

Regulation and Culture Change in the Process of Europeanisation in Neighbor Economies: The Case of Competition Regulation in Moldova

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Abstract

International economic relations are increasingly governed by trade agreements that give rise to regional associations. In this context, main socio-economic paradigms expand and, as a result, processes such as Europeanisation in the case of European Union emerge. A key foundation of Europeanisation is the adoption of regulation according to EU acquis by ascending member and partner countries. Besides the prospects of massive adoption of regulation and application of related enforcement, an important mechanism for paradigm expansion is the implementation of culture change in the regulation framework. The paper discusses Europeanisation in the light of the theory of institutional culture change as a planning and public policy instrument. The impact of institutional cultural change is examined in the context of regulation, by using as a special case the competition framework. The advantages and difficulties of promoting competition culture are discussed in an international context and with regard to transition economies subject to Europeanisation, taking developments in Moldova as a case-study. The main finding is that culture change implementation must be incorporated into the strategic planning of regulatory authorities to mitigate the risk of possible policy erosion or bottlenecks.

Keywords: Culture change, Europeanisation, regulation, competition, awareness

1. Introduction

During the last two decades, there has been a growing interest in the notion of Europeanisation. This concept refers to the influence of the policies of European Union on national policies, activities and norms. Europeanisation is explicitly a framework-dependent process, which varies in relation to different domestic practices and responses. Being based on an asymmetric relationship with domestic policy-making, the Europeanisation does represent a process that is related to the realm of high-level decision-making (Berna, 2013), a process by which domestic policy areas become increasingly subject to European policy-making” (Bürzel, 1999: 573-596). Therefore, Europeanisation is a process of increasing interference between the national and European realms of policy-making.

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Europeanisation of national interest groups tends to transform the political culture of interest groups in the direction of their playing a more proactive role in national policy making (Fink-Hafner, D., Hafner-Fink, M. and Novak, M., 2015). Accordingly, the Europeanisation of planning is a planning culture that implements institutional culture change. The latter is now evident in the field of the promotion of regulation to couple enforcement activities on the basis of sound legal and economic principles. This promotion takes the form of advocacy, which refers to activities conducted by the regulatory authority to support the creation of market liberalization environment for economic activities by means of non-enforcement mechanisms. Those processes operate mainly through the relationships of the regulatory authority with other governmental entities by increasing the awareness of stakeholders and the public about the benefits of adopting the regulation framework towards the well-functioning of market economy.

This study develops a framework to assess the potential of institutional cultural change in the area of regulation of transition economies of Eastern Europe, which are not members of the European Union. For a coherent analysis of institutional culture change in the area of regulation, in which Europeanisation plays an important role, the nature of the choice-problem starts with an analysis of those economies which do not have yet the capacity required for an efficient implementation of regulation. Besides enforcement, regulatory authorities adjust their behaviour in a framework in which there are answers to the following questions: (i) How institutional culture change impacts awareness and the behavior of stakeholders in the regulations process? (ii) Is this institutional culture change sufficient to develop a new regulation culture? (iii) If this is not always the case, what are the dangers that impede institutional culture change? (iv) Therefore, can we develop policy proposals that enhance the institutional capacity of culture change by regulatory authorities in transition economies?

The present paper is structured as follows: in the first sections, Europeanisation is discussed as a manifestation of paradigm expansion requiring culture change; next, we develop a methodological inquiry on the benefits and the perils of culture change. This discussion is utilized to elucidate the potential of institutional culture change as a planning instrument for national and regional purposes. In the next sections, the application of institutional culture in the area of regulation is introduced. A case-study is developed in relation to the application of competition culture in a transition economy, such as in the Republic of Moldova, in reference to international and mainly EU practices applied for the promotion of the competition framework. The paper concludes with important findings that point out to the need of incorporating institutional culture change in the strategic process of regulatory authorities.

