

Vol. 3, No. 2
April 2008

CEU Political Science Journal

Central European University
Department of Political Science

TABLE OF CONTENTS

Advisory Board

S.M. Amadae
Carol Harrington
Carsten Q. Schneider

Managing Editors

Sergiu Gherghina
Arpad Todor

Editorial Board

Dorothee Bohle
Andras Bozoki
Anil Duman
Zsolt Enyedi
Stela Garaz
George Jiglaŭ

Editorial assistants

Bartłomiej Baryla
Gabriela Borz
Liudmyla Ivanchenko
Oana Lup
Megan Thornton

Department of
Political Science,
CEU Budapest

ISSN 1818-7668

ARTICLES

- 135 INSTITUTION-BUILDING IN THE JUSTICE AND HOME AFFAIRS AREA IN POLAND: ANCILLARY BENEFITS OF TWINNING
Justyna Dymerska
- 148 EU AS AN ATOMIC SYSTEM: THE INFLUENCE OF EUROPEAN UNION ON ITS MEMBERS AND OUTSIDES
Natalia Timuş
- 165 A HISTORICAL FRAMEWORK OF BARGAINING AND CONTENTION – LEGITIMACY AND DEMOCRACY IN THE EU
Koen P.R. Bartels
- 187 THE IMPACT OF POLITICAL ELITE CONDUCT ON STATE REFORM: THE CASE OF UKRAINE
Nicole Gallina
- 201 WHAT IS TO BE DONE? FOREIGN POLICY IN BOSNIA AND HERZEGOVINA
Joan Davison and Jesenko Tesan
- 230 THE EVOLUTION OF LOCAL STATE CAPACITY AND INSTITUTIONAL CHANGE IN EAST ASIAN MEGAURBAN REGIONS: THE CASE OF THE PEARL RIVER DELTA, CHINA.
Christian Wuttke and Michael Waibel
- 252 **BOOK REVIEWS**

INSTITUTION-BUILDING IN THE JUSTICE AND HOME AFFAIRS AREA IN POLAND: ANCILLARY BENEFITS OF TWINNING

Justyna Dymerska
PhD Cambridge University, UK
Center of International Studies at the
University of Cambridge
jd309@cam.ac.uk

Abstract¹

*This article examines the intricacies of institution-building in the ex-communist states seeking membership in the EU. The requirement to improve institutional capacity to implement the *acquis communautaire* is one of four EU criteria for accession, next to the necessity to adopt the *acquis* as well as to fulfill specific political and economic stipulations. Institutional twinning, an innovative instrument of European external cooperation, aims to reinforce judicial and administrative capacity in the candidate states so as to prepare them for the functioning in the EU. Does twinning lead to mere technical and “guaranteed” outcomes or can it also lead to other unanticipated results? This article aims to answer those questions on the basis of a case study of Poland’s Justice and Home Affairs area, specifically borders, asylum and immigration matters,*

between 1998 and the country’s accession to the EU on May 1st 2004. It

will be shown that the JHA twinning programs effected both technical and behavioral changes in Poland. That is, the process of “cleansing” the state’s administration of communist standards and practices engendered not only tangible changes in the structure, organization and the functioning of Polish institutions, but it also Europeanized the administrative public culture in Poland.

Introduction

For those who study the enlargement of the European Union, it is common knowledge that the instrument of twinning facilitates vital institutional reforms in the countries seeking membership in the Community. It was introduced in 1997 as a result of a reform proposed in *Agenda 2000* which earmarked thirty percent of the EU’s PHARE assistance to institution building and seventy percent to investment support in each candidate state². Twinning projects are projects of mutual cooperation in a specific policy field between administration of a candidate state and its counterpart in an EU country. They aim to introduce the former to the EU’s “best standards and practices. Their formula relies on a secondment of a full-time and long-term expert from that EU state to the analogous department in the country

¹ The author acknowledges the financial support from the European Commission (Marie Curie Early Stage Research Training Program) through the Center of International Studies at the University of Cambridge

² Special Report No.6/2003 concerning twinning as the main instrument to support institution-building in candidate countries together with the Commission’s replies, 17th of July 2003, p.4.

seeking membership in the Community³. In this scheme both states commit themselves at the high political level and at a practical, namely human resources and financial level, to reach commonly agreed targets in a joint implementation process. They sign a twinning covenant which specifies their obligations⁴. In turn, the Commission, which is a guardian of fair, transparent and consistent application of the twinning rules, endorses it. It sets the legal, financial and procedural parameters for twinings as well as their priorities⁵.

While twinning programs have a significant valuable and tangible effect on reforming policies, laws, practices and institutions in the states seeking

membership in the EU (Dymerska 2007), it is worth exploring whether their effects extend beyond the “guaranteed results” and bear ancillary benefits. In order to answer this query I shall focus on the scrutiny of twinning programs in the Justice and Home Affairs area in Poland between 1998 and 2004, which marks the country’s accession to the EU. This analysis, which constitutes a component of my broader doctoral work on “guided Europeanization”⁶ in the ex-communist states, relies on interviews with individuals involved directly in the twinning process from the Polish administration and the parallel administrations from the EU member states leading the programs. Before we turn to assess the evidence, however, a few words are in order concerning the anticipated outcomes of twinning in the JHA field in Poland.

³ Every twinning project includes a Member State Project Leader who continues to work at his home administration but who devotes part of his time to conceiving, supervising and coordinating the overall thrust of the project. He is a high-ranking official, but he is not an advisor, but rather he directs the implementation of the project. He is assisted by a full time expert, Resident Twinning Advisor (RTA), from a Member State to work on a day-to-day basis with the beneficiary administration.

