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Introductory Note

The Proceedings of the Institute for European Studies (IES Proceedings) has a history of almost a decade. The first issue of *IES Proceedings* was published in 2002. In 2007, then issued by the International University Audentes (IUA), it became a peer-reviewed yearbook with an extensive editorial board complying with the requirements of an internationally recognized scholarly collection. Since 2009, already for two years, it has been published as a semi-annual (June and December), peer-reviewed scholarly journal by the Department of International Relations, which was established on the basis of the former School of International Relations of the IUA. Since 2010, the journal has enjoyed the financial support of the Tallinn School of Economics and Business Administration at the Tallinn University of Technology, under which the department has operated since 2009. However, the historical name of the journal has been preserved so far in order to reinforce the continuity of the publication. Nevertheless, because of the recent developments, it has become necessary for the editorial board to make a decision concerning the future name of the journal in the first half of 2011.

IES Proceedings is an international journal dedicated to research addressing a wide range of issues related to the developments in the European Union. Editors of the journal share a broad perspective on the multidisciplinary field of European Studies. Therefore, the history and philosophy of science and scholarship in Europe is an appropriate topic for our journal as well. The editorial office reserves the right to publish special issues of the journal dedicated to specific topics. For example, the next issue (*IES Proceedings* No. 9) will be compiled of papers presented at the 24th International Baltic Conference on the History of Science, organized by the Tallinn University of Technology in October 2010. The regular standards of international peer-reviewing, however, will still be applied to submissions to special issues.

IES Proceedings No. 10 will be published, exceptionally in September 2011, as a regular issue. The call for papers, with a submission deadline set on 30 April 2011, has already been forwarded. We expect papers dealing with any aspect of European Studies from any field of social science. Humanities' issues that concern European culture will be welcomed as well. Somewhat broader disciplinary approach than before can be found already in the current issue.

Contributions to the current issue have been grouped into five traditional thematic sections. The section on economic analysis contains two lengthier and substantial methodological papers of key relevance for the regional economic convergence in the European Union. Two papers grouped in the section of international relations highlight theoretical issues of political power and the referenda in EU. The third section deals with the identity developments of two nations in Eastern Europe. The fourth section covers political and legal issues in three papers: the first of them analyzes definitions concerning refugees; the second tackles the problem of the freedom of expression, while the third article discusses cultural competences as a tool for internationalization of higher education.

However, we hope that the recent developments concerning our journal will help raise awareness about the journal among the academic community, both readers and prospective authors.

Aksel Kirch and Peeter Müürsepp (Editors-in-chief)

Notes on Contributors

Fernando Alonso Guinea is PhD in Economics at Complutense University of Madrid. He has touched upon subjects in International Economics, Trade and Economics of the European Union. He is Senior Research Fellow at the Complutense Institute for International Studies and the director of the publication *Claves de la Economía Mundial* (Keys to the World Economy), published by the Spanish Institute for Foreign Trade. Some of his recently published papers are: “Analysis of Regional Disparities in the Enlarged European Union. Structural Funds and Cohesion Policy. Lessons from Spain and Poland.” (*European University Review*, No. 6, 2009); “The EU Budget Review: Mapping the Positions of Member States”. Swedish Institute for the European Policy Studies. (SIEPS), Stockholm, 2008.

José Bolanos recently obtained his BA degree (cum laude) in International Relations from Tallinn University of Technology. On the theoretical spectrum, his thesis and ongoing research studies the possibility of using decision theory (support theory) to project international strategies via a bi-dimensional concept of anarchy, a hypothesis supported by projecting changes in attitudes towards Iraq’s second invasion since 2003. On the practical spectrum, he is interested in the existence of multiple possibilities out of most international situations and thereon studying how to improve the odds of a successful outcome. He is particularly interested in conflict/democratization topics such as in Belarus and the Zelaya’s coup in Honduras, in environmental attitudes and strategies of non-state international actors, and in the economic development of the Third World. José is currently considering different possibilities for graduate education and welcomes critique and suggestions.

José Luis Cendejas Bueno is PhD in Economics at Universidad Autónoma de Madrid. He has been teaching economic theory and econometrics in several universities of Madrid. His research and publications focus on modelling business cycle and economic growth. Some recent publications are the following: “Testing for structural breaks in factor loadings: an application to international business cycle” in *Economic Modelling*, (December 2010); “Ciclo económico y convergencia real en la Unión Europea” in *Fundación BBVA* (Working paper No. 10/2006); and “Stability Analysis in ARMA and Unobserved Component Models”, in G. L. Mazzi and G. Savio (eds.) *Growth and Cycle in the Eurozone*, Palgrave Macmillan, 2007.

Ero Liivik works currently as lecturer of Law at Estonian Academy of Security Sciences. In 2000 he graduated from the Faculty of Law at University of Tartu. From 2000 to 2007 worked as specialist and manager in the field of local government. In 2003 and 2004 worked as advisor to the Minister of Justice. Since 2007, he has been involved in doctoral studies at University of Tartu. His fields of research are sociology of law, social theories and direct democracy. He has published approximately 100 pieces in journals and newspapers, recently an article entitled “Influence of Direct Democracy on Legitimacy of Legislative Drafting” in the journal of the Estonian Parliament *Riigikogu Toimetised* (Vol. 21, 2010).

Oudekki Loone is PhD student at Tallinn University, Estonia. Her main research areas include immigration, sovereignty, immigrants in labour market. She is a co-author of a book in Estonian *Suveräänsus. Seadus. Immigratsioon* (Sovereignty. Law. Immigration), her most recent publication is “Right to Refuse. Choices of Sovereign States in Transforming Migration Scenarios” in *The Romanian Journal of European Studies*, No. 7–8/2009. Oudekki Loone has been an exchange student at Bologna University, Italy and has participated as an election observer in EU and OSCE missions in Liberia, Yemen, Aceh (Indonesia), Kyrgyzstan, Bangladesh.

Leon Miller is lecturer in Ethics, Comparative Religion, Intercultural Communications and International Relations at Tallinn University of Technology. His educational background includes studies in Religion and Behavioral Science (including advanced studies in Religion in affiliation with the University of Chicago Divinity School and Cluster of Theological Schools). His teaching experience ranges from Columbia College in Chicago to Concordia International University Estonia, Audentes University (Estonia) and presently Tallinn University of Technology. His specialties include the History of Religion, The History of Culture, International Relations, Intercultural Communication and The Role of Business Ethics in Global Interdependence. He has a number of peer-reviewed publications in the areas of The Philosophy of Religion, International Relations and Business Ethics in a Globalized World.

Natalia Nekrassova, PhD, worked as teacher of English at International University Audentes from 2000 to 2008. Since 2008 has been Associate Professor at Tallinn University of Technology, Institute of International Relations. The main fields of interest: English for the students of Institute of International Relations and Department of Economics, the impact of globalization on the educational process at higher educational institutions, cross-cultural communication in multicultural educational environment, cross-cultural diversities in global business. Her latest publication in this area is “Building cross-cultural competence at institutions of

higher education” in *Journal of International Research Publication: Language, Individual and Society*, Vols. 5, 4–12 (in cooperation with cultural psychologist E. Matveeva).

Katrin Nyman-Metcalf, PhD, is Professor of International and Comparative Law with a special emphasis on communications law and holder of the Chair in Law and Technology at Tallinn Law School, Tallinn University of Technology, Estonia. She is a regular visiting professor at universities in e.g. Georgia, Latvia and Sweden. She has a PhD from Uppsala University (1999, Public International Law, on the law of outer space). Apart from her academic work, Professor Nyman-Metcalf is active as an international consultant in the area of communications law (telecommunications and media). Projects include legal analysis of media and communications legislation for organisations like the OSCE and Council of Europe, EU legislative projects and working with communications regulators e.g. in Bosnia Herzegovina, Kosovo and Iraq. Professor Nyman-Metcalf has published a large number of articles on matters related to outer space law, communications law and EU law. She is the co-author of one of the main recent Swedish textbooks on public international law (2009) as well as the co-author of the OSCE guide to digital broadcasting (2010).

Eva Polonska-Kimunguyi, PhD, is a lecturer at the Monash European and EU Centre, Melbourne, Australia. She obtained a PhD from the University of Melbourne where she studied media and audiovisual policy of the European Union. Her thesis was titled “Culture, Identity and Trade in the European Union: Regulation of Television Content in the Global Era.” She received a Master of Arts in Political Science and Journalism from the University of Warsaw, Poland. Dr Polonska also worked as a journalist for Polish national television. She has lectured in media and contemporary European politics, democracy and global politics. Her interests include media, cultural policies and the relationship between media and politics.

Janno Reiljan, PhD, DSc (econ), studied economic cybernetics at University of Tartu, PhD in empirical business analysis from the State University of Moscow in 1980; In 1983–1984 and 1989–1990 he had 10-month scholarships in Germany; DSc (econ) in implementation of decision making theory from the University of Tartu in 1991. He has been working as ordinary professor at the University of Tartu from 1992, and as dean of the Faculty of Economics and Business Administration in 1993–1996. In 1999–2007 he was a member of Riigikogu, in 2003–2004 the observer at European Parliament. His research activities essentially focus on intergovernmental transfers and regional economic development.

Fatemeh Shayan received her master's degree in International Relations in 2003. From 2003 to 2008 she has published numerous conference papers and articles and worked on the joint project *Perspective of Iran and China Relationships: Opportunities and Obstacles* (2005). Since 2008, she has been a PhD candidate by University of Tampere, Department of Political Science and International Relations. Since 2008 she has been employed permanently by Isfahan University, Department of International Relations. She is the author of the book *11 September and Globalization* (2007) [ISBN: 964-7331-79-7]. Some of her latest publications are included in *Arab Studies Quarterly*, Fall 2010 (forthcoming); *Journal of Foreign Policy*, Vol. 23, No. 4, 2010; *Collection of articles of 14th international conference on Central Asia and Caucasus* (IPIS), 2007; *Journal of Middle East Studies*, Vols. 46-47, 2006; *Faculty of Administrative Sciences and Economics Journals*, Vol. 16, No. 2, 2004, and several publications forthcoming in 2011.

Maria Claudia Solarte-Vasquez received her master's degree from the Washington College of Law of the American University in 1995. She obtained a BA in Law and Political Sciences from the Law Department of Universidad Pontificia Bolivariana in Medellín, Colombia, in 1994. Her professional activity in the field of international transactions and risk management initiated her into the field of conflict management and legal negotiation. From 1996 she is devoted mainly to academic development of courses that incorporate preventive law approaches and alternative resolution methods for handling disputes. In these past 14 years she has lectured in the area of negotiation, introduction to law, comparative legal systems, conflict management and legislative policy, especially in what relates to the evolution of the legal system and its consistency with technological advancements. Intellectual property and Internet governance have become the focus of her latest applied conflict management research. The main concerns addressed by her courses and writings focus on the limits of the doctrine of the rule of law and the legitimacy of legal standards.

Ágnes Szunomár is Junior Research Fellow at Institute for World Economics of the Hungarian Academy of Sciences. Her research focuses mainly on Chinese economy and politics, particularly Chinese foreign policy. She received her master's degree in International Relation from the Corvinus University of Budapest in 2006, and in 2007 she received her master's degree in Politology from Eötvös Loránd University's Faculty of Law and Political Sciences. Ms. Szunomár started her PhD studies in Corvinus University in 2006; she is now working on her dissertation about Chinese great power status. Earlier she worked as a governmental consultant on the development of Chinese–Hungarian relations. She speaks English and German and she currently studies Chinese.

Recent Evolution of Economic Differences in the European Union: An Examination of Economic Convergence

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Abstract: *This paper analyses the process of real convergence of the economies in the enlarged European Union from 1995 to 2009. Using GDP per capita, it can be shown that there have been significant advances in beta-type convergence, but that these have not been homogenous, either between countries or over the time period examined. Part of this convergence arises because of the statistical effect produced by the weak growth in the large economies and by the migratory flows. This convergence has stalled, or even reversed, over the last two years (2008–2009), although this trend started to become evident even before the recession began. Continued convergence currently depends on some factors that are hindering the economic recovery.*

Keywords: *economy, enlargement of the EU, real convergence*

1. Introduction

This paper analyses the real convergence process that has taken place in the economies of the enlarged European Union from 1995 to the middle of 2009. Ten years on from the start of the Economic and Monetary Union (EMU), involving 11 out of the then 15 members of the European Union (EU-15), and in light of

the recent economic recession, it has become clear that membership of the EU, and even more so of the EMU, comes at a price in terms of monetary and fiscal discipline. As the recent economic history of the current members confirms, economic growth in an environment characterised by the free movement of goods, services, people and capital, and with monetary integration, demands the adoption of orthodox monetary policies aimed at keeping inflation rates down while still ensuring that public accounts are balanced. In addition, constant changes to the competitive conditions inside and outside the EU have forced profound structural changes, particularly in those sectors that were more protected from external competition or where there has traditionally been greater public control.

The change from an economy which has, to a greater or lesser extent, been protected, regulated and planned, to an environment such as the current one, requires a great deal of effort and serious reform of the production sectors (Luengo, 2001), and these are only considered justified if the final result is growth and a movement towards the living standards in the economies forming the political and economic core of the EU. Since the EU is aware of this, macroeconomic stability is not the only pillar of its constitution, and nor is it the sole objective of its economic policies. Economic and social cohesion is also a priority objective. Growth is a necessary condition if this cohesion is to be achieved.

In this paper we have exclusively used the evolution of GDP per capita as our indicator, despite being aware that this indicator is neither unique nor univocal when it comes to analysing real convergence. We have chosen to focus our analysis on this because it allows us to homogenise the data used as the input to this study. Examining the data used and its evolution, one can see that important advances took place over this period. It can also be seen that these changes have not been homogenous either between countries or over the time period studied. Looking in more detail at the overall positive result that can be seen from the figures analysed, there are areas that could indicate potential developments in the near future. Much of the convergence within the EU has been due to the statistical effect arising from the fact that economies such as Germany and Italy have grown very weakly over this period, and that of France has also failed to perform well in this aspect. Also of worry are the consequences that the 2008–2009 recession could have over the medium term. These are still not clear because the recession is not yet over, but the concern is that the significant imbalances in the public accounts are not sustainable and that part of the financial system will not be able to withstand conditions of greater monetary discipline. We use the statistics to show how an important part of the progress

made towards real convergence has been lost over the last two years, and that this trend was evident even before the start of the recession.

The challenge facing the EU is considerable. Although the next enlargements will not involve a great deal of effort from the EU in terms of adapting itself (with the exception of the inclusion of Turkey, the date for which is being pushed back), the difficulty is in fully dealing with the enlargement already completed and, above all, the adoption of the euro by these economies. The institutional design of the EMU, which was considered a success, is brought into question. In this sense, the Commission states that

the build-up of macroeconomic imbalances was not addressed appropriately, even though the Commission had been warning about it for some time. In a number of Member States, this translated into high current account deficits, large external indebtedness and high public debt levels, which are clearly above the 60% reference value set in the Treaty. The financial stability of the Euro area as a whole has been put at risk. (European Commission, 2010)

The current financial crisis proves that there are no effective mechanisms stopping countries from breaking the Stability and Growth Pact when their economies enter into recession, nor is there an automatic return to compliance in the absence of high growth sustained over time (e.g., Alonso & Cendejas, 2006). Continued convergence currently depends on the same factors that are hindering economic recovery and this raises serious questions about the design of the EMU.

This paper is structured as follows. In section 2 we compare the growth experienced by the EU economies over the period 1995–2009, and we show the existence of beta-type convergence¹. There has been some equalising of the different GDP per capita levels, particularly for the countries involved in the latest enlargements, but significant differences remain. The following two sections contain an analysis of specific changes, providing more detail about the average convergence process observed. Section 3 contains an analysis of the differences between countries, and in section 4 we set out the differences over the time period considered. In section 3 we show that part of the real convergence achieved has arisen because of the population reduction in the countries involved in the latest

¹ Sala-i-Martin (1996) makes a distinction between *conditional* β -convergence (as described above) and *absolute* β -convergence, where poor economies simply grow faster than wealthy ones. For simplicity, and since absolute β -convergence can be a specific case of conditional β -convergence where balanced growth paths are identical across economies.

enlargements. We do not analyse in detail the direction of the migratory flows, but it is a fact that they have taken place, above all within the EU: the west of the EU has seen an increase in population while the population in the east has fallen. We also identify examples of divergence, and highlight the importance of differentiating between cases of convergence from a below-average position and cases of convergence from an above-average position, which in reality imply a relative worsening. This has affected Germany, Italy, France and Belgium, as a result of their weak growth, and it is a real problem insofar as the long term growth of other countries depends on these countries, when a large part of the existing differences has still to be removed. In section 4, the evolution of the convergence process over time is analysed. Turning points are identified that in some cases have led to a switch from convergence to divergence, or vice versa, and in other cases have marked a slowdown or acceleration in the process. Our conclusions are set out in section 5.

2. Growth in the enlarged EU since 1995

The period 1995–2007, taken as a whole, can be said to have been one of overall expansion, which undoubtedly has favourably influenced the process of EU enlargement, with new members entering and enjoying the high growth rates inside and outside their borders. The exception in this period was the year 2001 (before the enlargements), with a recession in the USA, although this did not lead to a situation which could be compared to the seriousness of the 2008–2009 recession. One must take into account that the economies involved in enlargement, except for those of Malta and Cyprus came from socialist regimes based on economic planning, which was carried out with more or less discipline and scope. The end of the socialist regimes was not gradual, but was in fact exactly the opposite, and the rapid political changes after the fall of the Berlin Wall were followed by very significant economic readjustments.

Once the most difficult phase was completed, which saw a considerable reduction in GDP levels (although the estimates for that time are not comparable with estimates for an economy with no price intervention), high unemployment rates, reductions in the standard of living and an increase in social inequality, there followed a period of rapid growth, although not without periods of stagnation, in the middle of which they joined the EU. Table 1 includes the growth data from this second stage of the process, since 1995, when Eurostat began its National Accounting series for the economies involved in the latest enlargements.

Table 1. GDP and growth in the period 1995–2009²

	% of GDP/ EU	% of GDP/ EMU	average growth 2009 / 1995		average growth 2000 / 1995 ¹		average growth 2007 / 2001		growth 2009(*) / 2008	
			total	per capita	total	per capita	total	per capita	total	per capita
EU	100.00	-	1.8	1.5	2.9	2.7	2.2	1.8	-4.2	-4.6
EMU	72.28	100.00	1.7	1.2	2.7	2.5	1.9	1.3	-4.1	-4.6
Germany	20.95	28.99	1.1	1.0	2.0	1.9	1.2	1.2	-4.9	-4.7
United Kingdom	17.62	-	2.1	1.7	3.4	3.1	2.6	2.1	-4.9	-5.6
France	15.49	21.44	1.7	1.2	2.8	2.4	1.8	1.1	-2.6	-3.2
Italy	11.71	16.20	0.8	0.4	1.9	1.9	1.0	0.4	-5.0	-5.7
Spain	7.51	10.39	3.0	1.8	4.1	3.7	3.4	1.8	-3.6	-4.8
Netherlands	4.54	6.28	2.3	1.8	4.0	3.5	1.9	1.6	-4.0	-4.5
Sweden	3.02	-	2.3	2.0	3.5	3.4	3.3	2.9	-5.1	-5.9
Belgium	2.74	3.79	1.8	1.4	2.9	2.6	2.1	1.6	-3.0	-3.8
Poland(**)	2.54	-	4.4	4.5	5.4	5.4	4.5	4.6	1.7	1.6
Austria	2.30	3.18	2.0	1.7	3.0	2.8	2.5	1.9	-3.9	-4.3
Greece(*)	1.78	2.47	3.3	2.9	3.4	2.9	4.2	3.8	-2.0	-2.4
Denmark	1.78	-	1.4	1.0	2.9	2.4	1.8	1.5	-4.9	-5.5
Finland	1.49	2.06	2.8	2.5	4.8	4.5	3.4	3.1	-8.0	-8.5
Ireland	1.33	1.85	5.4	3.8	9.6	8.5	5.5	3.4	-7.1	-8.1
Portugal	1.30	1.79	1.9	1.4	4.2	3.9	1.0	0.4	-2.6	-2.7
Czech Rep.(**)	0.80	-	2.6	2.5	1.5	1.6	4.9	4.8	-4.1	-4.9
Hungary (**)	0.61	-	2.8	3.0	3.9	4.1	3.7	3.9	-6.3	-6.2
Romania (***)	0.59	-	4.5(*)	4.9(*)	-	-	5.6	6.2	-7.1	-7.0
Slovakia (**)	0.33	0.46	4.4	4.3	3.4	3.2	6.7	6.6	-4.7	-4.9
Luxembourg	0.27	0.38	4.0	2.6	6.1	4.7	4.6	3.2	-4.1	-6.0
Slovenia (**)	0.27	0.37	3.4	3.3	4.4	4.4	4.7	4.5	-7.8	-8.8
Bulgaria (***)	0.20	-	2.5	3.2	-0.8	-0.3	5.8	6.9	-5.0	-4.6
Lithuania (**)	0.18	-	4.6	5.2	4.4	5.2	8.3	8.9	-14.8	-14.4
Cyprus(**)	0.13	0.18	3.3	1.7	3.8	2.4	3.6	1.7	-1.7	-2.7
Latvia(**)	0.12	-	4.6	5.3	5.4	6.4	9.2	9.8	-18.0	-17.6
Estonia(**)	0.09	-	5.0	5.6	6.7	7.8	8.2	8.5	-14.1	-14.1
Malta(**)	0.05	0.06	1.4(*)	0.5(*)	-	-	1.8	0.8	-1.5	-2.3

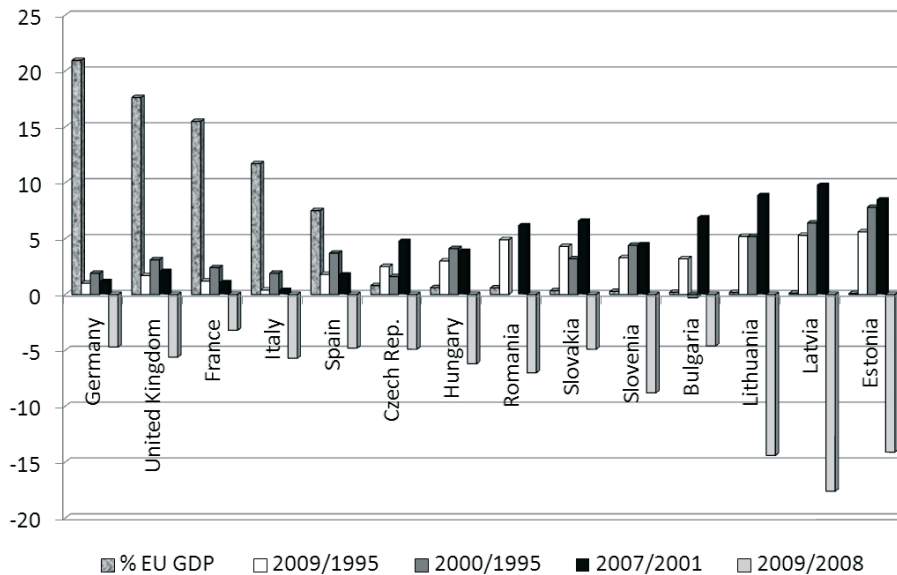
(*) For Greece the figures since 2004 are being revised. The GDP series for Romania starts in 1999 and that for Malta in 2000. The percentages of EU and EMU GDP are calculated without correcting for Purchasing Power Parity standard. Source: Elaborated by the authors from Eurostat data.

(**) 2004 Enlargement.

(***) 2007 Enlargement.

² In the period 1995–2000 the transition process showed some difficulties to value according to the ECS patterns assets and products in enlargement economies.

Graph 1: GDP and growth in the period 1995-2009



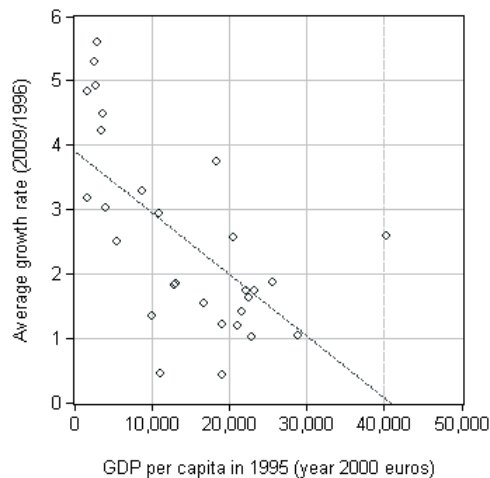
Source : Elaborated by the authors from Eurostat data

* Per capita

The list of countries in Table 1 has been ordered in accordance with the weight of their GDP (in constant euros from 2000) in the EU as a whole. The total period has been divided into two sub-periods, before and after 2001, coinciding with the contraction in world growth in that year. In the absence of a more detailed analysis of the quarterly data, which is carried out later, one can see that the countries in the last two EU enlargements have experienced significant growth rates, above all in the second sub-period. Of the EU-15, only Ireland, Finland, Spain and occasionally Greece, Portugal and the Netherlands have reached a 4% average annual growth rate, while growth rates of this scale or greater have been the norm for the countries involved in the enlargement. It is interesting to note that the average growth rates for the entire period 1995 to 2009 have been significantly reduced by the negative rates seen in 2008 and 2009, due to the significant size of these. Only Poland has avoided negative growth rates during this recession, which has been very deeply felt precisely in the economies involved in the 2004 enlargement, those that grew most during the 2000s. In addition, as can be seen from Table 2, the population reduction in many of the Eastern European countries contributed to the improvement of GDP in per capita terms, which grew at a faster rate than total GDP.

Considering the complete period analysed, one can undoubtedly state that there has been a beta-type convergence process, since the economies that started with lower levels of GDP have been those that have grown most on average. Figure 1 shows the scatter plot and the regression line indicating the correlation between both variables. The points furthest from the regression line are the economies with a lower level of GDP at the start, that on average have grown by more than 5%. Another atypical country is Luxembourg, which despite its high starting level of GDP per capita has grown faster than the majority of the most developed EU countries. The explanatory capacity of the regression is 41%. Given that variables have been omitted which could explain the differences in growth between countries around this regression line, the regression must be seen as being merely descriptive. On average, economies with 10,000 euros of GDP per capita below the average have one percentage point of growth above the average. The average growth was around 2.5%, with a standard deviation of 1.5 percentage points.

Figure 1. Beta-type convergence, 1995–2009



The next step is to analyse the evolution of the quarterly growth series over time. These series are shown in Figures 2 to 14, using the series for Germany as a reference, since its economy accounts for the largest percentage of EU GDP, meaning that changes in its figures are transferred to the aggregate for the EU and the EMU (see Fig. 2). Both because of its weight, and because it shares cyclical changes with almost all of the economies in the EU, as can be seen from the Figures, one can say that the European reference cycle is that of Germany.

In addition, we can see that the German cycle and the American cycle have shown considerable synchronicity over the period considered here (Fig. 3). In all the Figures the shaded areas correspond to periods of recession in the USA, according to the *National Bureau of Economic Research* (NBER), which does not necessarily coincide with the existence of at least two consecutive quarters of falling GDP. The end of the last recession, which began in the fourth quarter of 2007, has still not been announced by NBER, so we have chosen to position it in the second quarter of 2009 since growth in the third quarter of 2009 was positive in the US economy. The growth experienced by the USA throughout the 1990s and the 2000s was very high, although the latest recession has to a large extent questioned the basis for that growth. For example, from 1995 to 2000, the average growth was 3.9%, while in the United Kingdom and Germany the rates were 3.4% and 2.0%, respectively.

In Figure 3, the considerable degree of cyclical synchronicity between the US economy and the economies of the United Kingdom and Germany can be seen, something which is therefore true by extension for the rest of the European economies. This relationship, obviously, is not an exact one since the recessions in the USA are not necessarily recessions in the rest of the world, an example being the localised recession in 2001, but the international dimension of the cycle and the validity of using the USA as a reference economy are evident.

Although movements in the growth of GDP are highly correlated between countries, the rates themselves diverge to a significant degree. For example, those of the United Kingdom have on average been above those of the EU. In the second half of the 1990s the average annual growth rates for the United Kingdom, the EU and the EMU were 3.4%, 2.9% and 2.7%, respectively, and up to the start of the 2008 recession, therefore including the effects of the contraction in 2001, they were 2.6%, 2.2% and 1.9%.

The reduced growth rates in the EU are, above all, the result of the specific German circumstances that began in 1989 and that seem to have lasted until around 2005. Undoubtedly, the process of German reunification, financed through the use of expansive fiscal and monetary policies, led to the need for a subsequent long period of adjustment and this has fed through into reduced growth rates during the 1990s and a significant part of the current decade. Although not included in the Figures for the period, it has been shown (e.g., in Cendejas *et al.*, 2006) that the degree of cyclical synchronicity between the two largest economies in the EU (the United Kingdom and Germany), which is normally significant, broke down between 1989 and approximately 1993. In this period the German cycle also diverged from the US cycle. As a result, the

Figure 2. GDP growth of EU, EMU and Germany

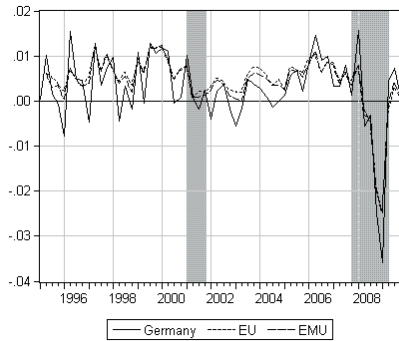


Figure 3. GDP growth of USA, United Kingdom and Germany

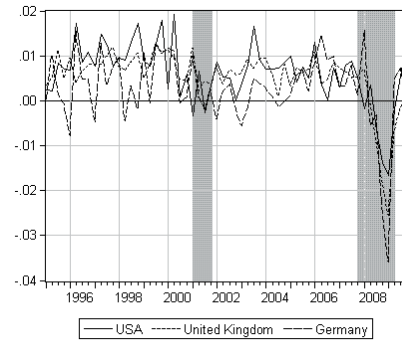


Figure 4. GDP growth of Germany, France and Italy

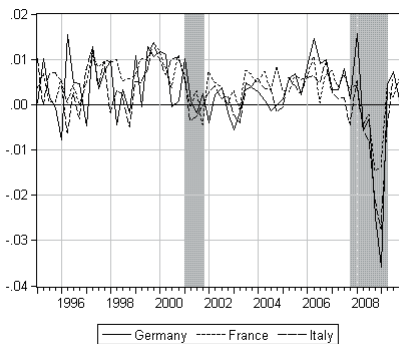


Figure 5. GDP growth of Germany, Netherlands and Belgium

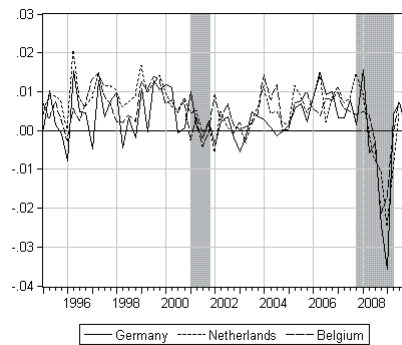


Figure 6. GDP growth of Germany, Spain and Portugal

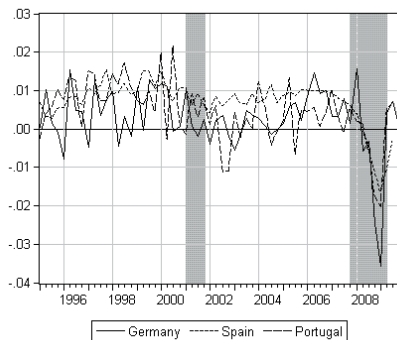
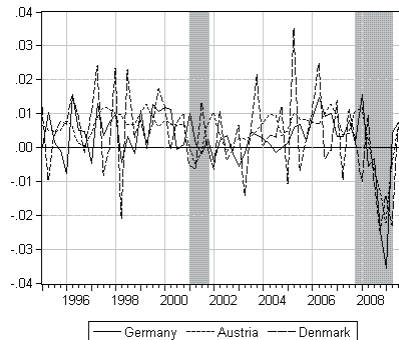


Figure 7. GDP growth of Germany, Austria and Denmark



recession which in the USA took place between the third quarter of 1990 and the first quarter of 1991, also affected the United Kingdom, but there it lasted for longer and was linked to the two periods of recession in Germany, 1991 and 1992–1993, recessions which also took place in the rest of the EU economies.

Although prior to 1995 there were certain differences between the cycles of the United Kingdom and Germany, the other large continental economies closely followed the German cycle, particularly from the second half of the 1980s. From 1975, the synchronicity between the French and Italian economies became very noticeable, and this increased with the introduction of the EMU (Fig. 4). As mentioned earlier, one must not confuse the existence of synchronised cycles with the existence of identical growth rates, since the movements in these rates coincide but their levels do not (rates which run in parallel but hardly overlap). In this context, it is interesting to note that Germany and Italy were the economies that grew the least in the period being considered, while France, Belgium and the Netherlands had higher growth rates, although all five shared the same cycle.

Spanish and Portuguese GDP growth figures (Fig. 6) show some changes that coincide with the German cycle, although in general they behave differently. Spain produced growth rates above those of Germany up to 1975, outside the period considered here, and again from 1995 to 2007, which resulted in convergence taking place during these periods. In the second half of the 1990s average growth in Spain was 4.1%, and the percentage from 2001 to 2007 was 3.4. For Portugal, the growth rate was high only from 1995 to 2000, standing at 4.2%, while throughout the 2000s the Portuguese economy grew even more slowly than that of Germany (1.0%).

The cycles in Austria and Denmark (Fig. 7) are not very different to the German cycle, although the rates for Denmark are more volatile. While Austria only joined the EU in 1995, cyclical integration took place earlier (Cendejas *et al.*, 2006). Also part of the 1995 enlargement, Finland (Fig. 8) experienced a long and deep recession at the start of the 1990s as a result of the disintegration of the Soviet Union, with which it had close economic ties. Since then its growth has been very high, at 4.8% in the second half of the 1990s and 3.4% from 2001 to 2007.

Moving on to the 2004 enlargement, the Baltic countries (Fig. 9) experienced the highest growth rates in the EU. With the exception of the specific contraction in 1998–1999 and the last recession in 2008–2009, it can be deduced that a significant convergence process has taken place. During the second half of the 1990s the average growth rates for Estonia, Latvia and Lithuania were 6.7%, 5.4% and 4.4%, respectively, and from 2001 to 2007 they were 8.2%, 9.2% and 8.3%, respectively. The last recession has also affected these countries more, with average negative

Figure 8. GDP growth of Germany, Sweden and Finland

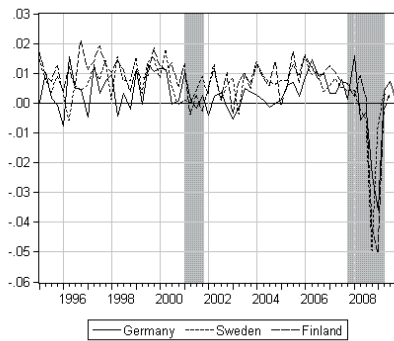


Figure 9. GDP growth of Germany, Estonia, Latvia and Lithuania

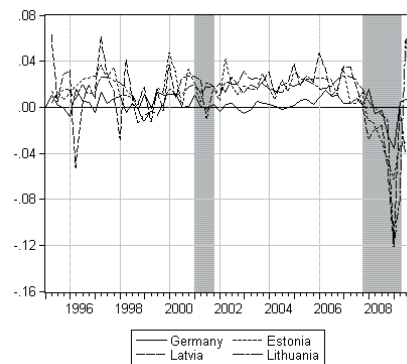


Figure 10. GDP growth of Germany, Poland, Czech Republic and Slovakia

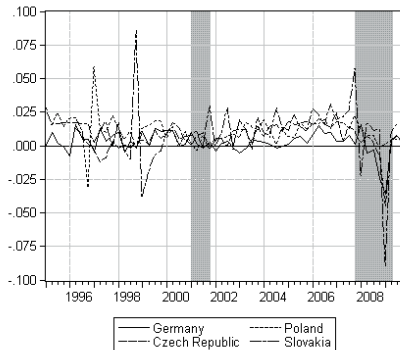


Figure 11. GDP growth of Germany, Slovenia and Hungary

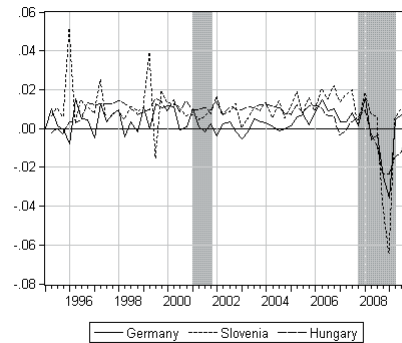


Figure 12. GDP growth of Germany, Greece, Cyprus and Malta

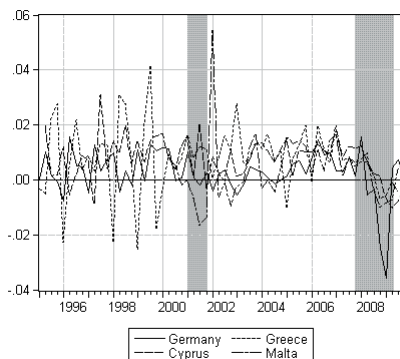


Figure 13. GDP growth of Germany, Luxembourg and Ireland

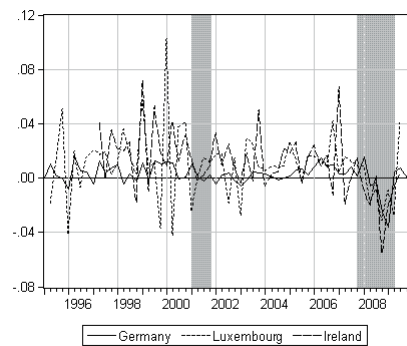
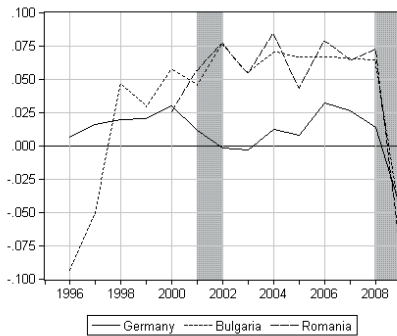


Figure 14. GDP growth of Germany,
Bulgaria and Romania



rates of 14.1%, 17.6% and 14.4%. In 2009, Latvia needed financial assistance from the IMF and the EU as part of an agreement to defend the exchange rate with the euro, and as a consequence it agreed to reduce the public deficit.

This trend can also be seen for the Slavic countries and Hungary (Figs. 10 and 11). Poland has even grown during the last recession, and its average growth rate since 1996 has been 4.4%. Slovakia and Slovenia have had very high growth rates (see Table 1), although the average annual rates since 1995, of 4.4% and 3.4%, respectively, have been offset by the negative rates seen in the last recession. The Czech Republic and Hungary have had more modest figures. Hungary had a period of recession in 2006 which coincided with a large public deficit and fiscal adjustment measures. This was not enough, when added to the effects of the 2008 recession, to allow it to service its debt and the financial assistance of the IMF and the EU was required. The contraction of 1998, which also took place in the Baltic countries, was particularly pronounced in Slovakia.

Cyprus and Malta (Fig. 12) follow a different pattern to the one observed in the rest of the countries involved in the 2004 enlargement. Cyprus has grown quickly throughout the period thanks to tourism, and to the property and financial sectors, culminating in a process of fiscal and monetary adjustment with the introduction of the euro in 2008. Malta is an exception in the EU as it suffered very notably in the 2001 recession due to its dependence on tourism. Its average growth from 2000 to 2007 was a limited 1.8%. Perhaps the way is the diversification. Cyprus has developed other services, as financial and new technology, but Malta still depends excessively on tourism.

Greece has experienced significant growth rates, comparable for example to those of Spain. These were 3.4% in the second half of the 1990s and 4.2% from

2001 to 2007³, and they have translated into advances in terms of convergence. However, Greece's national accounts are in the process of being revised, together with the deficit figures presented for the last few years during which there has been a systematic breach of the Stability and Growth Pact. In the end, the recession has increased the deficit and led to the risk of a suspension of payments by the Greek State, provoking a serious credibility crisis for the euro.

Ireland and Luxembourg (Fig. 13) stand out for having experienced high growth rates over the last few years, with these being (Table 1) comparable to those of the countries involved in the enlargement. Luxembourg, despite being an economy with a very high level of GDP per capita, the highest in the EU, has grown quickly, providing evidence against the idea of absolute convergence. Ireland leapfrogged many countries during the 1990s, moving from the bottom of the EU-15 to second place in terms of GDP per capita. Ireland grew at an annual rate of 9.6% in the second half of the 1990s and 5.5% from 2001 to 2007. The 2008–2009 recession has very seriously affected Ireland, contracting its GDP by a 7.1%.

Lastly, Bulgaria and Romania (Fig. 14), having overcome serious contractions and adjustment processes outside the period recorded by Eurostat, grew by 5.8% and 5.6%, respectively, from 2000 to 2007. Given these growth rates, the figures for the 2008–2009 recession are also considerable, at 5.0% and 7.1%, respectively. In 2009, Romania required international financial assistance.

3. Advances in the convergence process

The standard measure of convergence is GDP per capita, but this figure is also influenced by population growth. With a constant population, the growth of GDP per capita and GDP, which is the one normally used in short-term analysis, coincide. Over the period considered here, the European economies have experienced both increases and decreases in their populations, with quantitatively important effects in some cases. Before analysing this effect, in Table 2 we present the population at the beginning and end of our sample period, as well as the growth rates. It is also interesting to note the change in the relative weight of each country in population terms.

³ *The data provided by the Greece Statistical Office to Eurostat are being reviewed since 2008 because of the manipulation to reduce and disaccording to the EAS-95 system for public accounts.*

Table 2. *Population and population growth, 1995–2009*

	Population 2009	% / UE	Population 1995	% / UE	Growth 2009 / 1995		Changes in % 2009 / 1995
					units	%	
EU	499,723,520	100.00	478,572,122	100.00	21,151,398	4.4	0
EMU	328,629,982	65.76	308,614,635	64.49	20,015,347	6.5	1.28
Germany	82,002,356	16.41	81,538,603	17.04	463,753	0.6	-0.63
France	64,350,759	12.88	59,315,139	12.39	5,035,620	8.5	0.48
United Kingdom	61,634,599	12.33	57,943,472	12.11	3,691,127	6.4	0.23
Italy	60,045,068	12.02	56,844,408	11.88	3,200,660	5.6	0.14
Spain	45,828,172	9.17	39,343,100	8.22	6,485,072	16.5	0.95
Poland ^(*)	38,135,876	7.63	38,580,597	8.06	-444,721	-1.2	-0.43
Romania ^(**)	21,498,616	4.30	22,712,394	4.75	-1,213,778	-5.3	-0.44
Netherlands	16,485,787	3.30	15,424,122	3.22	1,061,665	6.9	0.08
Greece	11,260,402	2.25	10,595,074	2.21	665,328	6.3	0.04
Belgium	10,750,000	2.15	10,130,574	2.12	619,426	6.1	0.03
Portugal	10,627,250	2.13	10,017,571	2.09	609,679	6.1	0.03
Czech Rep. ^(*)	10,467,542	2.09	10,333,161	2.16	134,381	1.3	-0.06
Hungary ^(*)	10,030,975	2.01	10,336,700	2.16	-305,725	-3.0	-0.15
Sweden	9,256,347	1.85	8,816,381	1.84	439,966	5.0	0.01
Austria	8,355,260	1.67	7,943,489	1.66	411,771	5.2	0.01
Bulgaria ^(**)	7,606,551	1.52	8,427,418	1.76	-820,867	-9.7	-0.24
Denmark	5,511,451	1.10	5,215,718	1.09	295,733	5.7	0.01
Slovakia ^(*)	5,412,254	1.08	5,356,207	1.12	56,047	1.0	-0.04
Finland	5,326,314	1.07	5,098,754	1.07	227,560	4.5	0.00
Ireland	4,450,014	0.89	3,597,617	0.75	852,397	23.7	0.14
Lithuania ^(*)	3,349,872	0.67	3,642,991	0.76	-293,119	-8.0	-0.09
Latvia ^(*)	2,261,294	0.45	2,500,580	0.52	-239,286	-9.6	-0.07
Slovenia ^(*)	2,032,362	0.41	1,989,477	0.42	42,885	2.2	-0.01
Estonia ^(*)	1,340,415	0.27	1,448,075	0.30	-107,660	-7.4	-0.03
Cyprus ^(*)	796,875	0.16	645,399	0.13	151,476	23.5	0.02
Luxembourg	493,500	0.10	405,650	0.08	87,850	21.7	0.01
Malta ^(*)	413,609	0.08	369,451	0.08	44,158	12.0	0.01

(*) 2004 Enlargement.

(**) 2007 Enlargement.

Note: Percentages and rates calculated using population data on 1 January provided by Eurostat.

In Table 2 it is shown that over the 14 years, the population of the current EU has grown by more than 21.1 million inhabitants (4.4% across the whole period), to stand at almost 500 million. The countries that have seen the greatest population growth, mostly through immigration, have been Spain with 6.5 million (an increase of 16.5%), France with 5 million (8.5%), the United Kingdom with 3.7 million (6.4%), Italy with 3.2 million (5.6%) and the Netherlands with one million (6.9%). Although smaller in absolute terms, in relative terms there have been increases of a similar scale, at around 6%, for Greece, Belgium, Portugal and Denmark, and increases of around 5% in Austria, Sweden and Finland. In relative terms, the increases in Ireland, of 24%, Cyprus, of 23.5%, Luxembourg, of 22%, and Malta, of 12%, stand out. So all of the EU-15 economies plus Cyprus and Malta have experienced population growth. In contrast, the population has remained almost unchanged in Germany which, as we have had occasion to show, has had lower economic growth rates over these years, although it should be noted that Italy has grown at the same rate but its population has grown.

The population reductions are concentrated in the countries involved in the 2004 and 2007 enlargements. For example, the population of Romania has fallen by 1.2 million inhabitants (5.3%), Bulgaria by 0.8 million (9.7%) and Poland by 0.4 million (1.2%). The relative reductions are also very marked in Latvia (9.6%), Lithuania (8%), Estonia (7.4%)⁴ and Hungary (3%). Of the 2004 enlargement, the population has increased, although not by much, in Slovenia, Slovakia and the Czech Republic (as well as Cyprus and Malta, as mentioned above).