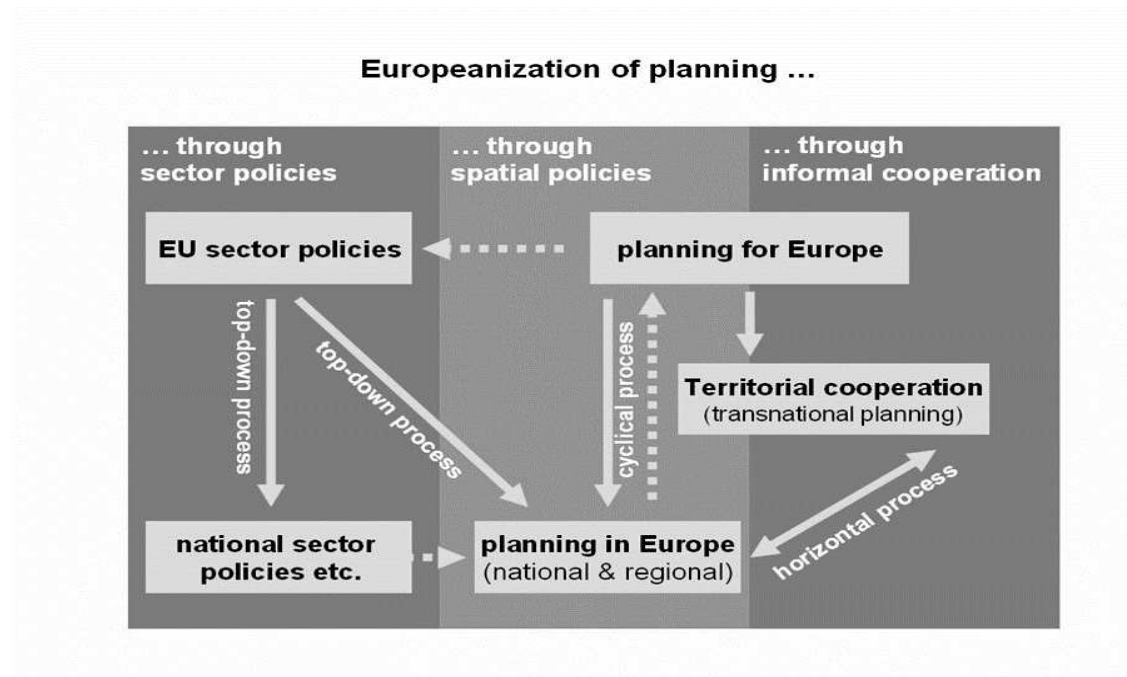
2. Europeanisation: An Episode of Culture Change

According to Featherstone (2003, p. 4), Europeanisation manifests itself in degrees and its spatial process is dynamic, incremental, irregular, and uneven over time. Those asymmetric impacts are profound, but not necessarily permanent or irreversible. Featherstone (2003) developed a taxonomy of the meaning of Europeanisation. In this typology, alternative conceptions of Europeanisation include: (a) a historic process, (b) an

international cultural diffusion; (c) an institutional adaptation; (d) an adaptation of policies. Europeanisation is an aspect of a wide-ranging course because while it is a historic process that involves the export of European expertise, social norms, cultural beliefs and values and actual behavior of agents, it is also a manifestation of “increasing transnationalism” (Mourato, 2011). The latter refers to the diffusion of cultural customs, beliefs and, ultimately, cultural identities. On the other hand, the national objectives of institutional adaptation emerge as a reaction to requirements arising from a possible EU membership. In this context, the institutional adaptation of methodologies and shared principles entrenched in the EU policy framework is eventually incorporated in domestic (national or regional) procedures (Radaelli, 2003, p. 30) of partner countries.

Europeanisation can occur either through a firm compliance to EU regulation, or through soft harmonisation and learning. For example, and in reference to the first type of practices, Bache and Marshall (2004) view EU sectoral policies as being developed on the basis of a ‘direct’ Europeanisation of national planning in areas such as the environment, agricultural policy, regional development and social cohesion (e.g. EU environmental policy, CAP, etc.), or from ‘indirect’ spill-overs in policy areas, such as the EU competition and state aid policy. Alternatively, soft Europeanisation through harmonisation and learning occurs through network governance at EU level and constitutes the foundation of several major EU initiatives (Böhme and Waterhout, 2008). Thus, the Europeanisation of planning involves both EU sector policies, spatial policies and informal cooperation, which first are consolidated at the EU policy process and then are incorporated into regional and national contexts (see Waterhout et. al., 2009). Figure 1 below demonstrates this process:

Figure 1. Categories and Dynamics of the Europeanisation of Planning



Source: Böhme & Waterhout (2008)

Furthermore, Böhme and Waterhout (2008) proposed a matrix that relates the means and effects of the Europeanisation of planning (Table 1). This variable conception of planning processes implies a ‘theory of spatial planning in Europe’, which generalizes desirable processes in a transnational context (Gualini, 2005, p. 3).