⁴ Before the contract is signed, the process of its creation involves (1) design of project fiches that comprise gap analysis by the accession state of its needs in a specific area, (2) covenant writing that is a reality check on the feasibility of the fiche and involves possible re-design, (3) selection of twinners by the accession state that involves the submission of the “Expression of Interest” from the Member States, participation in the presentation of proposals dependent on available resources of the Member State institutions, selection of the Pre-Accession Advisor.

⁵ Institution Building in the Framework of European Union Policies. A Reference Manual on “Twinning” Projects, (Revision May 2005), European Commission, p.21.

⁶ In order to understand the process of Europeanization in the ex-communist states, I propose to look at the process as an amalgamation of three concepts, that is “Europeanization” (Radaelli 2003), “policy transfer” (Dolowitz and Marsh 2000) and “socialization” (Finnemore and Sikkink 1998, Schimmelfenning 2000, Checkel 2001), which I dub “guided Europeanization.” The idea posits that there are five specific mechanisms which are the facilitators and bearers of reforms in a post-communist setting, namely lesson-drawing, socialization, conditionality, obligation and negative sanctions. I assert that those mechanisms help us understand the motivations for cooperation between the EU states and their ex-communist neighbors, and the intricacies of this collaboration which lead to domestic changes in the Central and East European countries in terms of their policies, structures and even norms and cognitions.

Institutional Twinning in the JHA Area in Poland

Upon the official opening of accession negotiations in this chapter on May 6th 2000, the EU expected the Polish government to:

1. Upgrade the management and control of Polish borders,
2. Implement the Geneva Convention, the New York Protocol, and the Aliens' Act in an efficient way,
3. Intensify the fight against organized crime, specifically in such areas as production and smuggling of drugs, human trafficking, money laundering, smuggling and trade of stolen cars and weapons,
4. Step up efforts to ratify international conventions in the Justice and Home Affairs area,
5. Secure resources for institutional development and enhanced coordination among relevant bodies in Poland so as to improve their credibility and technical efficiency,
6. Focus on aliens' rights and visa regime for citizens from the former USSR and other neighboring countries⁷.

The EU's strategy to improve the administrative and institutional capacity in Poland in the JHA area prior to gaining membership in the Community had several objectives. Broadly speaking, it aimed at raising awareness about migration, assuring a common

understanding of migration phenomena and preparing Polish authorities for adequate control and surveillance of illegal immigration. That is, its intent was to deepen the country's role in the West European migration regime, which is particularly evident in the Commission's specific emphasis on the protection of borders in the *avis*, Accession Partnership and regular reports on the Polish progress to accession. By endorsing the EU's guidelines in its National Partnership for the Adoption of the *Acquis* between 1998 and 2002, the Polish government put itself on a steep learning curve. It had to harmonize its visa policy with the *acquis*, effect changes in its migration and asylum policy field and align its border policy with the EU stipulations. This was a daunting task, particularly since migration and asylum matters evolved in Poland from a blank canvas because Communism effectively "immunized" all the ex-communist states from the influx of foreigners. That is, states behind the Iron Curtain did not have to develop relevant solutions to address such phenomena until the opening of borders between West and East in Europe in the early nineties exposed them to the previously unknown immigration. In consequence, the newly emerging democracies had to devise responses to manage the inflows of aliens to and through their territories from scratch.

⁷*Partnership for Accession*, Center for European Information, Office of the Committee for European Integration, Warsaw, December 1998.

Engendering Change Through Twinning

Notwithstanding the scale of the necessary reforms, the country succeeded in adopting and implementing them. Among others, twinings helped the Polish government not only to implement changes in its domestic legislature towards foreigners, structure, organization and the function of institutions dealing with borders, immigration and asylum; they also eliminated many of the systemic leftovers from the communist approach to administration, which hindered its efficiency and performance after 1989 (Dymerska 2007). Through training and education, twinning programs focused on reducing inefficient “paper communication” among administrative elites, fostered close communication and exchange of information among them and improved citizen orientation practices (Dymerska 2007). By and large, as I find elsewhere in my research, the ensuing reforms of the JHA field can be attributed to a great extent to the EU's “stick” and “carrot” mechanism whereby compliance with the *acquis* stipulations leads to rewards in the form of financial and technical assistance, whereas failure to implement the required change may result in tangible cost as well as reputation costs. (Dymerska 2007):

“Money was always a good argument to achieve something.”⁸

“We used carrots, but also we used sticks. During negotiations we quickly identified weak and strong points. When you have a weakness, in order to remedy it you can promise a country: look by next year if you change your penal code, we will give you money for training. This kind of bargaining was certainly a part of the game. Also in terms of sticks, if you don't do it, forget about the money in whatever sector. The use of both sticks and carrots is very common in the EU”⁹

Conditionality, however, was not the only mechanism that induced institutional reforms in the JHA area in Poland. In addition, socialization played an important role in the process (Dymerska 2007). In particular, social learning and intense social interaction between the Pre-Accession Advisors (PAAs) and the Polish administrators facilitated many of the necessary institutional changes. This statement has to be considered in the context of the Polish yearning for international recognition and legitimacy in order to gain membership in the EU. Furthermore, it has to be kept in mind that the Polish governments' identities and interests were in flux as concerns the JHA issues due to the lack of tradition in dealing with those matters prior to the fall of Communism. Under such auspicious circumstances, social

⁸ Interview with a former PAA to Poland, Brussels, May 2006.