Although the detailed causes of these changes are not analysed here, they are above all due to migratory flows that have largely been intra-European, confirming that, as had been seen with earlier flows, enlargements of the EU lead to a free movement of workers. As a result of these changes, the population weight has shifted towards the West, with one notable effect being the increase in the relative weight of France and Spain, of 1.4 percentage points, out of a total of 2 points when all the weight gains are added up. Simultaneously, the East has lost 1.5 percentage points or 2.2 percentage points if one adds the relative loss of weight for Germany.

To analyse the convergence process we use the classic measure of GDP per capita. Owing to differences in price levels, even when sharing the same currency, as is the case for the EMU, it is necessary to correct these figures for purchasing power parity. We take as a reference the latest figures published by Eurostat which refer to the year 2008 (see Table 3), which set the average level for the EU as a whole at 100. As we wish to observe the evolution of the convergence process on a quarterly basis (in section 4), we have created a quarterly GDP per

⁴ *In the Baltic republics, military and language causes take influence in the outflows.*

capita series using GDP in euros of the base year 2000, published by Eurostat, and dividing this by quarterly population series. These population figures have been calculated using the annual series and following the process of interpolation used by Cendejas *et al.* (2006). The quarterly GDP per capita series, in euros of the base year 2000, have been rescaled assuming that in the third quarter of 2009 the levels of GDP per capita were the latest available figures for GDP per capita at purchasing power parity standard (PPPs), which are those from 2008. In this way one can compare the levels of the series and examine changes to establish convergence or divergence using the same measurement units, i.e. 2008 PPPs. Table 3 shows the results obtained for the entire period.

Table 3 contains the EU countries in order of GDP per capita in 2008 PPPs (column (1)). The differences are very pronounced. Excluding Luxembourg, the range goes from 41.3 for Bulgaria up to 135.4 for Ireland. The EU-15, excluding Greece and Portugal, are above-average for the EU. None of the economies from the last two enlargements exceeds 100, and Romania and Bulgaria are at the lowest level. Column (2) has been obtained using the series created as explained in the paragraph above and rescaling them using the EU in 1995 at 100 as the reference.

Table 3. Convergence of GDP per capita (PPPs), 1995–2008

Position in 2008	(1) GDP per capita (PPPs) (EU = 100) 2008	(2) GDP per capita (PPPs) estimated 1995	Position estimated 1995	(3) GDP per capita (PPPs) (EU = 100) estimated for 1995 under constant population	(4)=(1)-(2) EU Relative improv.	(5)=(1)-(3) EU Relative improv. under constant population	(6)=(4)-(5) Effect of population growth on the relative improvement	Convergence
1- Luxembourg	276.3	234.3	1	206.2	42.0	70.1	-28.1	divergence to better
2- Ireland	135.4	119.8	13	101.7	15.6	33.7	-18.2	divergence to better
3- Netherlands	134.0	130.3	4	127.4	3.7	6.6	-2.9	divergence to better
4- Austria	122.8	120.7	5	119.6	2.1	3.2	-1.1	divergence to better
5- Denmark	120.1	128.8	3	128.2	-8.7	-8.1	-0.5	convergence ^(*)
6- Sweden	120.0	114.7	8	114.3	5.3	5.7	-0.5	divergence to better
7- Finland	116.8	104.7	12	104.5	12.1	12.3	-0.3	divergence to better
8- UK	116.2	113.6	9	111.9	2.6	4.3	-1.7	divergence to better

9- Germany	115.6	123.8	2	128.3	-8.2	-12.7	4.5	convergence ^(*)
10- Belgium	115.1	116.7	7	115.1	-1.6	0.0	-1.6	convergence ^(*)
11- EMU	108.5	113.4	10	111.1	-4.9	-2.6	-2.3	convergence ^(*)
12- France	107.9	113.3	11	108.9	-5.4	-1.0	-4.4	convergence ^(*)
13- Spain	102.6	98.9	15	88.7	3.7	13.9	-10.2	convergence
14- Italy	102.0	119.0	6	117.7	-17.0	-15.7	-1.3	convergence ^(*)
15- EU	100.0	100.0	14	100.0	-	-	-	
16- Cyprus	95.8	93.6	17	79.5	2.2	16.3	-14.1	convergence
17- Greece	94.3	80.9	18	79.0	13.4	15.3	-1.9	convergence
18- Slovenia	90.9	69.1	21	71.6	21.8	19.3	2.5	convergence
19- Czech Rep.	80.3	72.4	20	74.5	7.9	5.8	-2.1	convergence
20- Malta	76.3	88.5	16	85.6	-12.2	-9.3	-2.9	divergence
21- Portugal	76.0	77.9	19	76.6	-1.9	-0.6	-1.4	divergence
22- Slovakia	72.2	49.8	23	52.5	22.4	19.7	2.7	convergence
23- Estonia	67.4	40.4	24	46.3	27.0	21.1	5.8	convergence
24- Hungary	64.4	52.8	22	56.8	11.6	7.6	4.0	convergence
25- Lithuania	61.9	37.7	25	43.6	24.2	18.3	5.9	convergence
26- Latvia	57.3	35.9	26	42.5	21.4	14.8	6.6	convergence
27- Poland	56.4	38.2	27	40.6	18.2	15.8	2.4	convergence
28- Romania	41.6	26.0	29	27.2	15.6	14.4	1.2	convergence
29- Bulgaria	41.3	26.7	28	29.5	14.6	11.8	2.9	convergence

(*) *Convergence as moving closer to the average from an initial above-average position, implying a relative worsening.*

Note: In column (1) the figures for Austria and Romania correspond to the year 2007. The source for column (1) is Eurostat. In column (2) and the rest of the columns (created by the authors), the data for Ireland is for 1997, that for the Czech Republic is for 1996, that for Malta is for 2000 and that for Romania is for 1999. The data for Romania and Bulgaria have been obtained from the annual GDP data and the rest from quarterly series. The source for the original GDP and population figures is Eurostat.

The third column shows the relative position that the different countries would have had using the figures obtained in column (2). What stand out are the changes for Ireland, which jumps from the 13th to the 2nd position, and Finland from the 12th to the 7th. In terms of worsening, Germany drops from the 2nd to the 9th and Italy, which was the 6th in 1995, falls to the 14th. Spain moves up two positions. The standard deviation of the levels of GDP per capita (PPPs) falls from 35.6 to 28.2 (excluding Luxembourg) and therefore there has been a sigma-type convergence in GDP per capita (PPPs) throughout the period.

The fifth column shows the result of calculating the difference in GDP per capita (PPPs) between both years (except in the cases indicated in the note to Table 3 for which the time period involved is shorter). The first four countries in the Table

(Luxembourg, Ireland, Netherlands and Austria) have moved away from the rest by growing faster than the EU as a whole when, with the exception of Ireland, they started with above-average levels. Together with Sweden, Finland and the United Kingdom, they contradict the idea of beta-type absolute convergence given that they started above average and have grown faster than the average. Nonetheless, looking at the numerical size of the improvement, the movement away from the rest only stands out for Luxembourg, Ireland and Finland.

Continuing with the analysis of the fifth column, the behaviour of Denmark, Germany, Belgium, France and Italy is compatible with a beta-type convergence. They started with above-average levels and have moved closer to the average by growing more slowly than the average, more slowly than the EU as a whole. The relative worsening in the figures for Germany and Italy is very pronounced, while it is more modest for the rest of these countries.

The remainder of the changes in GDP per capita (PPPs) from Table 3, with the exception of Malta and Portugal, is compatible with beta-type convergence since they started from a below-average position and has moved closer to the average by growing at an above-average rate. It should be taken into account that the movements in the economies starting from a higher level and growing at a below-average rate for the EU (those mentioned in the paragraph above) are related to the movements for the below-average countries moving closer to the average. This effect takes place through their weight in aggregate GDP. In other words, since movements in position are relative, they are mutually dependent.

The rapid convergence processes for the Baltic states, Slovenia, Slovakia and Poland stand out. The improvements are more modest for the Czech Republic, Hungary, Romania and Bulgaria. In terms of divergence in the negative direction, Portugal has shown a slight change, but the change for Malta has been greater. The convergence of Cyprus is modest, although it had the best starting point, together with Malta, of the 2004 enlargement. Greece has been converging appreciably, and Spain has experienced modest convergence.

In the final two columns of Table 3, an exercise has been carried out to see what effect a constant population would have on convergence. Logically, the result is purely speculative, since economic growth and eventual convergence need as a causal factor, together with others, the reallocation of labour, so that both its reduction in the economies with outward migratory flows, and its increase in the recipient countries, have favoured their respective growth (called the 'demographic dividend', see Roa & Cendejas, 2007). The findings are that population growth has lowered growth, as can be expected simply through

the ratio of GDP per capita, in the EU-15 economies (except Germany), the Czech Republic and Malta. In contrast, it has added growth in GDP per capita in Germany (where we have seen that the population has remained unchanged) and in the countries involved in the 2004 and 2007 enlargements (except Cyprus and Malta whose populations have increased). The population reduction has had a very significant impact on the convergence by the Baltic countries, of around 6 percentage points in GDP (PPPs), and in Hungary, of 4 points. The effect is more modest for Poland, Romania, Bulgaria, Slovakia and Slovenia.

In summary, the rapid growth of the countries entering in the latest enlargements, together with the moderate growth of the economies with the greatest weight in the EU, has given rise to a convergence process in the EU as a whole, to which the movement of the population from east to west has contributed. There are exceptions of “upward divergence” and two cases of downward divergence (Malta and Portugal). To complete this analysis it is interesting to look at the evolution over time of these processes and this is the subject for the next section.

4. The convergence process over time

To appreciate the evolution of the convergence process over time, an index has been created from the real GDP growth per capita quarterly series. For this, the series have been rescaled using as a reference the moving annual average of the quarterly series of real GDP per capita for the EU as a whole. In this way, the indices show the deviation in percentage terms with respect to the EU average. To eliminate the erratic changes in behaviour of the GDP, its trends have been extracted using a Hodrick–Prescott filter with a smoothing factor $\lambda = 100$. Figures 15 to 28 show these indices and their movements.

For the indices representing convergence in levels, moving closer to 100 implies convergence. For changes in these indices, positive numbers imply an increase in the index, which means convergence if the starting point for the index is below 100, or divergence “to better” if the starting point is above average. In contrast, negative numbers for the change in the convergence index imply divergence “to worse” if starting from a negative level, or convergence if starting from a position greater than 100 (relative worsening). The overall evolution over the period, presented in Table 3 above, is the result of comparing the starting point and the end point of the level indices. Table 4 shows the changes in sign ‘turning points’ in the convergence process obtained from the points where the change in the index cuts the value 0.

Figure 15. Convergence index.
United Kingdom, Germany,
France and Italy (EU=100)

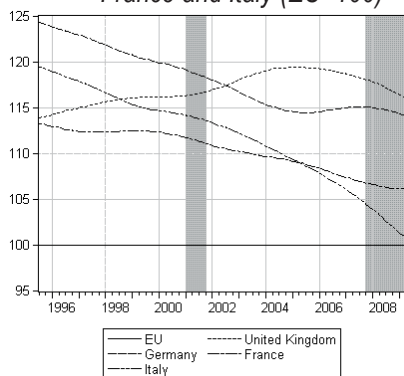


Figure 16. Changes in the convergence
index. United Kingdom, Germany,
France and Italy (EU=0)

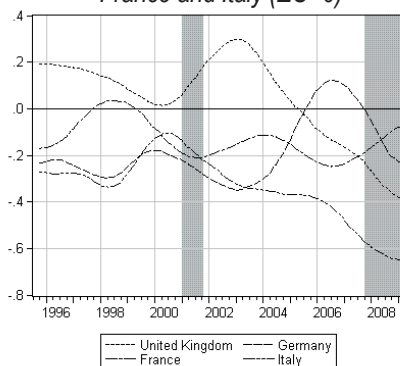


Figure 17. Convergence index.
Netherlands, Belgium, Spain
and Portugal (EU=100)

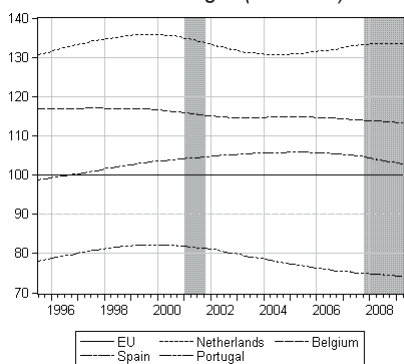


Figure 18. Changes in the convergence
index. Netherlands, Belgium,
Spain and Portugal (EU=0)

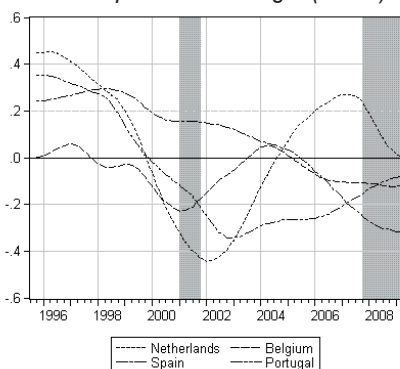


Figure 19. Convergence index. Austria,
Denmark, Sweden and Finland
(EU=100)

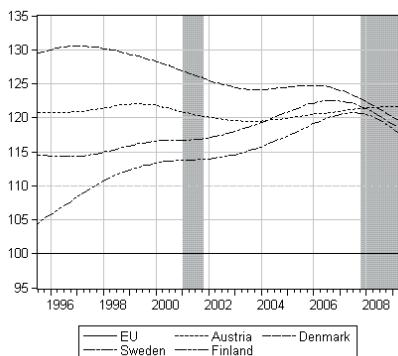


Figure 20. Changes in the convergence
index. Austria, Denmark,
Sweden and Finland (EU=0)

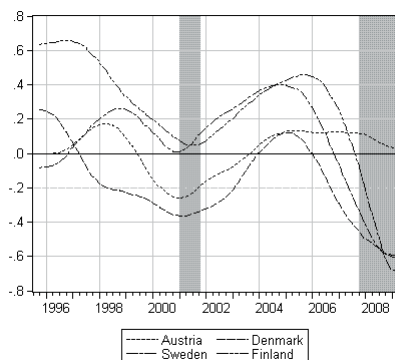


Figure 21. Convergence index. Estonia, Latvia, Lithuania and Poland (EU=100)

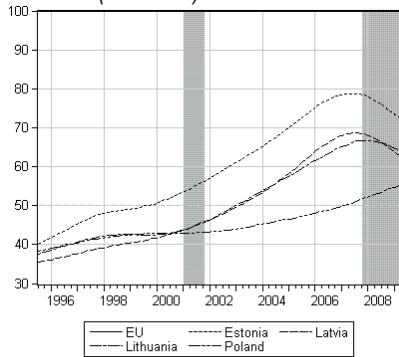


Figure 22. Changes in the convergence index. Estonia, Latvia, Lithuania and Poland (EU=0)

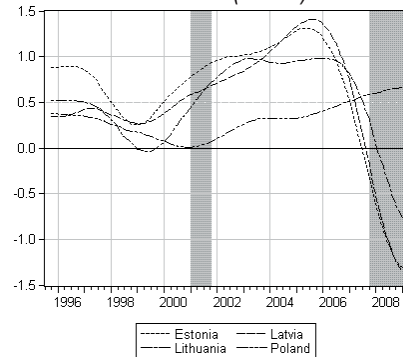


Figure 23. Convergence index. Czech Republic, Slovakia, Slovenia and Hungary (EU=100)

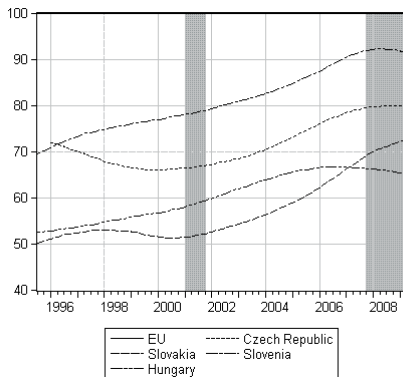


Figure 24. Changes in the convergence index. Czech Republic, Slovakia, Slovenia and Hungary (EU=0)

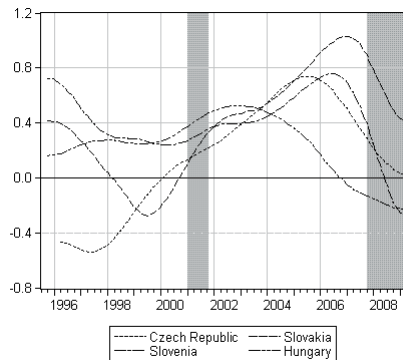


Figure 25. Convergence index. Greece, Cyprus and Malta (EU=100)

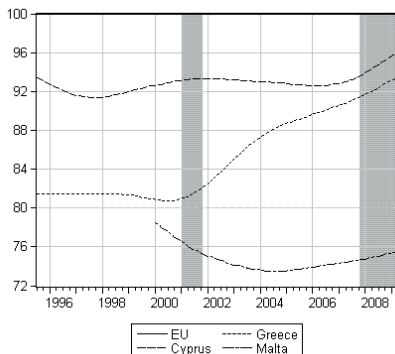


Figure 26. Changes in the convergence index. Greece, Cyprus and Malta (EU=0)

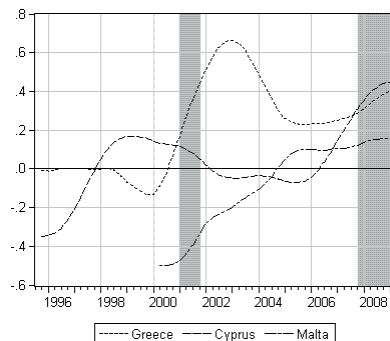


Figure 27. Convergence index. Ireland and Luxembourg (EU=100)

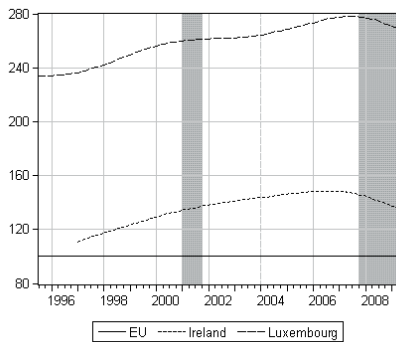
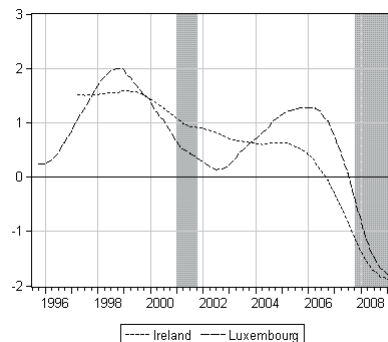


Figure 28. Changes in the convergence index. Ireland and Luxembourg (EU=0)



Starting with the core of the EU, one can see (Figs. 15 and 16) the different behaviour of the United Kingdom, which has improved overall, diverging to better over the period as a whole, although since 2005 convergence to the average has predominated. Since 1995 this movement has characterised economies such as those of Germany, Italy and France as a result of their below-average growth. The case of Italy stands out, in that it reached the average EU level in 2009. Belgium is also included in this group converging on the average from an above-average starting point, although its relative worsening is limited in comparison with that of the three economies mentioned above. Spain has improved, exceeding the average, although the process reversed in 2005. Portugal improved up to 1999 but has worsened since then.

Figures 19 and 20, together with Figures 27 and 28, group the economies that started with above-average levels and have moved away from the average, improving due to their above-average growth rate (Sweden, Finland, Ireland and Luxembourg) or have maintained their initial differential position (Austria, Denmark, and the Netherlands as well in the earlier Figures). These contradict the idea of absolute convergence (except Denmark which has worsened, relatively speaking), convergence which does not include other explanatory variables apart from the initial level of GDP per capita. It is precisely the presence of other causal variables affecting long-term growth (conditional convergence), those not considered in this paper, which can explain this behaviour (see for example, Morgese et al., 2008). These are very open economies, which have developed thriving sectors providing high added value and focused on exporting, characterised by a dominant role for the technological and R&D areas and significant flows of foreign investment (for Ireland and Finland see Fernández,

2006). Nonetheless, over the last few years (see Table 4) this dynamic has changed and they have begun to converge on the average, which is consistent with the generalised process of a stalling or reversing of convergence observed in almost all the economies and which is a result of the recession.

Table 4. Convergence process by sub-periods

	Average convergence in the period 1995–2009	Turning points in the convergence process
United Kingdom	Divergence to better	2005.2: From divergence to better to convergence ^(*)
Germany	Convergence ^(*)	2005.4: From convergence ^(*) to divergence to better 2007.4: From divergence to better to convergence ^(*)
France	Convergence ^(*)	Predominance of convergence ^(*)
Italy	Convergence ^(*)	Predominance of convergence ^(*)
Netherlands	Divergence to better	1999.4: from divergence to better to convergence ^(*) 2004.3: from convergence ^(*) to divergence to better
Belgium	Convergence ^(*)	Predominance of convergence ^(*)
Spain	Convergence	2005.2: from divergence to better to convergence ^(*)
Portugal	Divergence	1999.4: from convergence to divergence
Austria	Divergence to better	1999.2: from divergence to better to convergence ^(*) 2003.2: from convergence ^(*) to divergence to better
Denmark	Convergence ^(*)	1997.1: from divergence to better to convergence ^(*) 2003.4: from convergence ^(*) to divergence to better 2006.1: from divergence to better to convergence ^(*)
Sweden	Divergence to better	2006.4: from divergence to better to convergence ^(*)
Finland	Divergence to better	2007.3: from divergence to better to convergence ^(*)
Estonia	Convergence	2007.2: from convergence to divergence
Latvia	Convergence	2007.3: from convergence to divergence
Lithuania	Convergence	2008.1: from convergence to divergence
Poland	Convergence	Predominance of convergence
Czech Rep.	Convergence	2000.1: from convergence to divergence
Slovakia	Convergence	1998.1: from convergence to divergence 2000.3: from divergence to convergence
Slovenia	Convergence	2008.2: from convergence to divergence
Hungary	Convergence	2006.3: from convergence to divergence

Greece	Convergence	2000.4: from divergence to convergence
Cyprus	Convergence	1997.1: from divergence to convergence 2001.4: from convergence to divergence 2006.2: from divergence to convergence
Malta	Divergence	2004.3: from divergence to convergence
Ireland	Divergence to better	2006.3: from divergence to better to convergence ^(*)
Luxembourg	Divergence to better	2007.2: from divergence to better to convergence ^(*)

(*) *Convergence as moving closer to the average from a position greater than this, implying a relative worsening.*

The Baltic countries, Slavic countries and Hungary (Figs. 21 to 24) clearly show the convergence process in which one can appreciate the stagnation of 1998–1999 and the reversal provoked by this latest recession. Greece (Figs. 25 and 26) starts to converge in 2001, Cyprus clearly shows this trend from 2006 and Malta, although overall it can be said to have diverged, is shown to have been improving since 2005. The recession of 2008–2009 has reversed the convergence process (the Baltic countries, Slovakia, Slovenia and Hungary).

5. Conclusions

In this paper, the scale of the real convergence process in the countries involved in the latest EU enlargements has been analysed. Growth has generally been very high, although differences in GDP per capita are still considerable. The recession which began in 2008 has stalled or in some cases reversed the convergence process for these countries, even reaching double digit negative figures.

We have not discussed compliance with the nominal or fiscal convergence conditions, prerequisites for inclusion in the EMU, a process which is profoundly compromised over the medium term. It is illusory to put dates on the enlargement of the euro to the economies involved in the latest enlargements, some of which (the Czech Republic, Hungary, Poland, Bulgaria and Romania) have not taken on, and are not in a condition to take on, the commitments of Exchange Rate Mechanism II. This allows them, in exchange, a degree of freedom lacking in the economies in the euro or those belonging to ERM II (Estonia, Latvia and Lithuania).

In short, if the convergence process is to continue, the current phase of the cycle must end, as a necessary short-term condition, and this is more important for

the economies that have grown thanks to significant flows of foreign investment coming from the rest of the EU members. This feature has made them vulnerable to international financial conditions. High external deficits accompanied by high public deficits, and the resulting need for funds, for which the large developed economies are also competing, are the main difficulties in returning to the path of growth. Given the high cyclical correlation between economies, and the pro-cyclical characteristic of foreign investment, it is clear that the recovery must be global and that it is almost impossible for an economy to return to growth if it does not do so simultaneously with the rest.

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Possibilities of Discussing Convergence of Regional Economic Development in the EU¹

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Abstract: *The objective of the current article is to assess EU's regional economic development imbalance and its change by implementing an indicator system of regional development disparities. The quantitative measurement problems of regional development imbalance have not received sufficient attention. Barro and Sala-i-Martin (1991, 1995) have shown the properties of two complicated indicators of regional development imbalance dynamics – β -convergence and δ -convergence that are most widely used in empirical analyses. The EU's official statistical assessment of regional economic development imbalance refers to the dispersion of regional GDP per inhabitant. This approach is based on a different methodology. We determined a number of additional regional development imbalance indicators and tackled the following research tasks: (1) analysis of general basics and formation of comprehensive indicator system for assessment of regional disparities and its trends in economic development; (2) empirical analysis of imbalance and its dynamics between economic development of EU member countries on the base of the comprehensive indicator system using GDP in market prices and PPP (Purchasing Power Parity) prices; (3) eliminating of the price change impact from assessments of regional economic development imbalance dynamics. Our results explain the absolute and relative regional development imbalance and its dynamics in 1996–2008 in the EU as a whole and in “old” and “new” Member State groups.*

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Regional development imbalances point to improvement necessities of quantitative measurement of regional economic development imbalance and its dynamics.

Keywords: *empirical assessment methods, European Union, regional economic development*

Introduction

Regions derive different relative levels of economic development potential (steady state) from their geographic location and other specific conditions (historical, cultural, political, economic, social, demographic, climatic, ecological, and others). Development potential determines “normal” differences in the level of economic development (GDP or value added creation per capita) of regions in the presence of free market economy conditions. Excessive variations in inter-regional levels of economic development within a country create problems for the country as a whole, which in turn reduces its ability to compete globally. This is why governments of developed countries try to unify economic development levels of regions through the use of public sector politics and programs. The objective (scientific) justification and evaluation of such programs require an adequate methodology for the quantitative assessment of regional development disparities and their change.

Insufficient attention has thus far been focused on the quantitative assessment problems of regional economic development disparities. Within the framework of empirical verification of neoclassical growth theories, Barro and Sala-i-Martin (1991; 1995) have demonstrated the properties of two indicators – the so-called β -convergence and δ -convergence. Those indicators have been widely used in empirical analyses, while the use of β -convergence and δ -convergence indicators has also prompted substantial critics. Markov chain technique is proposed for modelling spatial disparities dynamics (Quah, 1996; Fingleton, 1997; Magrini, 1999; Le Gallo, 2004; Bosker, 2009) to overcome the restrictions of neoclassical growth theory and problems of regression analysis. The imbalance of regional economic development is a phenomenon which has high socio-economic importance and needs complex qualitative analysis and quantitative assessment.

The Eurostat database (see Eurostat, 2009, ‘Dispersion of regional GDP per inhabitant’) presents an official statistical assessment of regional imbalance in economic development in different countries, one which is based on a different

methodology compared with the aforementioned Barro's and Sala-i-Martin's approach. A number of additional regional economic steadiness indicators can be used (Ezcurra & Rodríguez-Pose, 2009, pp. 329–334). The author of this article studied variations in regional GDP distribution based on the regional location of companies and their subsidiaries, and regional value added creation based on employees' place of residence (Reiljan 2009a, 2009b).

Every indicator has its specific properties when assessing regional development disparities and often different initial information is needed to calculate their values. So the use of a single indicator to assess regional economic development imbalance produces a unilateral idea about regional development, and isolated usage of indicators can result in an incorrect understanding of regional development processes. When justifying regional politics and regional development programs, but also assessing their implementation results, the complete range of regional imbalance indicators should be used.

The objective of this article is to assess regional economic development imbalances within the EU, and changes in these during the last decade, using a comprehensive indicator system for quantitative measurement of economic development regional disparities on the basis of GDP per capita in EU Member States. Derived from this objective, the following research tasks have been set:

- Creating a comprehensive indicator system for the quantitative assessment of regional disparities in economic development;
- A complex assessment of economic development (GDP per capita) disparities between EU countries and their change.

The objective of this article is not to create policy recommendations. The problems of regional economic development imbalances are considered in order to demonstrate the necessity and possibilities for improvement in the quantitative assessment methodology of economic development regional disparities.

1. A comprehensive system for the empirical analysis of regional imbalances in economic development

The level of economic development in a region, as well as the ability to change the living conditions of people and solve social problems are in the most common sense reflected by GDP per capita or value added per capita in the region (Lange, 2002; Zischeck, 2006, pp. 100–114). This, however, does not take into account that regional comparison of GDP per capita produces valuable, but analytically

different, results depending on whether GDP is calculated in market prices or where GDP price level differences are removed (using PPP prices). Using GDP in market prices makes it possible to analyze the position of countries from a viewpoint of global economic competition, as interstate economic co-operation is taking place in market prices. Per capita GDP levels calculated using PPP prices helps to assess comparatively the capability of countries in guaranteeing the welfare of their populations, eliminating income purchasing power differences on welfare assessment. Per capita GDP in PPP prices gives a sense of regional differences in production costs.

Of course it is possible to take a wider approach when assessing the regional levels of development. In addition to GDP per capita it is also possible to consider the ability of the economy to solve the problems of society in other specific fields. Lange, as well as Zischeck, gave the most importance to the ability of an economy to offer employment to the population (unemployment rate, underemployment rate) when assessing regional economic development. That approach is reflecting the priority of employment compared to other properties of the economy in highly developed European countries. These authors add to GDP per capita and employment indicators the indicator of infrastructure investments per capita, which reflects development perspectives of a region. So the economic development of each region would be described by an indicator system composed of three indicators. This approach can be widened with more novel socio-economic indicators describing other important aspects of regional development.

The use of other socio-economic indicators beside GDP or levels of value added creation means shifting from an economic development level approach to a socio-economic development level approach. Adding novel indicators widens and/or deepens a region's socio-economic development level approach, considering new aspects. One should not define the social development of society as economic development, but instead as a political function or as a result of economic development. In this article only the economic aspect of regional development is considered, which is reflected by levels and dynamics of created GDP per capita. This research approach was emphasized when developing traditional neoclassical and new growth theories (see overview by Stimson *et al.*, 2009).

The assessment of imbalances in regional development is based on different methods (Ezcurra & Rodríguez-Pose, 2009, pp. 329–334). The most widespread are indicators describing average amplitude of deviations in levels of regional development. When interpreting the nature of average deviation indicators, the regional polarization of an economy must be taken into account – especially when the region has one or several development centres. In cases where a sufficiently

large number of regions of approximately the same size exist, the Gini coefficient can be used to describe regional economic development homogeneity. Then this measures the difference between the GDP per capita curve for regions and a GDP per capita curve describing equal regional development.

Barro and Sala-i-Martin (1995) present a framework for the verification of neoclassical growth theories using two approaches to empirical assessment of imbalances between levels of regional development: β -convergence and δ -convergence measurements. In the first case the growth rates of the economy (GDP per capita creation) in different regions are compared – β -convergence is said to be present when regions with a lower initial level of GDP per capita have faster real growth rates compared to regions with higher initial level of GDP per capita. Such an approach does not allow for the measurement of regional development stability directly, but it allows for the assessment of the probability that regional development imbalances will increase or decrease over a certain period. β -convergence has a negative correlation to initial levels of regional development and GDP growth rate variables.

The second approach measures directly regional imbalances in economic development and is based on a comparison of the level of dispersion of GDP per capita across regions – δ -convergence exists when the dispersion of GDP per capita for a selected group of regions decreases during a period. δ -convergence is defined as follows: A decrease in the cross-sectional average deviation of regional level gets compared to the mean value for a selected set of regions. When assessing imbalances in regional development by squaring values for regional deviations relatively more weight is given to larger deviations.

To assess regional economic development imbalances of countries, Eurostat uses the weighted average of absolute nominal deviations in regional GDP per capita from the average country GDP per capita (see Eurostat, 2009, ‘Dispersion of regional GDP per inhabitant’). Weighting is determined by a region’s share of the country’s population as a whole. Eurostat not only considers the difference between levels of economic development from region to region, but also takes into account the share of population which is affected by these levels of development.

According to Eurostat indicator, intense migration from low to high developed regions causes a decrease in regional imbalances even when the territorial differences in the level of development across regions do not actually decrease (or in some cases even increases). In contrast to Barro’s and Sala-i-Martin’s δ -convergence indicator, the Eurostat regional dispersion indicator does not square regional deviations in GDP per capita from the average, which means

that a quantitatively similar change in GDP per capita creation in regions with different levels of development are considered to be qualitatively equally important for regional convergence/divergence of development.

This presumption is not plausible. In one set of regions the contradictions (economic, social, political) are caused by regions with extremely low (or high) levels of economic development, and for the harmonization of the socio-economic situation it is more important to decrease the extreme disparities within levels of economic development between regions.

The mean value of the differences between regional GDP per capita from the average country GDP per capita (dispersion or D), weighted according to the number of inhabitants in the regions, is calculated using the following formula:

$$D = \sum a_i * D_i \quad \text{and} \quad a_i = R_i / R$$

where

a_i – share of i region's population in the total population of the selected set of regions;

D_i – the deviation in GDP per capita created in region i from the average GDP per capita of the selected set of regions;

R_i – number of inhabitants in region i ;

R – total population of the set of selected regions.

In the case of unweighed GDP per capita regional dispersion the variable R_i equals 1 for each index i value and R is equal to the number of selected regions. In the case of a spatial uneven economic development, we can use for the weights R_i the area of i -th region, then R would equal the total area of the selected set of regions. The variable D_i describing regional deviations in GDP per capita from the average can be substituted by the square of the deviations. In that case the regional imbalance would be reflected by GDP per capita standard deviation in the selected set of regions.

To elaborate a dynamic assessment of regional imbalance D is calculated for different comparable periods. Instead of nominal indicators, relative ones are used. In the Eurostat dataset average nominal deviations of GDP per capita in relation to the average GDP per capita level are calculated within the selected set of regions (country). GDP per capita growth shows the real growth of an economy on the one hand and price level growth caused by inflation on the other. An increase in the GDP per capita differences during the selected period caused by price level increases does not necessarily mean an increase in real development differences. Therefore, the impact of the change in price levels should be eliminated from the assessment of average regional development disparities across different time periods. At the

same time calculating the relationship between nominal development difference indicators and average GDP per capita in the selected set of regions eliminates the impact of real economic growth from the assessment of relative development disparities indicators. This is not reasonable.

Changes in GDP per capita which stem from of real economic growth show effects on nominal regional development disparities, that is economic potential or welfare differences, between regions. In market exchange processes (consumption, investments and other activities) a region still has to act irrespective of their different level of GDP per capita. In real economic processes (in competition, in the formation of welfare) there will be a comparison of nominal, rather than relative, values. Therefore, the elimination of the impact of real economic growth from the assessment of regional dispersion of GDP per capita gives a distorted picture about the disparities in competitiveness or welfare position of regions. For this reason it is better not to calculate the relationship between the nominal dispersion of regional GDP per capita to average GDP per capita across the selected set of regions.

Therefore, the indicator used by Eurostat, as well as other indicators do not give an adequate assessment to the economic convergence of a selected set of regions, but rather one which is overly “positive” or “optimistic”. The price change impact should be eliminated from the values of the indicator in the time series in order to get an adequate assessment of economic convergence/divergence in terms of a measurement scale of nominal dispersion indicators. To obtain comparable convergence or divergence indicators the nominal values of regional development disparities should be divided by the constructed average of GDP per capita. One expresses only the price level change impact on this indicator during a period in the selected set of regions.

Different indicators provide completely different and often contradictory assessments as to the level of regional imbalances of GDP per capita and dynamics. Therefore, a comprehensive indicator system should be used to assess imbalances in GDP per capita. Using a single indicator in isolation would reflect a unilateral outlook of the development process.

In this research we use the following indicators in order to develop an empirical description of regional imbalances in economic development within the selected regions for the period between 1999 and 2008:

- Maximal nominal difference of GDP per capita between regions;
- Maximal real difference of GDP per capita between regions in prices of 1999;

- Relative maximal difference of GDP per capita between regions (in relation to the average in the selected set of regions);
- Arithmetic mean nominal difference of GDP per capita;
- Arithmetic mean real difference of GDP per capita;
- Relative arithmetic mean difference of GDP per capita (in relation to the average in the selected set of regions);
- Mean nominal difference of GDP per capita weighted by the population share;
- Mean real difference of GDP per capita, weighted by the population share;
- Mean relative difference of GDP per capita in relation to the average of the selected set of regions, weighted by population share (the indicator used in Eurostat);
- Standard deviation of nominal GDP per capita (the logarithm indicator used by Barroso and Sala-i-Martin);
- Standard deviation of real GDP per capita;
- Relative standard deviation of GDP per capita in relation to the average of the regions;
- Standard deviation of nominal GDP per capita, weighted by the population share;
- Standard deviation of real GDP per capita, weighted by the population share;
- Relative standard deviation of GDP per capita in relation to average of the selected regions, weighted by the population share.

Any empirical assessment of disparities in economic development between EU Member States' set will vary depending on whether or not we take into account price level differences between countries. The measurement by Eurostat of regional disparities in economic development amongst EU Member States through the use of a relative dispersion indicator based on nominal differences relies on GDP at market prices. Such an assessment can be suitable for comparing regional development tendencies of regions, which are passing through reasonably similar phases of development, for example regions in one country. To make comparisons about the levels of regional economic development in transformation countries and the so-called old EU members, assessing GDP in current market prices is not suitable. Using GDP per capita in PPP prices, which eliminates price level differences between countries, opens new possibilities for assessing and comparing regional economic development.

Accordingly, the EU regional economic development imbalance and its change is assessed below, using all the indicators for regional development disparities of GDP per capita in market prices and PPP prices.

2. Comprehensive analysis of levels of disparity in regional economic development within the EU and their dynamics

Regional policy tries to reduce regional disparities and strengthen social, economic and territorial cohesion (Stierle-von Schütz *et al.*, 2008, p. 4). But the question arises how to measure the extent and dynamics of those disparities. Methodologies differing in just one aspect – the regional economic development level and dynamics on the basis of GDP per capita – cause controversial results as shown in the following analysis. Therefore, regional disparities in GDP per capita between regions (countries) itself is a qualitative, multidimensional phenomenon and its adequate quantitative measurement needs a comprehensive system of indicators. In the following analysis we use the indicator system explored in first part of this article.

Firstly, development differences between EU Member States are assessed in terms of total (maximal) nominal and relative differences of GDP per capita in three groups of countries: in the EU as a whole (EU-27), then in the pre-1995 enlargement “old” EU Member States (EU-15) and then in the so-called new Member States which have joined the EU since 1995 (EU-12). Indicators have been given in current market prices in Table 1 and in PPP prices in Table 2.

Table 1 describes the maximum differences in GDP per capita in current market prices. In all EU countries the maximum disparity is presented by the difference between Luxembourg and Bulgaria,² in old EU Member States between Luxembourg and Portugal, and in new EU Member States between Cyprus and Bulgaria. When considering the largest differences, we cannot talk about convergence in either nominal or relative terms. In nominal terms the maximum difference between countries with extreme indicator values has risen twofold – from 38.1 thousand euros per capita in 1996 to 76 thousand euros per capita in 2008. At the same time the nominal difference has grown faster during the last six years (24.3 thousand euros) than during the preceding six years (13.6 thousand euros). In relation to the EU-27 average level, the maximum difference in GDP per capita between countries has risen by 22%, mostly during the last six years. Nominal as well as relative economic divergence in EU must be acknowledged.

² There is accentuated growth of the economic development regional imbalance in EU caused by the enlargement (see Stierle-von Schütz *et al.*, 2008, p. 3), but the following analysis shows that this phenomenon is characteristic of the group of so-called old Member States of the EU as well.

Table 1. Total difference of GDP per capita in current market prices between EU Member States 1996–2008

	1996	2002	2008	Relation 2008 / 1996	Relation 2008 / 2002
EU-27: total nominal difference; EUR	38,100	51,700	76,000	1.99	1.47
EU-27: total relative difference to EU-27 average; %	247.4	252.2	302.8	1.22	1.20
EU-15: total nominal difference; EUR	29,800	40,700	64,800	2.17	1.59
EU-15: total relative difference to EU-27 average; %	193.5	198.5	258.2	1.33	1.30
EU-12: total nominal difference; EUR	10,200	13,600	17,200	1.69	1.26
EU-12: total relative difference to EU-27 average; %	66.2	66.3	68.5	1.03	1.03

Source: Eurostat online database 2009, calculated and compiled by author

Divergence from the aspect of maximum disparity in GDP per capita among countries has risen the most in the group of “old” EU Member States, where it is represented by the difference between Luxembourg and Portugal – in nominal terms an increase of 2.17 times and in relative terms by a third. In the group of new EU Member States the maximum disparity is represented by the difference between the levels for Cyprus and Bulgaria, which has risen 1.69 times in twelve years in nominal terms, but only by 3% when assessed relatively to EU-27 average GDP level.

The data presented in Table 2, illustrating the maximum interstate differences of GDP per capita measured in PPP prices, indicate that when eliminating purchasing power differences between countries, the maximum difference in the EU as a whole and in “old” Member States is about one-fifth, and in “new” Member States about 10–20% less compared to the assessment in market prices. The growth rates of nominal and relative maximum differences are about the same when calculated using PPP or market prices, although slightly larger in the EU-15 group and slightly smaller in the EU-12 group. In the EU-12 group

the maximum difference calculated using PPP prices in relation to the EU-27 average GDP actually shows a 5% decrease. In contrast to assessment in current market prices, the growth rate of differences assessed using PPP has been smaller in the last six years when compared with the rate six years before that, especially in the EU-12 group.

Table 2. Total difference of GDP per capita in PPP prices between EU Member States 1996–2008

	1996	2002	2008	Relation 2008 / 1996	Relation 2008 / 2002
EU-27: total nominal difference; EUR	29,600	42,900	58,000	1.96	1.35
EU-27: total relative difference to EU-27 average; %	192.2	209.3	231.1	1.20	1.10
EU-15: total nominal difference; EUR	22,400	33,400	49,200	2.20	1.47
EU-15: total relative difference to EU-27 average; %	145.5	162.9	196.0	1.35	1.20
EU-12: total nominal difference; EUR	9,000	12,000	14,000	1.56	1.17
EU-12: total relative difference to EU-27 average; %	58.4	58.5	55.8	0.95	0.95

Source: Eurostat online database 2009, calculated and compiled by author

Maximum differences are a common feature to countries with extreme values within the groups and thus enables characterization of convergence or divergence. Members with extreme properties cause problems in every union, and therefore the obvious divergence of countries with extreme levels of development is a significant research object within the EU. The whole set is better described by the difference of GDP per capita for each country from the EU average GDP. Such assessments are given in market prices in Table 3 and in PPP prices in Table 4.

Table 3. Mean difference of GDP per capita in current market prices of EU Member States from the EU-27 average 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean difference; EUR	9,904	11,137	12,019	1.21	1.08
EU-27: relative mean difference to EU-27 average; %	56	54	48	0.86	0.89
EU-15: nominal mean difference; EUR	7,820	9,233	11,073	1.42	1.20
EU-15: relative mean difference to EU-27 average; %	44	45	44	1.00	0.99
EU-12: nominal mean difference; EUR	12,508	13,517	13,200	1.06	0.98
EU-12: relative mean difference to EU-27 average; %	70	65	53	0.75	0.81

Source: Eurostat online database 2009, calculated and compiled by author

Table 3 shows that the arithmetic average of deviations assessed in market prices has risen in the EU as a whole more than 2.1 thousand euros (i.e. by 21%) in nine years. This rise was faster during the first four years than in the last five (EU Enlargement) years. The relation between the arithmetic average of deviations and average GDP per capita in the EU-27 has decreased by 14% in nine years, mainly in the years from 2004 to 2008. Considering this indicator, the groups of “old” and “new” EU Member States also present remarkably different level and dynamics of regional imbalance in economic development. The average nominal deviation in GDP per capita of the EU-15 Member States has increased by 42% for the years 1999 to 2008 and in relation to the EU-27 average has remained stable. In the EU-12 countries the average dispersion of economic development levels has increased by just 6% in the last nine years, whereby the dispersion grew until the year 2003 and was then followed by a small decrease. As a result the relation of the mean nominal deviation of GDP per capita to the EU average GDP decreased by 25%. According to nominal indicator, the disparity of levels of economic development has grown significantly for EU-15 countries, while there has been stabilization within EU-12 countries. The

relative level of disparities seems to be stabilized within the EU-15 group of countries and decreased by quarter in the EU-12 group of countries.

Table 4. Mean difference of GDP per capita in PPP prices in EU Member States from EU-27 average 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean difference; EUR	6,537	7,048	7,485	1.15	1.06
EU-27: relative mean difference to EU-27 average; %	37	34	30	0.81	0.88
EU-15: nominal mean difference; EUR	5,167	5,820	6,853	1.33	1.18
EU-15: relative mean difference to EU-27 average; %	29	28	27	0.94	0.97
EU-12: nominal mean difference; EUR	8,250	8,583	8,275	1.00	0.96
EU-12: relative mean difference to EU-27 average; %	46	41	33	0.71	0.80

Source: Eurostat online database 2009, calculated and compiled by author

In Table 4 we find that average deviation assessed using PPP prices has in nominal terms grown by less than a thousand euros (i.e. by 15%) in the EU as a whole over nine years. Nominal dispersion related to EU-27 average GDP has decreased by 19%. In nominal terms the average disparity in economic development has grown by a third in the EU-15 group, but decreased by 6% in relative terms. In the EU-12 group the average nominal dispersion grew slightly in the years 1999 to 2003 and decreased about the same amount in the years 2003 to 2008, which meant stabilization. Nominal dispersion related to the EU-27 average GDP decreased by as much as approximately 29%.