Table 1. Towards a Typology of the Europeanisation of Planning

Effects → Means ↓	Long-Term Influence		Short-Term Influence	
	Self-perception and position in Europe	Laws, practices, procedures, standards	Terminology and concepts	Activities caused by the influence of the EU
Implementation of directives and regulatons	Environmental directives in the long run	EU regulations in various sectoral fields, Structural Funds regulations	Formal terminology put down in regulations	Application of EU directives in general
Use of EU funding as incentive	ESDP application in INTERREG	Structural Funds Organisational learning through programs such as INTERREG, LEADERS	Structural Funds, INTERREG	EU co-funding, infrastructure projects, INTERREG
Influenced by a (hegemonic) discourse set at the European level	ESDP application, ESPON use	ESDP application at national level in rare cases	ESDP application, ESPON use	

Source: Adopted from Böhme and Waterhout (2008)

As it clearly represented in the table1, the Europeanisation process is largely supported by the 3rd pillar of the cohesion policy “European Territorial Cooperation”. In this context, Clark and Jones (2009) support the idea that the EU remains the sponsor of the Europeanisation of planning and if ever the initiatives for the Europeanisation of planning were to resume, the capital thus generated would reap its benefits (Faludi, 2014).

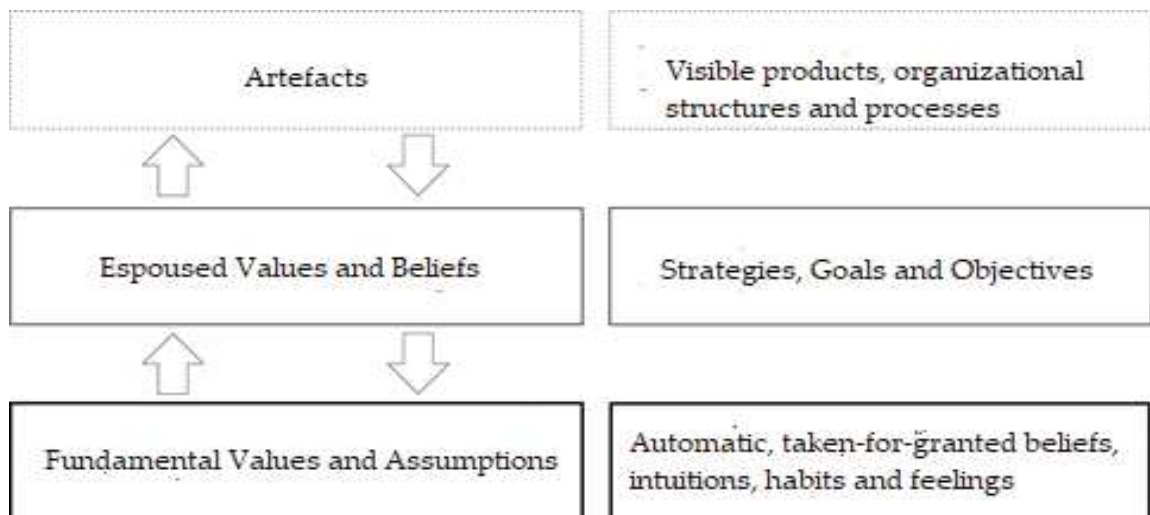
3. The Impact of Culture Change

Culture change is a rather new element in contemporary public policy and planning. There are several distinct conceptualisations of culture change, such as those been proposed, for example in planning (e.g. Knieling and Othengrafen, 2009) and in public policy (Knott et.al, 2008). Moreover, there are several variant ways through which culture change can be accomplished. As Lovell (1994) proposes those alternative types of change include:

- 1) Change by exception, which involves temporary initiatives and produces unsustainable outcomes;
- 2) Incremental change, which is an evolutionary process in which stakeholders may be ignorant of the gradual change that takes place;
- 3) Pendulum change, which is described by sharp alterations between alternative objectives, initiatives and approaches towards decision-making; and,
- 4) Paradigm shift, which results in a substantive transformation of the fundamental values, norms and practices underlying a given culture.

