



***Local Markets, Global Rules.  
Different Pathways to Capital Market  
Standardization in Poland and the Czech  
Republic***

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**Abstract**

This thesis seeks to explain the variation in pathways to the convergence with transnational standard in capital market governance in two countries from Central and Eastern Europe – Poland and the Czech Republic. Although markets for shares in these countries are now governed in similar way and in line with transnational principles, their openness to external governance model varied, and they adopted it at different speed and accuracy. While in Poland the transfer of rules was voluntary and preceded the opening of market, the Czechs resisted the standard solutions.

This thesis shows that theoretical approaches which focus on the mechanisms of transnational norm taking cannot fully explain why two countries which shared many similarities and were under the influence of the same external actors acted so differently when it came to organizing capital market governance. Membership incentives offered by the European Union were not necessary to elicit convergence in one case and they were not sufficient in another. At the same time transnational capital market community, which diffused capital market governance standards, had a profound effect on one country eliciting deep and sustainable convergence, and negligible impact on another.

By distinguishing between different degrees of convergence and focusing on the interplay of domestic and external factors, this thesis finds that variation in the pathways to the adoption of a standard capital market governance regime is a function of domestic vulnerability and external intervention. Vulnerability refers to the constellation of factors, both political and economic, that endanger an elite's hold on power. External intervention refers to coercive and non-coercive tools of influence used by different types of external actors: the transnational community and transnational hierarchy. This thesis demonstrates that a substantial and sustainable convergence with transnational standards in capital market governance could be attained by both the transnational hierarchy and transnational community, provided that the level of domestic vulnerability is extremely high. When the level of domestic vulnerability is low both types of transnational actors can attain only limited convergence – a situation in which transnational norms are adopted in selective manner, or are fully adopted but not observed.



**Jury:** László Bruszt, EUI (Supervisor), Sven Steinmo, EUI (via videolink), Milada Vachudova, University of North Carolina at Chapel Hill, David Levi-Faur, Hebrew University of Jerusalem (via videolink)

**Bio**

Olga Markiewicz holds MA in History from University of Warsaw and MA in Economy and Society from Graduate School of Social Research in Warsaw. Before starting PhD programme at the EUI she was a correspondent at Reuters. In 2011 Olga was a research fellow in the Institute of Public Affairs (ISP) in Warsaw, with which she continues to cooperate. Currently she teaches at the University of Social Sciences and Humanities (SWPS) in Warsaw. Her research interests focus on politics of market regulations, transnationalization and institutional/regulatory change in Central and Eastern Europe.