2012).

STONE SWEET Alec, BRUNELL Thomas (1998), *Constructing a Supranational Constitution: Dispute Resolution and Governance in the European Community,* "American Political Science Review", no. 92.

STONE SWEET Alec (1999), *Judicialisation and the Construction of Governance*, "Comparative Political Studies", no. 32(2).

WITKOWSKA Marta (2013), *Zastosowanie paradygmatów federalizmu i rządzenia wielopoziomowego do badania mechanizmów podejmowania decyzji w Unii Europejskiej*, in: Janusz Ruszkowski, Luiza Wojnicz-Smal (eds), *Multi-level Governance w Unii Europejskiej*, Szczecin-Warszawa.

WITKOWSKA Marta (2015a), *Przezwyciężanie kryzysu w procesie integracji europejskiej poprzez zmiany regulacji dotyczących udziału obywateli UE w podejmowaniu i realizacji decyzji*, „Przegląd Europejski", no. 1.

WITKOWSKA Marta (2015b), *Kryzys modelu demokracji w Unii Europejskiej - przyczyny, uwarunkowania, scenariusze rozwoju sytuacji*, in: Jadwiga Nadolska, Konstanty A. Wojtaszczyk (eds), *Kryzysy w procesie integracji europejskiej i sposoby ich przezwyciężania*, Warszawa.

YATES Suzanne M., ARONSON Elliot (1983), *A social psychological perspective on energy conservation in residential buildings*, "American Psychologist", no. 38(4).

ZACHMANN Georg (2014), *Elements of Europe's energy union*, "Bruegel Policy Brief", no.5.