According to Shaw (2006; 2007), the causes of culture change and the alternative ways through which it takes place must be examined before an analysis of its possible implementation takes place. In this context, Schein (1992) had proposed earlier a three-tier culture structure (figure 2).

Figure 2. Elements of Culture Change



Source: Schein (1992)

If the relationship between any of those components change, then a different process of culture change takes place (Shaw, 2006, p. 8). Alternatively, there are many circumstances under which culture change can weaken or fail. On the basis of the work of Harris and Ogbonna (2002), Shaw distinguishes between eight such undesired outcomes (Table 2):

Table 2. Unintended Consequences and Difficulties of Culture Change

Typology of Unintended Consequences	Description of Processes	Adverse Outcomes
Ritualisation of culture change	Being complacent that culture change is a slow, gradual and continuous process	The culture change process becomes ritualized
Hijacking the process	The culture change agenda is compatible with the aspirations of a particular group	The culture change plan and implementation is manipulated to a certain extent
Cultural erosion	The espoused values of culture change agenda may be eroded by subsequent events.	This process results in the erosion of cultural change
Cultural reinvention	Older working practices may be resistant to culture change	While appearing new, espoused values and attitudes may hide the prevalence of older working practices
Ivory tower culture change	The application of culture change indicators is not comprehensive enough to respond to the manner in which the system is working in practice.	Culture change may be divorced from the organisational reality, or may be incapable of meaningful implementation
Inattention to symbolism	There is a evidence of organisational myths, or a lack of attention to symbolic details	This outcome may have a negative impact on the strength and breath of cultural change.
Uncontrolled efforts	Mixed messages coming from the centre	This feature may render difficult to stakeholders to understand the real aspirations of the culture change initiative
Behavioural compliance	People are passively doing as they are told	Change of activities may be witnessed in the work practices without resulting in a change of values or attitudes

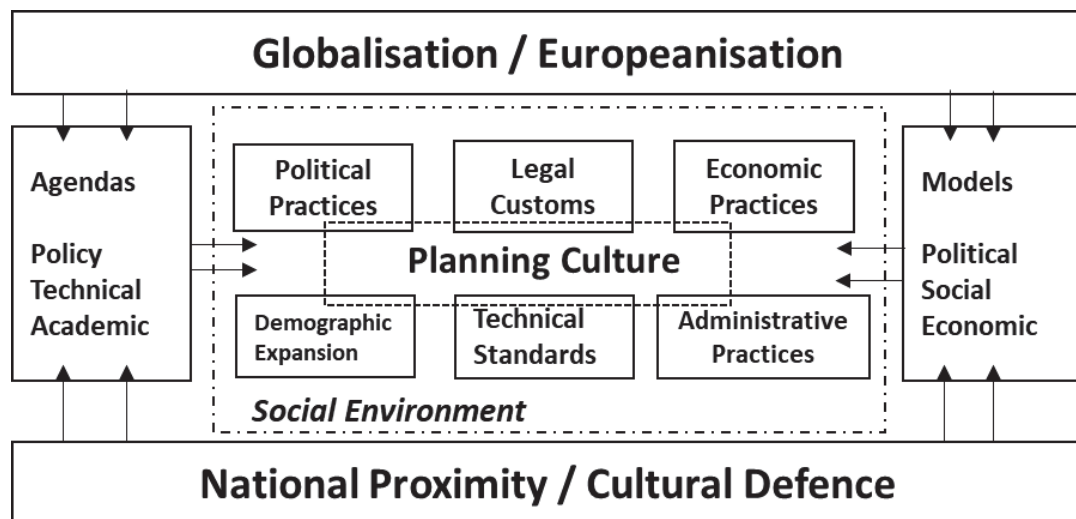
Source: Adapted from Harris and Ogbona (2002) and Shaw (2006, p.8) and modified according to authors' specifications

Furthermore, when culture change loses its steam an important consideration is resistance to cultural change. This resistance is grouped into three main classes (Martin, 1999):

- (a) A culture of complacency, when there is no impetus for change;
- (b) A culture of ineffectual conservatism, which refers to transitory and unsustainable initiatives for culture change;
- (c) A culture of compliance, in which organizations and stakeholders comply to the initiative of culture change in a superficial and, often, devious way.