⁹ Interview in the European Commission, Brussels, May 2006.

learning and intense social contact were a very effective means of inducing Polish compliance with the EU requirements:

”Networking and regular contact, parties, dinners are very important. This is where the decisions are prepared and sometimes made. It is so important. Poland was very good at it. I cannot highlight enough how important is the informal contact. I would say that 10% is decided formally and 90% is decided informally or at least prepared. This is my experience.”¹⁰

“This informal contact cannot be understated when it comes to twinning. Those people were able to get together, spend a lot of time together, where in the afternoon and in the evening after the seminars and workshops they were able to go out together. Those informal contacts they bear fruit later, at work.”¹¹

In addition, many of the JHA reforms were possible to adopt and implement thanks to the PAAs’ unique awareness of multifarious Polish subtleties and ways of dealing with them. It was essential that the advisors understood the “do’s and don’ts” of their interaction with the Polish partners during twinings, which included historical sensitivity towards Poland and its citizens that barred certain behaviors and rhetoric and the necessity to treat

the Polish administrators as equals so as to build trust and forge personal relationship with them (Dymerska 2007):

“For me it was very difficult to find balance between how to do A in order to get to B. Being polite, but at the same time to push, but not too hard, because Polish people do not like to be pushed because of history. So it was a bit difficult.”¹²

Sensible interaction between the PAAs and Polish administrators brought about many observable and necessary reforms in the administrative standards and practices in the JHA area. Let us look at them in more detail, particularly at those changes that extend beyond the anticipated reforms through institutional twinning programs.

Ancillary Benefits of Twinning

The long presence, cooperation and interaction between Western civil servants and their candidate counterparts generated outcomes beyond the “guaranteed results” of twinning. For the beneficiary state, next to altering its administrative practice and culture, it contributed to the understanding of Poland’s place within the European administration, eradicating of inferiority complexes related to Western Europe, building the awareness of European community and common interest, and even establishing friendships between people from

¹⁰ Interview in the European Commission, Brussels, May 2006.

¹¹ Interview in the Polish Ministry of Interior Affairs, Warsaw, August 2006.

¹² Interview with a former PAA to Poland, Brussels, May 2006.

Poland and those from the EU member states¹³. For the leader country, the close interaction with the beneficiary state was equally important. It allowed for building mutual trust and eliminating stereotypes and biases about the government of Poland and its capacities. As such, socialization in twinning through intense social contact and social learning was very important for both parties and must not be underestimated. Its consequences were long-ranging and went beyond the duration of the twinning programs. As one of my respondents aptly remarked to my question regarding the importance of informal contacts and social interaction between twinning partners:

“This is especially important after the twinning. That is, people get to know one another during the twinning and feel at ease calling their colleagues in the “old” member states. Borders become less and less of an issue, they almost disappear.”¹⁴

Social interaction and social learning during JHA twinings facilitated building awareness of participation in the policy-making in the third pillar in Poland. Despite strong determination to pursue cooperation in this field and

fervent political commitment¹⁵, the absence of an actual sense of input was palpable in the early stages of the pre-accession process¹⁶. It was only with the initiation of the twinning programs in the JHA area that the Polish government began to slowly realize that it was working and cooperating on a part of a bigger whole, namely European policy in-the-making concerning borders, immigration and asylum¹⁷. While this was much easier to comprehend on the operational level and the level of high politics, for the ministerial echelon this was problematic¹⁸. That is, political elites understood that institution building in the JHA area was necessary to join the EU and that non-compliance with its requirements would jeopardize Polish accession to the EU. However, for the ministerial level, institution building in the JHA field seemed unnecessary, especially in the context of the lack of experience and the lack of prior beliefs concerning immigration, asylum and the European construct of borders:

“We were talking about a world about which we knew very little. We did not have asylum problems or immigration problems. For us this was a problem of the West. We did not have great aspirations in this field.”¹⁹

¹³ Interviews in the Ministry of Interior and in the Permanent Representation of Poland to the EU, Brussels and Warsaw, May 2006 and August 2006.

¹⁴ Interview with a former PAA to Poland, Warsaw, May 2006.

¹⁵ Interview with a former PAA to Poland, Warsaw, May 2006.

¹⁶ Interview with a representative of the Polish Permanent Representation in Brussels, May 2006.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ Ibid.

Considering this, the practical approximation of the JHA area through twinning was immensely important. It forced the government of Poland to begin work on devising long-term strategies related to the matters of borders, immigration and asylum, and seeing them in the context of wider European politics. It was through twinning workshops, seminars and also study visits in the EU member states that the Polish administrators understood they were participating in a European-wide process, not just one on a bilateral level²⁰. This shift in perception from bilateral interaction to a European interaction with a common goal can be attributed to social learning and intense social contact. Socialization helped the Polish administrators to understand the concepts of common interests and what it means to be a part of the European community:

“In the perception of many of the Polish administrators cooperation can be divided into bilateral and international and that is where it ends. There is “your side” and “our side”. “Please forward to the Union side...”—when I read those notes I already can tell who is at what stage of the development of perception [about the European Community—J.D.] in Poland. There is still a category of people who do not ponder the deeper sense of this undertaking.”²¹

The social learning however, was a time-consuming process. This was in part due to the sudden reconfiguration of the function and intricacies of the Polish administration caused by the process of accession to the EU and the subsequent need to slowly digest and absorb the ensuing changes:

“Administration [in Poland—J.D.] was associated with under-paid workers and job security. Now there are travel opportunities, excursions, prestige, you have contact with abroad, you sleep in great hotels, and you have the money to spend. For people who were coming into this kind of world, it took a long time to readjust and absorb it. They had no idea what was happening [as concerns European politics in the JHA area—J.D.], they were exploring new processes, they did not see any point in all this.”²²

As such, people were taking a long time to understand how they fit in the European nexus and what it means to be a part of it. This in turn impacted the process of building trust towards the EU. The Polish elite's perception of the Community was generally positive, with a desire to join it, prior to the opening of accession negotiations; yet, afterwards it was difficult for elites to perceive of it so positively²³. For the Polish government, it was very tough to comprehend and accept the EU as both its authority and partner in accession²⁴.

