

# Functional stakes and EU regulatory governance:

## Temporal patterns of regulatory integration in energy and telecommunications

Emmanuelle Mathieu

[emathieu@ibei.org](mailto:emathieu@ibei.org)

### Abstract

One of the most fiercely debated question about EU regulatory governance is the respective role played by functional and political factors in the regulatory integration process. We already know that high distributional stakes limit the extent of regulatory integration. This article adds the functional factor in the equation: *when member states perceive market integration as yielding high functional benefits, high regulatory integration shall ensue*. This argument is embedded in a theorization of member states' preferences resulting from a trade-off between their interest in maximising institutional power and policy effectiveness, where the respective explanatory power of each interest depends on the level of distributional and functional stakes in the situation. The argument is subjected to a within-sector analysis of the evolution of regulatory integration over time in the energy and telecommunications sectors, which supports the relevance of the functional factor in the design of EU regulatory governance.

*Keywords: EU agencies, EU integration, EU regulatory governance, functionalism, regulatory networks.*