Drawing from Tables 3 and 4 we can conclude that, when using the mean deviation of GDP per capita from the EU-27 average GDP, nominal divergence and relative convergence have occurred in EU's economic development. GDP per capita disparities in the EU have nominally grown not only in market prices, but also in PPP prices. The assessment in market prices reflects a growth of

disparities in the economic competitiveness of EU countries in terms of world trade on the import side and attracting foreign investments in the service sector (involvement in the internal market). GDP per capita calculated using PPP prices reflects a growth of disparities in the welfare level of countries and a growth in the differences in competitiveness in world trade on the export side, and derived from that also in the ability to attract export-oriented investments.

In order to assess imbalances in regional economic development for different countries Eurostat uses the indicator of the deviation between the GDP per capita levels for the regions and the average GDP per capita for whole set of regions (country), weighted by shares of regions population in the population of the whole country. Using the same methodology in the analysis of regional disparities in economic development of the whole EU (Member States are in the role of regions), we get the assessments of GDP per capita regional disparities measured in current market prices in Table 5 and the assessments of GDP per capita regional disparities measured in PPP prices in Table 6. From those tables we learn that using population shares to weight the interstate deviations of GDP per capita remarkably changes the assessment of regional economic development disparity level and dynamics:

- Regional disparity measured through average nominal GDP per capita weighted by the countries' population shares in the EU as a whole will be assessed 25–40% lower than the regional disparity measured through arithmetic mean nominal deviation and the difference between these two assessments has permanently grown during the viewed period;
- When looking at the arithmetic mean deviation of GDP per capita it becomes clear that there has been an increase in the nominal imbalance across the EU as a whole. Over the nine-year period the increase has been 15% in PPP prices (Table 4) and 21% in current market prices (Table 3). When the deviations are weighted by population shares of the EU Member States, average regional disparity appears to be stable in market prices (Table 5), and even decrease by 6% in PPP prices (Table 6);
- When the deviations of nominal GDP per capita are weighted by population shares of EU Member States, as opposed to the arithmetic mean dispersion indicator, we get a contradictory assessment as to the level and dynamics of disparities in regional economic development in the “old” Member States (EU-15) and “new” Member States (EU-12). The regional imbalance appears to be remarkably lower and decreasing in the EU-15 group, and remarkably larger and increasing in the EU-12 group.
- Regional dispersion of GDP per capita in relation to the EU-27 average GDP, weighted by population share, decreased by 30% in the given period across the EU as a whole. At the same time dispersion decreased by one-

- third within the EU-15 group and by a fifth in the EU-12 group.
- An assessment of regional economic development dispersion derived through the weighting by population shares pushes into the background the problems of smaller and less populated countries. Migration from poorer countries to richer appears to lessen imbalances in regional economic development; however, such an approach to regional development is problematic. The relationship between weighted regional dispersion and average EU-27 GDP per capita creates an impression of a considerable overall decrease in the level of imbalance in EU regional development, while at the same time people have a different experience due to increases in nominal disparities in GDP per capita within EU Member States. Using disparities in economic development weighted for population share as an indicator of regional economic development does not fit with the central ideas of such development, that of guaranteeing increasingly equal living and employment conditions across all regions. People should not be required to relocate from one region to another in search of improving their living environment or higher paying work.

Table 5. Mean difference of countries GDP per capita from the EU-27 average GDP, weighted by population shares of EU Member States, in current market prices, 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean difference; EUR	7,294	7,604	7,221	0.99	0.95
EU-27: relative mean difference to EU-27 average; %	40.97%	36.73%	29.00%	0.71	0.79
EU-15: nominal mean difference; EUR	5,363	5,427	5,034	0.94	0.93
EU-15: relative mean difference to EU-27 average; %	30.13%	26.22%	20.22%	0.67	0.77
EU-12: nominal mean difference; EUR	14,179	15,663	15,576	1.10	0.99
EU-12: relative mean difference to EU-27 average; %	79.65%	75.66%	62.56%	0.79	0.83

Source: Eurostat online database 2009, calculated and compiled by author

Table 6. Mean difference of country's GDP per capita from the EU-27 average GDP, weighted by population shares of EU Member States, in PPP prices, 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean difference; EUR	4,686.02	4,784.32	4,607	0.98	0.96
EU-27: relative mean difference to EU-27 average; %	26.33%	23.11%	18.50%	0.70	0.80
EU-15: nominal mean difference; EUR	3,270	3,230	3,086	0.94	0.96
EU-15: relative mean difference to EU-27 average; %	18.37%	15.60%	12.39%	0.67	0.79
EU-12: nominal mean difference; EUR	9,736	10,539	10,421	1.07	0.99
EU-12: relative mean difference to EU-27 average; %	54.70%	50.91%	41.85%	0.77	0.82

Source: Eurostat online database 2009, calculated and compiled by author

Based on the pattern of empirical experiments of Barro and Sala-i-Martin (1991; 1995), the levels of dispersion in EU regional economic development and the assessment of dynamics are formulated using the standard deviation in GDP per capita (from the average EU-27 GDP level), implementing current market price GDP in Table 7 and GDP in PPP prices in Table 8. Standard deviation places more importance on extremes compared to arithmetic mean deviation. When assessing the level of convergence using such methods, changes in the value of GDP per capita of a country which is closer to the EU average carries less significance than changes in a country which is further from the EU average. So in an assessment of regional economic development disparities and dynamics, standard deviation synthesizes the best properties of a GDP per capita interstate maximum span assessment and a GDP per capita arithmetic mean nominal deviation assessment. On the one hand, standard deviation emphasizes the fact that EU's economic homogeneity is distorted more by countries which have GDP per capita creation further from the average EU level. On the other hand, standard deviation takes into consideration deviations in GDP per capita from the EU average GDP of all countries, rather than just the differences between countries with extreme levels of GDP per capita.

When comparing the standard deviation of regional GDP per capita in current market prices and its dynamics, as shown in Table 7, with arithmetic mean deviation in regional GDP per capita and its dynamics, as shown in Table 3, we see some regularities:

- The standard deviation of regions GDP per capita from the EU average GDP is larger than the arithmetic average deviation of regional GDP from the EU average GDP in both the EU-15 and EU-12 group of countries. A more pronounced assessment is present for the group of so-called old Member States.
- Nominal economic divergence (an increase in regional dispersion of GDP per capita) seems to be larger when assessed using the standard deviation in regions GDP per capita than when assessed using the arithmetic average deviation of regional GDP level in the whole EU as and in the EU-15 group. At the same time, in the case of assessments of “new” Member States (EU-12) the divergence will be assessed about the same for either indicator.
- When assessed using the relative indicator (the relation of arithmetic average regional GDP per capita deviation to the EU average GDP level) dynamics, it seems that there is (relative) economic convergence in the EU. The same can not be said when an assessment is made using the relative indicator based on relation of standard deviation in regional GDP per capita to the EU averages GDP.
- According to the dynamics of the relative indicator (the relation of regional GDP per capita standard deviation to the EU average GDP) prevails in the EU-15 group (relative) economic divergence. However, when the relation of arithmetic average of regional GDP per capita deviation to the EU average GDP) is used, regional economic dispersion in the group of “old” EU Member States seems to be stable;
- The same assessment shows for the EU-12 group an approximately small degree of nominal economic divergence as well as large relative economic convergence on the basis of both calculations: standard deviation of regional GDP per capita and arithmetic mean deviation of regional GDP per capita.

Table 7. Arithmetic mean standard deviation of GDP per capita in current market prices in EU Member States from the EU-27 average GDP 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean standard deviation; EUR	11,350	13,112	15,621	1.38	1.19
EU-27: relative mean standard deviation to EU-27 average; %	63.77%	63.34%	62.24%	0.98	0.98
EU-15: nominal mean standard deviation; EUR	9,821	12,245	16,832	1.71	1.37
EU-15: relative mean standard deviation to EU-27 average; %	55.17%	59.15%	67.06%	1.22	1.13
EU-12: nominal mean standard deviation; EUR	13,590	14,749	14,582	1.07	0.99
EU-12: relative mean standard deviation to EU-27 average; %	73.10%	68.22%	55.62%	0.76	0.82

Source: Eurostat online database 2009, calculated and compiled by author

In Table 8 economic regional development imbalance assessments calculated using standard deviations in interstate GDP per capita in PPP prices are from the level as well as the dynamics aspect lower than the assessment results in Table 7, which were calculated using GDP per capita in current market prices. When assessed using nominal standard deviation in GDP per capita in PPP prices, the regional dispersion of economic development in the EU-12 group seems stable. Accordingly, the whole EU (EU-27) nominal economic divergence is caused only by the remarkable increase of disparities in the EU-15 group's level of regional economic development. According to the relationship of standard deviation GDP per capita in PPP prices to the EU-27 average GDP there has occurred some economic convergence in the EU as a whole, because the remarkable (relative) economic convergence in the EU-12 group more than compensates for the (relative) divergence in the EU-15 group.

When comparing in Table 8 the standard deviations in GDP per capita in PPP prices and its dynamics with the arithmetic average regional GDP per capita

deviation level and its dynamics given in Table 4, we essentially see the same regularities as when comparing the results in Tables 7 and 3.

Table 8. Arithmetic mean standard deviation of GDP per capita in PPP prices in EU Member States from the EU-27 average GDP 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal mean standard deviation; EUR	8,169	9,192	10,915	1.34	1.19
EU-27: relative mean standard deviation to EU-27 average; %	45.89%	44.41%	43.49%	0.95	0.98
EU-15: nominal mean standard deviation; EUR	7,418	9,035	12,110	1.63	1.34
EU-15: relative mean standard deviation to EU-27 average; %	41.67%	43.65%	48.25%	1.16	1.11
EU-12: nominal mean standard deviation; EUR	9,020	9,384	9,204	1.02	0.98
EU-12: relative mean standard deviation to EU-27 average; %	50.68%	45.33%	36.67%	0.72	0.81

Source: Eurostat online database 2009, calculated and compiled by author

In Tables 9 and 10 the EU countries' economic development disparity level and dynamics assessments are presented using regional GDP per capita deviations weighted by population shares of the EU Member States in the population of the whole EU. In Table 9 they are presented in current market prices and in Table 10 using PPP prices.

When weighting by the population share of regions the same regularities appear, both when using standard deviation or average deviation. Because small countries are pushed into the background the nominal regional dispersion of economic development is assessed to be smaller in comparison to arithmetic average dispersion. That is why in the EU as a whole there seems to be economic convergence when measurements are made using nominal as well as relative

indicators. Only in the nominal deviation weighted by population shares of the regions indicator for the EU-12 group we can see any economic divergence – using GDP per capita measured in market prices as well as in PPP prices. When applying the standard deviation in GDP per capita weighted by regions population shares, the assessment on EU regional economic development imbalances delivers the same results for the EU-15 as well as for the EU-12 when using different prices, in the years from 1999 to 2008. A 10% nominal GDP per capita divergence and a 10–30% relative (to EU-27 average level) regional economic convergence was found.

Table 9. Standard deviation of GDP per capita in current market prices, weighted by population shares of EU Member States from the EU-27 average GDP 1999–2008

	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal weighted standard deviation; EUR	8,419	9,065	9,133	1.08	1.01
EU-27: relative weighted standard deviation to EU-27 average; %	47.30%	43.79%	36.38%	0.77	0.83
EU-15: nominal weighted standard deviation; EUR	5,781	6,049	6,269	1.08	1.04
EU-15: relative weighted standard deviation to EU-27 average; %	32.48%	29.22%	24.97%	0.77	0.85
EU-12: nominal weighted standard deviation; EUR	14,299	15,840	15,874	1.11	1.00
EU-12: relative weighted standard deviation to EU-27 average; %	80.33%	76.52%	63.24%	0.79	0.83

Source: Eurostat online database 2009, calculated and compiled by author

Table 10. Standard deviation of GDP per capita in PPP prices, weighted by population shares of EU Member States from the EU-27 average GDP 1999–2008

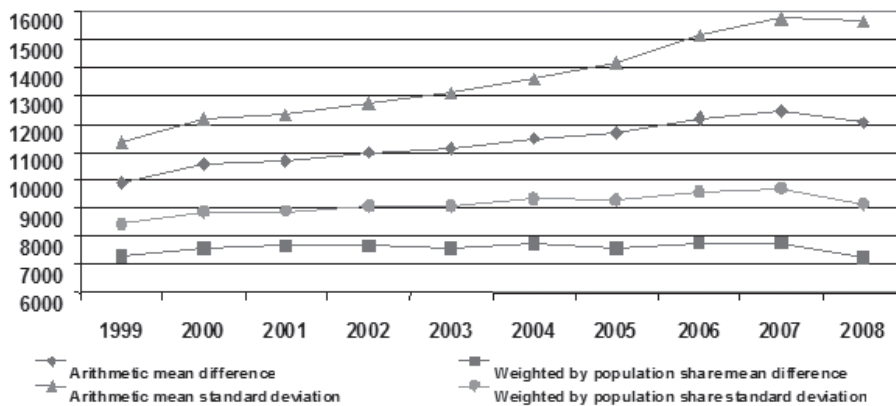
	1999	2003	2008	Relation 2008 / 1999	Relation 2008 / 2003
EU-27: nominal weighted standard deviation; EUR	5,669	6,036	6,130	1.08	1.02
EU-27: relative weighted standard deviation to EU-27 average; %	31.85%	29.16%	24.42%	0.77	0.84
EU-15: nominal weighted standard deviation; EUR	3,555	3,730	4,065	1.14	1.09
EU-15: relative weighted standard deviation to EU-27 average; %	19.97%	18.02%	16.20%	0.81	0.90
EU-12: nominal weighted standard deviation; EUR	10,084	10,946	10,864	1.08	0.99
EU-12: relative weighted standard deviation to EU-27 average; %	56.65%	52.88%	43.28%	0.76	0.82

Source: Eurostat online database 2009, calculated and compiled by author

In Figure 1 we compare four regional imbalance indicators based on GDP per capita in market prices. They describe interstate nominal dispersion of regional GDP per capita in total EU (EU-27) in market prices. When using only the Eurostat indicator – average deviation (from EU-27 average GDP level) weighted by population shares of regions – the regional dispersion of economic development in the EU seems to be quite stable over time, neither converging nor diverging. All other nominal indicators of regional imbalance point to growing divergence of regional economic development in the EU. The largest is the assessment of the level of divergence in EU interstate economic development based on the indicator of GDP per capita standard deviation (used in logarithm form by Barro and Sala-i-Martin). In international market relations the differences in EU countries' capabilities are therefore perpetually growing.

The regional imbalance assessments obtained when weighting deviations by countries population shares bring out the aspect that nominal differences between EU citizens are in general smaller than the differences between countries as territorial units. As interstate differences (unweighted by population shares of countries) in GDP per capita level seem to increase. The lower value of indicators weighted by population shares of countries compared to values of unweighted indicators shows an obvious movement of the population from lower developed countries to more developed ones.

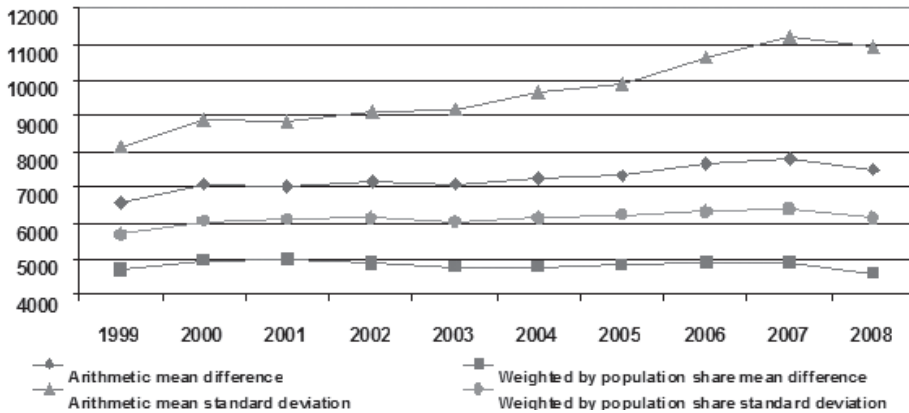
Figure 1. Nominal mean difference of GDP per capita in current market prices of EU-27 Member States from EU-27 average GDP (1999–2008), EUR



Source: Eurostat online database 2009, calculated, compiled and drafted by author

Figure 2 informs that the indicators of GDP per capita (in PPP prices) variation between EU countries offers an analogical picture of economic divergence to the indicators of regional dispersion in current market price GDP per capita. At the same time, for all indicators based on GDP per capita in PPP prices dispersion is remarkably lower compared with indicators based on GDP in current market price per capita. That means that the divergence of EU Member State citizens' well-being and corporate production costs in the EU show the same tendency as the development of disparities in competitiveness of EU countries. In PPP prices, assessments of imbalance of nominal levels of regional economic development are smaller when compared to assessments in current market prices.

Figure 2. Nominal mean difference of GDP per capita in PPP prices of EU-27 Member States from EU-27 average GDP (1999–2008), EUR



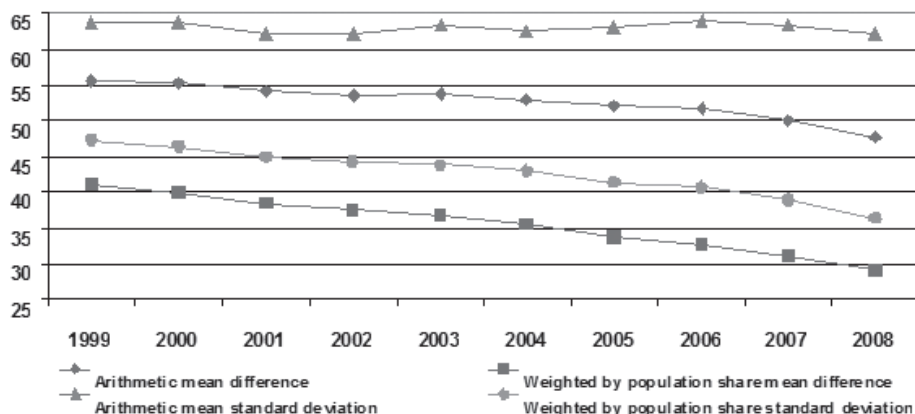
Source: Eurostat online database 2009, calculated, compiled and drafted by author

Figure 3 illustrates different indicators of relative regional economic disparity in the EU derived from GDP per capita in current market prices in relation to the EU-27 average GDP. From this graph we learn that only the standard deviation of GDP per capita changes as quickly as the GDP per capita average level in the EU-27 country group. Such relative indicator values are quite stable over time, varying between 62–64%. According to the other EU-27 indicators describing relative interstate differences in economic development it seems that there is a prevailing permanent (relative) convergence in the EU as a whole. The relative assessments of imbalance are constantly decreasing. The smallest relative regional economic development dispersion and the fastest decrease in that dispersion is characterized by Eurostat’s population weighted indicator. What justifies the use of the most “optimistic” indicator of regional imbalance as the official Eurostat assessment? An indicator is welcomed to support decisions on how to divide EU regional development support funds and their effectiveness.

Figure 4 provides an assessment of EU economic convergence/divergence using regional economic dispersion indicators based on nominal GDP per capita in PPP prices in relation to the EU-27 average GDP. From the dynamics of these relative regional imbalance indicators we see that the EU-27 country set seems to be economically converging in 1999–2008. Those results mean that the relative difference in EU-27 countries’ welfare and production costs are decreasing. Imbalance indicators derived from the dispersion in GDP per capita, weighted by population shares of countries, show a lower level of imbalance in relative regional economic development between EU-27 countries. However, a more

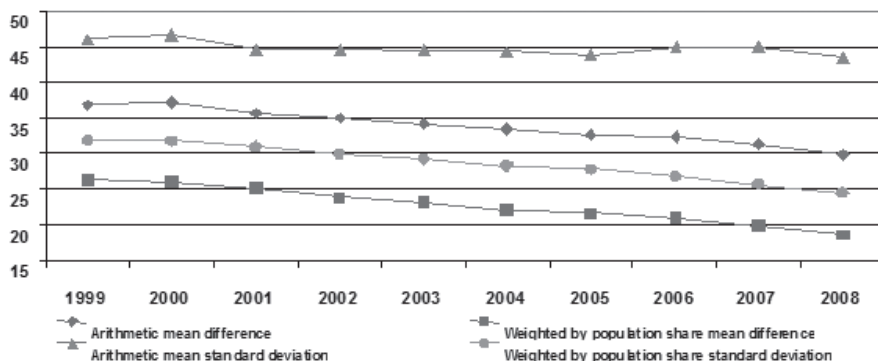
rapid decrease of imbalance indicator values compared to relative indicators derived from the variation of GDP per capita arithmetic average results. That means that the population share of less developed countries is decreasing as a proportion of the EU total population.

Figure 3. Nominal mean difference of GDP per capita in current market prices of EU-27 Member States from EU-27 average in relation to EU-27 average GDP (1999–2008), %



Source: Eurostat online database 2009, calculated, compiled and drafted by author

Figure 4. Nominal mean difference of GDP per capita in PPP prices in EU-27 Member States from EU-27 average in relation to the EU-27 average (1999–2008), %



Source: Eurostat online database 2009, calculated, compiled and drafted by author

Besides real growth of the economy, GDP per capita increases also reflect the level of price growth (inflation) impact. Growth in interstate GDP per capita disparities (dispersion) caused by price level growth does not necessarily mean an increase in real economic development differences between countries. Dividing a nominal economic development dispersion indicator with EU-27 average GDP level eliminates the economic growth impact from relative economic development disparities indicators. Essentially, this is not justified, because differences in economic competitiveness are determined through dispersion indicators' nominal (not relative) real differences. So the indicator used by Eurostat, 'regional dispersion of GDP per capita', and other analogical indicators present an inadequately "positive" or "optimistic" assessment of economic convergence in the EU.

Below, the price level change impact is eliminated from GDP per capita nominal dispersion assessments for different periods. To achieve that, firstly we constructed an EU-27 average GDP level indicator, describing only the price level increase (inflation) impact for the years from 1999 to 2008 based on real GDP per capita in 1999. This was achieved through the division of nominal values of GDP per capita by GDP real growth rates (see Table 11).

Table 11. EU-27 average nominal GDP per capita and inflation determined level in 1999–2008, EUR

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GDP per capita average nominal level in market prices	17,800	19,100	19,800	20,500	20,700	21,700	22,500	23,600	24,900	25,100
GDP real growth rate in relation to year 1999	1	1.04	1.06	1.07	1.09	1.11	1.14	1.17	1.21	1.22
GDP per capita inflation determined level (base year –1999)	17,800	18,383	18,683	19,114	19,053	19,486	19,809	20,133	20,643	20,644

Source: Eurostat 2009, calculated and compiled by author

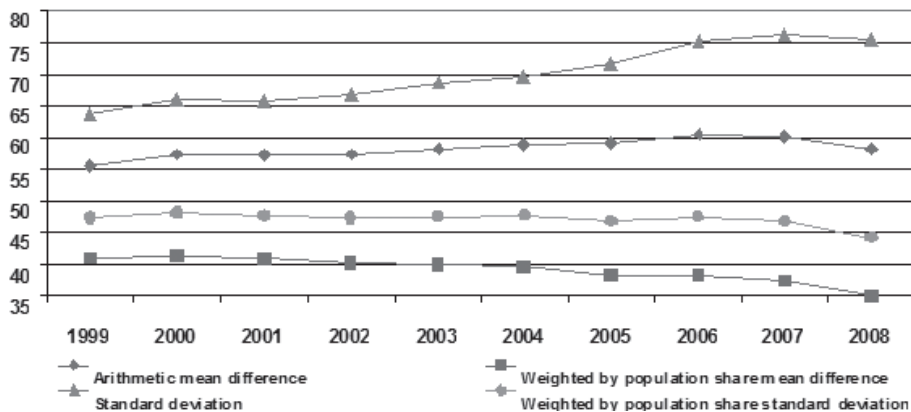
The indicator describing comparable relative convergence/divergence is obtained by dividing nominal regional economic development dispersion assessments by EU-27 average GDP per capita values, reflecting only the price growth impact.

Figure 5 shows that after neutralizing the price growth impact (but remaining real economic growth impact), relative indicators of regional imbalance give a completely different picture of regional dispersion dynamics in EU-27 interstate

economic development when compared to indicators calculated from the relation to EU-27 average GDP per capita in current market prices:

- The interstate GDP per capita relative dispersion dynamics on the basis of nominal arithmetic mean deviation shows stability of regional economic development, but indicators without inflation impact reflect a clear growth tendency (divergence);
- Dynamics of relative indicator weighted by population shares of countries, based on standard deviation and elimination cleaned from the price growth impact must be considered as stable in the selected years (a small decrease has occurred only in the year 2008);
- Only the population weighted average deviation indicator dynamics show a tendency to decrease after removing the impact of inflation.

Figure 5. Nominal mean difference of GDP per capita in current market prices in EU-27 Member States from the EU-27 average in relation to the EU-27 average without price level impact (1999–2008), %



The results presented above do not correspond with the statement of the European Commission that “real convergence between countries has been achieved in Europe” (Stierle-von Schütz et al., 2008, p. 11). The dynamics of different indicators of regional disparities in GDP per capita present a controversial picture. This complex empirical assessment provokes talks about territorial economic divergence between Member States of the EU; however, the differences between the inhabitants’ economic environment have decreased over the last decade.

Summary

The assessment of the level and dynamics of regional disparity in economic development is a complicated task, even when we use only GDP per capita as base for this purpose:

- Different GDP per capita measuring possibilities must be taken into account: in current market prices and using PPP prices.
- For measuring nominal differences in interstate GDP per capita there are several possibilities: absolute differences between countries with extreme values, arithmetic average deviation or standard deviation from the average level in a selected set of regions, arithmetic average deviation or standard deviation weighted by population shares of the regions in a selected set of regions.
- In order to get comparable economic development assessments for different countries the nominal imbalance indicator in relation to a specific country's average GDP per capita level can be used. Commonly (in Eurostat official statistics) the average level of GDP per capita in current market prices is used to calculate ratios. Such a relative indicator of regional imbalance in economic development does not suit the description of dynamics in regional dispersion of economic development, as the elimination of real growth of the economy from dispersion dynamics in economic development of regions is not justified. In this research relative indicators are suggested for describing the regional imbalance dynamics in economic development, whereby the EU average GDP per capita dynamics were used as a basis for calculating relative indicators, from which the price growth (inflation) impact was then removed so that they reflect only the real economic growth impact.
- The assessments of EU-27 countries' economic convergence/divergence are contradictory in cases where different indicators are used for describing economic regional development imbalances. The results of empirical analysis highlight the multidimensional character of the phenomenon of regional economic convergence/divergence, especially if only GDP per capita serves as a basis for assessment. Some rare cases signal economic convergence in the EU, but in others divergence is still occurring. It is not justified to use a single specific indicator (for instance, official Eurostat indicator) for making decisions concerning regional policy or programs and assessing their results. Eurostat uses as a regional imbalance indicator basis assessment results which measure the dynamics of disparities in regional economic development too "optimistically" (convergence friendly). In order to identify regional economic development dynamics, a complex of nominal and relative regional imbalance indicators should be applied.

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A Deliberative Approach to a More Stable Global Arena

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Abstract: *Europe's implementation of its notion of a new role of power in its interstate relations offers the prospect of healing some of the painful aspects of European history. The successful implementation of the current notion of power would certainly contribute to extending Europe's zone of peace and prosperity. Thus, much of the world is watching, with hopeful anticipation, as Europe attempts to apply multi-level governance throughout the European Union. International relations scholars are watching because of how significant Europe's effort to institute a whole new approach to regional governance is to international relations. The cornerstone of this futuristic vision is the belief in the sovereignty of equal citizens who have the power to hold authority accountable to the will of the people. It is hoped that these Western democratic principles will create a type of dialogue where international actors interact within the boundaries of constituted structures to shape an "ontological middle way." In other words international actors will apply deliberative democracy to identifying principles that establish the normative values shaping their relationship. As a result international relations will not be anarchic, nor only interest driven but also value driven.*

Keywords: *contractualism, cosmopolitan liberalism, international relations great debates, "level of analysis", "ontological middle way", reflectivist approach to international relations, structuralism*

I argue that there are foundational principles of Western Civilization that have had tremendous impact on most of the world. Much of this influence has been based on assumptions about Modernity (rule of law, human rights, democracy, and progress). Basic assumptions about Modernity are not only being reconsidered by Europeans themselves but are also under scrutiny by many world cultures.

At the same time that the world is viewing Modernity more critically Western Critical Theorists have been engaged in a dialectic view of the Enlightenment philosophy that established the foundation of Western Civilization's "Sacred Canons." Such critical reconsiderations have played a role in shaping a new European model of how power is employed in international relations.

Introduction

Much of the world is watching with hopeful anticipation as Europe attempts to apply multi-level governance throughout the European Union. International relations scholars are watching because of how significant Europe's effort to institute a whole new approach to regional governance is to international relations. Europe is moving toward becoming an alliance of "People" who share certain key principles and whose interstate cooperation relies on the application of certain norms. These norms are believed to be based on common principles and shared values. Europe's current notion of the role of power offers the prospect of reducing some of the troublesome clashes of interests disturbing international relations.

The cornerstone of this futuristic vision – of how international cooperation can be enhanced – is a belief in "the sovereignty of equal citizens and authority made accountable to the will of the people" (Schmitter & Trechsel, 2004, p. 15). It is hoped that these democratic Western principles will create an "ontological middle way" where sovereign international agents interact to shape the normative structures that guide their relationship. In other words international actors will apply the process of deliberative democracy to identifying values that establish the normative principles for their interactions. Europhiles envision interacting on the basis of a value oriented approach to relations that will alter the conception of material power in ways that will not only increase prosperity but will as well increase Europe's zone of peace and security.

A part of the process involves the challenge of formulating a view of Europe's heritage that overcomes what has historically persisted in being conflicting interests. "For Europe, an act of commemoration is a way of negotiating an attitude to its own history" (Hervieu-Léger, 2006, p. 8). Europhiles are now attempting to commemorate Europe's heritage by emphasizing that Europe is bound together by the recognition that cooperating to realize European shared values is the basis of overcoming conflicting interests. Thus uniting Europe represents the intention of realizing the possibility for healing painful aspects

of European history. The reference to history as heritage is a way of converting the painful aspects of Europe's history into a **new conception of how power shapes international relations**.

Many European scholars recognized the need to reconcile the painful aspects of history and address the persistent problem of established ontological, teleological and epistemological assumptions by taking a critical look at Modernity. The ontological, teleological and epistemological assumptions of Modernity had tremendous impact on most of the world. These basic assumptions are not only being reconsidered by Europeans themselves but are also under scrutiny by many world cultures. Such dialectic reconsiderations have played a role in shaping a new model of how power is employed in international relations.

Accompanying this European critical view of Modernity has been a swing toward viewing the “casual powers and the real interests of agents as dependent upon and thus explainable by the external or social structural context in which they are embedded” (Wendt, 2009, p. 107). In other words Europhiles are convinced that defining interstate relations in terms of constituted normative structures is the most constructively progressive way to talk about the fundamental building blocks of international relations. With such an approach to power relations between states Europe anticipates that the Union's interstate relations will not be anarchic, nor only interest driven, but also value driven.

The painful aspects of European history were precipitated by a Realist perspective that saw international relations as driven by the exertion of power in an effort to protect, promote and extend interests. Realism stipulates that in an anarchical IR reality power prevails and that small states must seek protection within alliances against threatening powers. This has prompted the perspective that states are involved in a survival struggle where concerns about national security are linked to concerns about the survival of identity. This approach to international relations resulted in an international “stand-off” during the last century due to the fact that IR was dominated by a power struggle between contrasting ideologies (Capitalism and Marxism) both regarding power in Realism's materialistic terms (Wendt, 1999, p. 94).

Europhiles recognized that in order for the European Union to work the foundational success of the economically based European Community needed to be expanded. Thus Europeans initiated a new approach to power relations between sovereign states that necessitated going beyond thinking about international relations in only material terms. Power continues to be a fundamental consideration in international politics. However in accordance

with new realities shaping interstate relations IR scholarship gradually began to extend the notion of power by asserting that both material and discursive power are essential aspects of any understanding of world affairs.

“The observation of contemporary social reality makes evident the power of knowledge, culture, ideology and language (that are all discourse)” (Hopf, 2009, p. 222). As Joseph Nye pointed out in his exposition of *Soft Power*, although traditionally people think of power as military and economic might there is another way to get what you want that has been called “the second face of power.” “A country may obtain the outcomes it wants in world politics because other countries – admiring it values, emulating its example, aspiring to its level of prosperity and openness – want to follow it” (Nye, 2004, p. 5).

This approach to international relations counters “the rationalist conception of actors as utility-maximizers operating according to the logic of consequentiality, in favor of March and Olsen’s conception of the logic of appropriateness” (Pollack, 2005, p. 365). Those with an interest in cooperating with Europe’s model of increased peace, security, and prosperity are expected to demonstrate where their own value preferences are in line with the normative principles that are the foundation upon which this new relationship is built. In other words participating states are impelled to identify themselves as being in line with the appropriate value commitments that are foundational to Western Civilization.

Europe’s post cold war perspective worked well in incorporating states once restricted under the dominance of Materialism during the last century into the European Union. States of the former Soviet Union felt that the Realist perspective that dominated their recent history does not offer the best opportunity for becoming equal partners in international (and European) relations. Thus increasingly the former Soviet States of Central Europe, Eastern Europe and Southeastern Europe requested participation in Europe’s unique approach to interstate relations.

The primary focus of the article is on the changing notion of power in international relations (EU is used as an example). The article argues that the shift in the way power is understood is connected with a movement toward the Constructivist approach to IR which facilitates a socially constructed means of power. The Constructivist approach to IR is based on the assumption that international agents willingly come to agreement on the normative structures and institutions necessary for shaping their relationship into more beneficial outcomes. A supporting argument is that the deliberative approach to IR is tantamount to global Contractualism (allowing agents to negotiate on the basis of

shared principles and common interests). Contractualism – a global deliberation process that enhances efforts to create the global common good – reduces power clashes over what appear to be conflicting interests.

Contractualism proposes that the international arena is made up of discrete entities called cultures or “Peoples” who act as sovereign agents in the development of a “Society of Peoples” and who will agree to principles of peaceful coexistence under the “Law of Peoples.” The decision of how these principles apply between particular cultures would be determined in deliberation by the participants (Rawls, 2002, pp. 32–33). Contractualism is the belief that a democratically legitimate social system must be built on fundamental norms that are in accordance with ideas that all who are influenced by the social system can reasonably accept. Contractualism – as an ideal of what shapes global interactions – improves global justice because parties would contractually agree not to plan policy based on what increases their utility benefits but policy must be based on what will increase the global common good. In this respect liberals believe “Peoples,” constructively engaged in dialogue, can safeguard human rights on a global scale.

The first section of the article (“The New Role of Power in Reuniting Europe”) argues that Europe’s success necessitated expanding the notion of the European Community beyond a materialist focus on power capabilities to a perspective more inclusive of shared values. This section of the article draws from many years of experience in Eastern Europe. The second section of the article argues that Europe is faced with a peculiar challenge in relationship to Particularists (both within Europe and beyond its borders). Appropriate response to Particularist concerns necessitates recognizing the significance of culture, shared values, norms and structures in international relations. Particularism is used as an example of the types of international relations challenges that are presented by collectivist and authoritarian cultures.

Europe’s new concept of power can contribute to resolving these Particularist concerns, thus reducing international relations tension between Universalism and Communalism. I argue that Critical Theorists interpret Enlightenment principles in a way that contributes to the new approach to power relations in the international arena. This results in a more effective strategy for dealing with Particularist cultures. Thus the new view of power in international relations reduces the difficulties the West has experienced in trying to establish improved cooperation with communal cultures.

The final section of the article proposes the theoretical model of global Contractualism as an approach to reconciling the Particularism-Universalism

tension (both within Europe and beyond its borders). Many years of experience and observation in a former Soviet State confirm that the principles of liberal democracy and Cosmopolitanism can have more appeal to transitional cultures when presented from the perspective of global Contractualism. In conclusion the article claims that a contractually constructed basis of international relations reduces the agent-structure problem by allowing agents to determine the structure and norms of their relationship based on their shared values, mutual respect for particular cultural identity concerns, and mutual commitment to improved intercultural cooperation.

The Role of Power in Reuniting Europe

After the collapse of the Soviet Union many states (especially the small ones of Eastern Europe) were afraid that Russia would continue to act in an unpredictable way, in a way not aligned with Western interests and certainly with the intention of “Enhancing its own relative position in an anarchical international system and above all to improve its national security and economic prosperity” (Miniotaite, 2003, p. 217). Even if it is not balancing against the strongest actor in the system⁴, it is still in accord with the realist-rationalist ontology of materialism and individualism, where the aim of every state is to “enhance its own relative position in an anarchical international system and above all to improve its national security and economic prosperity” (Riim, 2006, p. 39). In addition very highly respected Realist international relations theorists believed that “Power Politics” would continue to prevail in Europe, destabilizing the region and increasing the nuclear threat. It seemed as though Eastern European stability would continue to be based on the “economic and geopolitical interests that more powerful states and international organizations have in the region” (Feldman, 1999, p. 1).

This resulted in the post-Soviet identity discourse for the Baltic region urgently emphasizing the necessity of formulating another transnational identity. For many people of the Baltic region their own history (as well as the world’s history) seemed to be verification of fact that in all probability it is impossible to escape being incorporated into the interest of some “Great Power.” The strong desire to ensure remaining outside of the Russian sphere of influence was overriding the authority the States of the Baltic region were able to exercise over their internal agendas. The post-Soviet security concerns of the Baltic region resulted in allowing EU structural demands to precede concerns related to cultural heritage and their much desired cultural renaissance.

Former Soviet States felt that safeguarding their fragile independence necessitated a focus on national security linked with concerns about clarifying nationality and borders. The historical experience of the states of Central Europe, Eastern Europe and Southeastern Europe initially inclined their IR scholars to take a precautionary Realist position regarding relations (which stipulates that in an anarchical international system small states are subject to being dominated by the interests of threatening great powers). Many people of former Soviet States lived with the fear that Realist trends in international relations would continue to prevail leaving them with no constructive advantage by leaving one union to join another.

What might have been expected is that NATO would have shared these Realist security perspectives regarding the post Cold War international arena, the Russian threat and foreign policy in general. Gradually however the debate between Russia, the West and former Soviet States began to yield recognition of mutual security concerns – thus for the benefits of dialogue, cooperation and the possibility of an increased role for normative structures in international relations. The fact is that the Realist approach fell short of accurately explaining the consequences that the collapse of the Soviet Union would have for its former satellites and for the rest of Europe. EU/NATO stressed that last century Realist power rhetoric seemed to hinder rather than help to improve European interstate cooperation.

With the insight provided by new scholarship in international relations the parties began to accept that “Security debates are best understood not as a contest between authentic fixed positions, but as a discourse in which the positions articulated are contingent, circumstantial and mutually constituted. Words like Geopolitics, aggressive imperial aspirations and Russian threat, etc. were dropped from the security discourse” (Kuus, 2002, p. 315). The Eastern European main theme was expanded to one embracing hopes for realizing common values, shared concerns and a common heritage in relationship to the West and skepticism when considering relations to the immediate east. However both the European Union and its NATO counterpart were beginning to adopt a new security perspective that offered the possibility of improving interstate cooperation. Rather than thinking of security only in military (Realist) terms Europe was now beginning to think of security as defending common values that are believed to be foundational to the European heritage.

The Constructivist theoretical approach to international relations proved more effective in evaluating the processes shaping post-Cold War alliance policy patterns. Thus Constructivism played a role in facilitating changes in post Cold War IR perspectives. Constructivism proves more effective in accurately

appraising the motivations behind the actions of international agents thus explaining what influences international relations because it is inclusive of the total scope of factors shaping interactions. As Robert Keohane and Joseph Nye (2001) point out because of the complexity of the international arena “one model cannot explain all situations. The secret of understanding lies in knowing which approach or combination of approaches works best in analyzing a situation” (Keohane & Nye, 2001, p. 4).

According to the NATO’s basic documents (e.g. “New Strategic Concept” of 1991, the “Study on NATO Enlargement” of 1995 and “Alliance’s New Strategic Concept” of 1999), the overall idea of NATO’s continued existence is now a preservation of the Western values and norms (democracy, liberalism, rule of law), with the aim at reducing instability everywhere in Europe. The adherence to the same values will be expected from any potential new member state as well. Estonia declared that it shared these values and, consequently, was entitled to become a new NATO member even if being small and politico-militarily weak (Riim, 2006, p. 44). The former Soviet States drafted statements declaring their intent to align with democracy and social welfare which are values the European Union has made its watchwords. Creating the normative structural features for European interstate relations based on some sense of shared values proves to generate a stronger sense of much needed European bonding. Thus European state relations reflect a shared interest in sustaining peace and freedom by means of human rights, rule of law and respect for pluralism. Europeans supposedly all appreciate these as principles that promote security and stability.

The European Union is evidence of post-Cold War “Institutionalization and cooperation along with a decline in military security concerns in world politics. Europe is convinced that international regimes and institutions induce cooperation, and these enable states to transcend the anarchical forces in the international system” (İşıksal, 2004, p. 141). In the article *To What Extent Complex Interdependence Theorists Challenge Structural Realist School of International Relations?* Hüseyin İşıksal explains that the field of international relations is currently influenced by powerful new concepts like “power and interdependence” and the conception of “complex interdependence.” The European Union is proving to be a unique experiment in applying normative principles by means of multi-level interstate governance.

“Europe of the early twenty first century can manifestly be understood as the first voluntary enacted transnational political community in the history of international relations” (O’Brennan, 2006, p. 2). This new strategy attempts to apply liberal democratic values to international interactions. This approach

to international relations asserts that international structures and relationships can be constructed based on the values of the actors. The European Union anticipates that these values can be determined in discourse. This means a move toward a transnational civil society where “the will of the people” shape the norms and values that determine their relationship (Habermas, 2006, p. 5). Jürgen Habermas envisions this as a “Cosmopolitan Liberalism” that will not devalue the sovereignty of the nation state.

Habermas believes that just as public discourse is intended to determine a democracy’s constitutionally established policies, norms and behaviors, Cosmopolitan Liberalism can achieve the same thing at the international level if deliberative democracy is extended to the global community. This would mean that social agents – empowered by deliberative democratic procedures – intersubjectively constitute the structures that determine their relational activity. Europhiles envision instituting European interstate structures that are able to support the state’s responsibility to protect the rights of individuals without interfering with state sovereignty. What is essential to a continuously successful progression of the European project is the role that shared (or common) values play as a cementing bond that unites European identities.

European scholars of the former member states (plus those of the new member states of Central Europe, Eastern Europe and Southeastern Europe) realize that only the more recent developments in IR theory allow for an approach to IR research that addresses concerns over what participation in a supra-national political structure will mean in terms of protecting the distinctiveness (fragility) of their particular cultural identities. In order for the European Union to ameliorate the Eastern, Central and Southeastern European cultural and identity interests (as well as the concerns of the conservatively oriented European states) it will have to be mindful of a macro-level international relations approach to integrating local interests and concerns about traditional culture with EU structural interests. A Realist perspective on European international relations is inadequate for addressing this necessary aspect of European interstate relations.

The former Soviet States that are now new members of the European Union (along with conservatively oriented European voters who are hesitant to draft the EU constitution) would like to be assured that participation in a European supra-structure (with open borders and increased “otherness”) will not diminish the distinctiveness of their particular cultural identities, but will further assure the freedom to develop, express and protect cultural uniqueness. They all also want to be certain that increased multiculturalism will not heighten their security concerns and threats. Addressing, reconciling and/or healing these troublesome aspects of

European relations necessitate a more inclusive model of international relations. The more inclusive theoretical model would have to prove adequate for not only addressing issues of power and interests but also concerns about culture and values.

A more peaceful, law-governed, democratic, borderless Europe were the constitutive values that became the primary motivating force driving Europe to extend membership to the former Soviet States who all agree that there is a constructive advantage to alignment with the EU normative demands. “Although it is clear that motivation for enlargement included a complex combination of geopolitical, economic and normative reasoning, it is clear that the desire to ensure a peaceful, law-governed, democratic wider Europe consistently triumphed over narrower and more instrumentalist logics” (O’Brennan, 2006, p. 171).

The Role of Power in a Deliberative Approach to International Relations

One of the most significant challenges of IR today is the significance connected with resolving the tension between national and sub-national cultural groups who favor Particularism as opposed to those who favor Universalism. A dichotomy in the reaction of these two perspectives to the impact of increased regionalism and globalization exists within Europe as well as between Europe and cultures beyond its borders. Traditionally this tension was intensified due to clash in interests and power struggles instigated by a Realist approach to IR. I argue that resolving the subject-other dualism that is an outgrowth of Modernity’s ontology requires a critical analysis of Modernity.

Dualism is the influence behind a subject–object perspective that asserts, “You are either for us or against us!” Throughout recent history a dualistic dichotomy occurred in almost every area of analysis, resulting in a bi-polar world where the other was regarded as the enemy needing to be contained or an object subject to domination. If one looks back to examine what caused painful aspects of European history it becomes evident that this self-other split generated identity politics and nationalism. “Critical Theorists have been substantially correct in emphasizing the problem of dualities long dominating Western thought” (Onuf, 2009, p. 197). In light of the need for IR research to address such problems (including Islamic fundamentalism and ethnic cleansing) IR theorists initiated a new intellectual dialogue – the so-called “Third Debate.”

The “Great Debates” in the field of international relations date back to the inter war period when there were questions about whether or not interstate

cooperation could shape institutional structures (The League of Nations) that could prevent another war. Realist doubt in the effectiveness of structures was affirmed with the outbreak of World War II and the Cold War. The debate(s) were then heightened with Realists insisting that its epistemology (positivism) thus its methodology was better able to accurately analyze the international arena. However Critical Theorists, as well as its radical wing-Postmodernism, continued to insist in the significance of cultural values, shared interests and institutionalized cooperative structures. The assertion was that in addition to Realist epistemological and methodological perspectives there is the emergence of what Robert Keohane called Reflectivist approaches to IR.

“New intellectual developments within an academic community reflect the structure and content of the debates that define the identity of the academic community. Within IR the external influence of ‘reflective modernity’ (that has been escalating for many decades) coupled with IR’s internal debate has triggered such new intellectual developments” (Guzzini, 2009, p. 278). Also one cannot dismiss the role that the possibility for positive change (that became evident with post Cold War developments in Europe) has had on developments in IR scholarship. Yet, in spite of the fact that the discipline has been enriched by its critical dialogue Realism has difficulty extending its theoretical position to be inclusive.