²⁰ Interview with a representative of the Polish Permanent Representation in Brussels, May 2006.

²¹ Ibid.

²² Ibid.

²³ Interview with a representative of the Polish Permanent Representation in Brussels, May 2006.

²⁴ Ibid.

Furthermore, it was difficult for the Polish administration to understand that it was working as a whole towards one goal, and to eliminate a common practice of inter-ministerial rivalry for a better deal with the EU:

“For Poland a win-win situation is a completely new notion, for the people who participate in this process on a practical level. There has to be interest that someone attempts to realize, some hidden agenda or to hinder something. There is no such perception that in the administration we all have a common goal. We are all together, there are no winners and losers, there is common good that we are building, and no one wants to hurt one another. These ideas that if we have more for the farmers, there are going to be fewer kindergartens [persists among some—J.D.]. But we can kill two birds with one stone.”²⁵

In this respect, socialization in the twinning programs was immensely helpful in that it permitted Poles to understand the idea of a common goal. Furthermore, it allowed the Polish administrators to realize that their commitment to reaching the JHA objectives is a necessary component of a more efficient and secure Europe. This was in part made possible by the process of hands-on learning from the functioning of immigration, borders and asylum institutions of the EU member states’ administrations. . Beyond that, considering that socialization through

twinning programs facilitated the forging interpersonal contacts and informal interactions, it enabled people to work closely together and to get to know one another. This in turn allowed the Polish elites to eradicate the inferiority complex felt towards their EU counterparts:

“Those people were able to meet and spend a lot of time together (..) in that sense Europeanization persisted in that Poles ceased thinking that they are worse. I remember in 1993 or 1994 the French proposed us a visit to France for 100 of county leaders²⁶ (..) The results were fantastic, for some of them this was the first time they were abroad. They came back to Poland so happy and would say: wow, they have the same problems we do (..) They told the French about their ideas and it turned out that the French liked them, that they are good ideas. This was spectacular that as the curtain fell down how fast we understood that inferiority complexes and complexes of backwardness need to be eliminated, that we are not stupid.”²⁷

“Informal contacts, when it comes to twinings, cannot be underappreciated. Poles realized through them that they are not inferior.”²⁸

As such, by virtue of comparing Polish problems and infrastructure in the JHA

²⁵ Ibid.

²⁶ In Polish, this the term is ‘wójt’. Those people are heads of a group of villages.

²⁷ Interview in the Ministry of Interior, Warsaw, August 2006.

²⁸ Ibid.

field to those in the EU member states, Poles were able to identify areas requiring improvement and learn ways of addressing them. For the Polish border guards, such visits to borders of the other EU states were often the times of glory in the later stages of the twinning programs as they were able to see that their infrastructure and equipment provided through twinings was among the best in Europe. This gave them a lot of confidence and pride about what they represented and also enabled them to feel like a part of the EU-wide process of Europeanization of the JHA area.

Such intense social contact during study visits, but also general day-to-day contact among Polish administrators and twinning partners fostered the process of socialization. All of my respondents, without exception, concur that the power of interpersonal relationships was pivotal to effecting institutional reforms in Poland: “Forging relations with people is the basis of functioning in the EU.”²⁹ For the Polish administrators this closeness ensured a sensation of “normalcy” of interaction on a social level as they began to truly feel like genuine members of a wider European family. As a result, the inferiority complex felt towards Western Europe, for the most part, ceased to exist:

“I remember that around the millennium we were in Brussels at

²⁹ Interview with a representative of the Polish Permanent Representation in Brussels, May 2006.

some dinner. There were many Poles and people from different member states. We all sat together, mingled; there was no more of that division of tables: Poles only and they. We spoke together, laughed, joked. I noticed that we began functioning normally on the social level.”³⁰

The intense contact between twinning partners has additionally contributed to raising awareness about different administrative cultures and practices. In turn, it allowed them to cast their own judgments about their effectiveness and their way of doing things. For the Polish administrators, in many instances, study visits helped to eradicate their biases:

“I was in 1996 on some training in Spain and I have completely changed my mind about them. I was afraid of this mañana attitude, and then it turned out that they are so excellently prepared, so concrete.”³¹

For the Western PAAs, the long-term residence in Poland often turned them into Polish advocates who would fight unfair stereotypes and biases on the country’s behalf. The following evidence confirms that this was a direct result of intense social contact and social learning:

“This is very important, the twinning. You see it afterwards

³⁰ Interview in the Ministry of Interior, Warsaw, August 2006.

³¹ Interview in the Ministry of Interior, Warsaw, August 2006.

how important it is to establish cooperation between the old and the new member states. To see for the old member states who had a very funny perception of the new member states. When my colleagues would come with me to the new member states they would ask me: can I pay with a credit card there, can I exchange money there and things like these. Just to see for themselves: come on, in some ways those countries are more modern, or technically more modern than the old member states, and people are much more dynamic in fact. (..) It is good to bring people together. The interpersonal relationships are very important.”³²

“When my wife and I arrived here we got on the tram and young people stood up to give up their seats. We were so astounded! In the theater people would be dressed up. Amazing! In Germany it has never been for years. Whatever develops in America comes to Germany, 20 years later, in particular everything that is bad.”³³