Overall, the forces of resistance against culture change are strong because there is a multiplicity of paths in which change proves uncertain or, eventually does not happen. Nevertheless, interactions of culture change are, to a large extent, the practical outcomes of previous activities, such as the use of innovation as a locomotive of change and of operationalisation instruments, such as training and evaluation. Those interactions demonstrate the relevance of socialisation and the impact of behavioural change of participants for culture change.

Figure 3. Key Contextual Influences in Planning Culture



Source: Adapted from Knieling and Othengrafen (2009) and Mourato (2011) and modified according to authors' specifications

While Knieling and Othengrafen (2009) underlie the importance of Europeanisation and globalization as key contextual influences in planning culture, the analysis of Martin (1999) signifies the possibility of national proximity (i.e., national peculiarities in relation to geopolitical, military, religious and traditional cultural forces that resist international forces through cultural defense. This results in a modified version of their approach, which is presented in figure 3.

Finally, one should take into consideration the mechanisms of reproduction, which are essential methodologies that must be sufficiently powerful to support culture change. A representative example of those mechanisms is described below in table 3.

Table 3. Mechanisms of Institutional Reproduction

	(a) Utilitarian explanation	(b) Functional explanation	(c) Power explanation	(d) Legitimation explanation
Mechanism of reproduction	Institution is reproduced through the rational cost-benefit assessment of actors	Institution is reproduced because it serves a function for an overall system	Institution is reproduced because it is supported by an elite group of actors	Institution is reproduced because actors believe it is morally just or appropriate
Potential characteristics of institution	Institution may be less efficient than previously available alternatives	Institution may be less functional than previously available alternatives	Institution may empower an elite group that was previously subordinate	Institution may be less consistent with the values of actors than previously available alternatives
Mechanism of change	Increased competitive pressures: learning process	Exogenous shock that transforms system needs	Weakening of elites and strengthening of subordinate groups	Changes in the values or subjective beliefs of actors

Source: Adopted from Mahoney (2000) and Mourato (2011).

Obviously, the above table demonstrates that a mix of approaches is required with an emphasis on the utilitarian and legitimization methodologies to support learning and changes in values and beliefs that relate to culture change.

4. Institutional Culture Change

The Europeanisation of planning is a planning culture that implements institutional culture change. According to Vettoreto (2009, p. 189), a planning culture is the way in which societies manage to institutionalize planning practices at different levels. Those activities are wide-ranging as they include values, methodologies, rules, professional practices, preferred attitudes towards knowledge, and relations between institutions and stakeholders.

Here, it is important to relate the institutional culture change with the planning policy process. An institution is a solidified outlet of objectives, rules and activities through which a conventional way of behavior through is manifested so that social objectives are accomplished (Parsons, 1982). As such, it is an important aspect of the

society. The process of institutionalization offers value, legitimization and permanence to those procedures and activities. Culture change facilitates the process through which institutions become legitimate and steady organizations. The presence of effective institutional interventions implies that solid cultural change has also taken place beforehand. On the other hand, institutions in the sociological tradition also embody symbolic values. The latter characterize them with cultural meaning (March and Olsen, 1989) that can help form the attitudes of stakeholders. Thus, culture change takes place, among other forces, through institutional culture change.

Overall, there are several obstacles to planning of culture change. Those obstacles include the absence of a community culture at large that values planning, absence of planning expertise, difficulty of coordination among stakeholders and firmness regarding the procedures for planning. Furthermore, individuals or stakeholders, such as companies, are not a uniform group. As a result, they do not assume the same sense of responsibility in sharing the vision of planned outcomes. In this respect, the question which arises is how Europeanisation can generate a European model of society through public policy? This question relates to the identification of forces that that can help so that this objective is achieved. Transparency and broad participation of stakeholders on the basis of adopting the values and norms of culture change are important aspects of the process. In this regard, despite the crucial intervention of the state and the dynamic involvement of planners, the issue of mobilization of stakeholders for culture change remains open.