Constructivism offers the possibility for resolving the dualities that dominated modern social thought-thus altering the prior notion of power and eliminating the gulf in IR scholarship brought about by its “Great Debates.” Constructivism achieves this by extending the notion of power to allow for a more realistically inclusive approach to what actually shapes international relations. It provides a means for extending the Realist theoretical position by “showing that the content and meaning of power and interest are constituted by ideas and culture” (Wendt, 1999, p. 371). Conventional constructivism has the advantage, on the one hand, of bordering with mainstream international relations and on the other with critical theory. Resolving the relatively sharp divide between Realists and Critical Theorists would help to reconcile “One of the most important philosophical debates of our discipline, if not of modern social and political theory in general” (Sterling-Folker & Shinko, 2007, p. 244).

Charles Taylor believes that by applying Constructivist principles-to minimize the dualistic notion of “othering”-global multiculturalism will reflect a “new kind of collective agency” where people are free because the people themselves make the decisions contributing to their personal notions of what comprises the good life. Thus, even between different cultures it is possible to guarantee agents the

freedom to form collective agreements. In this respect the global community is not regarded as an “anarchical competitive arena” where interactions demand a “self help” approach to international relations. With such a Constructive contribution to international relations the global community reflects a socially constructed body of “Peoples” whose freedoms and rights are realized (and defended) together. “It defines a collective agency as a people whose acting together on the basis of their agreements preserves their freedom” (Taylor, 2002, p. 3).

In the case of Traditionalists their interests include identity concerns that are related to culture and particular values (that are sometimes religious). Recent developments in international relations scholarship criticizes the prior failure evident in IR research to recognize the importance of values and culture as factors shaping intercultural interactions. Without such an inclusion international relations continue under the assumption that “All units in global politics have only one meaningful identity, that of self-interested states” (Hopf, 2009, p. 221). This amounts to a failure to recognize the powerful and desirable affect that “a dialogue of cultures” has for shaping international relations. By accepting the significance of socially constructed interests and identities IR scholarship acknowledges the possibility of international agents intersubjectively creating the structure of their relationship.

I argue that a preferred approach to global transactions is based on a Constructivist interpretation of NeoKantian discourse ethics and Kant’s proposed universalized ethics of mutuality (which is related to his vision of improved international relations, collective security, and peace). For mutuality to be effective in global interactions-where there is an array of different viewpoints on the appropriate motivational factors behind human transactions-interlocutors must be mindful of incorporating values as a significant aspect of the decision-making process. Values in this respect are defined as “Principles used for deciding which course of action is likely to produce the most desirable outcome. With a value based approach to policy making agents are more likely to produce mutually satisfactory results because they transform the information available to them into guidelines for more effectively managing the phenomena the relationship is confronted with” (Keeney, 1992, p. 7).

This can only be achieved when sovereign agents intersubjectively negotiate the possibilities of “Structuring” order and cooperation in an international society. In order for multiculturalism to work as a source of creativity and vitality (within a state and internationally) postcolonial international relations must eliminate the dualistic notion of “othering” (the other as object to be persuaded by power). “Persuasion that succeeds on the basis of interest has the potential

to build common identities when it leads to sustained cooperation on projects of mutual benefit” (Lebow, 2008, p. 554).

The problem of dualism was evident throughout Modernity as a self-other dichotomy where the other was not made to feel like an equal partner in shaping intercultural relations. This was due to the fact that despite a movement toward universalizing rights, modes of communication and commerce the feeling of an imposed unity continuously resulted in disruptions in international relations. Clearly as the “Modernity project” progressed into globalization it was apparent that problems of extreme traditionalism (reversed nationalism) were creating increased fragmentation that became both internally and externally threatening. In other words where both Realism and Neorealism tended to fall short was in a failure to recognize that by simply connecting shared values and principles with “interests and identity” power conflicts over interests are reduced.

Modernity represents an aspect of European Enlightenment thought that was believed to be applicable universally. In fact every nation has had to find some way of responding to Modernity (either adjusting to Modernity or making some attempt at resisting its influence). Modernity’s belief in continuous global social-economic progress was pushed forward by the agenda of Liberalism. Liberals are committed to helping social agents fulfill what is believed to be in their “rational” best interests. The liberal assertion that by universalizing democracy the global community would enjoy more goodness, human rights, prosperity, peace and justice was appealing to many developing nations.

Liberalism was the basis of the European Community and the initiative behind expanding into the European Union (with its emphasis on the Universal Declaration of Human Rights). Liberalism is an idealistic perspective based on the conviction that democracy has inherent attractiveness because it provides the means by which individuals can freely pursue what they perceive to be their highest good. Liberalists believe that any rational person would desire such freedom. Liberals assert that freedom of conscious is a natural human right (that should not be interfered with by other individuals, traditions and institutions). This right is so paramount that it should be instituted as a universal declaration of human rights. Thus Liberalism grew in appeal by stressing that any rational agent would recognize the social, economic and political utility of universalizing human rights, rule of law, free markets and institutionalized cooperation.

In spite of Liberalism’s idealistic appeal other significant agents within the European Community, Traditionalists (within Europe and beyond its borders), and radical Critical Theorists (Postmodernists within Europe and globally) recognized the fact

that international relations is wedded to particular assumptions of Modernity that traditional (communal and Particularist) cultures regard as troublesome. This has been coupled with the awareness that the demands of Modernity have devastating effects on the environment and questionable results on stabilizing global financial transactions. They point out that rather than the international community reflecting respect for diversity the fact is that “to a growing degree, the global political economy constitutes a singular transnational capitalist social formation that resembles, more and more, a state in formation. This emerging global unit is, moreover, a single capitalist formation, in which new property rights and rules of the political economy are being created by national and international institutions.” (Lipschutz, 2007, p. 226) Particularists especially resent the way that Modernity’s notions of progress and development can alter or change their traditions.

For Traditionalists rather than globalization being regarded as a movement toward progress and development it more often is regarded as the spread of a mono culture. For Particularists globalization inevitably leads to the dominance of consumerism resulting in the subordination of traditional cultures. “In highlighting Modernity’s expanded reach, globalization becomes a blanket thrown over the various cultures of the world in the process of standardization. Certain features and standards of modern life are internationalized from a narrow Western experience and standpoint so that they can cover all the world.” (Paolini *et al.*, 1999, p. 190)

Thus Particularist resistance to Modernity’s development agenda was accented by a fundamentalist response, which emphasizes that identity is reinforced by retrieving pre-colonial cultural integrity or pre-colonial cultural values. However equally important to studies in international relations is the fact that the fundamentalist response has accentuated the role of substate international agents who seriously affect international politics. To more effectively address the issue of fundamentalism the IR perspective must expand from the limited focus on the state to be inclusive of non state factors (culture, identity and traditionalist value concerns).

Contractually Constructing International Relations

The difficulty within international relations to embrace the full scope of its theoretical possibilities is resulting in incongruities within the field of IR. A failure to allow IR theoretical positions to become an inclusive paradigm-that reflects inclusiveness of all the factors that actually shape international relations-

results in unnecessary dualistic splits between IR theoretical perspectives: individual versus social-identities (individual rational choice versus collective interests), power as material resources versus socially constituted power, voluntarism versus determinism and individualism versus holism, etc. International relations theory has been shaped by the way that Enlightenment concepts of ontology have influenced political philosophy. By investigating the ontological assumptions that are embedded within the dominant theories in the field of international relations we better understand the roots of the differences that influence the theoretical debates in international relations. Any attempt to assert the significance of Contractualism in international relations must address (or resolve) the problem of the polarities in IR ontological perspectives.

Because research is “theory-laden” (dependent on background ideas generally taken as given, understood and accepted) IR scholarship is also based on certain key assumptions. The underlying assumptions of a discourse are influenced by the ontological perspective of the research, which “constrains but does not determine correct explanations in that discourse” (Dessler, 2009, p. 126). “Even the most empirically minded students of international politics must ‘do’ ontology, because in order to explain how the international system works they have to make theoretical metaphysical assumptions about what it is made of and how it is structured” (Wendt, 1999, p. 370).

“The dominant ontology treats actors as autonomous, egoistic and often without history. It assumes that politics is best studied through the choices made by these actors” (Lebow, 2008, p. 53). These choices are thought to be made on the basis of rational calculations about what will increase utility. The primary utility interest that agents desire to increase is their power capability. With such an agent (individualist) focus the state is regarded as the basic unit of action.

Structural theories challenge the dominant ontology by criticizing its failure to recognize the full scope of what shapes international relations. Waltz, for example, believed that the structure of the international system forces agents to play by certain rules or face repercussions from the international system. A structural analysis of the international system recognizes that the actions of agents are constrained by the structures they are embedded in. Structuralism claims that international structures and the individual social agent are mutually constituted. The European Union is a good example of an international structure necessarily operating on the basis of shaping the relationship between social agents (states and the citizens of those states) by means of norms and institutions. In the European context a variety of actors are engaged internally at the national level and externally at the regional level – all attempting to construct a normative

basis for realizing hopes of the entire European continent becoming a secure, peaceful and prosperous democratic community. The Eastern European states desiring to be a member of that structure believed that if their state is going to be able to play a significant role in the international arena it is best to align their interests with EU's normative demands.

Because the dominant theories in IR did not (or could not) account for post cold war transformations and the subsequent dramatic changes in the international structure, it was clear that there needed to be a broader understanding of what constitutes agents. A broader IR perspective is needed to account for new possibilities that are based on the vision that European interstate relationships could be reflective of the core values and principles of Liberal Democracy. The European Union also became a model of the possibility that interstate relations are not necessarily only based on concerns over power and material capabilities.

Initially the development of the European Community was spurred on by Liberalism's notion of expanding markets. Liberalism views relationships as occurring between agents who are all engaged in making rational choices that will maximize utility. Liberalism can also reflect an "individualist" and materialist conception of the international system (the international units remain reducible to power capabilities, or attempts at maximizing power, promoting "individual interest" or increasing utility). Thus there remained a "level-of-analysis" problem with Neoliberalism due to the fact that Liberalism's "Definition of system is characterized by ontological reductionism" (Wendt, 2009, p. 94).

The breaking down of the Berlin Wall and the end of the Cold War opened the way for Europe to imagine a transformed perspective on European interstate relations. In the process material, institutional and normative structures were constructed to determine the range of potential strategies and opportunities available for the member states. To accurately describe the nature of this European approach to interstate relations IR scholars would need a theoretical approach that is inclusive of transnational (or intergovernmental) structures, sovereign international agents and individual transnational actors socially engaged in the process of public deliberation. Such a theoretical model would reflect a more inclusive approach to addressing the "level-of-analysis" problem in international relations. By extending the IR theoretical perspective the actors in interstate transactions (some with Particularist and others with Universalist interests) are perceived as agents at multi-levels who are all legitimate players in shaping interstate relations.

This more inclusive approach calls for consideration of how agent's preferences shape international systems in a way that allows for interactions that are not only

based on material power but are also influenced by what has social meaning and social value for the participants. In other words European regionalism can be seen as strategic interaction and ideational interdependence that results in “reconstructing” the notion of Europe. In this regard agents define themselves in relation to others and in so doing, they structure the terms of their relationship. Such a perspective is critical for redefining the theoretical scope of European interstate relations. Europhiles conceive of Europe as bound together not only by Liberalism but by an interest in asserting certain principles that reflect the Constructivist perspective of international relations.

In this model individual agents are empowered by means of a process that constructively determines what is best of improving cooperative interactions with other social agents. Together agents react to the phenomena challenging the relationship in ways more beneficial to the relationship and more effective for managing the phenomena the agents are challenged with. This Foucauldian idea of power shows how processes determining the world system operate at the level of practice (indicated by the interplay between agents, norms and processes). For Foucault knowledge is a type of power that is derived from manifest phenomena, but transformed into insight into how agents are able to interact with phenomena in ways helpful (or harmful) to the human experience.

This approach to relations diverges from Liberalism because liberals place primary emphasis on formal structures and institutional relationships. However Liberals do agree that transnational agents value the utility of cooperation; especially in such areas as human rights, world health (in response to virus threats), environmental protection, space exploration, telecommunications and free trade. Jürgen Habermas complements the liberal perspective by applying his “Theory of Communicative Action” to international interactions. “In Habermasian ‘Communicative Action’ political actors do not simply bargain based on fixed preferences, interests and relative power; they may also argue questioning their own beliefs and preferences; remaining open to persuasion and to the power of the better argument” (Pollack, 2005, p. 2). By adopting a Habermasian Contractualism we can balance unique identity with solidarity as a result of extending the general will to a larger scale.

Contractualism, in this sense, would amount to globally applying the democratic principle (the principle advocates that determining the collective will is necessary for achieving the public good). Taylor believes that different groups, countries, religious communities, civilizations, (holding incompatible fundamental views) would come to an agreement on certain norms. Even if agents disagreed on why the norms are right they could still be content to live with an agreement

to cooperate (undisturbed by the profound differences of underlying belief). This approach is based on the classical Aristotelian model that Taylor describes as participational. “This form of global Contractualism has a better chance of resulting in global human well-being and global human flourishing” (Taylor, 1995, p. 3).

Conclusion

The article started by emphasizing the difficulty that power, interest and identity politics create for human interactions. The article goes on to describe how the European Union tends to ingeniously shift the basis of interstate interactions away from this focus toward shared heritage, normative agreements and common principles. Experience and observation in the former Soviet Union confirms that Eastern European identity discourses aligned with EU normative demands results in multi-level identities. Most Eastern Europeans are strongly aware of their cultural identity, have some sense of a national identity and have a realization of the significance of the supra-national level of identity. This minimizes feelings of a strong, somewhat exclusive, sense of a national identity. This phenomenon is particularly interesting given the experience of the small states in Eastern Europe (a history of oppression from foreign hands and, at times, near extinction).

The article argues that EU operating on the basis of a strong Constructivist Contractualism is the key to a stronger bonding between Europeans. The success of Europe’s attempt to allow free movement of citizens between states (thus increasing the challenge with diversity) relies on a shared appreciation for the principles of deliberative democracy. Europhiles anticipate that the Constructivist approach to IR will offset Modernity’s state-building processes of the early modern age which gave rise to a destructive notion of power.

The Constructivist sense of power (ideational sense of power) is believed to be more democratic because it allows actors to shape the nature of their interaction by means of discourse. There are increasing numbers of international relations scholars who believe the Constructivist approach to IR contributes not only to reconciling the internal debates within the field of IR but will also ameliorate relations between Particularists and Universalists.

The concluding claim is that Contractualism is an approach to deliberative democracy that can be extended to the global scale. Contractualism works to

promote the common good at the international level as it does for established democracies. Ultimately this would resolve the tension between Universalist and Communalist because existing democracies, communal cultures and other types of well organized societies exercise their sovereign freedom by deliberating to promote the greater common good. Thus agents at multi-levels would participate in a deliberative process of determining, on the basis of certain principles, how to realize certain values. This increases international cooperation while reducing clashes over conflicting interests.

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Legitimacy through Direct Democracy in the EU Member State: Direct Democratic Initiatives in the Estonian Parliament

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Abstract: *Legitimacy is particularly important in democracies since democracy's survival is ultimately dependent on the support of at least a majority of its citizens. One way of increasing both legislative drafting and legitimacy of the political system is to apply direct democracy (referendums) more widely – citizens consider referendums the most authentic and immediate way of expressing their will – therefore, decisions made by referendums have a substantially bigger significance than those made by representative power. The citizens are better informed and more involved in politics when they have direct-democratic participation possibilities in the political process. We can state that there is a growing trend of using direct democracy as a means of legitimizing aspects of the European integration project. In the decade between 1998 and 2008, twenty-four referendums were held on various aspects of European integration. At the same time the analysis of the actual situation in Estonia shows that holding referendums is sporadic and there are no mechanisms to legalize popular initiative. Therefore the referendum (or direct democracy in a wider sense) cannot be considered a guarantee for legitimate legal drafting as governing parties evade it, preferring legislative drafting in a traditional parliamentary way. The article deals with direct democracy which is legitimate according to the new constitution in the Republic of Estonia, one of the EU Member States that has witnessed direct democracy in the form of a referendum only once during its re-independence period (1992–2010). The referendum referred to above was directly related to Estonia's accession to the EU and held in 2003. A research of opinion polls conducted among the residents of Estonia reveals that there is significant interest in exercising direct democracy but most parties do not comply with this interest; each and every initiative*

in the parliament for direct democracy has been rejected, including legalization of popular initiative. Therefore the referendum cannot provide guarantees for legitimacy, for whether they will be carried out or not is directly dependent on the will of the governing elite. If there is no will, referendums will not be held.

Keywords: *direct democracy, elites, legitimacy, parties, referendum*

1. Direct democracy as a method ensuring legitimacy; direct democracy in practice

1.1. The matter of legitimacy in contemporary democracy

Legitimacy of laws and acts serves as a central issue in legislative drafting, accounting for a number of laws and norms; however, only properly legitimized laws and norms may have a truly regulative role. Thus legitimacy of laws and acts is a basic precondition for them to be effective. Legitimation in a wider sense is a process which explains institutional order or an explanation of ruling and vindicating, the outcome of which is the legitimacy of an order. Legitimacy refers to acknowledging political or broader social systems (orders, rulings). A distinction must be made between the legitimacy of political institutions and legislative drafting, although the two are interrelated. Also, the legitimacy of an institution is influenced by the legitimacy of legislative drafting performed by it, and the legitimacy of legislative drafting, in turn, by the legitimacy of a political institution. According to a positivist treatment (since Kelsen) legal legitimacy proceeds from its legality (being lawful): law, which has been drafted performing formal norms in effect, is legitimate at the same time (Příbáň, 2003); i.e. a law adopted by a competent body, for example, the parliament following the established order for laws to be approved, is legitimate (independent of the “value” of its content, in harmony with social values, etc.). At the same time the notion of legitimacy comprises several layers, involving various component parts; David Beetham (1991, p. 20), for instance, provides a model with both legal and “value” elements in inter-gradation (see Table 1).

According to the first criterion, the normativeness of a system as, for example, holding on to formally valid legal norms must be followed by implementing valid law; according to the second criterion, the normative system must comply with more widely spread beliefs (notions, values, etc.) in the society, whereas the tradition and people at large are the source of beliefs; according to the third criterion, people must express their consent on the governing regime –

and do it of free will (Beetham, 1991, pp. 95–97). We can agree with Matteo Dogan (2003) in that legitimacy is particularly important in democracies since a democracy's survival is ultimately dependent on the support of at least a majority of its citizens; it holds that at least a majority must deem it legitimate. Hence, without granting legitimacy by people, a democracy would lose its authority. It is necessary for political legitimation to be, first and foremost, mass legitimation, i.e. all eligible people (unlike, for example, traditional society, which granted it only to the privileged) can take part in shaping the will; participation may assume several forms: for instance, through employing both active and passive voting right. For example, legitimacy is claimed through a democratic system of elections.

Table 1. *Criteria for legitimacy according to Beetham 1991*

	Criterion for legitimacy	Type of non-legitimate authority
I	Conformity to rules (legal validity or legality)	Illegitimacy (breach of rules)
II	Justifiability of rules in terms of shared beliefs	Legitimacy deficit (discrepancy between rules and beliefs)
III	Legitimation through expressed consent	Delegitimation (withdrawal of consent)

One way of increasing both legislative drafting and legitimacy of the political system is to apply direct democracy (in the form of referendums) more widely (Gallagher, 2008, p. 254). The supplementation of deliberative mechanisms of representative democracy by institutions such as the initiative and the referendum would encourage public debate on particular political issues (Setälä, 2006, p. 703).

David E. Butler and Austin Ranney (1994), researchers of referendums, note that citizens consider referendums the most authentic and immediate way of expressing their will – therefore, decisions made by referendums have a substantially bigger significance than those made by the representative power. This treatment states (not opening the notion of legitimacy, however) that the legitimacy of referendums is automatically bigger than the decisions made by representative authorities; at the same time referring to two principles among other things – participation (citizens'/electors' immediate participation in decision-making) and deliberations (the importance of deliberations on decisions to be made in referendums):

[t]he strongest single argument for referendums as a supplement to representative institutions is the fact that most people regard them as

the most authoritative, because the least mediated, of all expressions of the popular will. Therefore, in a system based on the principles of popular sovereignty, political equality, popular consultation, and majority rule, direct popular decisions made by referendums have a legitimacy that indirect decisions by elected representatives cannot match. (Butler & Ranney, 1994, p. 15)

The authors point out that it does not, however, mean that the decisions made in direct democracy were wiser just as all the decisions made in the political system should be directly democratic. The bigger legitimacy of a referendum lies in the fact that as people have directly participated in it, the outcome for them is more objective. Latest research also shows that “citizens are better informed and more involved in politics when they have direct-democratic participation possibilities in the political process. (...) Voter information is found to be to a substantial degree endogenous to the political institutions under which citizens live” (Benz & Stutzer, 2007, p. 139). The Matthias Benz’s and Alois Stutzer’s study confirms that referendums in different European states on the Maastricht Treaty, on joining the EU, and on the EU constitution “have substantially increased citizens’ factual information about the EU as well as their subjectively perceived level of information in the respective countries” (Benz & Stutzer, 2007, p. 139).

1.2. Conducting referendums against the international background

Although referendums impact positively on legitimacy, analysing it in practice indicates that they have rarely been used. Table 2 shows the frequency of referendums held in the world between 1945 and 2006 (Gallagher, 2008, p. 257). The table reveals that a referendum holds a political significance, first and foremost, in three countries of Europe – Switzerland, Liechtenstein, and Italy. The USA is also known for having actively used direct democracy, taking into account that although no nationwide referendum has been held, initiatives of direct democracy are possible in states (particularly in California). According to the Initiative and Referendum Institute (IRI) report on initiative use in the period of 1904–2009, different states have provided relevant initiatives for 2,314 times (particularly actively within the past decade); of them 942 or 42 percent proved successful (IRI, 2010). A peculiar feature of direct democracy in the US is that it applies people’s initiative, above all (Matsusaka, 2004, pp. 1–9).

We can, nevertheless, agree that there is a growing trend of using direct democracy as a means of legitimizing aspects of the European integration project. In the decade between 1998 and 2008, twenty-four referendums were held on aspects of European integration (see Table 3; Binzer Hobolt, 2009, p. 9). At large,

referendums constitute a direct way of letting citizens have a say in politics and enhance their engagement and support. In the context of European integration, direct democracy may produce useful indirect benefits, such as increased interest in and support for the integration process (Binzer Hobolt, 2009, p. 242).

Table 2. The number of referendums in countries 1945–2006

Argentina	1	Liechtenstein	66
Australia	26	Mexico	11
Austria	2	Netherlands	1
Belgium	1	New-Zealand	28
Brazil	7	Norway	2
Canada	1	Poland	7
Chile	2	Portugal	3
Cyprus	2	Russia	5
Denmark	16	Slovakia	9
Finland	1	Slovenia	12
France	14	Spain	4
Germany	0	Sweden	5
Greece	4	Switzerland	396
Hungary	5	Turkey	4
Ireland	28	Ukraine	1
Israel	0	United Kingdom	1
Italy	63	Uruguay	18
Japan	0	USA	0

Ireland's second referendum on the Lisbon Treaty in 2009 must also be included; in the first referendum (on 12 June 2008) the Treaty was rejected (53.2 percent voted against), so to approve the Treaty they needed a repeat referendum (on 2 October 2009 with 67.13 percent for the Treaty) (c2d, 2010). Nevertheless, the impact of referendums on the process of European integration is significant and a referendum is an instrument which helps to build the EU through an intergovernmental agreement. Fifteen of twenty-seven EU Member States organized referendums on EU membership.

There is a strong need for a theoretical explanation as to which kind of factors influence politicians to use a referendum, or vice versa, to avoid having one. The main approach comes from Arend Lijphart, who states that in practice referendums act as strengthening factors for the elite in power; they seldom occur, only if the

government holds it necessary to solve some constitutional or political problem *ad hoc*, or has a chance to win (Lijphart, 1984, pp. 203–204; Butler & Ranney, 1994, p. 221). Lijphart has classified referendums into two types (dual approach) on the basis of criteria proposed by Gordon Smith in 1976:

- 1) according to the initiator: controlled versus uncontrolled. The controlled referendum implies that the government decides on the initiation, time and question(s). The uncontrolled referendum stands for popular initiative;
- 2) according to the outcome: pro-hegemonic versus anti-hegemonic depending on the results which may favour the regime or not.

Table 3. Referendums on European integration, 1998–2008

1998	Ireland	Amsterdam Treaty (T)	R and B	56	61.7
1998	Denmark	Amsterdam Treaty (T)	R and B	76	55.1
2000	Switzerland	Bilateral agreements (T)	NR and B	48	67.2
2000	Denmark	Single currency (I)	NR and B	88	46.9
2001	Switzerland	EU candidature (M)	NR and B	55	23.2
2001	Ireland	Nice Treaty (T)	R and B	35	46.1
2002	Ireland	Nice Treaty (T)	R and B	49	62.9
2003	Malta	EU membership (M)	NR and NB	91	53.6
2003	Slovenia	EU membership (M)	R and B	60	89.6
2003	Hungary	EU membership (M)	R and B	46	83.7
2003	Lithuania	EU membership (M)	R and B	63	91.1
2003	Slovakia	EU membership (M)	R and B	52	92.5
2003	Poland	EU membership (M)	R and B	59	77.5
2003	Czech Republic	EU membership (M)	R and B	55	77.3
2003	Estonia	EU membership (M)	R and B	64	66.8
2003	Sweden	Single currency (I)	NR and NB	83	42.0
2003	Latvia	EU membership (M)	R and B	73	67.0
2003	Romania	EU membership (M)	R and B	56	89.7
2005	Spain	Constitutional Treaty (T)	NR and NB	42	76.7
2005	France	Constitutional Treaty (T)	NR and NB	69	45.3
2005	Netherlands	Constitutional Treaty (T)	NR and NB	63	38.2
2005	Switzerland	Schengen Agreement	(I)	56	54.6
2005	Luxembourg	Constitutional Treaty (T)	NR and NB	89	56.5
2008	Ireland	Lisbon Treaty (T)	R and B	53	46.6

Notes: M = membership referendum, T = treaty ratification referendum, I = single issue referendum, NR = non-required, R = required, NB = non-binding, B = binding.

As estimated by Lijphart, the majority of referendums are both controlled and pro-hegemonic; the government only employs these when useful; people's initiative is applied to a very limited extent. A long-lasting analysis of the process shows that despite backlashes the governing elite does not give up its aims, and the process will be repeated until reaching the favoured outcome. Lijphart also states that not all controlled referendums turn out to be government-controlled since governments do not always properly calculate the voters' support (Lijphart, 1984, p. 204).

Danish researcher Mads Qvortrup proposed an alternative approach and misrepresented Lijphart's bold assertion that referendums are "weapons in the hands of governments" (Lijphart 1984, p. 204). Qvortrup found (in a study based on the analysis of referendums in 1945–1997) that the pro-hegemonic controlled referendums only accounted for 15.9 percent of referendums studied, while the uncontrolled referendums accounted for more than 80 percent of the total number of referendums; the majority of referendums, 103 out of a total of 128, were "uncontrolled". Qvortrup (2000, p. 924) also remarks that most of the referendums have gone against the wishes of governments.

To sum up, although there exist clear democratic benefits for using referendums in normal politics, they are quite rarely used; despite the growing demands for referendums, no such constitutional changes that would have significantly increased the use of referendums at the national level have been recently made (Setälä, 2006, p. 718). Despite this statement, all referendums on the EU integration issues represent the bright side of the situation.

2. Regulation of a referendum in Estonia

Proceeding from the above standpoints I will look at how direct democratic ways are regulated in Estonia, a new EU Member State, and which practice has been used in applying direct democracy. For that, three dimensions should be considered: (1) legal framework; (2) willingness of the electorate to participate in the referendum; and (3) willingness of political forces (parties in particular) to apply direct democracy.

2.1. The legal framework of direct democracy in Estonia: analysis of the practice

Article 105 of the Constitution of the Republic of Estonia establishes that (1) any bill may be put to a referendum, including an amendment of the Constitution (Art. 163), or (2) other national issue may be put to a referendum. It is up to the *Riigikogu* (Estonia's Parliament) to decide whether to hold a referendum, and it cannot change the decision made nor declare it null and void. Any member, faction or commission of the Parliament has the right to initiate a referendum by submitting a respective bill. At the same time, however, issues regarding the budget, taxation, financial obligations of the state, ratification and denunciation of international treaties, the declaration or termination of a state of emergency, or national defence, shall not be submitted to a referendum (Art. 106 of the Constitution). The procedure for holding a referendum shall be provided by the Referendum Act. It is essential to point out that Section 4 of Art. 105, which invokes the dissolution of the *Riigikogu* after a negative decision by a referendum ("If a bill which is submitted to a referendum does not receive a majority of votes in favour, the President of the Republic shall declare extraordinary elections to the *Riigikogu*."), will considerably hamper the will of the Parliament to put the issue to a referendum (Annus, 2006, pp. 54–55). Legal scholars have drawn attention to the fact that Section 4 of Art. 105 of the Constitution will make the rest of the Article superfluous; no parliament would risk holding a referendum if the issue put to it may fail and new parliamentary elections may have to be held. Guy Carcassone, a legal scholar in constitutional expertise, expressed his opinion that most probably no referendums would be held thereafter (Merusk & Narits, 1998, pp. 39–40). The view has proved true in practice for there has been only one referendum since the Constitution came into force. The referendum was related to Estonia's accession to the European Union.

Let us have a closer look at these topics. Analogously to several other East-European countries that have joined the European Union, Estonia held the accession referendum in 2003. The referendum was held because with joining the European Union the Constitution of Estonia had to be altered – the Constitution in effect at the time would not have permitted giving up sovereignty. In the referendum of 14 September 2003, the text of the draft bill together with the question: "Are you in favour of the accession to the European Union and passage of the Act on Amendments to the Constitution of the Republic of Estonia?" were entered on the ballot, and boxes with options 'Yes' and 'No'. The results of the referendum may be summarized in the form of a table as follows (see Table 4; Mikkel & Pridham, 2004, p. 739):

Table 4. Results of the September 2003 Estonia's EU accession referendum

	Total	Registered voters (%)	Valid votes (%)
Registered voters	867,714	100	-
Votes cast	555,835	64.06	-
Valid votes	553,111	63.74	100
'Yes'	369,657	42.60	66.83
'No'	183,454	21.14	33.17

Note: 50 percent + 1 of valid votes required to make the referendum constitutionally valid.

Source: Estonian National Electoral Committee 2003.

Estonia was one of the last of the eight post-Communist EU enlargement countries to hold its accession referendum (on 14 September) due to fears that high levels of euroscepticism might endanger the result. In spring 2001, public opinion polls showed that a majority of Estonians were against joining the EU. These numbers improved over the course of 2002 – 2003, and the final result of the referendum was a solid vote in favour – 66.8 percent (with a turnout of 64 percent). All regions of the country supported accession, although the 'Yes' vote was lower in the mostly Russian northeast and the rural southeast (Pettai, 2004, pp. 997–998). According to the model created by political scientists Aleks Szczerbiak and Paul Taggart, the results of EU accession referendums appear to demonstrate that the key factors determining the results are the consequences of (a) underlying mass attitudes in combination with (b) cues provided by elites (Szczerbiak & Taggart, 2005, p. 753). The Szczerbiak–Taggart's model, established to assess accession referendums, cast the outcome correctly – the model pointed to a "guesstimate" for the 'Yes' vote in the region of 65–70 percent; this estimate was in line with the actual 'Yes' vote of 66.8 percent (Szczerbiak & Taggart, 2005, p. 759). The EU accession referendum in Estonia substantially increased the citizens' factual knowledge about the EU and the country's real political choices. Also it is clear that all mechanisms used in the process of referendum – debates, information sharing, actual participation in voting, etc. – helped to legitimize the decision and played an important role in the integration. The primary eurosceptical attitudes in Estonia were caused mainly by the lack of adequate information: the people did not understand the nature of the European Union and how membership could positively affect the fate of their homeland. The referendum in Estonia has increased the amount of information available about the EU and hence the opportunities for making informed policies. Through the years, Estonia has become one of the most "euro-optimistic countries" in the EU. As the last Eurobarometer survey (No.

73, Spring 2010) shows, the trust in the EU is most pronounced in Estonia where 68 percent of respondents tend to trust the EU. Historically, Estonia has been one of the strongest supporters of the EU membership, although Eurobarometer reported 10 percent fall to the 52 percent of support EU membership (EU27 = 49 percent; Estonia in Eurobarometer No. 72, Autumn 2009, 62 percent) (Standard Eurobarometer Report, 2010).

The Estonian EU integration referendum is a successful example of the legitimizing power of a referendum.

2.2. Proceeding with direct democratic initiatives in the Parliament

Despite the fact that there has been one referendum in Estonia, the Parliament has repeatedly tried to use direct democracy or apply new types (for example, legalize popular initiative), all the attempts have failed because of the governing parties' opposition or lack of interest. The processes are briefly as follows:

- 1) To apply the Constitution it was adopted together with a respective act ('The Constitution of the Republic of Estonia Implementation Act') in 1992. Section 2 of Art. 8 of the referred act establishes that "[t]he right to initiate amendment of the Constitution during the three years following the adoption of the Constitution by a referendum also rests, by way of public initiative, with not less than ten thousand (10,000) citizens with the right to vote". An act to specify the procedure was not adopted. In 1994, the total of 10,632 Estonian citizens with a right to vote initiated a draft act on amending the Constitution. The draft act contained a proposal to amend Art. 28 of the Constitution and fix the retirement pension pursuant to the contribution of work, and Art. 56 of the Constitution by amending it with the provision that the President be elected directly by the people. The Riigikogu rejected this draft act from proceedings without deliberation in the autumn of the same year (32 votes for, 3 against, and 4 impartial) (Leps, 1999, p. 461).
- 2) Legalizing popular initiative – amending the Constitution in the way that people's initiative would also be implemented. In the parliamentary proceedings there is the draft act 'An Act to Amend the Constitution of the Republic of Estonia to Include Popular Initiative' (No. 210 SE II-1). The draft act was initiated by 24 deputies of the Estonian Centre Party on 28 February 2008 and passed the first reading. The draft foresaw the amendment of the Constitution so as to grant at least 25,000 citizens with a right to vote the right to initiate an act. Thus the proceeding would start automatically, i.e. after signatures have been collected and handed over. It

would not be possible to change the budget, taxation, financial obligations of the state, ratification and denunciation of international treaties, the declaration or termination of a state of emergency, or national defence matters by way of a popular initiative (these cannot be amended by a referendum either); and neither can the Constitution be amended by way of a popular initiative. We have to do with a third attempt to submit the draft act, the previous members of the *Riigikogu* (10th parliament) rejected the draft act twice – Draft Act 109 SE, initiated on 7 August 2003, and Draft Act 562 SE I, initiated on 20 January 2005.

- 3) The 9th parliament proceeded with two draft acts in addition to the referendum on European Union accession and on the amendment to the Constitution, and these were aimed at holding a referendum – the decision of the *Riigikogu* on ‘Draft Act on Amending Act to the Constitution of The Republic of Estonia on Article 79 to Be Put to Popular Vote and to Hold a Popular Vote’ (legalizing direct presidential elections), Draft Act 182 OE, initiated on 20 September 1999, rejected; the decision of the *Riigikogu* on ‘The Matter of Privatizing Narva Elektri Jaamad Inc. Being Put to People’s Vote’ (aiming at hampering Estonian electric power plants to be privatized by international investors) initiated on 21 September 2000, withdrawn as privatization failed.

At the time of the 11th parliament the draft act (87 OE I) of 13 August 2007 on the decision of the *Riigikogu* ‘Holding a Public Vote on the Republic of Estonia Participating in Developing Nuclear Energy at Ignalina Nuclear Power Plant’ was pending for hearing, rejected.

- 4) Legislative drafting was tried in the Parliament also in 2009 when a faction of the Centre Party of Estonia submitted the Board of the *Riigikogu* a draft bill on decision ‘Holding Popular Vote on Holding Extraordinary Elections of the *Riigikogu*’ with a letter of explanation, but it was not brought to hearing by the Board of the Parliament. To seek justice, the faction of the Centre Party of Estonia turned to the highest court in Estonia, the Supreme Court; the latter, however, held a view that it was entirely justified that the draft bill had been suspended from hearing (Supreme Court of Estonia, 2009).
- 5) In 2007, the Estonian Green Party got into the parliament through parliamentary elections. While in the course of election campaign and in the party programme direct democracy was referred to as one of their priorities, their only contribution so far has been to submit one draft bill, that of local popular vote or referendum (Draft Act 477 SE II-1), initiated on 22 April 2009. According to the letter of explanation to the draft bill by its initiator, the aim of the draft bill is to enact local popular initiative, in both submitting new bills and veto the acts in force, and in legalizing

popular vote mechanisms they see the opportunity for the people of local governments to participate in decision-making processes of local governments, and, by doing so, reduce people's estrangement from power and governing processes (Act of Local Popular Vote, 2009). Hereby it is essential to note that the act, first and foremost, regulates regional life and therefore it does not enact a nationwide referendum or nationwide popular vote.

2.3. Different views of the Estonian electorate and parties in matters of direct democracy

Above I have pointed out opinions, expressed in theory, according to which a referendum will have a positive impact on the legitimacy of legal drafting and performing power in a particular country. A comparative research conducted in the Baltic States, including Estonia, confirms that residents would like referendums to be held more frequently. I hereby refer to a research conducted at the University of Strathclyde in 2004, titled 'New Baltic Barometer VI: A Post-Enlargement Survey' (see Table 5), which researched the attitudes of people in the three Baltic countries on various political issues (Rose, 2005, p. 28).

Table 5. Attitudes of people in the three Baltic States on applying referendums

Question D6. Do you think it would be a good idea if referendums were held frequently so that you could vote for or against major changes in the law? (Scale: 100 percent)						
	Lithuania – Lithuanians	Lithuania – Russians	Latvia – Latvians	Latvia – Russians	Estonia – Estonians	Estonia – Russians
Definitely agree	11	22	13	14	20	22
Somewhat agree	25	28	35	49	41	44
Somewhat disagree	34	22	29	21	23	19
Definitely disagree	20	12	15	7	4	8
Don't know	9	16	7	8	12	6

The research revealed that a notable amount of people in Estonia are interested in direct democracy and would like to take part in decision-making processes through referendums. The view – alas! – is not shared by Estonian political parties. Leaders of the parties heading to the Parliament make up the governing

political elite and it is up to their attitudes whether and how direct democracy will be applied. International research (e.g., Kriesi, 2006) reveals that the political elite play a crucial role not only in representative systems but also in direct-democratic processes. For example, on the basis of the Swiss experience, the empirical analysis shows that the outcome of the direct-democratic vote heavily depends on the issue-specific configuration of power in the political elite, and that consensual elites readily get their way, but that the situation is more complex when elites are divided; the coalition formation among political elites is a key determinant of the outcome of direct-democratic votes (Kriesi, 2006, p. 599). Political parties can play a significant role in determining the outcome of referendums – “having a (coherent) message and staying on message, thereby reducing the ambiguity of cues, are simple, but surprisingly infrequently applied, prescriptions for party control and success in referendums” (de Vreese, 2006, pp. 594–595). A relevant mechanism in the hands of parties is not to pass on matters to be decided by a referendum.

In Estonia, power granted by the Constitution is organized by way of representative democracy, allowing, though, to hold referendums. It is noteworthy that Estonian parties have expressed their attitudes to direct democracy by distancing themselves from popular opinion. The analysis carried out by the author of this article on the programmes of Estonian political parties revealed that the majority of party programmes lack a view on direct democracy or they support representative (parliamentary) democracy. The Estonian Green Party, a minor party, consistently demands direct democracy to be applied; their programme establishes, among other things, that citizens must be involved in decision-making processes in times between elections as well, legalizing the right to initiate nationwide or local referendums. The party has also established inner-party direct democracy, and leaders of the party have promoted direct democracy, introducing a communal form of social organization through the press. The Centre Party of Estonia also supports popular initiative to be legalized (at the same time the party programme lacks a view on it) and so does the minor party People’s Union of Estonia Estonian Reform Party, and Pro Patria and Res Publica Union, right-wing parties that have governed Estonia for a considerable time, have a negative attitude towards direct democracy (see Table 6).

Table 6. Estonian political parties' attitudes towards direct democracy

Party	Programme's position to the form of democracy (including direct democracy)	Underlying ideology of the party	Number of delegates (101 members in the Parliament)
Pro Patria and Res Publica Union (after the merger of two right-wing parties Pro Patria and Res Publica in 2006)	Supports representative democracy	Right-wing ethnic-conservative, neoliberal economic policies	1999–2003: 18 2003–2007: 28 (+7) 2007–2011: 19
Estonian Green Party	Along representative democracy considers it important to introduce direct and participatory democratic mechanisms	Right-wing: combined with attitudes to environmental protection	1999–2003: lacked 2003–2007: lacked 2007–2011: 6 seats
Estonian Reform Party	Supports representative democracy	Right-wing: liberalism, neoliberal economic policies	1999–2003: 18 2003–2007: 19 2007–2011: 31
The Centre Party of Estonia	Supports representative democracy ('parliamentary democracy')	Centrist party, with leftward tilt in economic	1999–2003: 28 2003–2007: 28 2007–2011: 29
Social Democratic Party	Supports representative democracy	Left-wing: liberalism	1999–2003: 17 2003–2007: 6 2007–2011: 10
People's Union of Estonia	Supports representative democracy, but considers it necessary to legalize popular initiative both on the level of the country and local level	Right-wing: agrarian-conservative, right-wing economic policies	1999–2003: 7 2003–2007: 13 2007–2011: 6

Source: Party programmes and the data of Estonian National Electoral Committee (1999–2010).

A generally negative attitude of parties to direct democracy may be related to problems within the political and party system of Estonia. The Constitution of Estonia enacts proportional political system while several political scientists have indicated that Estonia is among the countries with widely spread majoritarian rather than consensual politics and decision-making style. Very plainly put, the majoritarian style stands for winner-takes-all logic or the “road roller” strategy. It is not as much the matter of parties in power not negotiating with the opposition in an attempt to find as great public approval of the politics designed, as the general style of policy-making characterized by communicating from the position of power and getting wrangled. Seeking consensus is considered a sign of weakness. Conflicts and confrontations are not to be avoided. In this sense Estonia contrasts with the Scandinavian countries and Finland that have made consensual politics their standard (Kalev & Saarts, 2009). In addition, in terms of Estonian political system it must be taken into account (on the basis of conclusions to the ‘Power balance of the management board and the parliamentary faction in Estonian parties in 1997–2007’) that the internal organization of Estonian parties reflects features characteristic of a cartel party. In Estonian parties the memberships of managing boards and party factions overlap to a smaller or larger extent, statutory and *de facto* control by the management board over the activity of the faction has always been reinforced and facilitated by the fact that resources have become more concentrated under the control of the management board. A parliamentary faction has been largely reduced to Myrmidons (Kangur, 2009, p. 89). In such a situation the governing elite does not consult the opposition, not to mention delegate decisions to be made on a referendum; initiatives started in the Parliament to apply direct democracy in running the state have been rejected as a rule.

Conclusions

Topics related to direct democracy have recently attracted increasing interest in the European Union. It has largely been connected with EU integration processes and EU Constitutional Treaty. It is known in theoretical works that direct democracy impacts positively on both political power and legitimacy of legislative drafting. Direct democracy is also topical in Estonia, an EU Member State, in matters related to submitting respective draft bills as well as parliamentary deliberations. In practice a very obvious tendency is expressed – more influential parties represented in the Parliament are not interested in applying direct democracy, and are rather having a negative attitude. The Constitution of Estonia allows holding referendums but it has been held only once – the EU accession referendum in 2003

– and it has remained an exception. In principle, it is a situation peculiar not only to Estonia; representative and direct democracies have so much tension between them that, as a rule, authorities of representative democracy are not interested in applying direct democracy or, unfortunately, do so very rarely.

Therefore, it is highly desirable to increase legitimacy of the political system or legislative drafting through referendums: as the Benz and Stutzer study confirms, the referendums in different European states on the Maastricht Treaty, on joining the EU, and on the EU constitution have substantially increased citizens' factual knowledge about the EU. The same phenomenon occurred with the Estonian EU accession referendum – it substantially increased citizens' factual knowledge about the EU and the country's real political choices. Also, it is clear that all mechanisms used in the process of referendum – debates, information sharing, actual participation in voting, etc. – helped to legitimize the decision and played an important role in Estonia's integration in the EU.

Estonia's political parties and the *Riigikogu* have a chance to legalize the popular initiative, as well as set up referendums more frequently. As the research conducted at the University of Strathclyde in 2004 (Rose, 2005) showed, the attitudes of the people in the Baltic countries, including Estonia, are very positive towards direct democracy; it is therefore possible to build a bridge between public expectations and legitimate exercise of power by referendums.

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EU's 'Mango Salad' Policy towards Belarus: A *Commentaire* from an Economic Perspective

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Abstract: *EU's approach to Belarus does not reinforce a long term democratization process because it fails to consider the share of population likely to depend on a low-qualified Soviet-type economy. Stable democratization is more likely to occur if the average Belarusian is enabled to compete in a qualified Western type of economy, otherwise strife may be used by Russia to put in power someone loyal to Moscow. Although the last major oil dispute has cooled down and Lukashenko is not as desperate to abide by EU's demands, he is still in no position to refuse aid focused on boosting competitive levels, particularly in technical fields. Not only does this diminish the very real possibility of an increased oppression, it also improves the odds of a transition towards democracy.*

Keywords: *Belarus, democratization, Eastern Partnership, EU, European Union, geopolitics, neighborhood policy, Russia*

Introduction

Without the income from bargain gas from Russia, Belarus risks to lose the capability to keep its internal – Soviet-style – industry running. The European Union sees this as an opportunity to harvest opposition to Lukashenko's – or, Aliaksandr Lukashenka's, to be strict about the spelling – regime. The problem is that the path of action taken to reinforce Lukashenko's problems is a weird combination of a modernization strategy and an institutionalist approach. This is much like preparing a mango salad: only someone aware of how individual ingredients interact can obtain a good result, otherwise things are likely to end in a disaster.