The unexpected behavioral change that resulted from socialization in the twinning programs was an immensely important by-product of twinings. Aside from the fact that it facilitated greater understanding of Poland’s place in the European Union and in Europe, it allowed its government to realize that it

is a part of the European-wide process in the JHA area for the common good of all the EU member states. In addition, the Polish government realized the sole purpose of the JHA twinning programs was to improve its administrative and institutional capacity so as to assume obligations of the EU *acquis* concerning immigration, asylum and external borders:

“At the end I think they realized that we are not against them, but we are doing something for them and that (..) I want to achieve something together. At the beginning they did not believe me.”³⁴

“Poland I think understood that Germany was on her side.”³⁵

Perhaps one of the most interesting comments summing up the effects of reforms in the JHA area comes from one of the reports in the first, 2003 monitoring mission to Poland. It clearly exposes the side-effect of twinning, namely its ability to engender behavioral change:

“Altogether the undersigned did get the impression that the relevant authorities did not only see their task in bringing Poland in harmony with Schengen- and EU-Standards, but also by participating in the assessment in a very constructive manner and thus showing that *not only their acting but also their*

³² Interview at the European Commission, Brussels, May 2006.

³³ Interview with a former JHA PAA to Poland, Warsaw, May 2006.

³⁴ Interview with a former JHA PAA to Poland, Brussels, May 2006.

³⁵ Interview with a former JHA PAA to Poland, Warsaw, May 2006.

thinking is more or less in line with the Acquis. In implementing they are prepared to act as fully responsible partners responsible for a specific section of the external border in the future.³⁶

Conclusion

The above analysis, though brief, provides sufficient evidence to conclude that the instrument of institutional twinning led not only to the required technical reforms in the JHA area in Poland, but also to the altering of norms and cognitions among Polish political and administrative elites. While conditionality triggered institution building, socialization facilitated its implementation. In the process, next to the emergence of new laws, policies and institutions, twinning programs engendered behavioral change among Polish elites so that their norms and perceptions came to closely mirror those of their Western counterparts. This unanticipated consequence of twinning was greatly facilitated by two elements of socialization, namely social learning and intense social contact. This brings me to question whether technical and behavioral reforms in the JHA area in Poland would have occurred in the absence of institutional twinning. That is, was the promise of membership in the EU the key propeller of change? While the Polish government felt great emotional pressure to become an EU member and many may assert that this

assured the success of twinning, it appears that it simultaneously wanted on its own initiative to introduce many wide-ranging domestic reforms that were simply consistent with those offered by twinning:

“In my opinion Polish reforms were not entirely EU-oriented and EU-driven. This was very difficult for many to understand. We began introducing those reforms because we wanted to do them at the domestic level—the entire amendment of penal code, reform of the judiciary...We wanted to have justice in our courtrooms and independent judges, not because we wanted to woo Europe. We wanted to ensure just processes and fundamental freedoms. This was our intrinsic need. It was only our luck that this went hand in hand with what Europe expected of us. So those reforms awaited by our citizens fit perfectly with the accession process to the EU.”³⁷

Considering the Polish case, to what extent can we generalize about the power of institutional twinning in generating “guaranteed results” as well as ancillary behavioral changes among elites in the other Central and East European states? While it is difficult to draw proximate conclusions to this question, I suspect that twinning tends to induce tangible changes across different policy fields in all of the ex-communist states seeking membership

³⁶ Peer Review. First Monitoring Mission in JHA, 24-27 March 2003

³⁷ Interview with a representative of Permanent Representation of Poland to the EU, Krakow, August 2006.

in the EU simply because reforms are a required and necessary condition prior to gaining accession. To the contrary, I expect to see twinning bring about behavioral changes among administrators in those policy fields in which they have limited tradition and no pre-fixed positions on given issues and hence are more opened to habitualize and perhaps later internalize the standards and practices of “appropriate” Western behavior. However, in order to show whether twinning programs led to “guaranteed” as well as ancillary outcomes, we would have to conduct a larger comparative study not only across more countries, but also across more policy areas. Such an analysis would be useful for a few reasons. First, it would show whether there are factors inherent to Poland, which my study has overlooked, explain why twinings produced both technical and unanticipated changes. Second, such a comparative study across different policy fields would show us whether the JHA area is unique or whether other policy sectors are subject to similar stimuli. This would also help us to determine whether institutional twinning can follow different trajectories in different states and in different policy areas. In the meantime, the broad utility of the instrument of twinning cannot be understated in the process of effecting both technical and behavioral changes in the states seeking membership in the European Union.

Bibliography

- Checkel, Jeffrey T. “Compliance and Conditionality,” *ARENA Working Papers* 00/18, Oslo, ARENA, 2001.
- Dolowitz, David P. and David Marsh, “Learning from Abroad: the Role of Policy Transfer in Contemporary Policy-Making,” *Governance*, 13(1): 5-24, 2000.
- Dymerska, Justyna, *The Europeanization of Immigration and Asylum Policy. The Case of Poland*. Unpublished doctoral thesis, University of Cambridge, 2007.
- Finnemore, Martha and Kathryn Sikkink, “International Norm Dynamics and Political Change,” *International Organization*, 52(4): 887-917, 1998.
- Radaelli, Claudio, “The Europeanization of Public Policy” in *The Politics of Europeanization*, eds. Kevin Featherstone and Claudio Radaelli. Oxford: Oxford University Press, pp. 27-56, 2003.
- Schimmelfenning, Frank, “International Socialization in the New Europe: Rational Action in an Institutionalized Environment,” *European Journal of International Relations*, 6(1): 109-139, 2000.
- Institution Building in the Framework of European Union Policies. A Reference Manual on “Twinning” Projects*, European Commission, May 2005 (revised).

Partnership for Accession, Center for European Information, Office of the Committee for

European Integration, Warsaw, December 1998.