5. Regulation and Culture Change: The Example of Competition Culture

Institutional cultural change is now evident in the field of the promotion of regulation to couple enforcement activities on the basis of sound legal and economic principles. For example, in the area of protection of competition, the establishment of competition culture is viewed as one of the key aims of competition advocacy. The latter is defined as ‘the awareness of economic agents and the public at large about competition rules’ (ICN, 2015). This awareness includes various stakeholders such as the business community, other governmental agencies, academia and society as a whole.

Competition culture comprises a diverse set of factors that determine individual and/or group behaviour in the sphere of market competition and competition enforcement. These include knowledge, experience and perception. In defining competition culture, it is worth reflecting on the instrumental goals that make competition desirable. These include freedoms inherent in a competitive free market economy that allow individuals and firms to harness their creativity, passions and ambitions in pursuit of bettering their welfare and the welfare of others.

According to the International Competition Network (ICN), a definition of competition culture is the following:

“A set of institutions that determine individual and/or group behaviour and attitudes in the sphere of market competition. These are influenced by wider social institutions and public policy choices and include customs impacting the degree of business competition and cooperation within a jurisdiction” (ICN, 2015).

The behaviour of the public and stakeholders is influenced by the collective action of those institutions with regard to protection of competition and consumer welfare. Yet,

this action is variable as there are different features and public policies across countries. In general, transition economies may be characterized by a more regulatory approach, in which there is greater state involvement in the running of markets and where markets are highly concentrated. This consideration demonstrates that what may be considered a 'strong competition culture' in one jurisdiction may not be feasible or appropriate in another.

A fundamental approach is that strong competition culture should include a good understanding or knowledge by stakeholders regarding the fact that certain behaviours distort competition to the detriment of consumers and the wider economy, even if it is unrealistic to expect all members of the constituent groups to have a detailed understanding of the intricacies of competition law and its enforcement.

The 2015 ICN study found that competition culture was perceived as weaker within developing and transition economies, especially where: competition regulation had only been very recently adopted; where courts were inexperienced with competition matters; where there was a lack of acceptance of competition principles by authorities and economic agents; and where there were strong interventionist policies. On the other hand, competition culture was stronger where: competition agencies had participated in regulatory reform and the privatisation process; there was an experienced competition agency; competition cases attracted significant media coverage; where there were specialist competition tribunals, interaction with universities and publication of decisions and case studies. Competition agencies support competition culture in various ways, including implementing behavioural remedies in enforcement as a learning process, networking with other government bodies, advocacy activities to make stakeholders and consumers aware of the advantages of market competition and frequent interaction with media and specialists, including lawyers, economists and academics.

6. Case-Study: The Competition Framework in Moldova

A functioning framework of competition policy and law was established in Moldova in 2007, when the Parliament approved the “National Agency for the Protection of Competition” (NAPC) as a further step to modernise the up-to-then competition policy and control system. As part of the institutional strengthening of the NAPC, its constitution was revised and it became the Competition Council in 2012. The competition law was adopted by the Moldovan Parliament on July 11, 2012 and came into force on September 14, 2012. Since its establishment, the Competition Council has adopted also series of regulations, which elaborate in more detail the EU rules and regulations. During the last years, the Competition Council benefited from several EU and World Bank support projects to enhance its capacity-building objectives.

In the Republic of Moldova, there are also other specific regulators, which are active on various markets, such as the National Financial Markets Commission, which holds competences to regulate the behaviour of professional participants on the non-banking financial markets, the National Electronic Communication and Information Technology Regulator Agency, the National Energy Regulator Agency, etc. Investigation of these specific sectors requires additional knowledge and cooperation among the

specialized agencies. In this respect, the Competition Council holds a central role in the overall protection and promotion of competition.

The main strengths of Moldova's competition sector are the established legislation and the solidification of the institutional environment. However, with the exception of some recent activities, there was not solid track record by the Competition Council in conducting complex market studies. Finally, the promotion of pro-competition culture among certain stakeholders in Moldova was weak in the past.

The Strategic Development Program for 2012-2014 (SDP) was the basic document for the Competition Council to carry on the strategic planning system at the authority level for the years 2012-2014. Currently, the National Action Plan for the implementation of the RM-EU Association Agreement 2014-2016 is a main reference for the development of the policy framework.