Very generally, this 'mango salad' policy towards Belarus comes from three beliefs that could make sense separately, but are not likely to be implemented successfully in a series. First, Lukashenko's position can be undermined by economic difficulties, something that can be best described as reverse modernization. Second, once he is out or accepts the European ways, institutions will develop to sustain economic development, clearly an institutionalist belief. Third, the resulting economic development will reinforce democracy, which is pure and simple modernization theory. Unfortunately, it does not look like the implementers fully comprehend the pitfalls of such a combination.

By no means does this critique claim that the solution is obvious. Quite the contrary, the idea is to remind us that we cannot take anything for granted when we talk about democratization. Democratization is something where, quite literally, anything can happen. The issues are so complex that we are still trying to fully explain why the fourth wave of democratization is almost an antonym of the third wave (McFaul, 2002). Unfortunately this adds a complication to the situation in Belarus, it fosters a lack of interest at every level: politicians do not like to put their careers at risk for something that may turn into a tragedy, academics do not like to talk about something that may end up being proven incorrect, and media has no interest in touching upon something that neither politicians nor academics care for. Not having a recipe for democracy, debate is the one key element to a successful process. It is debate that allows [relatively] fast policy changes needed to keep up with an ever-changing situation.

Make no mistake, it is not like nothing has been written about Belarus; there are authors that are doing a great job on the topic. Not being an exhaustive list, Marples (2006), Leshchenko (2008), and Korosteleva [Elena] (2009b) studied the variables that have allowed Lukashenko to maintain his grip on power. Bosse (2009), Korosteleva [Elena] (2009a), and Bosse and Korosteleva [Elena] (2009) addressed the challenges and limits of the EU policy towards Belarus. Korosteleva [Julia] and White (2006) did a study on the level at which Belarusians considered themselves Europeans. Marples (2009) directly addressed "the failure of democratization in Belarus" and, finally, Korosteleva [Julia] and Lawson (2010) went into the financial background. Nonetheless, the topic is, to use the words of one of the above authors, "understudied" (Korosteleva, 2010).

Trying to stir up some controversy around the topic, notwithstanding the coherence it does have, the paper is extremely short and simple, aiming to convey a point in a very casual manner and intentionally hoping to provoke a reaction, whether support or critique. Some academics will certainly frown at

this, particularly at the shortness of the sections and at the writing style. They may be right, but the intention is to bring together the academic and practical (political) levels, thus the casual style combined with the academic methodology are meant to seek the best of both levels: a scientific ground for the debate and the interest generated by explaining something in a fresh manner.

Methodologically speaking, arguments on democratization usually depart from an econometric perspective, using data and statistics to arrive at a conclusion. This article takes a more theoretical approach, also a very valid method. In this sense, a theoretical foundation will be combined with the situation in Belarus and a synthesis will be arrived at thereon. Finally, in terms of the logical sequence, the article is also very straightforward. It first explains why low-qualified sectors are such a delicate variable in this particular case; second, it gives a very focused explanation of Lukashenko's grip on power and the challenges he is now facing; and third, it explains how EU's approach seems to oversee key things, being naive in the practice.

In regard to this last point it is important to recall some very important things. The most notorious one is that the latest strategy, as explained very well by van Elsuwege (2010) does aim for a more integral two-track approach in which one track looks to improve democratic conditions while the other track aims to foster public participation by improving the general environment. The problem is that tying the constructive track to the fulfillment of conditions leaves the final result inclined towards conditionality at the macro level rather than towards a micro-level constructive engagement.

As van Elsuwege (2010, p. 17) noted, "the problem regarding Belarus is clearly the absence of sufficiently attractive incentives, on the one hand, and the high political power costs of complying with democratic and human rights rules, on the other hand". Nevertheless, his solution is, at least for the present author, too optimistic as van Elsuwege ultimately considers "the main challenge (...) is to convince Moscow about the importance of a more democratic state system in Belarus" (Elsuwege, 2010, pp. 17–18). Clearly the present author thinks such a solution unviable: neither Moscow nor Minsk seem even remotely interested in democracy. The difference is that Minsk is in a position in which it may open space for initiatives through which a better society can be built, but capitalizing on that opening requires a realistic approach.

The temptation to ignore economic realities

On the political spectrum, the EU has tried to catalyze change in Belarus by all means possible; nevertheless, a full discussion on the many attempts would be out of the scope of this article. On the economic spectrum, the departing point for EU's policy is the very real fact that President Lukashenko will only accept openness if the economy – historically his political horse – is on the verge of collapse; thus, giving him space to maneuver is rejected as it would only help him to stay in power. EU hopes that if Lukashenko falls, the country will follow the same path of Eastern European countries like Estonia, Lithuania or Latvia. But before jumping to conclusions, one must remember Lukashenko has mastered mechanisms for “subduing society” by impeding any information flows and access to education (Silitski, 2005, pp. 33–34), particularly the inflows of information into the country, whether from Europe or from Russia (Trenin, 2005, pp. 74–75).

It is not realistic to expect that workers received more than the minimum knowledge required for their particular task. Truth be said, this is not a problem in itself: former Soviet republics had a similar issue with non-qualified sectors and managed to make a satisfactory transition. But, Belarus is nowadays a nation in which citizens feel relatively satisfied with their standard of life (Gradirovski & Esipova, 2008). A society accustomed to totalitarian ways, faced with the loss of [perceived] benefits they take for granted, and unable to successfully compete in a highly qualified arena sounds like a recipe for disaster.

There are two *considerandums* of extreme importance that support this idea. The Stolper–Samuelson theorem states that low-skilled workers in developed economies are at a disadvantage over the equivalent sector in less developed economies – namely, because they both produce at the same level, but the ones in less developed countries do it cheaper (Brackman *et al.*, 2006, pp. 382–385). One might think Belarusians have a decent chance: they are relatively less developed when compared to other European actors and could attract investment by being cheaper. However, to be cheaper you actually need to sell cheaper, which would mean a drastic reduction of Belarusian standards of living. Secondly, it is known that technology can easily replace workers in manufacturing industries, sectors composed greatly of low-skilled workers (Brackman *et al.*, 2006, pp. 386–388). Not having the qualifications to enter qualified industries, the incorporation of more efficient methods of production will also mean an important disimprovement of living standards.

Given the importance Lukashenko has given to suppress information exchanges – likely creating an economy of low-skilled workers – , given that Stolper–Samuelson indicates that the only way to compete would be by lowering living standards, and given that it is likely many under-skilled workers would be displaced by technology, ignoring Belarus’ economic reality seems reckless. If change comes via Lukashenko being unable to satisfy economic demands, it is unlikely that Belarus can become Westernized without inflicting on its citizens, especially those loyal to Moscow, a heavier than tolerable toll. Of course, even the author is tempted to think there should be a point before chaos at which Lukashenko will break, but betting on such a thing is betting on Lukashenko being less of a dictator today than he has proven to be before.

Dictator in trouble

In 1994, Lukashenko won the presidential elections that many hoped would set the precedent for further democratization. This did not happen. In 1995, Lukashenko launched a reform program aiming to develop a “market socialism”, a program that included price and exchange controls and gave the state the arbitrary right to intervene in private initiatives (CIA, 2010). Since then, he has tightened his grip on all spectra of totalitarian ways, as described by the German Marshall Fund:

Democratic decision-making, elections and the rule of law are mere façade, while an elaborate police apparatus infringes massively on human, civic and political rights and suppresses criticism, democratic opposition and independent initiative. Free media have been replaced by a state-run propaganda machinery as primary source of information for Belarusian citizens, and grass-root civic groups have been superseded by top-down and state-sponsored social organizations. The economy, too, is controlled by the state, which thus appropriates the resources for far-reaching re-distributive policies and offers modest welfare to its citizens, yet on the condition of their refraining from any open political criticism. (Forbrig, 2006)

Lukashenko has managed to gain important support from the population, aided by oil provided by Russia at bargain prices (Bruce, 2005, p. 1), which enabled him to keep his re-distribution machinery working. This has allowed him to provide the average Belarusian with an acceptable minimum standard of life while securing his position by building a “formidable state security apparatus”

(Shepherd, 2007). In addition, the geopolitical importance of Belarus makes Russia fear it walking west, whilst it also makes EU fear it getting even closer to Russia. Lukashenko has used such particularity to secure himself the bargain oil from Russia whilst greatly ignoring EU's demands for democratization and respect of human rights, achieving a *de facto* legitimacy in the international arena.

But there is always a point where all patience runs out, and all the gas disputes that Belarus has had with Russia, which would take a full book to develop, simply went beyond this point. One must consider that the gravity of the 2006–2007 oil dispute was such that it is believed to have been ended by Putin offering Lukashenko a choice between two very extreme options.

The first was integration akin to that of the European Union, with some shared political structures but with proper commercial relations (e.g., no guarantee of energy subsidies). The second was for Belarus to be incorporated fully into the Russian Federation (...) subject to Russian law. (Bruce, 2005, p. 8)

Even if the above is not a fully accurate version of what happened behind the scenes, it is undisputable that Russia decided to gradually raise Belarus gas prices up to market prices.

Prices moved from \$47 per tonne in 2006 when the European average market price was \$230 (Whitmore, 2006), to \$100 in 2007, \$128 in 2008 [Europe: \$350], around \$150 – depending on market fluctuations – from 2009 to 2010 [Europe: *ca* \$260], and the final hit is set to happen in 2011 when the pricing arrives at 100% of market price (Shchedrov, 2008; Mosolova & Makhovsky, 2008; RIA Novosti, 2009a; 2009b). Furthermore, not only did the prices go up but Lukashenko was forced to sell 50% of Beltransgaz to Gazprom, losing his most important bargaining chip – the ownership of the piece of land through which pipelines run. There are indications that relations between Russia and Belarus are going back to normal (Dura, 2008, p. 6) and it would not be a surprise if Russia gave a symbolic discount at some point. Yet, it seems unlikely that things will be as easy for Lukashenko as they were before.

Aside from oil sold to Europe, a fast overview of Belarusian economy shows four other important elements. A refinery industry that mostly sells to Netherlands and England, a transit network that crosses Belarus and connects Central Europe to Russia, a small and marginally competitive internal economy that satisfies basic needs, and an exporting sector – mainly agriculture – that benefits from preferred access to Russian markets for being part of the CIS. Outside of these

relatively successful things, 40% of companies in the country are artificially kept alive in spite of operating with losses, and the country is not considered to have enough internal resources to sustain its economy without the oil advantage (Silitski, 2005, p. 38).

Mango salad

Needless to say, Europe was presented a golden opportunity as Lukashenko will face many medium- and long-term challenges he will not be able to overcome without new sources of income. On the practice, EU's exact view reads as follows:

Belarus has the opportunity to be an active partner of the EU in the framework of the European Neighbourhood Policy (ENP), provided that the country embarks on fundamental democratic and economic reforms to bring the country closer to European common values (European Commission, 2009).

Since the term 'fundamental democratic reforms' most commonly refers to free and fair elections, EU's policy could not be more clear – democracy or nothing.

This policy is defended on the grounds of the belief that once Belarus opens to European markets, this very same openness will help Belarusians build a highly qualified economy. This is not such a bad statement in itself, but once Belarusian particularities are considered it becomes a risky approach. Here the one thing that is being forgotten is that, although Belarusian economy is that of an underdeveloped nation, its citizens enjoy an artificial level of living standards. This makes EU's policy a bad conception of modernization theory, combined with a poor understanding of institutionalist theory. Why?

Starting with the institutionalist features, it is true that Belarus lacks the basic institutions to support economic liberalization, but it is not true that people are starving. Being unlikely that Lukashenko accepts full liberalization and democratization at once, hardship from the loss of Lukashenko's economic platform will offset the benefits from liberalization. In the eyes of the public, a small increase in the democratic level of the country will be accompanied by a small decrease in the economic conditions. Building democratic institutions while suffocating Lukashenko by hindering economic development may be seen as if the very same political institutions are causing the loss of income, which is certainly not helpful.

Furthermore, Huntington (1968) defined institutionalism according to a basic conception of balancing economic development with institutional order. He discovered that if the economic mobility exceeds what the political institutions can orderly process, the society is likely to fall into chaos. Even if the loss of benefits is not enough to cause strife, EU's policy looks to introduce incipient democratic institutions that will not be able to handle the already existing economic development. Following Huntington, the probabilities that chaos will emerge are not low.

If the institutional approach is to be applied, the institutions need to be harvested from the already existing status quo. This also means that the economic standards need to be maintained, which means that democratic institutions need to be developed from the micro-agent – the average Belarusian – and not be imposed from above. Of course, this solution is hard to sell: developing a sense of democracy in the minds of the people is a very difficult long-term objective.

Yet another big flaw in EU's policy is the little importance given to the actual theory of modernization. Belarus accounts for a GDP per capita of over \$10,000 (CIA, 2010), long past the line at which democratization theorists have found totalitarian regimes become stable (Przeworski & Limongi, 1997, p. 160). Even if the economy went into such a recession that the GDP fell over 30% taking it to \$7,000 per capita, it would still be extremely likely that the regime would remain a dictatorship. For an actual statistical chance for democracy to come out of the current situation, the economy needs to fall over 50%.

Thinking that such a drop in living standards can happen without sparking a real conflict is naive at best. This is particularly disconcerting when one considers that if Belarusians “were to choose between economic well-being and independence, well-being comes first: 65 per cent agreed compared with 24 per cent who disagreed” (Korosteleva, 2009b, p. 338).¹ Moreover, the importance attached to nationalism in Belarus, where Lukashenko just needed to appeal that “Belarussians are the best Russians” to boost his approval rates in figures of 10 to 15% (Aslund, 2004),² indicates that nationalist campaigns from pro-Russian groups could find a receptive audience.

Thus, on the matter of people's will towards modernization, the idea that Belarus would walk West once Lukashenko is gone is a bold assumption. The moment the situation gets bad enough for social uprising, Lukashenko will be blamed for losing control of the economy and the good relations once held with Russia.

¹ Similar figures are also given in Korosteleva 2009a, p. 241.

² The phrase can be found also in the form "Belarusians are the same as Russians, but of a purer vintage" (Leshchenko, 2008, p. 1422).

Should Lukashenko lose power over economic pressures, the easiest path back to wealth would be to replace him with a figure more loyal to Moscow. All that Russia needs to do is to restore access to cheap gas and condition it to who is in power, most likely not someone inclined towards democracy, certainly not a “Westernizer”. Should Russia move on in this direction, the message will be clear: if Belarus walks West, even as little as Lukashenko did, gas will be gone; if gas is gone, money will be gone. Such an event would make EU policy the ultimate irony, making it the final push for Belarus to move back to the ‘motherland’.

Finally, another bold assumption is that creating opposition leaders by exalting the economic threats is beneficial. Most unfortunately, this has sometimes taken the form of a ‘Pick the Winner’ practice, long proved, particularly in the Middle East, to be a recipe for further conflict. This can be seen when the EU bans Lukashenko from entering the Union, which by itself is necessary, but at the same time it awards Milinkevich, the strongest opposition leader, the Sakharov Prize for freedom of thought (Shepherd, 2007). True, EU’s version of ‘picking the Winner’ does not carry the militarization that characterized Iraq, Iran, Afghanistan, Israel, and many other countries, but in essence it is not different.

This tactic of exalting particular figures or discontents focuses the “want” for democracy on the need of taking out Lukashenko, but not on the will for a democratic system. If the economy actually cracks to a point that it gets bad enough for the opposition to gain sufficient public support, leaders like Kozulin and Milinkevich will be either forced to take a more revolutionary role or will have to flee the country, facing political retaliation. Not to mention that the only guarantee that opposition leaders will not become dictators is to focus on the will for democracy as such, and not on whoever says to be its temporal embodiment.

Conclusion

It may be true that things have changed since the oil dispute addressed here, but they have changed in the direction of continued conflicts, almost on a year-to-year basis. Perhaps what has worsened Lukashenko’s predicaments the most is the issue of the recognition of Abkhazia and South Ossetia. Truth be said, Lukashenko has been under extreme pressure from Russia to recognize these regions as independent countries, both under and over the table (EurasiaNet, 2009a). In fact, he was even offered \$500 million from Russia to recognize

them (EurasiaNet, 2009b; Reuters, 2009). Yet he has avoided doing so because EU made clear this “would create a very, very difficult situation for Belarus” (Lobjakas, 2009).

It could not be clearer Lukashenko knows it would be unwise to anger the EU. Yet he also knows that he depends on Russia to stay in power and can neither anger the Kremlin. For example, the crisis created by the ban of dairy imports from Belarus to Russia, an episode many called the ‘milk war’ (Barry, 2009; Chochia, 2009) and explained as a retaliation for not accepting the independence of Abkhazia and South Ossetia (Chochia, 2009), reminded Lukashenko how much he depends on Russia at all levels. But there is another side to this coin, and that is Russia’s incapacity to fully corner Lukashenko into supporting the Kremlin; in this sense the present author completely agrees with Chochia as he writes:

Kremlin leaders well know that too much pressure on Belarus could leave Lukashenko with no choice but to sustain close cooperation with the EU and move away from cooperation with Russia and its satellites from the Commonwealth of Independent States (CIS), which essentially would weaken Russia’s geopolitical positions. But at the same time Russian leaders know that Belarus very much depends on Russia, as described above, and it will be extremely difficult for the country to have its relations with Russia closed down. (Chochia, 2009, p. 98)

The fact that Russia takes every opportunity to remind Lukashenko of its responsibilities was once again clear during the January 2010 oil dispute which only helped to appreciate the “growing rift” between the two (Kramer, 2010). But then, not long ago, Medvedev, allegedly quoting Lukashenko, declared that the latter had agreed to recognize Abkhazia and South Ossetia (RIA Novosti, 2010), upon which Lukashenko clarified “that he said Belarus could recognize the independence of South Ossetia and Abkhazia but it first had to consider the consequences of this act” (Novinite.com, 2010); or in other words, that he would continue to delay a decision on the matter. Declarations like that by Medvedev followed by an answer like that by Lukashenko only emphasize that Russia must sometimes face embarrassment because it cannot escalate past a certain point, at least not without risking Lukashenko walking West altogether.

Given this mutual predicament that both Moscow and Lukashenko have, what continues to be true is that Lukashenko knows he is in a tight corner and thus his immediate actions will be driven by self-protection. For example, at the beginning of this year he moved to “diversify away from Russian oil supplies”

(BelarusDigest, 2010) by buying oil from Venezuela. How long will he be able to keep playing this dangerous game is a real mystery, Russian actions are not famous because of being predictable and, literally, anything can happen.

But so far, at least while not recognizing Abkhazia and South Ossetia³, Lukashenko has continued to stay close to the West because it seems less immediately threatening than the Eastern option. Therefore, right at this moment, the EU is right in seeing Lukashenko's predicament as an opportunity to improve the respect for human rights and democracy. Furthermore, it is also right in seeing the situation as a signal to corner Lukashenko into liberalizing the economy, and right again in wanting to improve the stability in its neighborhood. But trying to achieve the three objectives using the same recipe does not seem like the best strategy when giving any importance to all the considerations explained thus far.

Korosteleva [Elena] (2009b, p. 336) noted that "the focus of any intelligible discussion of regime change should primarily be on the internal environment and the factors that nurture the endurance and consolidation of an authoritarian regime". The logic behind this paper is basically the same: a regime change strategy that ignores the internal environment misses half the picture. In this case, the article focuses on some economic *considerandums*, but quite certainly much could be said on the cultural and political level. Whether seen from a modernization or from an institutionalist perspective, the theoretical contradictions noted throughout the paper make the current policy a risky gamble.

For it not to be a gamble, the EU needs to either pick which of the three objectives (ousting Lukashenko, having stability, or liberalizing the economy) it likes the best, or implement multiple [independent] policies to address each objective as a separate endeavor. All in all, the worse thing EU can do is to aid a "democratic" change from one dictator to another one, like the type of change that strife could render. But going beyond the conclusion in itself, it is not a secret that the argument given was extremely simple, not requiring any complication to make its point. Perhaps the most important thing that should be noted from this is that, if such a simple argument casts doubts over how solid the approach is, the real issue is not that the policy is weak, but that there is an urgent need to debate about it.

The author's position on this debate is clear – stimulating the creation of power clusters that elevate the level of influence that private individuals have in public

³ Even if at some point he accepts it, the way things have developed thus far indicates very little sympathy from Lukashenko's regime towards Moscow.

decision-making seems a better path to democracy. This cannot be achieved by placing constraints on development by means of embargoes and denying aid – a passive embargo – , as it directly hurts those same private individuals. On this matter, Korosteleva [Elena] wrote:

Interestingly, all interviewed public officials indicated that, for instance, cooperation that required technical expertise and apolitical engagement on issues of mutual interest (cross-border management, energy, etc.) had yielded constructive dialogue and some practical results. This 'technical' apolitical engagement is more frequently seen as a 'window of opportunity', and 'the way forward', as there can be possible spillover effects to economic and indeed political cooperation (...) This is not, however, the prevailing mode of thinking in the EU. (Korosteleva [Elena], 2009a, p. 235)

Lobbying for this 'technical' cooperation to be augmented is viable at this point in time. This, if well done, would mean aid and benefits used on improving productive platforms, education, and infrastructure. This is not immediately threatening for Lukashenko's position, but mainly because of this he will be tempted to accept. And if he does, he will be paving the way for a later evolution into a more democratic type of society.

Now, there is the issue, also noted by van Elsuwege of a complicated dilemma on the EU's side; because while "the acceptance of the authoritarian regime of President Lukashenka as an equal partner affects the EU's credibility as a promoter of democracy and human rights (...)[,] the long-standing isolation of Belarus is not in the self-interest of the EU" (van Elsuwege 2010, p. 8). This article acknowledges that such a dilemma must be resolved; nonetheless, the legal and moral implications of a technical/constructive engagement not dependant on conditionality fall outside the scope of the article. Here, the idea was to show that, in practice, a policy that places Lukashenko's willingness for democracy as its cornerstone will find that Lukashenko is not a very democratic person. Constructive engagement needs to find its way in spite of Lukashenko, because if we wait until he is powerless, we will have, very likely, waited for a little too long.

Of course, nothing said so far should be interpreted as offering Lukashenko an open hand: that would only make things worse. We should study how to deliver aid closer to the micro-agent, rather than offer it at national level. Clearly this is not easy, and plenty of obstacles lie in the way. But the first of such obstacles can be taken out of the way by improving the level of understanding around

the issue. This way, the EU would start to see that the approach taken towards Belarus, although nice on paper, has very alarming pitfalls once it is matched against the reality of Belarus.

This may even show that the current policy is not 100% useless either; much can be done with it because, as a matter of fact it does aim for a more constructive approach than the previous versions. Furthermore, collaboration, as suggested in this paper, already exists and it has also been noted that the idea of harvesting democracy by revolution has lost support in the last years (Marples, 2009, p. 774). It could even be argued that, theoretically, the policy itself is not exclusive of separate implementation of tracks, even if in practice it becomes so. Moreover, in spite of the fact that criticizing a policy requires focusing at its weaknesses, current efforts have also rendered important results: nowadays the opposition is at least acknowledged, and, most importantly, “it is no longer possible for the president to persecute his enemies in [total] privacy” (Marples, 2006, p. 363).

And finally, after being somewhat sarcastic and exaggerating some nuances to deliver the point while not boring the reader, it must also be clear that nothing is black or white in this story. For example, albeit true Belarusians have a sense of identity with a Slavic tradition that makes them susceptible to Russian influence, it is not true that they have a Russian mentality as such. Leshchenko (2008, p. 1430) noted that “if people had really persisted in holding [on to] a Soviet mentality, we should expect them to have retained the leadership of the same people who administered the country in the Soviet time, which did not happen”. She also noted that the economy “lacks some key features of Socialism” (Leshchenko 2008, p. 1430), which by extension means that the Westernization process needs not as extreme changes as those that took place after the Soviet Union’s collapse. So, maybe Belarusians are willing to Westernize after all. Still, knowing now some important pitfalls that have been ignored thus far, the real question is whether the EU is willing to bet the security of its neighborhood without at least trying to limit the possibilities of failure.

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Polish Media Laws and the European Union

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Abstract: *This article focuses on the adoption by Poland of the European media laws, one of the conditions of EU entry for candidates in its Eastern Enlargement of 2004. It explains challenges and difficulties that Polish policymakers experienced throughout the decade of preparing for the EU membership. The paper concludes that the “Europeanization” of the Polish media laws has so far had a positive impact on Polish media sector. Although the industry has grown in strength, the policy has failed to bring Poles closer together with the rest of Europe. Polish television remains largely national in its organization and output. Thus, it would seem that the EU media policy has proved of little use for the pan-national identity building purposes. But then again it is not entirely the fault of media and media policy that the pan-national identity has not produced the desired by Brussels “European nation”.*

Keywords: *EU’s Eastern Enlargement, EU media policy, Europeanization, Polish media*

Introduction

When in the early 1990s, Poland decided to join the European Union (EU), much had to be done beforehand to prepare for the entry. One of the things that the fall of communism allowed for was regaining the national identity by people of Central and Eastern Europe (CEE). For decades of the communist rule they had not been in a position to cultivate their own, national and cultural identities. Some, like Latvians, Ukrainians or Estonians, directly within the Soviet Empire, suffered significant political and cultural pressures. Thus, when the Curtain collapsed and freedom arrived in the region, there was finally a chance to shake off the forcefully

¹ The author would like to thank the three anonymous reviewers for their insightful comments.

imposed rules and unaccepted identities. Central European States applied for the EU entry hoping to return to “normality”. And yet, when the EU displayed its cards on the table, not much room was left for national manoeuvres. *Acquis communautaire*, the vast body of European law, had to be adopted in its full shape and size, thus largely limiting space for negotiation of national interests. National identities were also about to be compromised, as one of the policies, that of media, was boldly designed to “turn viewers into Europeans”.²

This article focuses on the adoption by Poland of the European media laws, one of the conditions of EU entry for candidates in its Eastern Enlargement of 2004. The European Union’s (EU) media legislation had a much bigger role to play than merely regulate the industry. In the early 1990s, the EU invented the new, unprecedented supra-national citizenship that was to be formed beyond the nation-state. The media were expected to assist in its creation process. This paper highlights the different positions currently colliding in Brussels over the so-called European identity. The policy research traces the adaptation process of the European media laws by Poland to illustrate what challenges and difficulties Polish policymakers experienced throughout the decade of preparing for the EU membership. The article concludes that although the “Europeanization” of the Polish media laws has so far had a positive impact on Polish media sector, it has failed to bring Poles closer together with the rest of Europe. Thus, it would seem that the EU media policy has proved of little use for the pan-national identity building purposes. But then again it is not entirely the fault of media and media policy that the pan-national identity has not produced the desired by Brussels “European nation”.

Contemporary debates and the search for a *single* European people

From primordialist³ and constructivist⁴ approaches to national identity creation, the two most common and contrasting examples found in European history, scholarship of the 20th century moved considerably towards a belief that both ‘nation’ and ‘national identity’ can be constructed and are therefore changeable. Scholars admit, however, that some elements of common culture must already

² The phrase borrowed from Tobias Theiler, 1999.

³ Primordialist conception, best represented in Europe by Germany, rests on the assumption that national identity is formed within a group of people who share common features: culture, language, traditions. Identity is thus cultural, not political, and cannot be constructed by outside forces. As such, identity is ‘organic’ and unchangeable.

⁴ Constructivist conception, e.g. British or French, in contrast to the primordialist view, does not take identity as fixed or predetermined. Unity can be created by social interactions; identity is then changeable and can be ‘constructed’.

exist for the nationalist project to succeed. According to Dawisha (2002, p. 20), the state must have a base, “*some primordialist building blocks*” to cement and stimulate national sentiment. Late 20th century writings on nationalism prescribed the “middle position” as the acceptance of primordiality but with the additional condition that it is “continually reconstituted in different historical contexts and under the impact of intersocietal forces (...) primordiality is continually imagined and continually reconstructed” (Eisenstadt, 1998, p. 235).

To the “intellectual compromise” on national identity formation, researchers like Anderson (1991), Habermas (1989) and Schlesinger (2007) added the key role of media. Media are believed crucial in constructing the “public sphere” through which public opinion can be formed and influence on governance exerted. A common element of the modernist approach is the need of people, in order to have a sense of national identity, to know about their history and culture and that nation is culture-based, although the borderline between distinct cultures, including some and excluding others, is no longer as clear as it was for primordialists.

The different historical experiences fuel the states’ contemporary positions on nation creation, the problem currently discussed together by twenty seven EU Member States around one table in Brussels. Different definitions of who is ‘us’ and who is ‘them’ have consequences for, for example, common European immigration policy, or rather its long absence. Due to different histories and political traditions, France and Germany have contrasting approaches to citizenship and nationality today (Brubaker, 1992). Citizenship granted by the French, and also by the English, Belgians and the Spanish on the basis of place of birth (“the law of the soil”) is in conflict with the German laws, where until recently, to receive a German passport was only possible on the basis of having German ancestors (“the law of blood”), a practice highly ingrained in cultural nationalism.

Different definitions of ‘culture’ and ‘cultural identity’ in various European states have also profound consequences for common European cultural policy that the European Union seeks to achieve in order to produce ‘Europeans’ and for media policy that is expected to promote or reflect this common culture of the European people, the subject of this article. As Magder argues, what we mean by culture and what culture means to us, has significant implications for how we think about the legal or regulatory efforts to sustain and promote it in international treaties:

If we accept the holistic view of culture and see it as a relatively stable entity based on widely shared values, traditions and practices,

then the objective of any treaty would be protective, preservative and defensive. New ideas, new practices, and new values – especially those that come from outside of the existing cultural collective – would be viewed (or could be viewed) as a threat. (Magder, 2004)

On the other hand, Magder continues, if we adopt the “distributive and dynamic view of culture”, then related policies would have to do more than just to ensure preservation of the past. They would have to make space for revisiting and remaking of the ideas, values and practices of individuals and groups. They would have to allow for, or at least not prevent from, the influence of “foreign” ideas and values (Magder, 2004, p. 486). They would have to admit that cultures are as much about the ‘past’ as they are about ‘now’. The definition is a dilemma and a starting point of cultural policy impacting its outcome.

If we apply Dawisha’s need for “*some* primordialist building blocks” to exist *a priori* to cement and stimulate common sentiment and Magder’s two contrasting views on culture to the concept of a *single* European people, then a few questions arise: where exactly is the primordialist locum of the common European culture? Whose culture is to be a ‘building block’ for other members of the group? Who of the members could be seen as a ‘foreign influence’ and thus be perceived as a “treat”? As Jordan and Weedon put it:

Whose culture shall be the official one and whose shall be subordinated? (...) Whose history shall be remembered and whose forgotten? (...) What voices shall be heard and which silenced? Who is representing whom and on what basis? This is the realm of cultural politics. (Jordan & Weedon, 1995, p. 4)

Grasping the essence and the soul of the ‘European’ people has proven to be a foremost difficulty. What is it that politically unites Europeans? What set of values should underpin their behaviour? Which values are exclusively European and which are not? Who should decide on those values and norms? Answers to these questions vary. Moves to ascertain and distinguish European identity from other cultures started as early as the late 1940s. The European Movement attempted to define common European features that included common, derived from Christianity, morality, political tradition of the rule of law and self-government, and a common symbolic intellectual culture, particularly the invention of science by the Western European nations (Collins, 1998). Anthony Smith (1991, p. 174) described European culture as “the heritage of Roman law, Judeo-Christian ethics, Renaissance humanism and individualism, Enlightenment rationalism and science, artistic classicism and romanticism and above all traditions of civil rights

and democracy... [that] have created a common European cultural heritage”. This definition, however, excludes large-scale migration and the increasingly heterogeneous populations of the EU Member States.

The EU Commission also tried to define European identity. In the early 1990s it concluded that the values that “could form the basis of a European identity” were “the rejection of war, the fight against poverty and unemployment, protection of the environment; Human Rights, freedom and democracy; the wealth and diversity of European culture” (de Clercq, 1993, p. 2). This definition, however, does not distinguish European values from other liberal democracies.

Media in the construction of “European identity”

In times of mass education and mass media it would seem reasonable to look at the capacity of schools and media to convey history and culture, as pointed out as essential by nationalist writers. This capacity was also discovered by the European Commission in the mid-1980s. The Solemn Declaration on European Union of 1983 invited Member States to “promote European awareness and to undertake joint action in various cultural areas”: particularly information, education, audio-visual policy and the arts. The Commission interpreted it as a permission to pursue cultural initiatives, not for their own sake but “in order to affirm the awareness of a common cultural heritage as an element in the European identity” (cited in de Witte, 1987, p. 136). The emphasis on consciousness-raising as a strategy for bridging Europe closer to the citizens and creating Europeans signalled a new departure in EU approaches to the neglected domain of culture. A visible *Peoples’ Europe* period followed in the mid- and late 1980s (Shore, 2000). The Green Paper on Television without Frontiers of 1984 spelt out clearly the perceived link between European identity and integration:

Information is decisive, perhaps the most decisive, factor in European unification... European unification will only be achieved if Europeans want it. Europeans will only want it if there is such thing as European identity. European identity will only develop if Europeans are adequately informed. At present, information via the mass media is controlled at national level. (Commission, 1984, p. 4)

Information and the idea of creating pan-national television were thus singled out as two key agents of European consciousness building in early 1980s.

A major problem for the Commission at that time was that there was no mention of 'culture' in the treaties. Thus the Commission had no legal competence or budget for cultural programs. To get around the legal problem of competence, European officials and politicians typically invoked economic reasons for achieving cultural ends. This strategy was made explicit by Delors in his first speech as Commission's president to the European Parliament in 1985:

The culture industry will tomorrow be one of the biggest industries, a creator of wealth and jobs. Under the terms of the Treaty we do not have the resource to implement a cultural policy, but we are going to try to tackle it along economic lines... We have to build a powerful European culture industry that will enable us to be in control of both the medium and the content, maintaining our standards of civilization and encouraging the creative people amongst us. (Cited in Collins, 1993)

Hence, in the following years, on the basis of *economic* provisions of the Treaty of Rome of 1957 and later the Single European Act of 1986 the Commission introduced a number of cultural initiatives, like Europe's Day to be celebrated on the 9th of May, European passport, anthem, flag and emblem,⁵ to achieve political aims a long time before the Maastricht Treaty of 1993 gave it the legal right to do so. As Shore argues, the political aim behind those initiatives was very ambitious: to reconfigure the symbolic ordering of time, space, information, education and the media in order to reflect the "European dimension" and the presence of European Community institutions in people's lives and consciousness (Shore, 2000, p. 46).

The situation of dealing with culture on the basis of economic terms changed dramatically with the 1992 Maastricht Treaty, which considerably enlarged the EU's sphere of governance. The Treaty included provisions on European citizenship⁶ and assigned new areas like culture, education, youth, consumer

⁵ Other initiatives of that time included the creation the new EC symbols: harmonization of car-number plates, driving license, creation of the European Academy of Science, Euro-lottery, school exchange programs, the EC Youth Orchestra, opera centre, European Literature Prize, European Woman of the Year Award, Jean Monnet Award for the creation of new university courses on European Integration, propositions to form European sports teams, the transmission of more factual information about Community activities and introduction of the so-called 'European dimension' into history lessons. The most significant date introduced to the calendar was 9th of May, the anniversary of the Schuman Plan, which was officially designated 'Europe's Day'. For further details see Shore, 2000.

⁶ EU citizenship established free movement and residence within the Community, rights to vote in EU Parliamentary elections and local election in the county of residence, diplomatic protection abroad for all Europeans, non-judicial means of redress (petitions to EU Parliament and complaints to the EU Ombudsman). All the rights were not offered to non-EU nationals, and the citizens of EU Member States had already enjoyed them on the basis of their national citizenship.

protection and public health under the jurisdiction of the EU. Finally the Commission received the entire Directorate-General with budget devoted to culture, including media, information, heritage, sports and the arts, and finally it can intervene in those spheres by official means. New information policy was launched after Maastricht as a tool to build both Europe and the Europeans, as reports showed that EU integration was perceived by Europeans as a “concept based far more on the will of statesmen than on the will of the people” suggesting that European identity was not “engrained in people’s minds” (de Clercq, 1993, p. 2).

Not all media, however, were perceived as playing equal role in the process. Television without Frontiers Directive of 1989 excluded radio and printed press. Television was seen as the key to the process of European cultural and political integration. It was regarded as “more influential and less nationally encumbered medium than print” (Williams, 2005, p. 13). The arrival of satellite broadcasting brought a possibility to create a European audiovisual space through launching Europe-wide television and its regulation. In the light of 1986 Single European Market (SEA)⁷, breaking down national markets became Europe’s specialty, with broadcasting being one of many to follow. Deregulation and liberalization of protective national policies were necessary mechanisms to achieve a truly open European market. The economic, cultural and political objectives of EC action in late 1980s and early 1990s were thus manifold: to create one single European media market, to create common European legislation for that market, to strengthen the European audiovisual industry and its competitiveness. The action and measures undertaken to address the multiple aims occurred in several areas of audiovisual field. The European Community encouraged the creation of pan-national television,⁸ passed new pan-European laws for broadcasting sector,⁹ offered support programs for cinema and television production,¹⁰ supported public service broadcasters in its Member States,¹¹ encouraged international agreements of MS with third (non-EU) countries.¹²

⁷ Single European Act (SEA) in fact repeated the provisions of the Treaty of Rome on free movement of goods, capital, services and people. Due to the fact that the earlier Treaty did not deliver what it had promised, the SEA was designed to re-launch the single market.

⁸ The most prominent examples have been Eurikon TV, Europa TV and Euronews.

⁹ Television without Frontiers Directive of 1989 imposed compulsory content quotas asking broadcasters to reserve “where practicable and by appropriate means” a majority proportion of their air time to European productions and independent European productions excluding time devoted to news, sports, games, advertising, teletext services and teleshopping (Article 4 and 5).

¹⁰ Media Program (1991–1995), Media II (1996–2000) divided into two strands: Media II Development and Distribution and Media II Training, Media Plus (2001–2006) and the current Media (2007–2013),

¹¹ Protocol of the Treaty of Amsterdam of 1997 (annexed to the Treaty of Amsterdam).

¹² For details see IRIS Merlin legal database,

New Europeans? Polish national identity in historical perspective

Poland does not easily fit into either primordialist or constructivist categories of nation formation. When national identities solidified in the Western Europe throughout the 19th century, Poles built their affiliation with the nation for most part in the absence of the state. For over 120 years, since the 18th and well into the 20th century, Poland did not exist on the map of Europe or when it later existed, it was not free to follow its own route. Placed between great powers of Europe, Poland has “one of the most turbulent and tortured histories” (Prizel, 1998, p. 40). As a result few polities are currently more sensitive to the vagaries of collective memory than Poland, a country where “everything has a historic dimension” (Walicki, 1990). The definition of Polish national identity, complicated by its history and geography,¹³ underwent numerous redefinitions over the last centuries. From multiethnic and cosmopolitan entity that Poland had been under the Polish-Lithuanian Commonwealth (*Rzeczpospolita*), to romantic tolerance, to positivist ethnonationalism further cemented during the interwar period, to the imposition of identity attempted by communists.

For Polish romantics, the concept of national identity was based on the distinct Polish cultural heritage, devotion to the Roman Catholic Church, and introduced by the Jagiellonian tradition “Commonwealth”¹⁴ bond based not on ethnolinguistic identity but on notions of political freedom and tolerance (Prizel, 1998, p. 44). National consciousness was built and maintained throughout 19th century by national languages, symbols and national history which were invented at the time. Many European nations could pursue their national projects within the framework of their state. The right to national self-determination was not the case for Poles and other nations¹⁵ that partitioned between the great empires were subjected to foreign political and cultural influence. They mobilized their national identity to fight the oppressors either through a military push for national autonomy or through their cultural pursuits. Numerous unsuccessful uprisings of Slavs during the Springtime of Nations in mid-1800s resulted in reinforced

¹³ Being at the crossroads of the three major branches of Christianity, Catholicism, Orthodoxy and Lutheranism, and home to more than half of the world’s Jewry also fuelled the country’s diversity.

¹⁴ The Commonwealth of Both Nations, created by the Union of Lublin in 1569, united the crown lands of Poland and the Grand Duchy of Lithuania. The areas of the two Nations covered vast parts of contemporary Poland, Lithuania, Ukraine and Byelorussia. The Commonwealth was governed by a multiethnic, although Polonized gentry (*szlachta*). It ended by the Third Partition of Poland in 1795.

¹⁵ None of the Slavic nations, as well as Hungarians, existed as independent states for most part of the 19th century.

Germanization and Russification by occupants. Another way of pursuing their nationalism was art, education and culture, produced either at home or abroad, with multiple layers of hidden meanings. In the absence of national institutions, the togetherness of Poles and their “Polishness” became a narrow concept based on language and customs.

Poland stood alone in its fight for national consciousness. Other Slavs united in the Pan-Slavic movement that aimed at raising greater awareness of their common ancestry and identity (Lednicki, 1928). The movement however could not help the Poles. Its activists sought assistance from Russia which had significant interests in weakening the strengths of Prussia and Austria, other oppressors of Slavs. Poles, already under its rule, could not turn to Russia for help. Since none of the three empires could change Polish independence, France became the model for Poland, following Britain’s withdrawal from European politics (Prizel, 1998). Exhausted by numerous and unsuccessful uprisings against the Empires, Poles turned to positivistic idea of an “organic work” to improve their educational and economic infrastructure as a means of preserving Polish identity and to advance their own political and economic interests and to close the gap between the land owning classes and peasantry. The unity never became a reality (Murdzek, 1977, p. 169). Towards the end of the 19th century, forces of ethnonationalism displaced western-oriented positivism and national identity acquired increasingly narrow ethnic definition throughout Europe, with Poland being no exception (Prizel, 1998, pp. 50–51).

To avoid censorship during the partitions period, Polish writers specialized in historical poetry and narration that glorified the nation’s strengths and readiness to fight for independence. National epic, a major narrative developed in Romanticism, provided opportunities for the expression of national feelings for Slavs under the coat of romantic adventures.¹⁶ By the end of 19th century, Henryk Sienkiewicz, one of the Polish Nobel Prize winners¹⁷, wrote his historical Trilogy¹⁸ about Poland being able to defeat foreign invasions earlier in the past.

¹⁶ Such as: Estonian *Kalevipoeg*, Finnish *Kalevala*, Polish *Pan Tadeusz*, Latvian *Lāčplēsis*, Armenian *Sasuntzi Davit*. The most popular Polish epic, *Pan Tadeusz*, by Adam Mickiewicz, under the cover of love story, hides a patriotic message of unification of all Poles against Russian occupation during Napoleon’s march towards Moscow in 1812. A film by Andrzej Wajda, based on *Pan Tadeusz* received an Oscar nomination in 1999. Instead of Oscar for *Pan Tadeusz*, Wajda received a ‘lifetime achievement’ award from the Academy the same year.

¹⁷ Henryk Sienkiewicz, Nobel Prize winner in 1905 for ‘outstanding merits as an epic writer’, source: www.NobelPrize.org; the author of *Quo Vadis*, filmed several times.

¹⁸ The Trilogy: 1. *With Fire and Sword* written in 1884, filmed in 1999; 2. *The Deluge* written in 1886, filmed in 1974; 3. *Pan Wołodyjowski* written in 1888, filmed in 1969.

The three books were meant to encourage Poles to stand up and fight against other aggressors, Prussia and Russia, in their new reality 400 years later, which Poles eventually did. Throughout half of the 19th century then, nation was not a political construct for Poles. Nation existed, like for Germans, on a cultural basis and collective memory of the mythical past (Mach, 2000, pp. 44-46). It also existed and continued to be nourished regardless of the state, as there was no state with which to connect the nation. As culture existed in spite of political arrangement and had its beginnings in the remote past and linguistic community, sense of belonging to a cultural group was not constructed but nourished and struggled for.¹⁹ The “spirit” of a nation was in both cases maintained despite political realities, although based on culture in the earlier period and narrowed to ethnicity later. But even for constructivists, some primordial elements must exist for the nationalist project to thrive. In the absence of the Polish state and its institutions, Poles had no other choice but to turn towards their “habits of mind impossible to uproot”, in Rousseau’s (1985) words, and cultivate them for nearly two centuries.

Poland that emerged after the World War I was an extremely heterogeneous and complex society (Prizel, 1998, p. 58). Its divisions crossed ethnic, class, urban versus rural lines, and encompassed numerous ideologies, and concepts of statehood and national ideas. Its political leadership dominated by gentry and land owners was far more interested in state building than in building a society and had no strategy for building a broad-based political model (Jansina-Kania, 1989, p. 118; Rothschild, 1992). Polish elites “preferred technocrats to politicians, abhorred political parties, and considered the democratic process a nuisance”, they were also torn in their loyalties towards Germany and Russia, a factor that influenced sentiments amongst Polish minorities (Prizel, 1998, pp. 58, 68). Despite its historical multiethnic principles, in its interwar statehood construction, Poland failed to come to terms with any of its minorities.²⁰ Slavs in the East and Germans in the West remained resistant to incorporation²¹ and their relationships with Poland proved difficult.

¹⁹ The collective memory, Prizel argues, was shared only by the Polish gentry (*szlachta*), the class of landowners below the nobility. They constituted only 8% of the Polish population

²⁰ In 1922, Polish Parliament (*Sejm*) officially excluded minorities from power, millions of Ukrainians, Belarusians were to be Polonized, 3.5 million of Jews reduced in numbers by economic pressures and forced emigration or through assimilation; Rothschild, 1992.

²¹ Those minorities welcomed the later invasion of Poland by Hitler with relief, if not enthusiasm followed by a massive ethnic cleansing of Poles by Ukrainian nationalists in Volhynia, in former eastern Poland; Torzecki, 1993

After the experience of the World War II, Poles were given away under the rule of the Soviet Union by Yalta Conference of 1944. For the upcoming four decades of the communist regime, national identity for Poles and for other Slavs would be shaped by communists under a strict control from Moscow. Communists invested in mass media in order to control the society and shape identities. Kołakowski (1989, p. 65) observed the self-evident truism: “the more control of information, the more power”. The ideological and propaganda goals of the communist media were:

to create an ideologically correct symbolic environment, filled with content designed to socialize the audience to the ideas and values of Communism and thus to educate *homo Sovieticus*, to provide evidence of the system’s successes and to demonstrate its superiority over capitalism, thus strengthen and perpetuate Communist rule (Jakubowicz 1995b, p. 23).