Peer Review. First Monitoring Mission after closure of accession negotiations under chapter 24 in the fields of Justice and Home Affairs in Poland. 24-27 March 2003.

European Commission, 17 July 2003. (unpublished document from the DG JLS, Brussels).

Special Report No.6/2003 concerning twinning as the main instrument to support institution-building in candidate countries together with the Commission's replies, July 17, 2003.

EU AS AN ATOMIC SYSTEM: THE INFLUENCE OF EUROPEAN UNION ON ITS MEMBERS AND OUTSIDERS

Natalia Timuş
PhD Student, Central European
University, Budapest, Department of
Political Science
pphtin01@phd.ceu.hu

Abstract

The present paper examines both the character and the degree of EU involvement in domestic transformations, as well as internal factors that would explain the resistance to or acceptance of EU requirements. It presents the weakness of external influence literature, such as diffusion or coordinated interdependence in explaining the degree of EU direct influence on domestic changes by analyzing the variables of geographic proximity and the degree of integration into the European structures. The study reveals that as EU membership perspective is the major instrument of EU influence on domestic transformations, once candidate states become full members the Union loses its power to force its new members into carrying out domestic changes according to EU stipulations. Also, the analysis of outsiders that are not EU candidates illustrates that EU influence is not the major factor in determining domestic changes according to European level policies. The degree of domestic discretion is the decisive factor in this context determining the type and the

degree of EU involvement in domestic transformations.

Introduction

During the last years the subject of the influence of European integration process on domestic transformations of non-member states has captured scholarly interest, particularly within the growing literature of Europeanization.

Depending on the research questions that scholars address in their works, there can be distinguished several major categories of outsiders. The first group deals with the so-called EU “adaptive outsiders,” specifically European Free Trade Association EFTA countries that came closer to Europe in order to avoid the negative externalities of European integration process. The second group includes post-communist candidate countries from Central and Eastern Europe, as well as Malta and Cyprus, and Turkey. Scholars have been investigating the impact of EU enlargement conditionality policy on successful domestic transformations of candidate states towards democracy and market economy.

After the recent 2004 enlargement and the new developments of EU external policies, scholarly research interests have expanded to examine EU involvement in domestic changes of its

neighboring countries - associated states from Western Balkans and countries within the framework of European Neighborhood Policy ENP. However, despite the growing number of studies on EU members and outsiders, the present literature fails to provide a theoretical approach that would examine both the character and the degree of EU involvement in domestic transformations, as well as internal factors that would explain the resistance to or acceptance of EU requirements.

The present paper addresses this limitation by providing an analysis of EU influence on different groups of states (both members and outsiders). It starts with International Relations and Comparative Politics theories on external influence, particularly with the logics of diffusion theory and of coordinated interdependence and discusses the expectations of these theoretical approaches regarding the European level influence on internal transformations of EU states and outsiders by advancing the analogy of European Union as an atomic system. It addresses the question of how and what kind of EU influence is exercised on domestic transformations in the context of other European and global poles of influence (epicenters) based on two major variables: the proximity from the EC nucleus and degree of integration within the European Union. It shows that the proximity from the European institutions and direct borders with EU members, as well as the official degree of integration within European

structures are not the major factors in determining the mechanism and outcome of the Europeanization process, particularly with regard to the direct EU pressure on domestic transformations and reveals other important variables from EU and domestic levels.

The Interaction between European and Domestic Processes and Actors

The study of the European influence on domestic changes, similar to other Europeanization literature, brings into theoretical analysis the relationship between the international system and domestic ones and joins the larger debate that aims at bridging IR and CP approaches. Thus, a starting point of the present work is the clarification of major theoretical arguments on the influence of external factors on national and sub-national structures and actors.

One of the approaches that tackle the confluence of international and domestic variables in explaining domestic transformations is diffusion approach. In social sciences, diffusion model comes to explain the spread or the dissemination of certain policies and practices within a population or social system.¹ The major argument is

¹ Robert Eyestone, "Confusion, Diffusion, and Innovation," *American Political Science Review*, 71 (1977), David Strang, "Adding Social Structure to Diffusion Models: An Event History Framework," *Sociological Methods and Research*, 19 (1991), David Strang and Sarah A. Soule, "Diffusions in Organizations and Social

that traits and practices developed in a particular population, state, or international organization (epicenter) spread to other places and influence the choices of their counterparts and neighbors. The logic of diffusion is largely based on spatial dependency and the geographical proximity of a country to the epicenter is an important variable in explaining the constraints and opportunities offered to internal elites by the diffusion of norms and practices.²

The analysis of different types of interaction between the external and domestic factors has advanced various classifications of channels of outside influence on internal structures, including both the coordinated and uncoordinated interdependence. So, for example, Whitehead's work³ represents a pioneering approach that brings together various mechanisms of external influence. The scholar advances three main "linkage processes" that characterize the international dimensions of democratization in Europe and Americas: contagion, control, and consent. While the first two headings

deal merely with international level factors, the third takes into account the developments on the domestic level that affect the success of international influence on democratic consolidation. It envisages that external actors and developments offer their support to reform-oriented internal forces (both societal and political actors) that share common grounds with international democracy-promoters in order to assure the successful implementation of external policies and practices.

Following a similar reasoning to Whitehead's third "linkage process" - consent, Jacoby⁴ advanced the "coalitional approach" to external influence. After presenting the three modes of international influence on post-communist transformations: inspiration (a flow of ideas from outside to inside), subsidy (material and political benefits), and substitution (direct imposition of foreign services and templates, with the most aggressive form of military occupation), the scholar argues that foreign inspiration and subsidies have proved to work best in cases where there existed an implicit partnership, a coalition strategy with domestic actors, specifically with post-communist reformers. Coalition approach, an alternative to substitution, emphasizes the need of external support for "minority traditions" and like-minded domestic actors in order to

Movements: From Hybrid Corn to Poison Pills," *Annual Review of Sociology* 24 (1998).