On the 24th November 2010, a framework for a Comprehensive Institution Building Programme (CIB) was signed by the EU and the Government of Moldova. The institutions identified in the CIB framework were included in three clusters: i) public administration, ii) rule of law, human rights & freedoms and iii) preparing for a Deep and Comprehensive Free Trade Agreement (DCFTA). Competition was part of the third cluster of the CIB - preparing for (and now implementing) the DCFTA. The EU-Moldova Association Agreement (AA), which was signed in Moldova in June 2014 includes a DCFTA. According to the National Action Plan for the implementation of the RM-EU Association Agreement 2014-2016, there are important provisions for the competition sector related to the strengthening of the legislation and regulation of competition sector, capacity building, training and market studies of the strategic sectors of the economy. Finally, an important provision relates to the promotion of the competition culture (through training, press conferences, round tables, etc.); and, to an increase of activities in enhancing public information about anticompetitive practices.

With regard to long-term strategic objectives, the recently adopted National Development Strategy "Moldova 2020" highlights seven development priorities. The one that directly relates to competition is the priority of improving the business climate, promoting competition policies, streamlining the regulatory framework and applying information technologies in public services for businesses and citizens. Other priorities, which possibly interface to a lesser extent with the competition sector are the following: reducing financing costs by increasing competition in the financial sector and developing risk management tools; increasing public investment in the national and local road infrastructure, in order to reduce transportation costs and increase the speed of access; reducing energy consumption by increasing energy efficiency and using renewable energy sources; increasing the quality and efficiency of justice and fighting corruption in order to ensure an equitable access to public goods for all citizens.

7. Competition Advocacy and Gradual Culture Change in the Competition Framework and Developments in Moldova

Competition advocacy refers to those activities conducted by the competition authority related to the promotion of a competitive environment for economic activities by means of non-enforcement mechanisms, mainly through its relationships with other

governmental entities and by increasing public awareness among stakeholders of the benefits of competition.

A focal study on competition culture was the EC DG Competition Survey, which analyzed the promotion of competition culture and policy convergence at the international level (EC, 2014). Following the methodology of DG Competition of the European Commission, a qualitative barometer study was developed in order to obtain feedback on perceptions of the quality of its activities from its most important professional stakeholders. For the EC DG Competition study, a total of 120 in-depth interviews lasting on average approximately 75 minutes were carried out, face to face wherever possible. The main conclusions of this survey do refer to the fact that the majority of participants in four stakeholder groups were very aware of DG Competition's activities to promote a competition culture and considered that it is doing good work. The mean score for the promotion of competition culture was high and sets a quantitative benchmark for national competition authorities towards which they may like to improve. The vast majority were aware of DG Competition's work to promote competition culture and policy convergence at international level and thought that it was doing a good job. Despite this acknowledgment, there was an expression of a strong need for improvement of competition culture. It was recognized that penalties and fines act as deterrents, but are not sufficient to bring about a change in culture. Finally, the survey findings point out to the need for more enhanced consultations with think-tanks and experts, "outreach programmes", engagement of local speakers or trainers and promotion of competition culture in general among the public (EC, 2014).

A Competition Culture Survey was conducted among forty-nine ICN Members (competition authorities) in 2013/2014 (ICN, 2015). The survey questioned covered a variety of factors: defining competition culture; competition culture among legislators, government officials, journalists, lawyers, the judiciary, large businesses, small and medium enterprises (or SMEs), and members of the general public; reporting in the media; the existence of consumer associations; and the presence of academic centers. One limitation of the survey study should be noted, namely, that the responses only came from competition agencies, not from the "stakeholders" that are discussed within this survey.

The survey covered the perceptions of the competition authorities in a variety of factors: defining competition culture; competition culture among legislators, government officials, journalists, lawyers, the judiciary, large businesses, small and medium enterprises (SMEs), and members of the general public; reporting in the media; the existence of consumer associations; and the presence of academic centers. The advantages of this methodology are two: First, the questions are stratified (separate) across the different types of stakeholders. Secondly, both the aggregate and, more importantly, the own responses of the national regulators can be utilized as a fundamental benchmark to compare the perceptions of the stakeholders. For example, the evidence-based analysis shows that competition awareness is substantially higher in the corporate sector, and especially among bigger companies than SMEs, than in the judiciary or the public.