As Anthony Smith (1992, p. 47–48) writes, however, no amount of ideological and cultural indoctrination through the extensive use of media and education, spanning nearly half a century, could impose communist cultural traditions on the people of Eastern Europe. Although the goal of media control and cultural politics was to impose thought control, Jensen and Rosengren argued (1990) that communist authorities realized that it was not always possible to control how audiences read and understood meanings distributed by the media. Therefore, as Jakubowicz (1995b, p. 127) explains, they settled for cognitive control – that is controlling what people were allowed to know. Thus, the failed identity-engineering of the communist elites is an example of cultural and primordial limitation on instrumentalist efforts to construct a new national point of reference (Dawisha, 2002, p. 4; Haas, 1997).

With the Polish state removed by foreign empires and with Polish identity moulded and shaped from foreign capitals for nearly two centuries with a short interval in between the two wars, Poles regained their full national sovereignty in 1989. The fall of communist regime in the Central and Eastern European (CEE) States meant that at long last they could have their own and distinct, not prescribed against the will of many, national identities. But it was during this crucial time of the early 1990s when Poles made a decision: to become a part of the European Union and embrace values of Western liberal democracies, considered by some as the “end of history” (Fukuyama, 1992). With hatred towards Russia strongly present in Polish minds (Mach, 2000), pro-Western European attitudes since the romantic era (Prizel, 1998), the decision to enter the EU made in the early 1990s put Polish national identity once again at the crossroads. On the one side, the move was perceived by many in terms of loss of

national sovereignty and the right to self-determination. On the other, it signified the country's 'return to normality': the socio-politico-economic landscape where Poland would sit comfortably within earlier discussed European values.

Polish television and the European laws

In its early years television worldwide became the primary means of pursuing several national goals: such as building and reinforcing national identity (Straubhaar, 2007). For a vast group of countries, television broadcasting became a national business and they invested much of their efforts and resources into developing national television to unify their peoples and to become modern. In Poland, and indeed the whole of Eastern Europe, television assisted with shaping national identities throughout two distinct periods: four decades of communism and their post-1989 independence. The advent of television in the region coincided with nationalisation of their economies as official policy. Private business was out of the question and private broadcasters not allowed. Censorship of both printed press and broadcast media became an enforced practice. The state-owned television spoke for the ruling elite with other voices unheard (Braun, 2005). By the late 1970s and early 1980s there were signs of slight liberalization of the media sector, such as transmission of church services on radio, attempts to initiate the right to information and right to reply, or lifting of censorship and strengthening of the status of a journalist. As Dobosz (2006) argues, however, all the legislative attempts left no doubt that the Communist Party was not going to give up its leadership position in controlling the media and their content.

Today, there is no general consensus when exactly the "new order" came into existence in the field of media laws in Poland. There is no agreement either whether it was the international situation that forced Poland to change its laws or whether the reforms came from within. Détente in media policy could be 1981, when the communist Radiokomitet²² started working on a new legislation for radio and television with the result of their work – the new Broadcasting Act, ready after eleven turbulent years. Some sources believe that the real change arrived in 1989, the year of political revolutions: semi-free elections in Poland and the democratic transformation that followed (KRRiT, 2004). Legislative changes were also due to the fact that during the 1990s Poland became a

²² Radiokomitet, or 'Radio and Television Committee' was a government body responsible for management and control of all state owned broadcasters between 1951 and 1993, later on replaced by the National Broadcasting Council.

member of international organizations.²³ Membership required Poland to adjust its economy, including its media sector, to free market and free trade and to incorporate human rights, with freedom of speech, into its politics.

The largest legislative challenge was related to Polish membership in the European Union²⁴ which, according to Szewczyk (2002, p. 98), was the "... logical consequence of the process opening Poland on the international co-operation". For candidates from Central and Eastern Europe, however, the EU came as a package. It requested that the candidates adopt fully, with no exceptions, its entire body of legislation produced since 1957, as well as economic and political conditions: democracy and free market economy. Polish people saw it as a limitation imposed on their own choices and slogans like "From Moscow [dictatorship] straight under Brussels" made headlines during the referendum campaign (Zajac, 2006, pp. 136–137).

The EU Copenhagen Summit of 1993 established obligatory criteria²⁵ for future members. They criteria did not, however, mention media explicitly. Protection of media freedoms, including freedom of speech was largely seen "to be integral part of ... and an important element of the 'human rights and democracy' conditionality" (Harcourt, 2003, p. 324). Specific requirements for the audiovisual sector were elaborated in 1998 and included in chapter 20 of EU's *acquis communautaire* on 'Audiovisual and Culture'. The *acquis* required all candidates to transpose the Television without Frontiers Directive of 1997 with inter alia freedom of transmission of broadcasts across borders, jurisdiction over broadcasters, provisions on advertising, protection of children and minorities, right of reply, promotion of European works. The most challenging, controversial and continuous problems proved to be the free flow of broadcasts (TVWF Directive), services and capital (EU Treaty), as well as definitions and quotas of European and independent works.

In early 1990s, numerous provisions blocked the opening of the Polish market to free flow of broadcasts, services and capital in the media sector. An owner of a Polish television station could be a person holding Polish citizenship, or a

²³ Council of Europe in Strasbourg in 1991, the Central European Free Trade Association (CEFTA) in 1992, Organization for Economic Co-operation and Development (OECD) in 1996, the North Atlantic Treaty Organization (NATO) in 1999.

²⁴ Starting with the Association Agreement with the then European Community signed in December 1991, Poland formally applied for Membership in the European Union on 8 April 1994.

²⁵ Candidates had to be democratic states, with respect for human and minority rights, they had to have functioning market economies and they had to have the capacity to implement into their national legislation *acquis communautaire*, the EU body of law produced since 1957; see McCormick, 2008.

company residing on the Polish territory. Article 35 of the Polish Broadcasting Act of 1992 limited foreign ownership of TV stations to 33%. Although the government funded Committee on EU Integration (UKIE) monitoring the adaptation of Polish laws to EU laws, pointed the problem out quickly, in 1999 the Parliament passed the new Act (known as Broadcasting Act of 2000) without changing the ownership restrictions (Cira, 2006, p. 78). Paradoxically it allowed for satellite broadcasts of foreign programming into Poland, whose content was already outside of Polish jurisdiction, but did not allow foreign broadcasters to establish themselves on the Polish territory (Szewczyk, 2002, p. 127). On the basis of the UKIE's opinion, the President vetoed the Act as non-compatible with the EU Directive. The Prime Minister, however, sent it back to the Broadcasting Council with a letter saying that the pro-European initiative to amend the Broadcasting Act is unnecessary as the "Parliamentary majority making decisions regarding Polish and European quotas as well as rules on foreign investment in media, was guided by its expert knowledge, results of societal consultations and Polish national interest" (quoted in Cira, 2006, p. 79). It would seem that "free flow" of capital and services required the Polish market to be fully open to foreign (EU) investment and ownership. The EU nationals, thus, should be exempted from all restrictions.

Another hindrance to free flow of capital and services from abroad to Poland was a provision of the early version of the Broadcasting Act of 1995 requiring cable operators to carry Polish channels in the first place before they gave space to foreign channels to be broadcast in Poland. Accused of non-equal treatment of commercial (Polish and foreign) broadcasters and of violating the citizens' right to information, the Act went to the Constitutional Tribunal. The Tribunal ruled the same year, however, that the provision giving preference to the Polish channels did not breach the freedom to information and that in fact it guaranteed the free transmission of all (Polish) regional TV channels and made it easier for the citizens to access variety of channels without additional cost. As Cira (2006, p. 98) notices, none of the international regulations, especially the European Convention on Human Rights, a flagship human rights treaty in Europe, limit the right to receive and impart information across national borders due to the protection of *economic* interests of national players.

Restrictions on foreign investment were debated once again by the late 1990s but again the Parliament maintained the limit on foreign ownership of television at 33 percent (Szewczyk, 2002, p. 127) justifying its decision as needed to protect Polish market from "devastating consequences of concentration of television companies in hands of commercialized foreign companies" (KRRiT, 2001, p. 100). So once again, Polish national interest and the fear of losing control over

national media stood in the way to join the common European broadcasting market. Eventually Poland joined the European Union with its Broadcasting Act fully consistent with the European TV Directive. The troublesome Article 35 of the Broadcasting Act of 2004 maintained the limit on investment for foreign persons and companies at the level of 49% but exempted the nationals of the EU states from that limit.

Poland successfully introduced a definition of 'European works' in 2004, the provision most expected by the EU architects to produce European identity amongst viewers across the continent. Article 15 of the current Broadcasting Act requires that, "[b]roadcasters shall reserve more than 50% of quarterly qualifying transmission time for European works, excluding news, advertising, teleshopping, sports events, teletext services and games". *All* channels, with the exemptions of channels broadcasting entirely news, sports and advertising, have to comply with the compulsory content quotas imposed by the EU "Audiovisual Media Services" Directive on broadcasters.²⁶ The Act also stipulates that in order to preserve their national language, Polish television broadcasters "shall reserve at least 33% of their quarterly transmission time to programs originally produced in the Polish language, excluding news, advertising, teleshopping, sports events, teletext services and games".

European identity on Polish television

Poles watch television on average 179 minutes per day (3 hours). With nearly 40 million inhabitants, Poland has the 5th largest, after Germany, the UK, France and Italy, population in the European Union, equal to the one of Spain. Almost the whole population has one or more television receivers. In addition to terrestrial television nearly half of the households are connected to cable television (OSI, 2005). The country is ethnically homogenous: about 97% of people are of Polish nationality, 1.2% inhabitants declare other nationalities and 2% declare no nationality at all (GUS, 2003). Ninety eight per cent of people declare Polish as the language spoken at home, with only 1.5% using other language. Seventy five per cent of Poles speak no foreign language, out of the remaining one quarter, 44% know Russian, 26% speak German and 25% speak English (OBOP, 2000).

²⁶ Thematic and new channels in their first year of broadcasting may also be, on the basis of the KRRiT Resolution, exempted from rules on European works; KRRiT, 2005b.

Taking all that into consideration, it is clear that only programs broadcast in the Polish language would have the capacity to attract the largest audience in the country. As of 2010 Poland has nearly sixty television channels broadcasting in the Polish language.

In 2008, four years after the EU's Eastern Enlargement, the European Commission released a report on compliance with the quota requirement in all EU states. The Report *New Figures Show: Almost two thirds of EU television time is "Made in Europe"*, covered the new EU Members for the first time. It proudly highlighted the fact that European broadcasters devote an average of 63% of their time to "European works". Poland and Denmark are the two undisputed leaders of all EU states. Their broadcasters offer the highest amount of European programs in the European Union, followed by France and the Czech Republic (Commission, 2008).

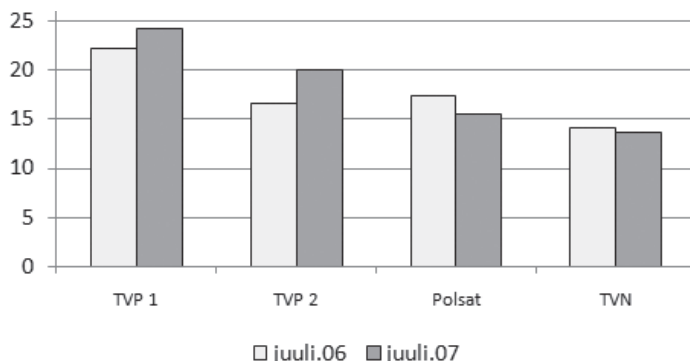
Bearing in mind the earlier remarks on the "purity" of the Polish society and the lack of fluent knowledge of foreign languages amongst the population, one might wonder whether programs "made in Europe" are the real preference of Polish viewers as the Commission declares. Therefore, the following section examines closely the programming offered by Polish public service and commercial free-to-air broadcasters in the period leading to and following the EU's Eastern Enlargement of 2004.

a. Public service television

The most striking characteristic of the Polish media market, when compared to the rest of the Eastern Bloc and the rest of Europe, is the continuing dominance of the public service television – TVP, both in terms of audience share and advertising revenues. The combined audience of TVP1 and TVP2 remains close to 50% for the last couple of years, and their combined share of advertising revenue is over 40% (OSI, 2005; KRRiT, 2007; 2009). The following chart (Fig. 1) illustrates TVP's market share in comparison to commercial free-to-air television in Poland.

Free-to-air public service television (TVP1 and TVP2) is also the leader in complying with the European content rules. This could be explained partly by the fact that TVP, as a successor of the former communist state-run television, inherited a huge, produced over forty years base of studios, equipment, archives and skills to its disposal which have given TVP a comparative advantage over its private competitors.

Figure 1. Most popular television stations in Poland July 2006 / July 2007



Source: 'Polacy i Telewizja' (Poles and Television); www.egospodarka.pl, November 2007

Before the Enlargement, programs “made in the Polish language” scheduled on TVP1, took a 45% share and 55% on TVP2 (KRRiT, 2003). For “European works” the quota was exceeded by 5% in TVP1 and by 15% in TVP2. As the Broadcasting Council notices, however, meeting and even exceeding the quotas was possible due to numerous re-runs of European programs. The year 2005 was the first year when Polish broadcasters could apply quotas on “European works”, “independent European works” and works “produced in the Polish language” throughout the whole calendar year. Table 1 below illustrates the compliance of public service television (TVP1 and TVP2) with these requirements.

Table 1. Compliance of Public Service Television (TVP 1 and TVP 2) with Article 15 and 15a

	TVP1 in %		TVP2 in %	
	2005	2009	2005	2009
European works (majority required)	70	63.5	80	72
European independent works (10% required)	26	29.5	35	37
European independent works, not older than 5 years (50% of all independent works required)	65	61	67	75
Works produced originally in the Polish language (33% required)	55	45	65	53

Source: Personal consultations with the Programming Office of TVP, June 2006; KRRiT 'Public Radio and Television' annual reports, 2006, 2010

Although two table does not show the period between 2005 and 2009, according to the Broadcasting Council's reports, in all these years free-to-air public service channels TVP1 and TVP2 complied with, and in most cases largely exceeded, the required quotas on "European works", "independent European works", "recent independent works" and works "produced in the Polish language". Not only TVP leads in providing the highest proportion of "European" and "works in the Polish language". It also offers most popular serials and provides space on television for home-grown serial producers. Polish serials, most wanted by Polish audiences programs, reign over the imported ones in schedules of the public service broadcaster. TVP also dominates Poland's entertainment ratings (TNS OBOP, 2007).

b. Commercial television

In the private sector, the main competition is between the two free-to-air broadcasters: Polsat and TVN. The two have similar market and audience shares of around 20% in each category ('Polacy i Telewizja', 2007). They both have several thematic channels delivered by satellite or cable. All their channels must comply with the "European", "European independent" and "Polish language" quotas, since, as explained earlier, there is no difference in rules for commercial and public service television.

The general observation regarding commercial broadcasters and their compliance with European quotas is simple: neither Polsat nor TVN have problems with quotas. As illustrated by the following Table 2, the two broadcasters largely exceed the required amounts in all categories.

With the growing number of television channels operating in Poland each year, the National Broadcasting Council has recently started to provide detailed data only on those broadcasters that do not meet the quota requirement. In the first full year of the EU membership, it was clear that the leader in "European works" and "works made in the Polish language" amongst the commercial channels was TVN. The amount of programs produced in the Polish language doubled the required minimum of 33% of qualifying transmission time. Independent works were in the majority of new productions on both commercial television stations. Five years later, in 2009, however, National Broadcasting Council provides details only on who stays behind. None of the general free-to-air broadcasters have problems with supplying enough programming, except for Polsat TV, that slightly fell below the line in "European works" category in the last quarter of 2009.

Table 2. Compliance of free-to-air commercial television with Article 15 and 15a

	Polsat TV in %		TVN in %	
	2005	2009	2005	2009
European works (majority required)	65	48.9 (Below target)	72	Above target
European independent works (10% required)	41	Above target	18	Above target
European independent works, not older than 5 years (50% of all independent works required)	76	Above target	84	Above target
Works produced originally in the Polish language (33% required)	48	Above target	63	Above target

Source: Personal consultations with Bogusław Chrabota, Program Manager of Polsat TV, June 2006; KRRiT Public Radio and Television annual reports, 2006, 2010

There is, however, a little discrepancy between what Polsat's Program Manager says and what the above table shows. Bogusław Chrabota maintains that Polsat does not schedule European programming at all but from the official results sent to the Broadcasting Council, however, it can be seen that there is the ten per cent difference in the amount of the "Polish language programs" and European programs. Where, then, does the difference come from?

c. Challenges with Euro-compliance

As illustrated, Polish public service and commercial free-to-air broadcasters do not have problems with keeping up with the European quotas as the potential in the industry exists. As Krzysztof Wojciechowski from public service TVP Legal Office explains:

Quotas legally guarantee cultural diversity and cultural balance in media ... A viewer has access to programs in his language, in his cultural environment. The viewer is guaranteed that he is at home! He is guaranteed that culturally he is not 'bombarded' exclusively with foreign content, exclusively in the foreign language, and that he has the right to choose between programs from other continents as well as from his own. (Wojciechowski, 2006)

Wojciechowski argues that skilful regulation, when supported by funding, not rapid openness of the market and privatization of public services, is the key to maintain national cultural identity. "When we look at the results of post-communist states in their film production", he says, "we will see that countries like Bulgaria, former great champion in cinematography and homeland to famous directors, [due to lack of regulation] is currently producing one or none films per year, the question arises: haven't they lost something here?" (Wojciechowski, 2006)

What public service television explains in cultural terms, private broadcasters see through the economic lens. In its first years of operation in the early 1990s, commercial Polsat TV could schedule 80% of American or South American films, series and soaps as they were cheap to buy and brought significant audience. As Bogusław Chrabota, Polsat's Programming Manager, explains, what took the Western commercial television stations years, Polish viewers experienced as a rapid, "fast-forwarded" media education to bring the Polish commercial television to the world standards and trends for local demands in much shorter time:

Today the highest rating blockbusters are produced in Poland. Every broadcaster knows that either he will invest in Polish productions in every single type of programming or he will go bankrupt. Those who do not produce do not have ratings! The best rated programs today are Polish telenovelas (Chrabota, 2006).

According to Chrabota, cheap, ready-made programs like Oprah-type talk-shows, 'home-makeovers' or 'wife-swap' are not attractive any more, and may as well not be included in the construction of a television schedule. "What definitely *has to be included*," Chrabota maintains, are "Polish sitcoms, Polish movies, Polish drama, Polish entertainment. If someone does not have that, it is a failure! That broadcaster is in trouble!" (Chrabota, 2006)

The impact of the legal requirement that the previous Television without Frontiers, currently Audiovisual Media Services Directive has on the Polish broadcasting and its program offerings is very difficult to evaluate. Broadcasters' opinions differ and findings from the sector do not prove that the high amount of "Polish language programs" and "European works" is definitely a direct outcome of the Directive. Public service television can flourish thanks to the quotas and maintain Polish cultural tradition. According to commercial Polsat, however, it is the advertisers and broadcasters who, influenced by the demands of their audiences, decide what to schedule on their television (Chrabota, 2006).

According to Karol Jakubowicz from the Polish Broadcasting Council, the role of the Directive is bigger than private broadcasters may assume:

There is a view that a broadcaster reacts to the requests of the audience in the first instance. And this is true that viewers prefer comparable domestic rather than foreign production. But I think that if it had not been due to the Directive and quotas, we would have had much less European and Polish programming (Jakubowicz, 2006).

Thus, it may be said that the quota requirement that came with the EU Television without Frontiers Directive gave Polish industry a chance to increase production of home made programs as Polish programs qualify for the “European works”. Polish producers have successfully increased that production. Television stations across the country, public and private, schedule Polish programs as majority of their programming offer. Poland, with one of the largest television markets in Europe and the largest in Central Europe, with its dynamic production industry, does have a chance to become a serious player in independent program production or even better with cooperation with other EU states.

Conversely, although one of the aims of the Directive was to increase the circulation of works and to encourage co-operation amongst producers and broadcasters from different countries, it seems that the Polish market, Polish broadcasters and producers are making it on their own, not thanks or due to the EU Television Directive or European funding for the media sector. With little co-funding available in the domestic market, a condition to access the EU funding, only one Polish television project receives European financial assistance every year (Koch & Tessarro, 2006). It is obvious then that Polish television productions do not cross borders in big amounts. With commercial broadcasters admitting that there is not much interest in co-operation between them and their Western counterparts (Chrabota, 2006), with public service television not selling much to the West either (Wojciechowski, 2006), it is not a surprise that the rest of Europe does not know Polish television at all. So Polish programs do qualify for European content but this content is not the same in every EU member state. They also, like Poland, meet the compulsory quotas with their domestic productions (Koch & Tessarro, 2006). Does that put the Polish media closer to Europe? Do Polish viewers become more “European”? And vice versa: do Western broadcasters and viewers become more aware of their Eastern neighbours?

“Polish Plumber”: a true European

The fact that viewers in different countries, with Poles no exception, prefer to watch their national productions on television does not necessarily prevent them from becoming “European”. On the contrary: the expectation that television programming will ‘produce’ Europeans stands on a very weak foundation indeed. There is no simple and causal relationship between the amount and type of programs offered on television and the creation of viewers’ identity. Thirty years ago viewers were believed to be directly influenced by media messages (McQuail, 2000; Street, 2001; Feigenbaum, 2004). More recently, however, scholars have clearly pointed to more complex relationship between media content and its direct impact on viewers. As Tomlinson (1991, pp. 49–50) argued, “audiences are more active and critical, their responses more complex and reflective, and their cultural values more resistant to manipulation and invasion”. Throughout the 1990s *seeing* no longer meant *believing* and it is now a common view amongst researchers to agree that the “messages derived from imported entertainment are mediated through the receiving culture” (Feigenbaum, 2004, p. 259). Thus, audiences receive messages through the prism of their own understanding and background (Ang, 1985; Katz & Liebes, 1985) which means that films and television programs do not “cross cultural boundaries intact” (Tomlinson, 1991, p. 48).

Today it is the “focus on the *context* in which people engage with mass media that adds a further dimension to the way we think about ‘influence’” (Street, 2001, p. 82). Thus, it is not what’s *on* TV but what’s *around* a television set what matters to us, our understanding of media messages and ultimately to our sense of who we are. According to Street (2001, p. 97), “meaning is not a transparent feature of a text, but the product of interpretation by readers and viewers”. Thus, influence is intimately linked to *interpretation* and interpretation is itself a product of contingent features of the experience of encountering a text. In other words, watching television is not what is in the program, it is about how we interpret these messages and as such is related to our social position and experience (Garnham, 2000, p. 116). It is thus the *conditions* in which we encounter the program, not the program itself, that produce meaning. The point is to “acknowledge the *interaction* between the two, between the text and the cues it contains, and the audience’s reading of, and response to them” (Street, 2001, p. 97).

Thus, applying the ‘context theory’ to the identity formation process, it becomes evident that it is the “Polish plumber” that is best positioned to develop a new type of pan-national identity. If that social context allows for greater inclusion of European

experience, let it be through education, work or travel then the growing number of nurses, doctors and builders, not viewers back at home, are best situated to develop a new pan-national identity. Polyglots with cross-national working experience or international education, those who mix and mingle and participate in, not observe, the lives of others on the continent, first acquire insight into cultures different than their own and perhaps some understanding and identification. To feel European it does not matter what they watch on television but what they do, with whom they engage in everyday life and how they interpret mediated messages.

Conclusions

Poland does not easily fit into the different experiences of nation building in Europe. For long time deprived its own state, Polish construction of a nation finds resemblance in the primordial, cultural nationalism, where nation was build on the basis of the common core, cemented by language and history. With the admission of Poland to the European Union in 2004, Poland joined the common efforts to build yet another identity, that of “Europeans”. Here the debate and actions that started in mid-1980s have produced mixed results in accommodating all members’ experiences, cultures and histories. It is not clear so far what the common European values are and how they differ from or distinguish Europeans from other nations.

Regarding the major tool through which “Europeans” were to come to existence, the European media laws, it could be said that the TWF Directive has had so far a positive impact on the Polish audiovisual industry. It has allowed for the increase of the volume of production and thus for greater local representation on Polish TV screens. This in turn guarantees the continuation of “Polishness” in minds of audiences. Polish viewers are satisfied with their greater access to programs in their own language, set in their local environment and dealing with their own issues of interest. But at the same time when the Directive generates positive results for the Polish media sector by its “European works” requirement, it is also visible that the initial aim to produce Europeans is not being fulfilled. Poles stay separate in what they watch on their television, with other nationals following the same path across the continent. But here, Polish citizens felt more European than West Europeans themselves before they even entered the European Union in 2004. That feeling has remained strong over the last fifteen years. According to the opinion polls (Eurobarometer, 2005, 2006), Poles support the European project, they support the expensive switch-over to the *Euro* currency, and they

are willing to build both short and long lasting coalitions mostly with Germans, the French and the British. All those factors combined: regional business and political alliances, opinion polls, and the feeling of belonging to Europe that Poles expressed long before the era of mass pro-European television campaigns, would suggest that identity of the Poles has nothing, or less than believed, to do with media. Therefore the European audiovisual policy may seem to be flawed, but may as well *not* be entirely responsible for the lack of the common European identity amongst Europeans. This is because the simple causal relationship between media and identity of viewers is not unanimously confirmed by contemporary research or supported by empirical evidence.

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To Define a Refugee: Clarifications of the Term That Escapes Definition

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Abstract: *The concept of refugee lacks a generally accepted definition both in international law and political science literature. Some authors view refugees as only a contemporary phenomenon, but the existence of norms regulating asylum in Ancient Greece or medieval Europe suggests otherwise. Even if the definition of 'asylum' is tied to that of 'refugee', they are different concepts. A refugee is a real person; to define a refugee is to establish a category that describes the common aspects of a certain way of movement; to define asylum is to establish the normative regulation regarding this movement.*

Keywords: *asylum, refugee, 'refugee' definition*

Introduction

There are many different ways of crossing borders: business reasons, visiting relatives, finding work or even to rob other people. Coming to seek an asylum – coming as a refugee – is a very special case of crossing borders and clearly needs a distinct political definition. Therefore, the need for a common policy for 'refugees' in the European Union has been a much discussed problem, politically and academically.

There is still a widespread moral understanding that people in great need should be helped by those better-off, which has given a rise to number of arguments centered on the possible obligation to offer asylum to everyone, which notably blurs the definition of 'refugee'. Furthermore, in many political discussions the terms 'refugee', 'immigrant' and 'foreigner' are used as substitutes, which is not helpful (even if all these people could be categorized as 'someone born outside of the given country'). Indeed, the very problem of definition has become a

centre of discussion on asylum for more than the last sixty years – without any generally accepted answer.

Many scholars and political actors often tend to define the meaning of ‘refugee’ according to suitability to their specific goals: for example, one might say that ‘all migrants flee from something, therefore they are all refugees and therefore the borders should be open’. Alternative terms, such as ‘internationally assisted persons’, have been suggested – Aristide R. Zolberg calls these attempts “mystification” and a confusion of a term, pointing that standard refugee lexicon is highly normative and thus self-evidently legitimizing (refugee as someone victimized who is deserving of help and “persecution” as an obviously malevolent act to be condemned) (Zolberg *et al.*, 1989, p. 274).

It seems that the amalgam of description of a phenomenon and the justified reaction to it is an important aspect why ‘refugee’ seems to “escape definition”. Moreover, self-evidently legitimizing concepts create difficulties in sociological research on what causes people to flee in the real world and subsequent difficulties of arguing on responses on those causes. It might be not entirely possible to avoid all normativity in the definition of a ‘refugee’, but it is possible to avoid incorporating the decision whether or not accept refugees in the definition. I intend to discuss some common problems with respect to the definition.

This article does not aim to investigate or categorize the different motives for seeking asylum in the contemporary world (this would require at least a book-length investigation), but aims to separate the concept of ‘refugee’ from other types of human movements that include crossing borders. To meaningfully discuss policies of ‘asylum’ one must first establish the category to whom asylum could be theoretically applicable (the definition of ‘refugee’), only afterwards one could decide to which refugees (to all or to some) the asylum should be granted; only after one has established the general category of ‘refugee’, the research of “motives behind the decision to flee” can be investigated.

I use in this argumentation the sometimes contested term ‘sovereignty’. I use it in general, dictionary meaning: power or authority which comprises the attributes of an ultimate arbitral agent entitled to make decisions and settle disputes within a political hierarchy with some degree of finality (King: 1994, p. 493).

Existing viewpoints

A great number of discussions part from the existing definitions in international law, where refugee is defined more narrowly than in scholarly or journalistic writing. The two most important definitions are provided in the 1951 Convention and 1967 Protocol Relating to the Status of Refugees (the Geneva Convention) and the Organization of African Unity Refugee Convention Governing the Specific Aspects of Refugee Problems in Africa (the African Unity Convention). Refugees who meet these conditions are usually called in the literature ‘statutory refugees’, to distinguish them from the more colloquially used term.

The Geneva Convention defines a refugee as any person who

owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it.

The African Unity Convention notes specifically (to protect persons seeking refuge from armed conflict) that the term ‘refugee’ also applies to

every person who, owing to external aggression, occupation, foreign domination or events seriously disturbing public order in either part or whole of his country of origin or nationality, is compelled to leave his place of habitual residence in order to seek refuge in another place outside his country of origin or nationality.

The Convention Relating to the Status of Refugees adds the obligation of *non-refoulement* (which has frequently been emphasized in many other conventions and agreements):

No Contracting State shall expel or return (‘refouler’) a refugee in any manner whatsoever to the frontiers of territories where his life or freedom would be threatened on account of his race, religion, nationality, membership of a particular social group or political opinion.

The underlying logic of the Geneva and African Unity conventions in the framework of human rights is that a statutory refugee has a stronger right to asylum than a person who arrives at a border to ask for protection without

meeting these conditions. Therefore, the Geneva Convention is a justification for giving asylum and not so much a description of the ‘one who flees’; this asserts the moral imperative to offer protection from certain type of persecution.

This definition has triggered many problems and arguments: Why focus exclusively on victims of group-based persecution? Why restrict ourselves to these particular groups? What if someone is persecuted as woman or as homosexual, for example? What if an individual is being detained at the border or simply lacks the means to migrate without assistance? Do people fleeing from poverty not need assistance (see, e.g., Shacknove, 1985; Haddad, 2008)?

To illustrate the attempts to overcome these problems, I have chosen two examples from contemporary debate, definitions by Matthew J. Gibney and Emma Haddad.

Gibney (2004), in his search for justified asylum policies for liberal democratic state, defines refugees as

people in need of a new state of residence, either temporarily or permanently, because if forced to return home or remain where they are they would – as result of either brutality or inadequacy of their state – be persecuted or seriously jeopardise their physical security or vital subsistence needs. This famine and natural disasters, individual persecution, etc. (Gibney, 2004, p. 7)

Gibney differentiates ‘asylum-seekers’ from ‘refugees’, defining asylum-seeker as a refugee who arrives at a border and claims to be a refugee. In his ongoing argument on the justifiability of asylum he continues to use the word ‘refugee’ not ‘asylum-seeker’, therefore including also persons who have not made a request for an asylum (including therefore persons commonly called ‘internally displaced persons’, IDPs). Gibney (2004, p. 9) specifically notes that defining ‘refugee’ does not create a moral responsibility to help them.

Gibney asserts that the possible protection, the possible normative response to ‘refugees’ differs by their position: for people outside a country, the only possibility is asylum, for people still inside the country, there are different options. Notwithstanding the distinction, he continues to use the term ‘refugee’ even when considering asylum policies, arguing over ‘acceptance of refugees’, hinting that also IDPs, people still inside the country of their nationality, should be somehow accepted to new societies.

Gibney’s definition is a good example of a language Zolberg characterized as ‘mystified’ or ‘self-evidently legitimizing’; it also has certain colonialist

tendencies. Difference between ‘asylum-seeker’ and ‘refugee’ is that of the request made by individual. Refugee, according to Gibney, does not have to place a request, a claim to be in need of a new state, to be considered one. This rises an important practical problem: how are their ‘needs’ to be determined? Who will be in power to decide which person is ‘in need of the new state’ and on what basis? Gibney’s definition allows a possibility that an external actor defines someone to be in a need of a new state even against his/her own will. Need – other than basic needs of physical survival – is not an objective category, it is a normative decision. Making normative decision over individual needs ignoring their own will is hardly conforming liberalist principles in which Gibney claims to argue, moreover, it could be claimed to be authoritarian. Additionally, the definition excludes the possibility of research in historical situations, when the world was not entirely divided into sovereign states.

State of residence in the modern world could easily imply certain type of rights (especially important, as Gibney is trying to solve the question for liberal democratic states), this type of definition already suggests normative guidelines, which kind of asylum policy should be the answer to the request placed by refugee (this definition does not imply that all refugees should be accepted, but implies policies towards accepted refugees).

The moral question – should the people who lack the means of arriving to the border be helped by offering those means? – differs from questions about the meaning of the term, for it acknowledges the need of an individual to place a request to the state to which they are arriving. I will return to this problem later under discussion of IDPs.

Emma Haddad, trying to formulate an explication of a ‘refugee’ concept “sufficiently broad to appreciate the multiple histories behind the term, yet at the same time narrow enough to retain any practical value” (Haddad, 2008, p. 44), proposes a following definition

Refugee is an individual who has been forced, in significant degree, outside the domestic political community indefinitely. (Haddad, 2008, p. 42)

Unfortunately Haddad does not give an explanation of what she means by a ‘political community’, even though she discusses ‘sovereign states’ and their hierarchy as a ‘political body’ (she claims that refugees are the product of international system of sovereign states). The claim that a sovereign state is equivalent to a political community is a too broad simplification, even if it could sometimes be true.

In very general terms – as the detailed discussion of ‘community’ is not the aim of this article – the ‘political community’ could be understood as a certain group of persons able to make decisions over a shared public sphere, or, using the terms of Michael Walzer (1994, p. 31), a group of persons, who share power and exclude, if possible, others from that power. A person outside of a political community is then someone who is not able to take part in the decision-making process. If we look at the current world of sovereign states, there are a number of them in which not all people are ‘members of political community’, there are states where women are excluded from making the power decisions, in authoritarian states the question of political community’ is even more narrow. Are all subjects of authoritarian states automatically ‘refugees’? Or the people who have never been members of any political community – even if they may be subjects of a state or power – cannot they then be refugees by definition? Then, a woman escaping a regime where she does not have the right to participate in public domain, but where her entire family is persecuted for some reason, is not a refugee?

It might be possible to tie a concept of the liberal democratic state to a political community, and use the word ‘refugee’ only for people who depart from liberal democratic societies or those societies in which there has been an authoritarian overthrow of previous liberal democratic regime. This seems to me impractical, as it leaves out a considerable amount of people fleeing from their original place of residence with ‘well-founded fear of being persecuted’, being even more narrow than the possibilities provided in the Geneva Convention.

In this case we would need a new term for all people fleeing from a place of residence where they were not members of the political community (even if they were considered members of community as such, but without political rights). The practicality of this differentiation remains unclear, even if it helps to sustain the thesis that refugees are modern phenomenon.

A historical excursion

Haddad claims¹ that “the refugee is intrinsically tied up in very workings of international society. Each concept relies on each other for its existence. They

¹ Also, Aristide R. Zolberg (1989, p. 33) and others hint that the problem of refugees is tied to the fact that processes in which refugees emerge are in contemporary world mainly global, but individual still depends on the state in protection from violence, which makes refugees ‘outcasts’. This still does not show that refugees could not exist without a world divided into ‘mutually exclusive communities’.

continuously create and re-create one another, inscribing identities onto each other and changing the normative course each takes.” (Haddad, 2008, p. 47) Even if one does not accept Haddad’s definition of refugee, it is still important to discuss whether the question of refugees is something that arises only in contemporary society, or whether there are analogies in the history. Analyzing the historical phenomenon of ‘refugees’ and ‘asylum’ might help to clarify the missed definitions.

Haddad ties the refugee problem to a “pluralist world of sovereign states”, suggesting that medieval world was ‘the solidarist universitas’ where the exclusion from a political community was not possible, as that exclusion depends on fixed borders (Haddad, 2008, p. 51). She describes the medieval world as made up of dynasties based on ecclesiastical loyalties and names the religious Peace of Augsburg as establishing the principle under which princes were given the right to rule local religious affairs. The Treaty of Westphalia represents in this interpretation an end of “horizontal feudal society of medieval world” which was superseded by “modern vertical society of sovereign territorial states” (Haddad, 2008, p. 49).

This history is slightly problematical. The medieval world may hardly be described as ‘solidarist’ or ‘horizontal’. It was a world with fixed hierarchies of intrinsically unequal human beings. Speaking of ‘political communities’, the medieval serfs could hardly be described as having political power over deciding the rules that would bind aristocracy or church. The importance of the Peace of Augsburg is hard to assess (aside from how much the parties intended to keep that accord): one shouldn’t forget the fact that the Treaty of Westphalia marked the end of over thirty years of fighting over religion. The very existence of the Thirty Years’ War (and the innumerable armed conflicts of medieval times) renders inconsistent a description of medieval world as “solidarist where princes ruled over local religious affairs. The Church–State conflict belonged to the foundations of European medieval politics.

Emma Haddad mentions that there were some population movements that resembled refugees even before nation states. She uses the example of Huguenots, as a religious minority forced to flee “the consequences of the actions of a government against its very own people, not in the time of war or with any provocation on their part, and after almost a century of mutual accommodation” and notes that it is similar to the contemporary world, where refugees are produced “once boundaries are erected, by a dysfunction in governance designed to strengthen the state”, such as the expulsion of Jews from Spain in 1492. In addition, she describes certain individuals, Dante and

Machiavelli, also naming exiles such as Marx or Dostoyevsky (Haddad, 2008, pp. 51–52, 66). These individuals Haddad dismisses from ‘refugees’ basically on two claims, first that “there was a small number of them” and “they were romanticizable, idealisable figures” (Haddad, 2008, pp. 67–68). Of Huguenots, she finds that as there was no international cooperation, the Huguenots were not a threat to a host country and they usually brought money or skills (an argument also made by Zolberg regarding Huguenots) and “they did not cross well-defined border”.

The first three attributes, of course, are not part of a description of ‘refugee’ but a description of ‘asylum’ and problems that arise from asylum. The question of ‘aesthetics’ of the situation of refugee seems to me irrelevant and not precise (there are numbers of films and books idealizing the refugee movements today as well), and I fail to see why political concepts should be defined by aesthetical means.

The fourth attribute is a matter of definition (and Haddad’s own definition of refugee does not contain the notion of ‘traversing fixed border’). If we define refugee as a person who crosses the border of a nation state, then of course any movement of the era before nation states does not qualify. This is what C. L. Stevenson (1960, pp. 277–297) called ‘persuasive definition’, pre-emption of criticism by definition. Moreover, the definition does not exclude analogous movements in history. The second aspect is what significance has the ‘crossing of a border’? In the world of sovereign states, it is entering a space of another autonomous power, another jurisdiction. Therefore, the importance is not so much the imaginable line to step over, but the problem of legitimate decision-makers in given areas, the problem of different powers. Territoriality was an important problem of pre-state era as well; the territoriality of a temple and territoriality of nation state are descriptively different, but they fall under the same category. One should not confuse the general category and an institution of that category in certain historical context. The terms ‘territory’, ‘border’ or, indeed, ‘asylum’ may have certain different features in different ages, but there is a notable similarity in the purpose, of underlying logic.

Even though a right to asylum might indicate different phenomena throughout history, in different legal solutions there exists a shared notion of ‘inviolability’ or ‘immunity’. This idea suggests that refugees in history and the asylum offered to them should be analyzed together and why a ‘sovereign state’ is not an immediate source of refugees (even if some concrete state might be).

Indeed, the response to refugee “problem” is older than medieval Europe, let alone nation states. The term ‘asylum’ derives from Greek (*asylon*, ‘inviolable’)

and indicates the sacred place which cannot be violated by public force (Graziani, 2006, p. 66). There is a general consensus that the term was used to indicate the places where an individual could hide from all kinds of persecution; the immunity was guaranteed by divinity: a person who comes into contact with a holy place somehow participates in divine protection. In Egypt, where the legal system remained tied to the religious factor, violation of asylum was considered also a sacrilege, not only *crimen laesae maiestatis* (Crifò, 1958, pp. 191–193). In Roman and Hebraic law there existed a similar institution; in Roman law it was called *esilio*: any Roman citizen found guilty was offered by a magistrate the choice to leave and never to return Roman borders to avoid death penalty. In Israel a suspect of homicide could shelter in certain cities during the time of process; if declared innocent, he could return, otherwise he was subjected to a legitimate vendetta by the relatives of the victim (Graziani, 2006, p. 66; Crifò, 1958, pp. 193–196).

Sources disagree about the specific situations in which the asylum was granted in Ancient Greece (and these conditions were probably different in different ages and places), but it is interesting to note that according to Crifò (1958, p. 193), the most widespread use of the right to asylum was by slaves. There were a number of temples dedicated to slaves who were escaping from the possible torture of the owner and if the slaves were caught they had a right to ask to be sold to another owner. This shows that the need to flee is not necessarily connected to membership of a political community (slaves definitely were not members of a political community).

Leopold von Ranke is quoted (e.g., Croce, 1994, p. 394) to say that history is always a history of relations and of fight between the Church and the State. Being a generalization, it is still an apposite reminder that Emma Haddad (and many others, for example Zolberg *et al.*, 1989) are missing in their historical analysis on refugees and asylum the existence of a non-state autonomous power – a religious authority. The Greek temples were inviolable to secular powers who had no authority over these spaces. In medieval Europe, the Christian Church was one of the most important autonomous actors. Given the assertion by Ranke and countless later historians, I would not characterize the medieval world as ‘solidarist’, but as a world of fierce competition for the status of sovereign, with the Church on one side and secular powers on the other. Ironically, it was the Christian Church through which ‘asylum’ was instituted all over the Western Europe.

For the Church, the right to asylum served as well for its own goals, including that supranatural of the salvation of the sinner’s soul (Vismara, 1958, p. 198). The canonical asylum of the Church started to develop in the fourth century, with

a notable difference in argumentation of the Greek concept: the protection does not arise from a fear of divine creation, but of piety of an individual: by asylum he gets a higher state of autonomy, being able to ask god for mercy through the ecclesiastical authorities. The canonical asylum is basically applied in two cases: the individual criminal escaping secular power and protection to individuals endangered by possible death. In the first case, the Church intercedes at the judiciary in favour of an individual to verify if the accused crime does or does not comply the rules of offering asylum, in the second case the asylum is granted anyway to the people who will stay in the sanctuaries (Graziani, 2006, pp. 66–67).

In Western Europe, the right to asylum was considered an autonomous (independent from the intercession of clerics) institution from the migration period in the fifth and the sixth century. While the ‘barbaric’ (non-Roman) laws (of which some contained the private vendettas and ‘safe havens’) were merged in the Christian doctrine, the asylum became a common institution in all Western Europe. It was used by both free people escaping private vendettas and those who were fleeing from death penalty or severe mutilations. A free person could not be removed from asylum by force; violating asylum was considered a sacrilege, as in ancient Egypt. For serfs, the medieval asylum did not give freedom but it functioned as a place which could secure better treatment by the master: the serf or slave could be restituted only after he was forgiven both the original guilt he was escaping and the escaping itself (Vismara, 1958, pp. 199–200). I would like to underline here that it is not only the state power or abuse of state power that could create people fleeing, but also the legal system which allows private vendettas. The institution of asylum all over Europe suggests that the question of refugees was a widespread phenomenon.

It is interesting to note that the persons’ right to asylum brought to the Church a number of problems: the need to offer hospitality and maintenance of the persons, people who were seeking a possibility to use asylum as a safe base from which to conduct their criminal activities, the potentates who were irritated over the asylum granted to their enemies, etc. (Vismara, 1958, pp. 199–200). The same problems we may observe also in the contemporary discussion over refugees: so the hint that before the twentieth century giving asylum did not usually constitute an economic or political problem to a granting authority is misleading.

Until about the eleventh century the right of Church over matters of asylum were not contested, but after that the secular powers started to ask gradually more and more exceptions over asylum cases. From that on, it is possible to observe continuous conflict between ecclesiastical authority (who demands its competence over matters of asylum) and secular jurisprudence (who asks for

itself the exclusive right to determine in every single case if the conditions for asylum are fulfilled) (Graziani, 2006, pp. 66–67). In time, ecclesiastical asylum gets more and more restricted, until it faded away with the rise of nation states (Vismara, 1958, p. 201). The Treaty of Westphalia marked the end of contest for ‘who is legitimate to be counted as sovereign’, the Pope was not among treatates. The secular power, the state, was established as the sole sovereign actor, and the Treaty fixed certain limits of the legitimate actions of sovereign (the war to impose a religion was no more justified). In 1748 Cesare Beccaria notes in his famous *Dei delitti e delle pene* that as inside the borders of the one country there should not be any place independent of the law, to create asylums inside the country would mean to create many little sovereigns: if there are places immune from the laws they turn into places where other set of laws are created. He adds that until the legal system responds more to “need of the humanity”, the punishments are less severe and the jurisdiction less arbitrary; until there are tyrannies, he would not call to decide on a question if there should be an extradition of offenders between the states (Beccaria, 2008, p. 100). This is clearly still the argument against clerical asylum and against the Church having special rights regarding to legal system; it excludes a possibility of ‘asylum’ to citizens, but foresees the possibility of asylum to non-citizens in certain conditions.

The new secular asylum was indeed tied to the same problems mentioned by Beccaria. Firstly, it was based on the principle of legitimacy of insurrection against tyranny. For example, the French Constitution of 1793 enacts that “French people give asylum to foreigners who, in the name of liberty, are banished from their homelands, and refuse it to tyrants”. With the decline of ecclesiastical asylum and rise of natural law, the asylum gets more solid contours, it is now an instrument not for someone condemned in exile or accused in common crimes, but for someone persecuted for political, religious or racial motives. Roughly from that time we may indicate the meaning of ‘asylum’ in international context as the refuge and protection given by a certain state in its territory to those in escape from their original state (Graziani, 2006, p. 67).