² Jeffrey Kopstein and David A. Reilly, "Geographic Diffusion and the Transformation of the Postcommunist World," *World Politics* 53 (2000).

³ Laurence Whitehead, "Three International Dimensions of Democratization," in *The International Dimensions of Democratization: Europe and the Americas*, ed. Laurence Whitehead (Oxford: Oxford Studies in Democratization, 1996).

⁴ Wade Jacoby, "Inspiration, Coalition, and Substitution: External Influences on Postcommunist Transformations," *World Politics* 58, 4 (2006).

achieve a higher probability of successful and long-lasting implementation of liberal-democratic reforms.

The works on European influence on domestic changes of EU outsiders engage in the debate on external dimension of internal transformations and provide new theoretical and empirical findings on the subject. Both logics discussed above are present in Europeanization studies: the one of diffusion model, understood as the spread of values and practices from the EC epicenter inside and outside EU borders in the form of an uncoordinated interdependence, and the logic of coordinated EU influence on domestic transformations of its members and outsiders.

Two major lines of reasoning dominate the theoretical approaches towards the study of EU impact on domestic changes in non-member states. The first one builds on rationalist accounts and argues that the power of European influence derives from its direct pressure through material and political benefits provided by EU. In this context, the Europeanization literature on candidate states argues that the combination of EU membership perspective with intermediary rewards was the central element of EU leverage in successful implementation of democratic and market economy reforms in CEE candidate countries. EU incentives provided technical and financial support to domestic reformers and political legitimacy for like-minded

national actors. The lack of full membership promise, the major instrument of EU external leverage, decreases substantially EU bargaining power and the acceptance of EU requirements by domestic utility-maximizing actors, as it is the case of European Neighborhood Policy.⁵

An alternative reasoning builds on constructivist understanding of the normative power of European Union. So, EU constitutive liberal-democratic values and "ways of doing things" can be "exported" outside EU official boundaries through mechanisms of socialization and persuasion, depending on their attractiveness to domestic political and societal actors and their historical and cultural heritage.⁶ Most research designs on EU leverage on outsiders include both lines of theoretical reasoning, examining both rational and ideational mechanisms.⁷

⁵ Judith G. Kelley, "New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighbourhood Policy," *Journal of Common Market Studies* 44, 1 (2006).

⁶ R. A. Epstein, "International Institutions, Domestic Resonance and the Politics of Denationalization," (2006), Frank Schimmelfennig and Ulrich Sedelmeier, "Introduction: Conceptualizing the Europeanization of Central and Eastern Europe," in *The Europeanization of Central and Eastern Europe*, ed. Frank Schimmelfennig and Ulrich Sedelmeier (Ithaca, NY: Cornell University Press, 2005).

⁷ Wade Jacoby, *The Enlargement of the European Union and Nato: Ordering from the Menu in Central Europe* (Cambridge; New York: Cambridge University Press, 2004), Juliet Johnson, "Two-Track Diffusion and Central Bank Embeddedness: The Politics of Euro Adoption in Hungary and the Czech Republic," *Review of International Political Economy* 13, 3 (2006),

Although a number of studies provide a comparative systematized analysis of the mechanisms and channels of EU level influence on its outsiders, few of them attempt to specify potential results of this process and to provide a classification of the broad variety of outcomes of EU involvement in domestic transformations.

EU as an Atomic System

A starting point towards discovering different patterns of interaction between European and domestic levels is the representation of the EU as an epicenter that directly and indirectly spreads its values and practices, and influences the choices of its member states and outsiders. The logics of diffusion theory and of coordinated interdependence are helpful in providing a broad picture about the relationship between European and national levels.

Figure 1 offers an original representation of EU and of the countries it interacts with as an atomic system, allowing for a better understanding of the degree of both

direct and indirect EU level influence on domestic developments in different groups of states. It addresses the question of how and what kind of EU power is exercised on domestic developments in the context of other poles of influence (epicenters) on European continent particularly and across the globe in general. Following the physical analogy of the atomic structure, it is based on two major variables: the proximity of the EC nucleus (operationalized as the distance from Brussels and the sharing of direct borders with EU members) and degree of integration within the European Union (based on the official agreements signed between the Union and the different groups of states).

European Community as a nucleus. We start with the idea that the European Community represents the nucleus of the depicted atomic system. EC is the epicenter of institutions and practices of European type liberal democracies. During the Cold War period, the European Communities represented an attraction pole of prosperous market economy development and liberal-democratic principles, first of all for Western European countries. After the collapse of the Soviet empire, the European Union was one of the major actors in setting the foundations of the New Europe in the historical *Charter of Paris for a New Europe* in 1990, among other European and international institutions (CoE, OSCE or NATO).⁸

Judith G. Kelley, *Ethnic Politics in Europe: The Power of Norms and Incentives* (Princeton, NJ: Princeton University Press, 2004), Frank Schimmelfennig, "Europeanization Beyond Europe," *Living Rev. Euro. Gov.* 2, 1 (2007), Frank Schimmelfennig and Ulrich Sedelmeier, "Governance by Conditionality: Eu Rule Transfer to the Candidate Countries of Central and Eastern Europe," *Journal of European Public Policy* 11, 4 (2004), Schimmelfennig and Sedelmeier, "Introduction: Conceptualizing the Europeanization of Central and Eastern Europe."