A number of important findings and conclusions were drawn from this report. First, competition authorities should aim to engage with the legislature or regulators as laws and regulations are being drafted and before they are finalized or voted into law. A variety of

tools to create and maintain lines of communication and cooperation with government departments must be identified. Tailor-made training for judges is reported as the most effective way of improving the judiciary's awareness of competition law and economics. With respect to professionals in the competition area, engagement in formal and informal dialogue with the legal community during consultations, or significant changes to the legal enforcement framework were recommended. Competition culture may be weaker among SMEs (as compared to larger firms) that may not be familiar with competition laws or have the resources to consult competition law specialists. Media engagement, public awareness campaigns and published material appear to be the most effective way of improving competition culture among members of the public. More specifically, engagement with media reporting of competition cases is a potential way of strengthening competition culture. Media reports are a common source of information that competition agencies consider. Market sector studies developed by legal and economic scholars is also viewed as raising awareness of competition policy within their jurisdictions.

In most questions, the experience in Moldova in relation to the questionnaire of the Competition Culture Project Report is in line with the average responses of the survey, namely, with a perception of good influence on other organs of the government, average influence on public and, generally, on enforcement procedures and overall practices in case investigation. However, there is a number of areas, in which there is some divergence. For example, on the issue what the media in jurisdiction (Newspapers, Television, Radio etc.) is more likely to report on, in relation to public enforcement of competition law, the average international response is successful competition law cases when the national evidence points out to unsuccessful ones. However, there are cases in which the media covered successfully resolved cases which have a big social impact, such as the case for the bus tickets for international routes. Moreover, on the issue how good would you rate media in jurisdiction at reporting aspects of competition law enforcement, the average international response is good/neutral, while the national situation indicates a weaker performance on the part of media. Furthermore, in contrast to the average response in the ICN study, according to which there are many competition lawyers and specialized academics and judges in the surveyed countries, the national state of affairs in the country is that there are no specialized competition lawyers and academics. Academic research and market studies were not extensively utilized until recently in the analysis and implementation of competition law in legal proceedings. Finally, on the question to rate competition awareness among stakeholders, the median response of the ICN survey was high, while the national situation indicates a lower performance, which constitutes a difference that reflects evidently realities of transition economies. All those considerations indicate that the competition culture process in the competition framework requires further strengthening to avoid future difficulties. The Competition Council has been highly active in promoting competition culture during the last years with the support of EU aid projects. In those activities, while all stakeholders in the competition framework are benefited, there has been noticeable improvement of awareness among media, companies, business associations and professionals such as lawyers.

8. Concluding Remarks

During the last two decades and with a growing number of regulatory authorities promoting the process of culture change among the stakeholders in their regulation framework, the analytical demands as well as the importance of this process have been elevated. The regulation activities, such as for example, those related to the competition or the trade sector constitute a natural platform for the planning of public policies of culture change. Much has been done since the first rudimentary efforts a few decades ago to introduce the promotion of culture change in the regulation domain. An example of progress is that policies of culture change in the relevant regulation sector are included in the mandate of the regulatory authorities. Thus, the area of regulation can provide important lessons for developing effective culture change to other sectors.

European Union is a major force in the implementation of policies of culture change in the regulation sphere. Europeanisation as a process that manifests the influence of the policies of European Union on national policies, activities and norms on other countries through trade association, or potential membership agreements varies in relation to different domestic practices and responses. Therefore, this process has taken place variably either through the strict compliance to regulation, or through soft coordination and learning.

There are many difficulties in implementing institutional culture change in the case of transition economies of Eastern Europe, which fall within the ENP platform of EU. In those countries, the political process is not linear and is characterized in practice by spiral tendencies forward, amidst backlashes in the implementation of strategic initiatives. This is a soft policy environment in which there is the fear that the values of the culture change agenda may be eroded by subsequent events amidst mixed messages by the political process. In such a context, there is the danger that what appears as a gradual and continual process for culture change in regulation can transform to a self-serving ritualized agenda. Our analysis suggests that the only escape from such difficulties can come from incorporating the evaluation of progress of culture change into the institutional strategy in order to control the erosion of policy potential. For this reason, it is worthy to couple the institutional mandate of promoting culture change in a specific regulation field with the incorporation of institutional culture change in the strategy of responsible authorities. This is a mission that both international regulation networks and national regulatory authorities must find ways to implement.

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