The important thing here is to note that it is the definition of ‘asylum’, the legitimacy of protection and the question who can offer asylum that change in time, not the fact that people have been trying to get protection from one power from another. Of course, in the highly technological world with the means of mass transport, the absolute numbers of people moving are greater than they were in medieval times, but it does not render people seeking protection non-existent or the danger less important, however romantic their quest might seem from contemporary viewpoint.

Contemporary issues

In present-day world, people flee for all kinds of reasons because of political persecution, violence, war, natural disasters, but also because of their crimes, debts, fear, or thinking their legal system to be unjust. Analogously to the concern of the Church that sacred places could be turned into the bases of criminals, in the second half of the twentieth century there were numerous cases of people who fled to a neighbouring country in a search of a safe haven from a civil war with the purpose of regenerating their fighting power, sometimes even continuing fighting over the border from refugee camps (see Terry, 2002; Stedman & Tanner, 2003).

One of the problems which makes the term ‘refugee’ elude a definition, is the desire to fit the notion into the model of a certain type of normative answer (giving the conditions of asylum in the definition) or to create basis to create other self-justifying claims on society (labelling certain states failed’, calling sovereignty an ‘organized hypocrisy’, etc.). Indeed, Haddad (2008, p. 26) points to the important aspect in search of a definition: that we answer first the question “what is the purpose of defining the category of refugee?” giving an example that it could be “to protect the unprotected”. Unfortunately, ‘to protect’ can be the purpose of ‘asylum’, the question of ‘refugee’ remains in “who is ‘unprotected’”.

Refugees are real people. Refugees are persons who choose not to stay in their place of residence because of certain reasons, who make a request to stay outside of the original jurisdiction. It is a different way to move or to cross borders than tourists, businessmen, employees to a multinational company, house-maids who moved with aristocrat family or that of diplomats (who are also protected by certain type of immunity) or those economic migrants who are in search of a ‘better life’ or simply of an occupation different from what was possible in the source society (as opposed to possible escape from certain death of hunger). The purpose of defining a refugee is to establish a category that describes the common aspects of this way of movement. Only after setting up the definition of a refugee we can ask to which refugees their request should be granted, to which refugees the protection should be offered.

Therefore, we may say that the concept of asylum is juridical, normative, it is created by law, and the concept of refugee is descriptive, referencing occurrences in real world. It is sometimes rational, of course, to address both together as two counterparts of a problem, but for clarity of the discussion, it is important to distinguish the meanings.

To clarify the terms, I would suggest departing from ordinary parlance. The Merriam-Webster Dictionary of English Language defines a 'refugee' as

one that flees [with a note:] especially: a person who flees to a foreign country or power to escape danger or persecution.

This definition clearly indicates the external actor, the 'foreign power or country'; the external actor here is not necessarily the sovereign state, 'foreign power' could be the Church. 'Fleeing to a foreign power' could be defined as a form of declaration to a foreign power of one's claim of being refugee (and other subsequent claims, for asylum, protection, etc.). It could be in the form of crossing the sea by a boat or asking protection from a diplomat residing in the country or knocking on the door of a monastery. Fleeing to someone has a rational meaning, if it contains the idea of asking protection from that someone (who does not need to offer it).

The word 'persecution' has created a number of legal discussions, but they are mostly concentrated on 'which persecution is unacceptable', not so much on the definition of the word. I see 'persecution' broadly as a deliberate act of punishment in a manner that injures or causes suffering because of prejudice, belief or physical appearances, belonging to a certain group, etc.

Also, the word 'danger' contains a number of problems. One may try to equate 'danger' with every sort of discomfort or with hypothetical dangers (the possibility of facing hunger in the next ten years, poverty with respect to other regions in the world). To distinguish the real and hypothetical cases, I think that the more detailed description of consequences of danger should be included in the definition, as done by Gibney (see above). Zolberg (*et al.*, 1989), in his sociological research of causes and actions of the refugees, notes that they all have in common "fear of immediate violence", the same aspect is noted also by Gibney. I suggest that the 'immediate' nature of danger is the key aspect; the danger causing fleeing is a sudden change of the 'normal' situation of the given individual, an event, or action. This includes war and natural disasters, but does not include systemic long-time poverty. One who escapes/decides to leave the long-time conditions, falls under category of 'economic migration', as (s)he reacts to complex economic situation, not immediate catastrophe. Responses to systemic problems and to special problems need a different justification. More, I think that 'refugee' should be defined also in the way that is applicable to historical cases, it should also be valid to the slaves who fled from torture by their master in Ancient Greece, as well as persecuted political activists in contemporary states.

Therefore I suggest to define ‘refugee’ as a person who

places a request for protection to a foreign power to escape persecution or immediate danger that would seriously jeopardize his or her physical security or vital subsistence needs.

An ordinary criminal escaping from jail – or even from capital punishment – will be a refugee according to this definition, just as a person fleeing from being on the receiving end of genocide. A person who has participated in committing genocide and escaping the country fearing consequences of his actions is certainly a refugee under this definition. Such people are ‘fleeing’ from danger by a concrete actor, to maintain their own safety, and the only possibility open to them is to search for another power for protection. ‘Refugee’ and ‘asylum-seeker’ are synonyms according to this definition. There might be a need for subcategories such as ‘political refugee’, etc. but they should be introduced by sociological (or historical) methods, by research into the actual conditions in source societies of refugees.

Sometimes ‘refugees’ are seen in political discussions as a subcategory of immigrants. This is not entirely helpful and is sometimes done with the goal of providing a defense to the claim of open borders (another case of persuasive definition). Immigration arises from the movement of persons on voluntary basis, without immediate danger. Immigrants are people who request a right to enter another state to reside and – if they want – to work there on a permanent basis. This request is wider than ‘protection from danger’; also, it is always for the long term, while asylum does not have to be essentially permanent (and in some cases it cannot be permanent). Given permanence, immigration creates the need for possibility of citizenship (without a right to citizenship it would create ‘second-class persons’, permanent residents without certain political rights, which clearly is not in accordance with liberty in the sense of John Stuart Mill or simply with prerequisites of democracy). Refugees as temporary residents do not create same type of need of citizenship. A refugee may decide to become an immigrant (then it is a new situation) or sometimes asylum might be permanent (this is the question of asylum law).² Therefore, normative responses to refugees and immigrants should be discussed separately. The cases of non-acceptance or repulsion of immigrants need different justification than non-acceptance or repulsion of refugees (France expelling the Romas to Romania, and Great Britain expelling Afghan children to Afghanistan are certainly different kinds of cases and need separate justifications).

² For clarifications, see my discussion on this argument in Loone 2009.

The act of fleeing as such does not necessarily create refugees. People who flee from a foreign power to their country of citizenship are not refugees (or immigrants). This problem rises mostly in the cases of ex-colonies or situations where the frontiers have moved over people (independence of a colony, break-up of state, for example in the case of the Soviet Union), and people find themselves living in a territory of new sovereign. For example, Salman Rushdie is not a refugee even if he might be persecuted in Islamic countries: Rushdie is a British citizen asking protection from the same state.

The case of Ayaan Hirsi Ali provides an interesting problem for our definition. She is an open critic on the position of women in Islamic societies. After collaboration with Theo van Gogh on the film *Submission* in 2004 she became a target of fundamentalist violence in the form of private vendetta. The Netherlands offered her a protection (including moving between safe houses, etc.). In 2007 the Netherlands decided to offer her protection only while she was inside the Netherlands. Sam Harris and Salman Rushdie (2007) in their article in *Los Angeles Times* described this decision as “Hirsi Ali may be the first refugee from Western Europe since the Holocaust”.

But if we analyze the conditions for ‘refugee’ set out above, Hirsi Ali was not fleeing from immediate danger or persecution. As a Dutch citizen she was offered protection from private vendettas inside the Dutch State: a state cannot be obliged to offer protection outside of its borders (it could be obliged to help a citizen to return to its borders; it could decide to offer this protection abroad, if possible). Existence of a protection program in the Netherlands renders the danger at least ‘not immediate’; protection might be uncomfortable. Her ‘citizenship controversy’ is not ‘persecution’: submitting false information when entering a state could be forbidden in accordance with principles of democracy and could be a matter for public and legal discussion (moreover, the Dutch prime minister was forced to resign over Hirsi Ali’s case, see Eelens, 2006). Hirsi Ali’s later decision to move to US to work at the American Enterprise Institute could therefore be described as an immigration case (search for better life and desirable work in another country).

Therefore, fleeing from the state which offers protection from certain danger does not create a ‘refugee’, as the danger is not immediate. The legal processes themselves do not necessarily mean ‘persecution’ – usually they do not. Persons asking protection from their own state are not refugees. States may collaborate with respect to protecting persons from personal vendettas and organized crime: until the state of citizenship is involved/initiating, the person is not under the category of refugee and the protection (for example, witness protection programs) not asylum.

Is IDP a refugee?

Even if there are no internationally recognized legal definitions of ‘refugee’ that includes persons displaced by a military conflict or other disturbances, who find themselves inside the country (McGuinness, 2003, pp. 150–152), or the universally accepted definition of ‘internally displaced people’ (Graziani, 2006, p. 252), there are arguments that fleeing inside a country should be included into definition of refugee. In addition to that proposed by Gibney, above, Haddad indicates that people might just not be able to get to the border to ‘place the request’ and argues that if the state shows itself no longer to be a guarantor of the protection of its citizens, and the international community must step in to take responsibility, borders become blurred (Haddad, 2008, pp. 43–44).

Haddad’s argument, once again, does not define what a refugee is, but suggests that sovereign power is legitimate only until it acts in a specific way towards their citizens, and international community has a duty to intervene in other cases. Francesca Graziani (2006) indicates that sometimes it may be the person’s choice not to leave the country of origin and finds that humanitarian intervention to assist ‘internally displaced people’ is too severe a limitation on sovereignty. The ‘severity’ is still a question to argue, but this argumentation is not about ‘who is a refugee’ but ‘which are the limits on sovereignty’, or about just and unjust wars.

Indeed, one aspect is that a person may choose not to ask help from a foreign power. But people might be ‘internally displaced’ for many other reasons which have nothing in common with ‘fleeing’. People deported to Siberia by Stalin were ‘internally displaced’, but they were not fleeing from anything.³ People who are given a temporary accommodation by government in a different area of their usual habitation due to large-scale earthquake are ‘internally displaced’, but this does not indicate that the borders of this state are ‘blurred’.

The confusion might arise from considering refugees as ‘forced migrants’, distinguished from those who voluntarily choose another place to live, without life-threatening conditions. Refugees, even if having no choice’ are still voluntary actors: they choose to ask protection from another power. If a person chooses to ask protection from the power of its own state, (s)he has a lack of that intention. If a person is forcefully removed from one place to another, (s)he has a complete lack of intention to ask for protection.

³ A survey conducted by the Norwegian Refugee Council shows that in the contemporary world the considerable number of IDPs comes from the relocation of people by a certain power rather than people fleeing from life-threatening conditions (Norwegian Refugee Council, 2002).

Therefore, ‘internally displaced persons’ is a separate category (including many sub-categories) of movement of people, along to refugees or migrants, and has to be analyzed on its own.

Forward to asylum policies

By establishing the category of being a refugee, we have established the category of people who may qualify for asylum. It was pointed out above that recognition of someone as ‘refugee’ does not automatically qualify this someone for asylum, for the ‘foreign power’ has no automatic obligation to accept everyone who flees. Still, this categorization is important to distinguish ‘refugee’ from ‘immigrant’ or ‘foreigner’ (who could also be a tourist). As has been noted at the beginning of this article, for clarity of the legal system and political discussions, the differentiation of refugee situations should be done by the different concepts of asylum. It is beyond the scope of this article to discuss the theory of asylum, the normative answer to refugee problems, but I would like to indicate some suggestions as a conclusion.

Asylum, as an answer to refugeeeness, could be defined as the ‘protection offered to refugee by the foreign power’. The form and the conditions of the protection are to be decided first by an autonomous power to which the request is placed. Conditions could include the need of absolute disarmament on part of refugees fleeing from war-zones, or the need to stay in designated areas while enjoying asylum. The justifiability of these conditions depends on the legal system of the state, international agreements it is part of, and the core values accepted in the receiving community (state).

As the causes for flight and causes of acceptance of refugees differ in particular situations, there should be different types of asylum. There are two main categories to provide basis for the differentiation of asylum policies: ‘grade of individuality’ and ‘normative type’. Zolberg (*et al.*, 1989, p. 269) in his classical research on refugees has proposed a three-fold typology of modern refugees: ‘the activist’, ‘the target’, and ‘the victim’. According to my definition of refugee, which is somewhat wider than Zolberg’s, we could say that ‘the activist’ marks an individual refugee, whose causes to flee are mainly tied to his/her own concrete actions, who is persecuted as a person X. The targeted individuals are those who through their membership in a group or a category are singled out to become victims of violent action, people who are targets because of their certain qualities, not because of their actions. The victims are randomly

caught in cross-fire or are exposed to general social violence. This creates the three different asylum types according to grade of individuality: 'individual', 'group', and 'mass'.

Current international law is best applicable to the individual asylum case: here the numbers are always small, causes verifiable, and the effects on target society mostly minimal. The individual asylum is typically the least 'temporary', as individual refugees emerge not only in a state of acute violence but also from authoritarian states. In the latter case, it could be foreseen that the asylum will last for long periods of time which places them also into the mode of immigration. Still, there could be reasons for not offering asylum also in individual cases (I think that there are evident concerns why a state would not offer an asylum to a mass murderer).

The non-individual cases could need new separate solutions in (international) law and also different justification. Group asylum would mean that a state is granting asylum for people of certain characteristics, based on their religion, skin colour, sexual orientation, etc. The person to qualify has to demonstrate not the concrete danger to him or her personally but his or her belonging to a group which is persecuted in his/her source state. To offer group asylum would mean, for example, to offer asylum to all homosexual men originating from a country where they are persecuted on the basis of their sexual orientation or to offer asylum to every woman originating from a country with widespread female circumcision, regarding female circumcision as 'danger that would seriously jeopardise her physical security needs' (both policies practiced in the Netherlands). If asylum is offered only to a person who is declining for herself (or for family with under-age female children) and fearing persecution arising from that act, the asylum would be individual.

The mass asylum is in many instances inevitable: in cases of widespread violence the numbers of people flocking to neighbouring states could be so large that it is not even practically possible to refuse asylum. Here we have an example of a highly temporary case: the danger here is the 'general violence' and the asylum is justified only until this 'general violence' is in effect. The protection offered in this case is the protection of basic needs: not dying from hunger, bombings, immediate battle. This type of asylum cannot be an immigration case as such – or it would turn into a colonization (this does not mean that a state cannot offer permanent residence as asylum, but indicates the typical situation). The most difficult problem here is the possibility of 'refugee warriors': warring parties may try to use asylum to create safe havens for further recruitment of combatants (see Zolberg *et al.*, 1989; Terry, 2002; Stedman & Tanner, 2003).

As already noted, the protection type and rights of asylees are to be justified differently. In democratic states, the condition to stay in a designated area in the case of individual asylee for the entire time of asylum needs strong justification (for example, on security reasons in case of fleeing from international criminal organizations), but in mass asylum cases it could be the only option to avoid the continuation of the conflict. The case of Rwandan asylees in Zaire provides a horrible example (see Stedman & Tanner, 2003; Terry, 2002).

The second category is 'humanitarian/political asylum'. As Fiona Terry (2002, p. 13) has noted, the causes of most crises are political; some consequences may be humanitarian. Therefore, offering asylum is also a political move. Again, at least with respect to individual asylum cases (but even those are not without their political import), an offer of asylum to someone is equivalent to a statement that certain actions by a state unjust. Still, this differentiation is important mostly in group cases.

Humanitarian asylum means that asylum is offered to every human being who meets certain objective categories, with the *bona fide* aim to ease human suffering (and acts rationally supporting this aim). This means that refugees are not selected by their class, political affiliation, etc. Political asylum is the help offered to favour a certain political group or a party in conflict. The difference here is the question of neutrality.

If humanitarian asylum could be defined as 'neutral' and actor offering asylum as not being part of the conflict, the offering of political asylum has always political consequences. One of the best known cases is that of the refugees from South-African apartheid regime, who used asylum to undermine such regime from the countries that provided them with asylum. The camps for Albanian Kosovars were seen by some US leaders (see McGuinness, 2003, p. 159) to serve the purpose of providing the Kosovo Liberation Army with an opportunity to recuperate, recruit, rearm. If this kind of opportunity is provided, it is also a case of political asylum, an offer of help to a party in civil war. The US policy in 2000–2005 to offer asylum to Hmong people from Laos, as their allies, was a clear case of political group asylum (and in this case, also a permanent one). The Médecins Sans Frontières decision to limit their aid only to non-Khmer-Rouge refugee camps in Thailand or to work only with Afghan mujahideen refugee camps in Pakistan during the Soviet military intervention in Afghanistan (Terry, 2002, p. 221) were cases of political mass asylum, but temporary ones. As political asylum is not neutral, the decision to offer political asylum is a decision to participate in conflict favouring one side. Therefore, other than the moral question of the need to ease human suffering, political asylum is the question of intervention or participation in a conflict and therefore has to be justified also in these terms.

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Incitement or Free Speech?

Legal Limits to Freedom of Expression

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Abstract: *Freedom of expression is a key human right both in itself and as a necessary prerequisite for other rights and for a functioning democracy. As most rights it is not unlimited. The exercise of this right may mean violation of other rights, like the right to privacy. Consequently certain possibilities to limit freedom of expression are deemed to be in accordance with the basic freedom. One such limitation is legislation against incitement to hatred and violence. It is prohibited to use one's freedom of expression to call for violent acts against others or generally to stir up hatred to such an extent that others are put at risk. Freedom of expression does not only protect useful or nice expressions, but any expressions that are not against the law. What kind of incitement that should be prohibited and actively prevented by actions of authorities is very different in different societies. To examine incitement of hatred and violence against homosexuals is particularly interesting as the apparently paradox situation may arise that as a society becomes more permissive and less homophobic, more hate speech against homosexuals must be allowed as there is less real risk of such speech leading to any consequences.*

Keywords: *anti-discrimination, discrimination based on sexual orientation, EU law, European Court on Human Rights, freedom of expression, incitement to hatred and violence*

Introduction

Freedom of expression is a key human right both in itself and as a necessary prerequisite for other rights and for a functioning democracy. As most rights

it is however not unlimited. The exercise of this right may mean violation of other rights, like the right to privacy. Consequently certain possibilities to limit freedom of expression are deemed to be in accordance with the basic freedom. One such limitation is legislation against incitement to hatred and violence. It is prohibited to use one's freedom of expression to call for violent acts against others or generally to stir up hatred to such an extent that others are put at risk.

Freedom of expression does not only protect useful or nice expressions, but any expressions that are not against the law. The European Court of Human Rights (ECtHR) has stipulated clearly that also negative speech is protected and it is thus not reasonable to limit freedom of expression because some speech is not of any use or is unpleasant. This must be kept in mind when looking at possible limitations of hate speech: the fact that utterances are hateful is not in itself a reason not to give protection to them.

The kind of incitement that should be prohibited and actively prevented by actions of authorities is very different in different societies. What is likely in a volatile, post-conflict and ethnically divided society to lead to violence may not raise an eyebrow in a stable, homogenous democracy. To examine incitement of hatred and violence against homosexuals is particularly interesting as the apparently paradox may arise that as a society becomes more permissive and less homophobic, more hate speech against homosexuals must be allowed as there is less real risk of such speech leading to any consequences. In a society with a lot of homophobia, it is relatively easy to incite to hatred and violence. Also indirect negative utterances about homosexuals may lead to people taking action like being violent against homosexuals, discriminating against them and so on. If the situation is better and there are fewer prejudices, negative utterances about homosexuals will not be likely to have such effect as they will not be in line with the expectation of the audience. People will not let themselves be incited to act against a certain group if this group is accepted in society.

The question of incitement to hatred and violence against homosexuals and regulation of hate speech against this group is topical in many respects. In the United Kingdom, an amendment to the Criminal Justice and Immigration Act from 2008 deals with "Hatred on the grounds of sexual orientation" meaning a prohibition on stirring up hatred based on sexual orientation. The ban is not linked to homosexuality but this is what the heated debate has mostly been about (Johnson & Vanderbeck, 2010, p. 1). What the debate circled around was not in fact the protection of sexual minorities but rather how people with homophobic views based on religious convictions had faced discrimination and limitation of their freedom of expression.

This debate is very interesting as it illustrates a situation in which the protection of rights of sexual minorities has a strong enough foundation for other groups to feel that this very protection endangers their right to free speech. In a situation where the authorities do not impose value judgements, the protection of any group to express themselves must be equally strong provided they do not cause harm to another group. Thus, the protection of rights of sexual minorities must not mean an infringement of rights of other groups. However, only in case there is incitement of hatred and violence against this other group is there a need to prevent negative utterances. The situation may have changed concerning who feels discriminated and ostracised, but the reasons for allowing freedom of expression including for airing unpopular views should be the same.¹

The same general principles apply also to hate speech against any groups, such as certain ethnic groups. However, in such cases, there may be other factors such as the relationship between countries that also play a role for what kind of speech is acceptable and what may lead to real negative consequences. For sexual minorities the issue of the attitude toward a certain group is more clearly seen, which is why it is interesting to select this particular group as an example of the changing aspects of law and reality that must be kept in mind when determining what is incitement to hatred and violence of such dignity and seriousness that prevention of it becomes more important than the protection of freedom of expression.²

This article examines the issue from a European perspective, with a few comments also about other countries but generally set in a framework of liberal democracies. For societies where homosexuality is outlawed the mentioned debate is not of direct interest, as there the law is not protecting sexual minorities, but rather restricting them. This raises many interesting points of the state itself being the potential perpetrator of incitement, but the legal questions linked to this are different than those that form the main topic of the article.

The article is written from a legal perspective and does not discuss the philosophy of ideas, which although it is important for the discussion on freedom of expression and means for society to impose values, is distinct from the legal discussion on the matter. To treat the topic from a philosophical as well as a legal angle would require a much larger paper.

¹ Interesting examples of police responding to alleged homophobic behaviour by religious representatives in Johnson and Vanderbeck, 2010, p. 4.

² Although the article refers to homosexuals, the discussion is also relevant to transsexual and transgender persons.

Freedom of expression

It is not the intention here to go in detail into the background and philosophical justification for freedom of expression. However, it is interesting for the topic to touch briefly upon the theories underlying free speech the way they have been accepted and built upon by e.g. ECtHR. Dommering (2008) sums up the main theories as those based on the argument from truth and the argument from democracy. The free marketplace of ideas is another popular description of the benefit of free speech. The special preferred position of political speech is another aspect of the idea of media and freedom of expression as a basis for democracy (Dommering, 2008, pp. 44–45, 51–52). This illustrates why also negative and unpleasant speech should be protected. ECtHR in its well-known cases that still form the basis of its main view, like the *Handyside* case (7 December 1976, Appl. 5493/72), stressed not only that freedom of expression is one of the essential foundations of democratic society but also specifically that this means that the freedom does not extend only to ideas that are favourably received or inoffensive but also to ideas that offend, shock and disturb the State or any sector of the population (page 23, paragraph 49). In the *Sunday Times* case (26 April 1979, Appl. 6538/74) the ECtHR underlined that the public's right to know means that mass media has a duty to impart information. Dommering (2008, p. 46) stresses that the messenger is protected even when he brings bad news. ECtHR in *Jersild* (23 September 1994, Appl. 15890/98) stated that if a journalist could be punished for reporting offensive statements, this would hamper free debate and the press' contribution to discussions on matters of public interest. Such punishment of journalists must only happen if there are particularly strong reasons for it. The *Jersild* case dealt with hate speech in relation to racist speech. The ECtHR stated that the question in the case was what restrictions are necessary in a democratic society.

Permissible restrictions on freedom of expression can be founded on specific historic and traditional aspects. Holocaust denial laws should be seen in this context and the ECtHR has found these to be permissible restrictions (*The Garaudy* case, 24 June 2003, Appl. 65381/01; Dommering, 2008, p. 53). The justification for such specific laws is in the opinion of the present author not easy to see and the special historical context is unfortunately not a strong argument as there are so many atrocities committed by different groups at the same time as the Holocaust and sadly also many times since. If denial of one atrocity is prohibited many different kinds of atrocities should perhaps be equally banned. In reality denial of e.g. Stalin's crimes is permitted in countries that outlaw Holocaust denial. To extend the ban on Holocaust denial to cover denial of any

crimes against humanity (as has been attempted in France) could however lead to major limitations of free speech with all the negative consequences that has. Explicit bans on certain types of content in a society with a free media present an anomaly and should be imposed only when certain content is harmful to such a great extent that this aspect always takes precedence over the freedom of expression aspect (child pornography comes to mind). The problem with Holocaust denial laws is that it is not just expression in a certain setting or of a certain type that are prohibited but it is the detail of the content of the information that triggers the prohibition. Such prohibitions do not fit well with freedom of expression. The Austrian Holocaust denial law was used as recently as 2005 against the British historian David Irving (subsequently successful in his appeal), which lead to a debate on whether such a law and imprisonment under it could really be justified in a situation where the statements made were unlikely to have any real effect on Austrian society one way or the other (Nyman-Metcalf, 2008, p. 208).

Another relevant aspect of the case law of the ECtHR is that related to value judgements. Value judgements and factual judgements should be seen differently (8 July 1986, Appl. 9815/82). This is the same issue as the important principle of broadcasting regulation that opinion should be distinguishable from facts. As with many of the principles set out for allowing limitations on freedom of expression the problem is that it is difficult to make the exact distinction between opinion and fact. The ECtHR has found that negative value judgements must be grounded in fact with the factual basis if not the value judgement as such proved (De Haes and Gijssels case, 24 February 1997, Appl. 19983/92; Dommering, 2008, pp. 54–55). This makes the dividing line between the two kinds of statements almost more difficult to draw. This situation can be imagined in relation to homophobic expressions where “scientific facts” can be used to incite to discrimination, but if these same issues are presented as opinions it may be hard to prevent them. The question of artistic speech is also interesting. Such speech is protected and as the role of artistic speech is a specific one, one in which provocation and satire may have a part, this area may provide another backdrop against which potentially inciting statements must be seen. The ECtHR affords protection to artistic speech but also in this context refers to national judgements of morality and decency (Cases Otto Preminger Institut, 20 September 1994, Appl. 13470/87 and Wingrove, 25 November 1996, Appl. 17419/90; Dommering, 2008, p. 57).

The ECtHR case law shows that the idea that the messenger that brings matters of public interest to the public’s attention should have special protection is not only related to hate speech but generally to protect media against allegations it

is engaging in illegal activities.³ It is quite possible that the role of mass media to spread information is more important than the possible violations of law and the free speech is still protected. The importance given to freedom of expression in the balancing of this right with other rights is consistent in ECtHR case law and especially so for media.

When discussing limiting rights such as freedom of expression this right can be contrasted with other specific rights but it is also possible to refer more generally to human dignity and that certain expressions shall not be permitted as they violate human dignity. The danger with such an argument is that it makes it even easier to limit freedom of expression than when it is done with reference to another specific right (like the right to privacy). If there are two separate rights to weigh against one another, this provides some guidance on which one takes over and how. If a right has to stand back for something as vague as human dignity, the scope for ad hoc and subjective judgements is larger. However nice the idea may seem to prevent negative speech that infringes on human dignity, the importance of freedom of expression and the principle that basically all forms of expression – also negative ones – are protected needs to be kept in mind. McCrudden (2008) mentions examples from Israeli courts where protection of artistic expressions had to stand back for the protection of dignity that meant that certain racist and sexist speech was banned. He also refers to a US–German agreement on cultural property where assailing human dignity is prohibited, linked however to a risk of incitement (McCrudden, 2008, pp. 702–703). In such a case, there is a restriction on freedom of expression because of the content of the expression not being in line with the official view of the country in question. Put like this, it should be clear that such rules fit poorly with the kind of protection of human rights that democratic states should afford even if they at a first glance may have seen like commendable attempts to make everyone in a society feel good.

One interesting aspect that raises new questions about the special role of media for freedom of expression is the various forms of new media, with internet blogs, forums and similar user-created content that is more or less similar to traditional mass media (Dommering, 2008, p. 47). If one reason why media is allowed considerable leeway is that it should itself take care of ethical issues through editorial control, self-regulation and similar, it is interesting if widespread “media like” information society content that lack such control mechanisms should be given the same kind of freedom as traditional media to even violate other rules in order to bring information to the people. If the answer is no, that without the guarantees and controls of traditional media there can be

³ Dommering, 2008, p. 46 discussing secrecy laws.

no extensive freedoms, the question of the borderline between traditional and “new” media immediately arises. This question is still to a large extent open, both when seen through the case law and practice of international legal bodies and when considered from the viewpoint of national regulators.

Prohibition on incitement to hatred and violence

Many countries have legislation against incitement to hatred and violence. Most often the prohibition will be in criminal law and apply to any means of incitement. The provisions are not only directed at media, but as media is one of the main ways to incite, in practice rules against incitement are very important in a media context. Such provisions are complicated to apply as they refer to a potential causal relationship between an action and a consequence of this action. The consequence cannot be known at the time of taking action against incitement and it is not possible to wait for the consequence before action is taken, as the point of rules against incitement is to *prevent* that a certain consequence arises. To determine if a violation has taken place presumptions must be made about the possible consequences.

Hate speech is a similar concept to that of incitement although not exactly the same. Hate speech is not in the same way linked to a consequence of leading to some action, even if the reasoning behind outlawing hate speech is very similar to that of outlawing incitement. In both instances there is a fear of utterances leading to negative consequences for individuals. Hate speech rules may exist parallel to incitement rules, but in many countries with a strong protection for freedom of expression they are seen in one context, as hate speech is only outlawed if it may lead to certain consequences – i.e. the same as incitement. The above-mentioned Holocaust denial laws are a special category as the idea to single out a specific content and decide that it is inciting is unusual and would not be regarded as in accordance with a proper protection for freedom of expression other than in very special circumstances.

Generally the nature of incitement means that it is not possible to determine logically or based on a pre-set model what is permitted to say and what not. The key is instead the body that deals with the issue. This body must be competent to determine the various relevant aspects and thus must be aware of attitudes in the society in which it operates. The difficulty to establish such a body is felt in the often complex process of creating regulatory agencies. Guidelines can give exactly that – guidance – but it is not advisable to set out in binding rules

exactly what can be said. Apart from this being extremely difficult it leads to a situation where possible loopholes would be sought out plus it would lead to exactly the situation that this article wants to point out may happen: that rules are not in line with society's attitudes. Satire and jokes are for example generally seen as accepted but the issue must be such that the joke can be seen as a joke. The negative effect on freedom of expression of having detailed rules on what can be said is also significant.

In some contexts the legislator has balanced the different views of different groups, of private and public sphere and so on. In such cases the authorities applying legislation or courts determining cases based on the legislation have less room for this balancing. In other instances, the legislation only provides a framework and the balancing is for the applying authority (Stychin, 2009, p. 752). When it comes to media regulation and prohibitions of incitement, the balancing is to a large extent left to the implementing organ, as it is very hard if not impossible to foresee and describe adequately situations that may arise and when a certain situation gives rise to genuine risk of violent acts because of inciting statements.

As Stychin (2009, p. 746) puts it, one can distinguish the identity from the act (the sinner from the sin) – one can find certain behaviour immoral but be against discrimination because of this behaviour. In media-related matters, added to this is the question when expressing a belief and trying to impress it on others in reality becomes a way of making life for a certain group very hard. Does one have to be silent about the views one holds against a certain group or can one discuss them as long as this is not intended to cause harm?

Attitudes to homosexuality in international law

To change the perception of homosexuals and reduce the risk of discrimination and prejudice is a long-term and inclusive process. Different societies have recognised that laws and rules contribute to a negative image and such an image has further repercussions and may thus exacerbate the negative situation. With such explanations laws on sodomy have been declared unconstitutional in several jurisdictions. In South Africa the court found that a law that prohibits a certain sexual expression contributes to degrade and devalue those who engage in such practices. This was found to be against human dignity and consequently unconstitutional (McCrudden, 2008, p. 691). In Ontario, Canada, bans on same-sex marriage were equally seen to be against the dignity of homosexuals

(McCrudden, 2008, p. 692). Such issues, although not linked to freedom of expression as such, are relevant in this context as they are part of the scene being set for societal attitudes to homosexuality.

Many international bodies have in recent years adopted decisions or decided cases that show that there is a principle of non-discrimination against homosexuals. These cases include the ECtHR *Karner v. Austria* case (24 July 2003) as well as labour tribunals in the International Labour Organization (ILO) (101st session 2006 *AHRC v. ILO* and *DB v. ILO*, judgements 2549 and 2550 of 12 July 2006)⁴. These cases dealt with work relations and rights to rental agreements.

In recent judgements the European Court of Justice (ECJ) has shown that there is a European non-discrimination law that does not just include the classical EU non-discrimination based on (EU) nationality, but that includes a ban on discrimination based on other issues, namely those that follow from Directive 2000/78/EC establishing a general framework for equal treatment in employment and occupation. The Case C-144/04 *Werner Mangold v. Rüdiger Helm* (decided on 22 November 2005) held that there is a general principle of non-discrimination based on age, something that many commentators found somewhat surprising as the legal foundation for such a common principle was rather weak (Eriksson, 2009, pp. 732–733). In this case the ECJ stated that the principle of non-discrimination (in this case on the ground of age) is a general principle of Community law (in *Mangold* at paragraph 75). Such a statement is relevant, as this means that even if there is for example (as in this case) a transposition period or other reasons why a particular rule in a Directive cannot be directly applied, there is in any case an underlying general principle. It is established by the ECJ in many cases that such general principles are found based on international instruments, EU legal instruments as well as common traditions of the Member States.

The first time the ECJ can be said to have taken a quite explicit stance in favour of same-sex couples was in the Case C-267/06 *Tadao Maruko v. Versorgungsanstalt der deutschen Bühnen* (decided 4 April 2008). Prior to this the ECJ had in some cases been faced with questions of equal treatment of same-sex couples, for example in staff cases, but although it generally does not allow discrimination it had in the view of many commentators ducked the issue of treatment of such couples, leaving this up to the Member States. In the Case C-249/96 *Grant v. South-West Trains* (decided 17 February 1998) on discrimination of same-sex couples regarding benefits given to employees the ECJ found that the treatment was not against EU (then EC) law, depending on the then legal framework –

⁴ www.ilo.org/public/english/tribunal

making what some commentators see as a more cautious interpretation of what the legal possibilities were than what the Court usually shows evidence of. The Maruko case as well shows the Court being careful so as not to invade upon the competence of the Member States to decide if to recognise same-sex marriage for example. Instead the ECJ focuses on the issue at hand, a widower pension, and absence of discrimination in this context. Even so, this is the first explicit recognition by the ECJ of the presumption of comparability of same-sex couples with couples of different sexes (Eriksson, 2009, p. 745).

The Case C-54/07 Centrum voor gelijkheid van kansen en voor racismebestrijding v. Firma Feyn (decided 10 July 2008) broadened non-discrimination law in another way, namely by relying on non-discrimination provisions even when a specific victim was not identified. By this, Eriksson (2009, pp. 747–748) finds that EU non-discrimination law has been broadened from supporting subjective rights of specific individuals to underlining pre-emptive societal rights. However, it is also in this case that the most interesting pronouncements for the issue of freedom of expression are made. The ECJ does not discuss to what extent the employer accused of discrimination in the case can rely on his right to freedom of expression. It builds on the idea that it is settled European case law that freedom of expression can be limited if it is in the general interest and proportional to this interest, as set out in the Case C-112/00 Eugene Schmidberger Internationale Transporte und Planzüge v. Republik Österreich (decided 12 June 2003). As Eriksson (2009, p. 748) stresses, the principles of equality and non-discrimination are in the general interest of the EU. In her view these interests prevail so freedom of expression considerations would not have lead to a different outcome, but general racial discrimination would still be against EU non-discrimination law. From this, she draws the conclusion that other groups that cannot be discriminated against under EU law – including homosexuals – are also protected from public statements of unwillingness to employ them or similar. Eriksson agrees that it is a shame that the ECJ did not discuss the freedom of expression aspects more and the current author shares that view: indeed, the present author finds that Eriksson's assertion that such a discussion would not have changed matters is a bit sweeping or appears to lend too little weight to freedom of expression.

As concerns international standards and monitoring of these through e.g. the ECtHR the Court has acknowledged that setting limits of what speech is acceptable in matters of religion and morality is to a great extent left up to the Member States (Dommering, 2008, p. 51). The ECJ has taken a similar view. This means that outside of the basic rights, there can be differences in how well accepted certain kinds of expressions are and something may be morally

offensive or inciting in one country but not in another, without this preventing international bodies from having a common policy in general.

Changing attitudes on what is incitement?

Discussions on legislation against incitement may often in fact deal with whether it is right to single out certain behaviour and make it illegal or whether existing, general legislation will be enough. Thus it does not have to be a black-and-white situation where the choice is if homophobic speech can be sanctioned or not, but rather a question of how to regulate grey areas.

An interesting debate on what values are endangered arose when the United Kingdom in 2008 discussed an amendment to the Criminal Justice and Immigration Act to introduced a crime called “Hatred on the grounds of sexual orientation”, which made it illegal to stir up hatred based on (any) sexual orientation (Johnson & Vanderbeck, 2010, p. 1). The discussions around the law were very heated with differences of opinion between the House of Commons, the Government and the House of Lords, not least regarding religiously motivated negative comments about homosexuality. On the insistence of the House of Lords such utterances are explicitly excluded from the law. The Government felt they were excluded as not being inciting in the sense that the legal provision wants to prohibit (Johnson & Vanderbeck, 2010, p. 2). In the debate on the legislation, many examples were brought up of people with homophobic views that had allegedly been interrogated in a threatening manner (under previous legislation). In the words of Johnson and Vanderbeck this presents an interesting sea change: from having been regarded as heterosexist and anti-gay, police officers were depicted as the vanguard of a pro-gay agenda, abusing people of faith. Another statement in the debate was that police has to operate in a politically correct environment in which they have to take silly complaints seriously (Johnson & Vanderbeck, 2010, pp. 4–7).

The debate was more focused on what legislation is needed than on whether discrimination and other measures against homosexuals could be reacted to at all. Before introducing the special provision on homophobic incitement, the broadcast regulator had reacted against homophobic statements. Various anti-discrimination legislation was also applicable (Leigh, 2008, p. 339). In a society where it has become accepted to react against overt discrimination against sexual minorities and where norms of behaviour are in place in different contexts, the scope for limiting freedom of speech even more in protection of a group that is not in particular danger will be hard to justify.

The Netherlands and Sweden can both be said to be countries where homosexuals enjoy protection of their rights and where the debate around homosexuality is free and open. It is in line with this that there are from both these countries examples of cases where the highest courts have thrown out convictions of incitement to hatred and violence against homosexuals, even when in both instances it was clear that the accused had indeed spoken against homosexuals in an explicit and quite aggressive manner. Even so, freedom of expression allowed them to make such statements. The respective court cases argue more around the extent of freedom of expression as well as freedom of religion (as in both cases the statements were made on a religious foundation) than the fact that the risk for actual negative actions against homosexuals are reduced due to their acceptance in society, but even without wanting to put words into the mouth of the courts, it may be presumed that this fact was relevant in their deliberations (Leigh, 2008, p. 341).⁵

Leigh (2008, p. 341) stresses that in defining incitement to hatred, one difficulty is to define hatred. Also disturbing speech is protected by the freedom of expression as is a free debate. To have such a debate, all kinds of views must be expressed.

Concluding remarks

Basically for any limitation of free speech the question needs to be asked if a limitation is necessary and proportional. The ECtHR formulates it so that a limitation must be necessary in a democratic society (as well as set out in law). It is clear from international case law that the human right of freedom of expression is extensive. It includes disturbing and offensive speech on the understanding that it is better that information gets out to people so they can react to it and on it. There is no quality control for what kind of information that should be permitted in the marketplace of ideas. At the same time, total freedom of speech could be used as an excuse to incite hatred and violence, to make people's lives a misery or even to endanger their lives. When being called bad names or accused of immoral behaviour or similar is unlikely to lead to more than discomfort, freedom of expression has a right to prevail, however unpleasant the situation may be for individuals that are targeted in this manner.

⁵ Leigh contrasts these cases with one from the UK in which the person advocating against homosexuals was convicted and feels that the case did not adequately respect freedom of expression of the person with homophobic views. Green Case No B 1050-05, issued in Stockholm on 29 November 2005.

Freedom of expression includes that they can counter the negative information and get their ideas out in the marketplace as well. This is the way to combat prejudice, not to prevent it from being uttered.

Anti-discrimination laws should aim at balancing rights of all, but it may well be so that such legislation is not morally neutral, as it shows that certain groups and behaviours are worthy of protection. For example, it shows that homosexual behaviour must be protected which can be seen as a sign that there is an imposition of a societal understanding of common good (Stychin, 2009, p. 731). In the present author's view, anti-discrimination legislation should really just aim at preventing discrimination just as anti-incitement legislation should stick to this aim. Legislation should not aim at making people *like* certain behaviour but to *accept* any legal behaviour and views. Such a societal imposition cannot be seen as being too far-reaching. The difficult question in this context is when expressing an opinion that is not in line with that which society wants to protect becomes a threat to society and should be prevented. It is clear that just holding an opinion but not in any way acting upon it in violation of any laws cannot be prohibited in a rule of law state.

At a certain point when a particular group is accepted enough for there to be very little if any real risk that they would be attacked or harmed even if media portrays them in a negative light, the limitations on restrictions on free speech in the interest of preventing incitement to hatred and violence must be adjusted so that free speech is not too restricted. Offensive speech is also protected and to move away from this principle is a dangerous limitation on freedom of speech, mainly because someone will have to make the decision what is desirable and what is offensive and negative speech. From there the step to censorship is not large.

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Cultural Competence: A Fundamental Component of a Successful Higher Education Internationalization Strategy

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Abstract: *The world processes of globalization and modernization have a profound effect on student and faculty mobility. They also have a demonstrated impact on the educational services provided by the tertiary education sector interested in implementing effective internationalization strategies. Among the most significant requirements that educational organizations nowadays have to face is the adaptation of all the institutional instances to a new multicultural environment. Conflict management prevention and negotiation tactics are indispensable tools to facilitate a smooth development of intercultural competence skills. They can also reduce some of the most difficult aspects of organizational change if applied opportunely. This article highlights the main concerns that Estonian universities are discussing and the ways in which they could be constructively assessed in the light that the survival of an independent educational system very much depends on the quality of its internationalization strategy. A successful development can be possible only if the strategy is designed considering the implications of the complexities of the times: fierce competition and unprecedented human mobility.*

Some of the main issues preoccupying Estonian educational institutions in their internationalization processes have been examined, but the analysis is based on the experience and observations of faculty members of Tallinn

University of Technology alone. The aims of the study are to propose further serious research on the strategic implementation of international standards and to demonstrate the need for an interdisciplinary, coherent and cooperative approach. Reports on the transformation of leading European institutions show that adequate support to students and faculty can positively prepare the ground to embrace cultural diversity. Tallinn University of Technology seeks to improve its international relevance working at every organizational level to better be able to meet the highest academic standards, while preserving local values and through cultural awareness, promoting the advantages of a multicultural society. Such an educational approach, assisted with the implementation of conflict management tools, would inspire a method capable of coping with the possible difficulties foreseeable in any planned organizational change. Building cross-cultural competence starts by recognizing and validating foreign and global cultural values, beyond the mere language proficiency training. Emphasis is put on the claim that cultural competence is not acquired through language training alone and that additional knowledge is required to cope with multiculturalism in educational settings, mainly conflict prevention/management skills.

Keywords: *conflict management, cross-cultural competence, ethnic diversity, language proficiency, internationalization process, multicultural education, negotiation tools, student mobility*

Introduction

The globalization of educational services and the consequent internationalization of academic institutions are unstoppable processes that correspond to the economic and political challenges of our times. Regardless of where we stand, it is already a fact that cannot be avoided. By 2025 the number of students abroad will be about 8 million according to the Atlas of Student Mobility published in 2008 (see Roberts, 2009, for statistics and other relevant data available online). Higher education organizations shall be prepared to deal with this phenomenon gaining from possible advantages and preventing some of the problems that may arise. To facilitate these processes, managers and administrative personnel could use conflict management tools and negotiation theory tactics to better understand, diagnose and address the cultural variables affecting the change. Awareness of the importance of managing diversity is not enough. Recognizing

the need to create a multicultural higher education organization through a responsive, adaptive and integral strategy is essential. Aligning vision and practice can give international relevance to a university while enhancing the quality of its instruction, training, practices, policies and research.

The interest to preserve original/traditional organizational cultures often causes tensions in this long process. In settings like Estonia, for instance, even the protection of the national identity that reflects in the educational culture is commonly perceived to be at stake. The current situation proposes brief, introductory discussions around the issues affecting certain groups of students in one Estonian institution. Thus, debates do not intend to be comprehensive. An initial assessment of the observations of faculty members of different departments at the Tallinn Technical University highlights the importance of further studies and the need for a more efficient strategy to improve the intercultural competence of all instances involved.

Nobody disputes that education has turned into a commodity or that its market is an exceedingly competitive one. In countries like the United Kingdom, the United States or Australia, recruiting international students creates thousand of jobs and contributes millions to the local economies (see, e.g., Connelly, 2010; Keung, 2010). Their long standing experience hosting foreign students and faculty alike is strengthened by the support they receive from the public sector where senior officials have long recognized the value and opportunities that international programs can represent to the society as a whole. These countries have also enjoyed the obvious advantage of “competing” in their own language. Although, with increasing faculty mobility, the growing development of cultural competence in universities from non-English-speaking countries, and the level of innovation and sophistication of the educational services offered around the world, such advantage could eventually disappear.¹

New “transnational” education values have already transformed the ways to learn, to teach and to understand one another in an inter-culturally connected world but only few countries have lived up to the challenges this implies. Transplantation of foreign experiences tends to be the case when newly opened

¹ Faculty mobility is as common and desirable as student mobility. As a result, many instructors engaged in exchange and visiting programs are teaching in a foreign language. Likewise, an English-speaking faculty can be found virtually in every higher education institution of the world. Universities consciously prepare their faculty for an internationally oriented vision equipping them for a multicultural experience or creating the awareness needed for them to develop on their own. Lastly, other institutions have refined their international programs including a wide range of services into their educational packages besides offering competitive education in English.

countries prepare strategies that do not envision every consequential aspect of the internationalization initiative or do not aim to influence each system of the organization.² Combined with inter-cultural dimension considerations, the structural change of higher education institutions could engage in a more successful development so a highly functional system can emerge from the integration of all available techniques, including those proposed by negotiation theories. Estonia should position itself abroad as a provider of top quality education, first of all to preserve the integrity of its own educational system, and then to achieve the recognition it deserves for its innovation and leadership in the application of the latest technologies to learning and teaching processes.³

This article focuses on lessons learned from years working in the field of conflict management⁴ and departs from the most elementary approach of all, one often ignored in the vast literature available in this field:⁵ referencing the needs, interests, wishes and expectations of potential and prospective students and the needs, interests, wishes and expectations of any competitive, internationalized higher education institution and its components (management, consultants, staff, faculty, associated organizations and students).⁶

² Understanding the system theory beyond the intuitive could promote a breakthrough in its application to organization development and change. For an introductory approach see Weinberg, 2001.

³ For an institutional reference consult: <http://www.ttu.ee/tallinn-university-of-technology/about-tut/strategic-plan-of-tallinn-university-of-technology-2006-2010/>

⁴ Changes in organizations are generally perceived as problematic, because of the conflicts they cause and/or reveal. Preventing disruptive behaviours and inefficient practices is a priority of conflict management methods that also integrate negotiation theory and common managerial formulas into the creation of effective strategies for organizational development.

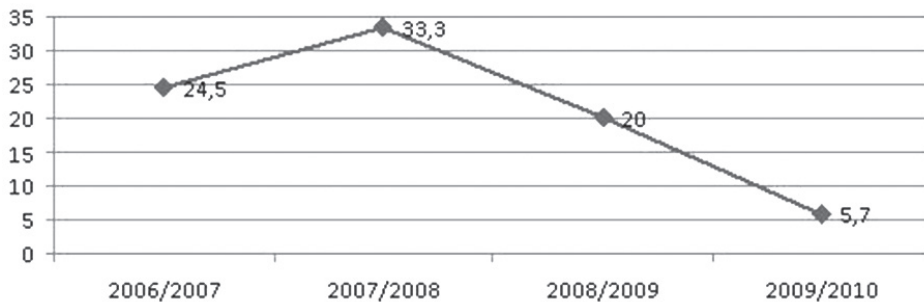
⁵ Globalization in all its manifestations has received enormous attention in any imaginable shape and tone. The politics and economics of global knowledge have occupied the professionals of all disciplines, but many of the writings available lack the systematic revision that conflict management theories require. It is very recently that international advisory services for assisting internationalization strategies have been launched to facilitate the processes (see, for instance, The International Association of Universities IAU page at <http://www.iau-aiu.net>), including considerations that conflict management professionals have already been applying for decades.

⁶ These are some of the seven elements of negotiation. Negotiation in theory is understood as any exchange that takes place for the creation or modification of relationships. If people are involved, mostly every interaction becomes a negotiation, even if unintentionally. Bringing these processes to the conscious level and adopting a constructive approach we can create an environment where relationships are satisfactory, friendly and efficient. On the professional level, practitioners are encouraged to use the same models and methods to prevent conflict. The result of a good negotiation at the prevention stage delivers win-win results. Because of the intrinsic merits of these methods they can be applied to handle disputes at every

A more sophisticated study could go beyond this evaluation to propose a working strategy that could allow Tallinn University of Technology to deliver effectively the services and education it advertises. Local enrolment is not sufficient to support English-language programs in Estonia.

For instance, recorded data shows that in the international programs at TUT, the enrolment of local students in the academic year 2006/07 was 24.5%, in 2007/08 it increased to 33.3%, then to 20% in the year 2008/09, and in 2009/10 represented only 5.7% of the total student population.

Figure 1. Percentage of local enrolment at Tallinn Technical University (TUT) from 2006/2007 to 2009/2010



Estonia's academic internationalization compared to Western Europe

Estonian leading educational institutions must promote their services beyond their traditional means to attract students from other countries and balance the reduction of enrolment resulting from the mobility of the local population exploring the diversity of options available around the world.

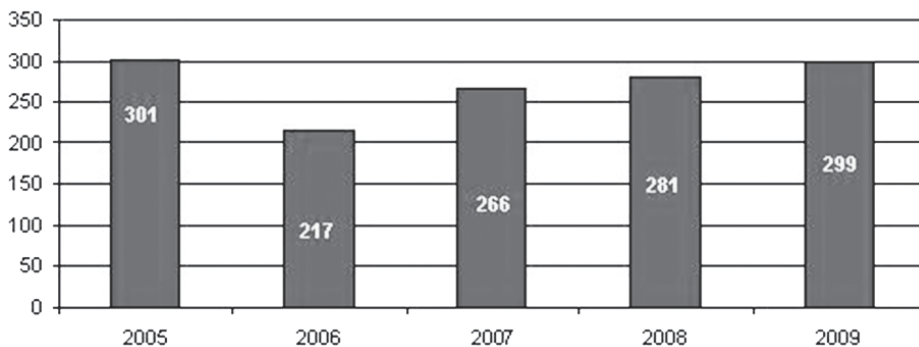
This is especially true within the European Union where Estonia is not ranked among the most desired destinations for international students like the UK, Germany or France. English-speaking countries—the UK, Australia, and the

level of human association. They consist of basic principles for the coordination and association of interests and needs, seeking consensus and common reasons for the preservation of a potential “agreement”. A significant role is assigned to information and participation in processes affecting the status of people in any organization (family, school, work, region, country, etc.). In short, for a stable, durable and respectable outcome, the negotiation should be important and satisfactory to most. Disputes are unlikely to arise in the presence of general satisfaction.

US—, offer more incentives to prospective students both on the undergraduate and the graduate level than the rest. Consequently, they have consistently been at the lead, also when formulating coordinated strategies for their continuous development (Verbik & Lasanowski, 2007). These countries cover the internationalization activities in a more political framework which allows the efforts to be given a national relevance. Their governments are actively engaged in cooperation with academic institutions promoting policies and regulations that would not hinder their internationalization projects. A country with the least immigration barriers to prospective international students, for instance, would be much more attractive than those with more restrictive regulations.⁷

A number of foreign students have been enrolling in Estonian universities in the past years.⁸

Figure 2. Foreign enrolment in Estonia between 2005 and 2009 (excl. ERASMUS exchange)



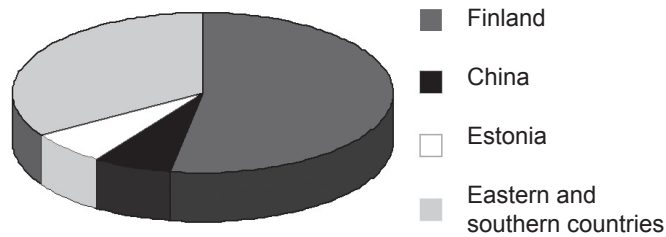
In Figure 2 it can be seen a slight increase in the enrolment of foreign students from 2007 to 2009. It demonstrates the trend that Estonian educational institutions are becoming attractive to foreigners.

⁷ Deregulation and flexibilization of education policies are necessary steps in the context of regional and other international agreements. Governments need to enable universities to be responsive to the globalization demands and not only in the European context where the Bologna process already required regulatory harmonization in regard to programs, quality of instruction and the recognition of qualifications. See <http://www.ond.vlaanderen.be/hogeronderwijs/bologna/>

⁸ Foreign enrolment in Estonia between 2005 and 2009 according to *Eesti Hariduse infosüsteem*: Available online at <http://www.ehis.ee> [accessed 25 May 2010].

Most of the students come from neighbouring countries, where the general perception is that this country can offer a highly respected European education, not so far from home, and a truly multicultural living experience.

Figure 3. Diversity of students registered in the international program at TUT during academic year 2009/2010



Tallinn University of Technology (TUT), the second largest university in the country has hosted the total of 600 international students from 50 different countries in 2009/2010. In this institution the flow of students from Turkey and China has grown but slightly, about by 7–4 students each year, which seems definitely low, taking into account escalating interest in receiving European education in these countries. So, in order to enhance their international reputation, the Tallinn University of Technology has to set the basis of a new educational approach, influencing not only the regulatory aspects but also a cultural transformation that summons faculty, staff and students to transform their roles and improve their performance responding to multiculturalism with competence. So far the internationalization process seems to have delivered good results in that recruitment continues to be on the rise, and institutions actively engage in networking and cooperation initiatives, but aspects regarding the building of cultural competences are largely ignored. Developments in this area have been the unintended results of trial and error, mainly independent efforts conducted by faculty members in charge of the foreign language curriculum; adaptive learning. A more holistic plan of action would contribute to the integration and coordination of the structural plan with the evolving demands of the student population: in a few words, a move from rhetoric to practice.

In the following pages, cross-cultural competences, its components and the issue of multiculturalism in the internationalization process of the TUT are briefly assessed with the purpose of clarifying the availability of mechanisms that the university can implement to catalyze a smooth integration of international students and faculty, without adversely affecting its commitment to the highest academic standards. Coping with planned organizational change is a conflict management

exercise. Theoretical tools to detect, diagnose, evaluate, and manage conflicts facilitate the analysis of any dispute, problem, contradiction or difficulty, no matter what its content or stage of development might be.⁹ The study of questionnaires used for conflict management revealed concerning discrepancies between the discourse of the internationalization strategy and its actual implementation; Similarly, a survey of current students registered in the English programs of The School of Economics and Business Administration (TSEBA) and The Law School (TLS) uncovers concerns about the readiness of the school to handle some of the complexities of the internationalization process. These recent inquiries served as the guiding references for this evaluation. The results were predictable as well as anticipated by international faculty members that have openly expressed their interest especially regarding the cases of non-European students that come from distant regions possessing different learning cultures. The main purpose of discussing the issue of multiculturalism and internationalization of the higher education in Estonia, in the context of conflict management theories, was initially to assess the degree of unity and coherence of policies and processes carried out by institutions where the current priority—and one for the years to come—is to foster international relations/presence and/or to become attractive options for foreign students and competent faculty alike.

The internationalization of higher education in Estonia

Estonian universities are actively engaged in shaping policies of internationalization, legitimately focused on acquiring international relevance and achieving economic benefit. They report having successfully advanced in doing so. A generic regulatory framework could facilitate quality instruction, the modernization of working facilities and the provision of adequate support and services necessary for foreigners residing in Estonia. In this way, regulations would assist tertiary educational institutions to implement the guidelines set forth by the Bologna agreement that the country is explicitly interested in further developing. This is only one example of an agreement signed in 1999,¹⁰ that was especially welcome as the opportunity to move ahead (with funding) with a large-scale modernization initiated at the beginning of the decade, originally aimed to remove ideological

⁹ Research into this field as applied to organizational development studies has gained recent attention. The success of a management project does not only depend on the soundness of a financial plan or the expertise of the practitioner in the particular topics, but also on the ability of people that develops the program, to prevent, detect and/or handle conflict inevitably resulting from human interaction.

¹⁰ Information on the Bologna process implementation in Estonia can be found at <http://www.ond.vlaanderen.be/hogeronderwijs/bologna/links/estonia.htm>

limitations from the curriculum and to broaden choices for students. However, this seems to be the only program that the government has subscribed to for the formalization of its support and leadership in the internationalization of the Estonian educational institutions. The responsibilities of carrying out the process appear to lie in the hands of the administrative bodies of each institution alone.

Kroos (2007), while questioning the Estonian stand in the Bologna convergence process, exposes the importance of matters other than convenience, comfort, options, economics, laws, politics or cooperation. He critically introduces reflections on the real meaning of this regionalization process that are worth noting.¹¹ The need for further research about the level of cultural readiness and competence of the Estonian educational system becomes evident to anyone interested in observing attitudes and practices in Estonian universities, notwithstanding the differences between institutions and their departments. It is possible that an internationalization program necessity came abruptly adding to a number of other urgent matters that these organizations had to face at the beginning of this century. This would explain why only years later attention is paid to detail and that correcting mistakes and adjusting numerous policy transplants finally concern administrators and management. For instance, the positive impact of external influences on the local educational culture seems to have been underestimated while professors have been allowed and recently encouraged to introduce changes in the traditional teaching style for conducting lectures and seminars. These new approaches appeared after a faculty with foreign experience was employed or associated with the institutes but was not an initial intent of the internationalization strategy. Many lecturers and professors still resist these developments causing explicit disconcertment among students. The absence of general guidelines to apply in regard to teaching methods and coordination of curricula, added to the lack of concretion over the minimum academic standards, prevents the unity of the department academic policies.¹² A constructive starting point could be an understanding that to build cultural competence, the acceptance of the indigenous attitudes is as essential as embracing foreign and global cultural values. This condition would constitute an important step towards a sustainable and yet respectable internationalized higher education system. With the increased transnational mobility all higher education institutions that expect recognition, need to review their current attitude and practices to support the acceptance and

¹¹ Regionalization is not a term used as an equivalent of internationalization. The former, in this context, relates to a process that takes place at the supranational level, in the course of the greater integration process that is limited to the European Union area, influenced by the globalization of knowledge but not referring to it.

¹² The minimum academic standards determination is limited to the grade system that applies uniformly in TUT. The distribution of grades is not a greater problem than the assessment of non-quantifiable results such as participation, independent thinking, commitment and contribution to the subjects, etc.

incorporation of diversity but not necessarily at the expense of academic standards and local values. TUT could nurture its Estonian and European identity while enhancing its strengths and becoming competitive at the international scale.

Common plans of action to most Estonian institutions nowadays are to offer a wider variety of courses in foreign languages, mainly in English and Russian by a foreign faculty and to reach out with the latest information and communication technology, proposing a virtual, e-learning based educational scheme. Regretfully, this is an area that seems to decline practical commitment to cross-cultural influences so far.

The first represents just one of the many possible contributions to what Knight (2004) classifies as 'internationalisation at home'. And the last corresponds, according to the same classification to a 'cross border education' activity.

The relevance of cross-cultural skills in the development of foreign language programs at TUT

The maintenance and improvement of courses and programs in English and other languages cannot be supported solely by local enrolment. This may be one of the most common problems for higher education institutions in small non-English speaking countries. The survival of an independent educational system depends on the success of its internationalization strategy with the complexities of the times: fierce competition and unprecedented human mobility.[□] The more international students an institution can register, the more resources are available for the improvement of the programs, but where should the management begin adjusting to these demands? Without assurance of quality, foreign students will not be persuaded to enrol in the first place. If registration requirements are set too high, fewer students would be able to qualify and those who could are more likely to choose universities with long-standing tradition, worldwide reputation, better known, and in more popular destinations. At the Tallinn University of Technology this is an ongoing debate that occupies administration, faculty, staff and students, searching for an elusive balance in the establishment of a reputable educational institution of international relevance also able to afford the costs of its own quality standards. The availability of courses in English and other foreign languages alone cannot be the measure of success of an internationalization strategy, it might, in fact, not even determine it. (Could not an internationally recognized institution have its best offer in the local language?) On the other hand, language proficiency is the most important but only one of the components

that define the concept of cultural competence. As each faculty member should demonstrate excellent command of the language of instruction, every student must be equipped to understand it and perform accordingly. Language barriers are unacceptable—removable—obstacles in the learning process.

Convenient, efficient and effective organizational development practices require a comprehensive strategy in their formulation prior to the elaboration of an implementation plan. In the TUT this integral approach is critically needed. Research on the internationalization experience is rooted in anthropology studies but the cultural element receives a surprisingly poor/superficial coverage in scholarly publications in the area of management. It is possible, to the detriment of the topic, that cultural issues affecting internationalization processes are considered to be self-evident, undeserving of committed analysis, circumscribed to the language aspect. An open debate should be proposed and prioritized to spread ideas on the importance of other cultural competence elements as a key of success. The components of a simple managerial strategy that could realistically be put into practice include objectives that are defined by what is commonly known as “vision”, tactics that disambiguate the complexity of those goals and put them one by one into perspective and break them down into achievable tasks, and last, logistics that implement each tactic with specific terms of action.¹³ A simple definition of a development plan is enough as a statement of purpose, but a rhetorical persuasion effort does not suffice. Each internationalization strategy is unique, composed by complex adaptive processes that cannot accommodate to a standard implementation formula. Each organization is affected by its own constraints.

In TUT the identification of top concerns was made in simple terms. The university had to settle for the achievement of economic sustainability, although the description of its strategy compares well with that of any other university in the world,¹³ suggesting that each of the proposed goals is achievable and backed up with resources for its implementation and as if a complete assessment had taken place.¹⁴ At this point the organization should take these commitments more seriously. They are workable in as much as the cultural competence factors can be identified, discussed and transformed.

¹³ A detailed description of the TUT strategy is available online at <http://www.ttu.ee/tallinn-university-of-technology/about-tut/strategic-plan-of-tallinn-university-of-technology-2006-2010/>

¹⁴ The economic interest is valid but exclusive attention to it may alter the values of excellence that Estonian public institutions subscribed to, especially affecting the design of policies for the administration of courses, their teaching style and learning objectives. Requirements for local students in the Estonian programs should be comparable to those for the international groups.

The approach to the idea of cross-cultural competence in multicultural societies and organizations is constantly reviewed but there is agreement on the benefits of cross-cultural training in the area of language skills among universities and particularly in the departments of humanities. Thomas (2003, p. 143) claims that inter-cultural competence shows itself in the ability to recognize, respect, value and productively use cultural conditions in perceiving, judging, feeling and acting with the aim of creating mutual adaptation, tolerance of incompatibilities and a development towards synergistic forms of cooperation, living together and effective orientation patterns with respect to interpreting and sharing the world. Experts in different fields are involved in the conceptualization of cross-cultural competence. The definition proposed by Michael Byram (1997), from the point of view of the foreign language instruction is deemed to be the most complete (Spencer-Oatey & Franklin, 2009). Byram (1997) lists attitudes, knowledge, skills of interpreting and relating, of discovering and interacting, and critical cultural awareness as the main elements. Helen Spencer-Oatey and Peter Franklin group these abilities into three: affective, behavioural and cognitive category. The most intense of the three could be the first, but limited to the capacity to interact respectfully with people with different cultural background. Knowledge (cognitive category) as a result of cross-cultural competence includes the use of information on cultural values and norms in communication processes but most importantly to analyze could be the behavioural category or conducts the practical application or incorporation of learned cultural skills sensitive to the cultural determinants into the recipient's behaviour.

With these levels in mind an effective strategy would concentrate on familiarizing faculty and students with the availability of opportunities for the exchange of skills before, during and after the development of the programs. Research and understanding of the features (those relevant to learning processes) of the cultural types contributes to the understanding and integration of the interests of the participants. For instance, if the learning style of some groups of students differs so critically from the prevailing style in European universities, the validation of this fact should at least lead to proposals that could maximize their adaptation, while allowing the faculty to perform their academic functions. Academic tutorship and coaching, teaching assistantships and salary incentives for lecturers and/or staff in charge of building cultural competence could be initiatives to start with. Institutions in Germany, France and Japan offer top service packages for international students adding to the most common ones (foreign students offices and organizations of social and cultural events planning) academic advisory teams, counselling in academic matters and tutors.

Humanitarian subjects are the most receptive to change, some of which deal with the fundamental issues of life, discuss ethics, philosophy and disseminate the

knowledge of human beings and their associations. Introducing an element of multiculturalism at the time can make a good difference in the way students acquire cross-cultural training. Interest to combine the study of cultures with foreign language instruction is visible in the directions taken by the faculties of higher educational institutions during the last decade. The same could be established in the Estonian context. Difficulties arise in the day-to-day interaction. It is the faculty which first experiences cultural shock, misunderstanding, and copes with the demands of the job in an environment where close cooperation among lecturers and between faculty and specialists in communication matters does not exist. In short, linguistics and technical adequacy are not enough to guarantee a satisfactory learning environment. Besides the need to add other different components to the training of people involved, the communication processes have to be improved. Language is just one of the obstacles to overcome when conveying a message.

In TUT some of the courses of the International Relations and the International Business department have been organized following aims and seeking for outcomes according to the obvious recommendations. They are drawn upon the trends set by the most important universities of the continent and formally follow in the steps of their invaluable experience. Courses such as Communicational Psychology, International Conflicts, Conflict Strategy, Business Ethics, Business Communication, and the curricula of the courses in Foreign Languages in general propose an adequate introduction to multiculturalism. They deal with international issues, use foreign textbooks, they are taught in English and/or by foreign faculty members, and their content include methods that analyze the Estonian national identity and its dynamics in the regional and global context. Furthermore, methods for interactive modelling and simulation of cross-cultural situations are used in foreign-language classrooms. Problem-solving techniques and other innovative teaching methods orient the students, and are being planned with the assistance of communication psychologists. All these positive developments have in mind the education of non-contentious professionals, but they are effective only in as much as the learning processes proceed smoothly.

A study of the different layers of cultural awareness and organization strategy consistency could reveal a more pessimistic view. These are isolated examples of courses that are specifically dealing with cross-cultural topics so they have to assess all its relevant components. These courses have received no systematic monitoring but most importantly, the concern with multiculturalism is not limited to the objectives of individual courses but should be a problem of the organizational level from the moment of reception and towards the incorporation of international elements into the institution. Most of the difficulties are faced by the foreign student population with little or no training in the academic practices

and demands of the host university and the faculty that needs to manage the lack of homogeneity of the groups in terms of learning styles and language proficiency.

In 2007 the LACE (Languages and Cultures in Europe) Report found that both the development and assessment of cross-cultural competence seems to be ignored by teachers (LACE, 2007).¹⁵ At the higher educational institutions the situation has been less scrutinized, and appears to be even less optimistic. The study findings confirm that the studying of foreign languages is the logical and appropriate environment for the simultaneous development of both linguistic skills and cross-cultural competence. The results of this report highlight that this dual approach is already being widely applied in the EU Member States, although the range of cross-cultural competences prescribed for development by the curriculum is often limited.

Concluding reflections and broad proposals to renew efforts in the implementation of a responsive internationalization strategy

The Lisbon declaration on the European Universities for 2010 and beyond “Diversity with a Common Purpose” sets the policy agenda for the higher education community. In building the European higher education area, it aims for a transformation that is responsive to the main public concerns, based on a closer dialogue with the communities it serves and with a stronger student focus in what corresponds to an student centred learning style:

Universities are aware that additional efforts are needed to meet the challenges of the shift towards student-centred learning. This involves encouraging use of learning outcomes and being explicit about what graduates are expected to know and be able to do, but also encouraging critical thinking and the active engagement of students. A particular effort needs to be made to motivate and train academic staff to work within such a student-centred paradigm. Students and their representatives must be involved in working through the consequences of these new approaches. (Lisbon Declaration, 2010)

Compliance requires a fast tracked evolutionary process that could transform, or at least redefine, the organizational culture of educational institutions by distributing the responsibilities associated to it among the different parties

¹⁵ Intercultural Competences Development in Compulsory Foreign Languages Education in the European Union Report prepared for the European Commission: DG Education, Training, Culture and Multilingualism and conducted in twelve European countries.

involved. Internal change processes, with problems on their own, must in addition be responsive while imposing the modern understanding of effective learning. What makes it the most complicated is its convergence with the external dimension of this paradigm shift. Kindly hosting students and faculty from other countries is not enough; TUT should validate the need for training in cultural competence in the areas that its components require:

1. Management must be more involved, working harder to obtain political and public support, invest more resources and back up personnel and faculty based on the merits of their work. The directors can concentrate on the improvement of the institution standing, for the positioning of the university in the international scenery and the maintenance of its good reputation at home. Actions should lead towards a culture of investigation (research), instruction, information and dissemination.
2. Faculty members need training, assistance, incentives, clarity on the aims of their courses, monitoring and supervisory counselling for the coordination of efforts with other academic instances. They should be consulted with and taken into account by the management.
3. Every course of the international programs should be designed with a global orientation in mind, in conformity with the standards set by the internationalization strategy, not only courses of the humanities department or specialized in language training. This implies the use of contextualized materials and evaluation schemes that correspond to the international student needs and expectations without condescending with mediocrity.
4. Requirements on faculty competence must be uniform. The pertinence of the topics has to be regularly reviewed, and the excellence of lecturers, professors and instructors facilitated with allocation of resources for their development. The faculty needs support for publications, fellowships, exchange programs and opportunities for the preparation of seminars, conferences and other academic initiatives.
5. Students have to become part of the process, aware of the changes that are taking place and persuaded of the advantages of the new model, so the shortcomings resulting from unanticipated mobility, conflicts, inadequacy and lack of funding can be corrected. Their collaboration could make a difference in terms of statistics: that is, because it would affect enrolment, costs, interest in continuing education programs, connections with the private sector, etc. The alumni satisfaction is a critical factor. TUT should give prestige to its graduates and provide an advantage for getting a good job. Entering the labour market successfully is not the only result of good training and reputation. Students that remain in the country after graduating are assets to the local economy.

6. TUT and TSEBA strengths should be maximized. TUT is a technical university so development is essential part of its purpose. Advancement and technology can be applied, incorporated not only to the educational services but also to the administrative practices. Technology has to be put to the service of the organization itself. Inside Estonia TUT is already well positioned but in the regional level there are too many schools of economics and business administration. A branding exercise would complement current efforts keeping in mind that internationalization and globalization should not be confused with international marketing. The country already belongs to a regional organization that proposes and funds well-established international programs of exchange and education. Estonian memberships have the advantage of simplifying academic regulations and practices, and people's mobility. Coordination in the context of the existing programs is mostly sorted out because of the economic and social integration within the European Union. The educational models could also be more consistent with those in countries with more experience and expertise.
7. Research on different cultural approaches to learning and teaching abound in contemporary literature, but in a more modest yet pertinent way the explicit expectations of the foreign students of TUT surveyed for the purposes of this article could better illustrate their position.

In the search for identifying the wishes and interest of the participants the questionnaire addressed first the advantages of registering into an international program. More than 70% considered it a prerequisite to widen the spectrum of professional opportunities, followed by a short percentage of students who are interested in networking and improving the chances of getting a better paid job in their country of origin. Reasons related to language skills refinement, cultural awareness, or relocation interest were not considered. They all noticed advantages in taking part of the program they attended at the time of the interviews, the spring term of 2010. In contrast, on the perception of the advantages of studying in TUT international program with instruction in a foreign language the surveyed students admit to have chosen the international program of TSEBA mainly because admission requirements were not too demanding, later assigning priority to the social networking and cultural activities offered by the office of student services. None of them considered the curriculum so well designed that it could contribute to their cross-cultural competence, but 15% of the respondents thought that an important criteria was that the faculty is respectable and well prepared to handle diversity. Not one thought that the students receive continuous academic support or assistance in the adjustment process. In the same survey students were asked what could any university offer to international students to help them improve their cross-

cultural competence and most of them would expect continuous communication and cross cultural training or workshops for students, faculty and staff. Fewer perceived tutoring services for better performance as a need. Some of the students would prefer intensive induction preparation, to explain academic standards, habits and practices of the local institution. Not one thought of proposing more language courses.

The last question was an assessment of the obstacles for the successful academic performance of international students enrolled in the departments at TSEBA. Acknowledging the existence of some obstacles, people presented us with the expected answers: the same number of students considered language barriers and their own cultural constraints the most important factor inhibiting their optimal development. A similar share of students thought that the classrooms are crowded with very heterogeneous groups possessing too different levels of understanding and that a lack of cultural competence on the side of the staff and faculty could cause difficulties in the learning dynamics. Nobody assigned any importance to the recruitment practices of the department. The main problems are easy to detect but their assessment has been unsystematic so far. At the beginning of the 2010/2011 academic period a much better orientation package was presented to the new international students. The plans included all kinds of integrative activities to engage as many actors as possible in the process of adaptation of the new groups. The results can be evaluated later when evaluation data can be collected.

Preventing the decline of the Estonian educational system is a general concern in this society. If no solutions are found to the problems explained in these notes, everybody loses. The reputation of the universities could be severely compromised with the internationalization daze, and the competitiveness of Estonian services and human resources will be diminished. Cultural readiness for organizational change empowers educational institutions to cope with unanticipated mobility effects. Quality assurance preoccupies mainly actors of the internationalization journey, while the externalities are more concerned with financial issues: The Estonian government approved a document in June of 2006, addressing the three main challenges for the sector associated with the Estonian Higher Education Strategy 2006–2015. These were enrolment, the international dimension of tertiary education and the sustainability of the system. This document goes into details describing a very well planned and coordinated strategy and is, in short, a fantastically achieved piece of literature, worth reviewing and understanding. The implementation of the measures, however, explicitly depends on funding and does not concentrate on internal organizational change *minutiae*.

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BOOK REVIEWS:

Fatemeh Shayan

**Adamski, Janet; Johnson, Mary Troy and Schweiss, Christina M. (eds.) (2006),
Old Europe: New Security: Evolution for a Complex World.
Aldershot: Ashgate Publishing, ISBN 0-7546-4644-0, 175 pp.**

The Central Intelligence Agency, once asserted that “the shadowy network of individuals (...) terrorists are organized to penetrate open societies and to turn the power of modern technologies against us” (CIA, 2002). Yet the crux of the matter is that poverty, environmental and societal dynamics pose no less a threat than terrorism. However, the strategies must not be limited to merely military measures and the traditional model of security. Debates over the new security of Europe have been gaining salience not only as a matter of scholarly interest in Europe but also as a major item in the United States.¹¹ The present edited volume sets out to examine the emergent European security approach from multiple perspectives and in multiple formations and geographical contexts. In precise terms, the book aims to address a detail of the wide picture of European security. The major hypothesis that gives substance to the book is that European security is not confined to traditional defense conceptions and “does not so much chart new territory as operates off the map” (p. 168).

To avoid confusion, the editors explain at the outset what they mean by Old Europe: “the states of western Europe as they fashioned themselves after World War II, admitting the necessity of regionalization” (p. xi). The book proper is made up of two parts taking two different, yet related approaches. This is initiated with more historical and some limited theoretical chapters, whereas the second half lays out the basis, conception and evolutionary framework of the Europe’s new security structure by examining four case studies that exemplify the approach to global security. Interesting cases, in this regard, are Russia and the Middle East, and additionally the fact that Russia is considered as Europe’s powerful neighbor in the East. More specifically, the chapter on Russia explains that, despite divergences over the strategic partnership between Russia and Europe, there are powerful incentives for Europe - Russia cooperation in trade, energy, and the environment. The chapter concerning the Middle East claims

¹ The book’s contributors are Americans and consider how the US suggests that defense is based on moving armies to the place where the threats emanate, whereas Europe follows a soft approach, such as diplomacy.

that Europe has strengthened its institutional links to the Middle East through the Euro-Mediterranean Partnership Council to promote conflict resolution through peaceful means. Moreover, Balkan and Latin America are further cases showing how the Europeans responded to the situation in the Balkans with more positive assessments or how Europeans have acted in Latin America over time.

From a more empirical standpoint, this book advances the existing research on the European new security particularly by contributing to filling two of the greatest gaps in the criticism of the US of the Europe's lack of defense capability: (i) it introduces diplomacy as pivotal to the pursuit of security in Europe, as a primary option to try before the use of force; and (ii) it attempts to link new kinds of diplomacy to the process of more integration in Europe.

From the international relations theoretical point of view, the approach of the book is not sufficiently comprehensive. The shallow focus is therefore the kind of argument presented by the European approach to security. In the once widely accepted realist approach, the state is the guarantor of security. However, states and regions in a globalized context can no longer afford to stress national security issues without also conceptualizing concepts such as values and norms (p. 33). More precisely, in Chapter Three, wherein Liotta opens up an option to approach new security, and this determines that the decision makers merely conceive of security concepts in mindset that is power-dominant and state-centric (the old concept of security). Nevertheless, there is a risk of adding the term 'security' to either environmental or human-centered concerns. Liotta addresses the forms of security as environmental, national, embedded and human security.

However, his analysis is not complete. In doing so, the sectors of security as proposed within the Copenhagen School remain beneficial (Buzan *et al.*, 1998, p. 27). Since the modern state is defined by the idea of the sovereignty, this advocates an exclusive right to self-government over specified territory and population. Owing to the force being one type of controlling territory, the state underpins the traditional primary of its concern with the use of force. Therefore, the agenda of the military sector of security thus concentrates on state and national security (Buzan *et al.*, 1998, pp 49–50). By applying the environmental sectors of security, Liotta could evaluate threats to human civilization from the natural environment, and threats from human activity to the natural systems may pose an existential threat (Buzan *et al.*, 1998, p. 80). Within the economic sector of security, Liotta could consider that actors are supposed to feel insecure in a market; if they do not, the market will not produce its efficiencies (Buzan *et al.*, 1998, p. 95). Last but not least, in the societal sector of security, societal threats take place when communities define a development or potentiality as a threat

to their survival as a community (Buzan *et al.*, 1998, p. 119). In this regard, the human security that Liotta describes is situated in this sphere.

Moreover, theorizing European integration could be realized by applying the English School of international relations theory (Diez & Withman, 2002, pp. 43–67). In addressing European integration, the English School primary institutions could bind the internal and external integration of Europe to each other. Primary institutions mean “durable and recognized practices rooted in values held commonly by the members (...) embodying a mix of norms, rules and principles” (Buzan, 2004, p. 181). They represent practices shared by the members of society and have constitutive rules of the game. Therefore, primary institutions are the key to understanding the practices within the Europe such as bilateral and multilateral relations with other players. Among the master primary institutions, diplomacy is pertinent in that context. Diplomacy is perceived as an official relationship between sovereign states. In such an account, diplomacy refers to the official relations of not only states, but also of other political entities (Bull, 2002, p. 157) and Western European governments, rather than a primary reliance on military force as developing instruments that they rely on diplomacy and engagement by negotiation for special relationship. Therefore, the derivative primary institution *_diplomatic language_* as suggested within the English School includes merit.

Due to the key role that language plays in diplomacy, as van Dijk (2001, p. 1) accentuates, narrative analysis resists by talk in the political context. An additional weakness in this book is the lack of a coherent methodological procedure. Narrative analysis could probably be adopted to study policy formation. Following data collection in this volume, the majority of data have been collected from existing literature, while reports, remarks and statements could be more efficient. Furthermore, by choosing as Old Europe the states of Western Europe, it remains unclear how the editors can acquire a sufficiently broad picture of Europe as a whole.

In summary, this book offers an interesting collection of historical and case studies which serve to illuminate the ‘soft security’ that Europe has adopted since the Cold War. While the difficulty of editing and constructing a study composed of a series of contributions by different authors is obvious, this book benefits from a proper coherence. The book represents an ambitious and intriguing account of the important driving factor in European security. The book merits closer reading not only for researchers examining European security, but also those widely concerned with European studies.

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Ágnes Szunomár

Inotai, András & Juhász, Ottó (eds.), Kína és a válság [China and the World Crisis], Budapest: Akadémiai Kiadó, 2010, 488 pp.

China is widely considered to be one of the most successful developing countries in the modern era. After the global crisis of 2007–2008, this statement has become more topical and true than ever. The world and China's place in it has changed a lot in the past years. This transformation was mainly caused by the global financial crisis which swallowed the world's countries all and sundry, but it also accelerated China's emergence as a great power by slowing the growth of the major industrialized countries while affecting much less the major developing ones.

The editors and authors of the book *China and the World Crisis* have tried to bring out key aspects of this process by depicting China's present in a comprehensive manner starting from social, political and economic changes through the international relations to the crisis management strategies of the Chinese government.

According to the issues of this research, China's position in the world has been stabilized and its catching up will likely to be somewhat shorter and faster than it was estimated by experts and the Chinese leaders before the crisis. The rapid growth of China at the beginning of the twenty-first century has been changing the international (economic) balance. A multipolar world economy is about to be born, in which at least three great powers – the United States, the European Union, and, of course, China – will need to cooperate to achieve major international objectives.

The Institute for World Economics at the Hungarian Academy of Sciences has been invited to join in a multi-annual strategic and policy-oriented project, covering the period between 2006 and 2010 and sponsored by the Hungarian Prime Minister's Office, to carry out comprehensive and multidisciplinary research on developments in China. As a result of this research more than a hundred studies have been prepared and almost every aspect of China's internal development and international relations have been analysed. This volume contains nine selected studies from the third stage of the research, focusing mainly on China's internal and external affairs in the first phase of the global crisis. Additional studies of the third stage were published separately in two volumes by the Institute for World Economics.

In the first study ‘China and the World Crisis – Some Social, Political, Economic and Foreign Strategic Aspects’, Ottó Juhász, former Hungarian ambassador to China and sinologist writes about structural changes in the Chinese economy and society. The international financial crisis and the subsequent international recession overlap the process of preliminary, anticipated and designed Chinese transition from the stage of growth to the stage of development. According to Juhász, this economic growth model shift means transition from extensive to intensive growth, from quantity to quality and from the export-driven model to a more domestic demand-oriented one. The most conspicuous and topical economic phenomenon of this shift is the decrease in the proportion of state ownership, but also the most current social phenomena are the expanding of the middle class – which the author describes as the ‘national bourgeoisie’ – , and the emerged stratum of multimillionaires and billionaires in China.

The international crisis has speeded up the start of the implementation of Chinese reforms but also cramped and even broke some of them. The pressure of crisis management accelerated the creation of new jobs, increased the number of large investment projects, speeded up the reforms to expand welfare provisions and resulted in a tax reduction package. At the same time it caused the delay of reforms in the field of agriculture, focusing on the marketization (flexible free-selling and purchasing) of land. The author also provides examples to some social and labour market-related problems such as floating population and fresh graduates.

After analyzing the internal policy, Juhász focuses on China’s international strategy. He cites ‘the four directions’ referring to a speech of the Minister of Foreign Affairs of the People’s Republic of China (PRC) which marks the new directions and sequencing of the Chinese foreign policy: developing the relations to great powers, maintaining neighbourhood ties, strengthening relations to developing countries, and enhancing China’s participation in global and regional issues.

The book continues with seven studies analysing China’s foreign relations in the early period of the global crisis.

Lajos Rácz, former Hungarian military attaché to China and sinologist, examines China’s most important foreign relation, the Sino-US ties, in his study ‘The China–US Relations at the Onset of 2009: A Hungarian View’. The study covers economic relation, security strategy, and military affairs. According to the author, China’s rise puts an end to the United States’ global economic primacy, however not due to the exchange rate manipulation, but rather because

of the effective utilization of Chinese capabilities. The author considers the global imbalances of trade, finance, technology, military, as well as internal and external pressures resulting from structural anomalies in 'American-style capitalism' and 'socialism with Chinese characteristics'. He concludes that neither China nor the US can carry on in the same way as in the past 30 years. The two sides are reinforcing their cooperation in such areas as finance, energy, environmental protection, R&D, international crisis diplomacy, and military matters, among others. According to Rácz, the shift in the US. was not only a change of government, but also a political shift of strategic significance, affecting the bilateral relations with China to a large degree. That kind of transformation is favourable to Eastern European countries because it allows more room for manoeuvre in the EU–US–China triangle.

In the next study, 'Rivalry and Cooperation in the Economic Relations of the US, Russia, EU, China, India and Japan', Iván Németh, former Hungarian Ambassador to India, attempts to examine the potential developments among the six power centres of the world in the years ahead. After presenting foreign policy priorities of the above-mentioned countries, the author collects their responses to the global financial and economic crisis. In the case of China he stresses that the main ambition of Chinese foreign policy at the beginning of 2009 is the 'harmonious world order' which derives *mutatis mutandis* from the priority of internal political reform ('harmonious society'). According to Németh, the 'harmonious world order' stands for a polycentric international system where China can continue with its economic development within balanced international conditions and without disturbing international conflicts.

The article shortly sums up some issues of the Russian energy policy, it designs the possibilities for the Chinese to gain manoeuvring room toward the US, Japan, and the EU, and also deals with some elements of the American–Russian military ties. According to the author's view, in the near future the relations among the six power centres will transform from hostile rivalry to constructive cooperation. The US, the EU, and Japan will have the same connection as they had before while the 'strategic partnership' between China and Russia will be maintained as well.

In his study 'The European Union and China: Strategic Partnership in the New Global Environment', András Inotai, general director of the Institute for World Economics and co-manager of the multi-annual project describes the China–EU relations covering the most recent period between 2007 and 2009. (An earlier version with historical survey had been written in the previous stage of the project.) After reviewing the characteristics of the bilateral trade, he brings

out the conflict areas and the main obstacles to a strategic partnership, such as the market economy status, human rights, arms embargo and the status of Tibet or Taiwan. According to Inotai, there are many areas of common interests besides these disagreements. He mentions global trade and capital flow issues, multipolarity, international security (mainly in the case of Iran and North Korea) and the fight against international terrorism.

Concerning the impact of the global crisis on the relationship, the author highlights that China reacted with caution and responsibility to the crisis. China has been aware of the fact that the crisis cannot be solved without its participation, and the passive observation position has to be changed to a more active role. At the first glance, the crisis provides an opportunity for China to realize its vision of multipolarity but, according to the author, this procedure will be realized with a new form and content and not in the classic US – EU – China triangle, because in economic terms Europe and China will become equal partners to the US.

At the beginning of the next study ‘China and Russia: Cooperation and/or Competition?’ Zsuzsa Ludvig poses some questions about Sino-Russian relations, usually described by Western analysts as a ‘strategic partnership’. She raises the question whether this means the shaping of a strategic alliance between the two gigantic countries or not. If yes, what are the common interests, which factors hamper the emergence of a real strategic alliance between the parties? Results of the Sino-Russian relationship have been really suggestive for the past one and a half decades, but, having a closer look at the economic, political and social dimensions of the bilateral relationship, it seems clear that beside mutual interests one may find serious clashes of interests and rivalries as well.

The competition between the two powers is most evident in their common neighbourhood, Central Asia, concretely within the Shanghai Cooperation Organization. The study puts a special emphasis on this rivalry. According to Ludvig, Russia has been more and more pushed back into its traditional role as a guarantor of military security, although its economic position is still strong in the region. The last part of the study focuses on developments in mutual relations connected to the world economic crisis.

Katalin Völgyi, junior research fellow at the Institute for World Economics, writes about Sino-Japanese relationship in her study ‘Analysis of the Chinese–Japanese Relations, With Special Regard to the Economic Ties’. While the two Asian powers are rivaling for the leadership in Asia, their economic ties are getting tighter. Japan is one of the leading FDI sources for China and through

its Official Development Assistance (ODA) program Japan has also largely contributed to China's infrastructural development. Growing cooperation can be seen in the field of energy. Moreover, Japan provides China with advanced environmental and energy technologies.

Southeast Asia is the genuine 'theatre of geopolitical rivalry' for China and Japan. Both countries had been trying to extend their influence in the ASEAN-region for a long time. In the process of the East-Asian regionalism Japan has facilitated the financial and monetary cooperation, while China has worked as a catalyst in proliferation of free trade areas. According to Völgyi, it would be too early to draw definitive conclusions about the impact of the crisis on Sino-Japanese relations, although their bilateral trade will probably show some slight decline.

András Hernádi, former head of the Japan, East and Southeast Asia Research Centre at the Institute for World Economics, writes about the 'Main Characteristics of China–Australia Relations'. The two continent-sized countries hugely differ from each other, yet they are also each other's natural partners, even if not of equal significance. The asymmetric relationship is manifested in foreign trade by the fact that while the PRC represents roughly one-sixth of Australia's total trade turnover, Australia has hardly more than two percent of that of China. The idea of a free trade agreement between the two countries has been raised explicitly already in 2003, although it has not been signed ever since. At the same time, the so-called strategic negotiations between them have become regular. According to Hernádi, both countries have actively reacted to the world crisis covering both bilateral and regional cooperation.

The author mentions that Kevin Rudd, the former Prime Minister (and current Minister for Foreign Affairs) of Australia revealed in an interview that he wanted to make Australia the best 'Asia specialist' in the West. Rudd also dreamt of a political community in the region which he called 'Asia Pacific Community' and which would include Indonesia, India, China, Japan, the US and other nations, with a mandate to engage across the breadth of the security, economic and political challenges the region is supposed to face in the future.

Gábor Monori, junior research fellow at the Institute for World Economics, examines in the study 'China and the New World Order' international and Chinese views, priorities and ambitions of the new world order and also reviews China's participation in the dominant international organizations.

According to Monori, a growing economy enforces its political and economic interests through growing international positions. A strong international position can be obtained in two ways: by joining the already existing international

organizations or by creating new regional or global institutions together with the emerging countries of the world. The author mentions the Shanghai Cooperation Organization, the ASEAN Free Trade Area and, even more importantly, the BRIC-group as examples. Monori emphasizes the future role of the latter group, namely the BRICs as examples.

The last study of the book, entitled ‘Crisis Handling Strategies of the Chinese Government in Light of World Economic Challenges’, was written by Barna Tálas, one of the most famous and respected Hungarian sinologists. After describing the pre-crisis conditions of China the article outlines the impact of the financial crisis on the execution of the central plan of 2008. Tálas subsequently presents the immediate ten-point action package of the Chinese government. Besides the increase in incomes and reduction of taxes, reconstruction after natural disasters and environmental protection such as the curbing of water pollution, afforestation and energy conservation are also part of this package.

According to Tálas, the Chinese government made its first major stimulus package in November 2008 as an immediate answer to the first negative impacts of the global crisis on the Chinese growth rate, exports and domestic consumption. A frame of 4000 billion Yuan (586 billion USD) was opened to finance the measures during 2009 and 2010, also with the aim of preventing social stresses after the major economic slowdown.

Unlike most of the above-mentioned authors of this book, Tálas does not state with absolute certainty – although he identifies the positive signs of the first actions – that, at the end of the day, China will emerge as the winner of the world crisis. He stresses that the long-term effects of the Chinese crisis-handling measures are not visible in the short term. Only in long term we will be able to get the answer to the question whether China will be even stronger or it will sink in a political chaos and falls apart, eventually becoming (one of) the biggest loser(s) of the crisis.

Overall, even in international comparison, the book is a comprehensive contribution to understand several aspects of China’s reaction to the global crisis, showing not only the internal reforms partly linked to or influenced by the crisis but mainly the impact of the crisis on the country’s external relations. As a young sinologist working in the fields of research and education, I strongly recommend this volume to universities, mainly to faculties of economics, and to anyone interested in world economics or China’s road to great power status. The book has just a small but corrigible defect: currently it is only available in Hungarian language.