⁸ Frank Schimmelfennig, "The International Promotion of Political Norms in Eastern Europe:

Individual freedoms and human rights, liberal-democratic principles, as well as conflict settlement by peaceful means have been declared the constituent norms of the new European continent. Since then the European Union has been the major promoter of these fundamental norms of the New Europe and has been perceived as the nucleus of the family of European democratic states.

Although liberal democratic and market economy principles have been promoted by other regional organizations (such as CoE or OSCE), as well as international ones (NATO, IMF, WB), it is the EU's merit to bundle together the influence of different regional and international actors and to sustain it over time through its unique conditionality instrument. The research on external influence of international actors (IAs) on domestic transformations has mostly pointed out the weakness of IAs to support successful domestic transformations. So, for example, the studies of democratization processes in Latin America, Africa, or Asia show that external forces were regarded as having a negative or "at best indifferent" impact on democratic consolidation.⁹

A Qualitative Comparative Analysis," *Central and Eastern Europe Working Paper*, 61 (2005).

⁹ Laurence Whitehead, ed., *The International Dimensions of Democratization: Europe and the Americas*, rev. ed. (Oxford; New York: Oxford University Press, 2001).

Concomitantly, the influence of international organizations such as the IMF or WB, which apply some specific conditionality policies in their relations with domestic actors, is also a weak one merely because they do not "tip" the political elites in favor of domestic reformation according to their guidelines.¹⁰ In this context, the European Union presents a unique case of its involvement in democratic consolidation across the European continent. EU conditionality policy, specifically its membership perspective, has been described as having a strong positive influence on successful transition and consolidation of liberal democratic principles in the case of its southern enlargement (Spain, Portugal, and Greece) and of CEE candidate states.¹¹ The unique combination of intermediary incentives with the final reward of granting full association with the European club of states makes EU membership superior to any other membership perspectives of regional or international organizations. The strong EU level direct influence on domestic arenas is determined by extensive requirements of internal transformations according to EU rules of the game and a greater pooling of sovereignty as compared to other IO.¹²

¹⁰ Stephen Haggard and Steven B. Webb, "Introduction," in *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, ed. Stephen Haggard and Steven B. Webb (New York: Oxford University Press, 1994), 5.

¹¹ Whitehead, ed., *The International Dimensions of Democratization: Europe and the Americas*.

¹² Milada Anna Vachudová, *Europe Undivided: Democracy, Leverage and Integration after*

In light of the European studies debate whether the European Union's influence on domestic transformations is a positive or a negative factor, the present work agrees with the studies that argue the EU has made a significant positive contribution to the promotion of democratic and market economy reforms in its (aspiring) candidate states, particularly in the case of the post-communist space.

Concomitant to the exercise of a direct EU power, there is a strong indirect influence from the EU level on domestic change towards liberal democracy and market economy because the Union has been perceived as an epicenter of skills and knowledge expertise, committed to refine and improve its practices. Therefore, the European Union presents a unique example for countries in search of a successful model of democratic and market economy transformations, specifically across the European continent. As Di Maggio and Powell pointed out in their 1983 study, states tend to model themselves after similar political and economic structures they identify as being more legitimate and/or successful.¹³

Finally, the sum of total formal and informal norms and practices developed on the EU level create a specific type of

democracy and market economy promotion according to the "EU way of doing things". A specific type of "European democracy" can be distinguished from other versions of democracy, such as American, Russian, Asian, etc, which is an essential element of European Union's identity.¹⁴ For example, in the area of human rights a distinctive element of the EU model as compared to the American one is the opposition to the death penalty and the stress on social and economic rights, while in democracy promotion the difference between the US and EU is the focus of the latter on the establishment of political associations both in political and civil sectors.¹⁵ Also, the EU's approach towards democracy promotion is based on "soft power" and "soft security," as opposed to American military interventionism in promoting its democratic model. It prefers tools such as positive (incentive-based) or negative (suspension) conditionality, political dialogue, capacity-building, persuasion and learning as opposed to direct appliance of military force.

Communism (Oxford; New York: Oxford University Press, 2005), 7.

¹³ Paul DiMaggio and Walter Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields," *American Sociological Review* 48 (1983): 152.

¹⁴ Judith G. Kelley, "International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions," *International Organization* 58, 3 (2004), Jeffrey Kopstein, "The Transatlantic Divide over Democracy Promotion," *The Washington Quarterly* 29, 2 (2006), Bruno Tertrais, "Europe/Etats-Unis : Valeurs Communes Ou Divorce Culturel ?," *Fondation Robert Schuman*, 10 (2006).

¹⁵ Tanja A. Börzel and Thomas Risse, "One Size Fits All! Eu Policies for the Promotion of Human Rights, Democracy and Rule of Law" (paper presented at the Workshop on Democracy Promotion, Stanford University, 2004), 30.

Last, but not least, the regional cooperation approach the EU adopts in its relations with non-European third countries, even in some cases when some groups of states do not perceive themselves as being part of a “region,” (e.g. Mediterranean or Africa, Caribbean and Pacific (ACP) countries) is also a distinctive EU feature.¹⁶ In this case, the European Union tends to promote its own model of regional integration, characterized by a more enhanced cooperation that goes beyond the free trade areas and the pooling of sovereignty in favor of strong supranational institutions.

The structure of European Union’s atomic system

In figure 1 different groups of states are represented in different layers or “shells” depending on their atomic orbitals – distances from the EC epicenter. The first shell is composed by EU member states, which form the tight-bound electronic cloud. They are characterized by a small orbital and European Community is expected to exercise a strong magnetic force on them through direct and indirect influence on their domestic developments because of the high degree of integration into the European Community.

The second layer of the EU atomic system is represented by EU candidate states. They have a longer distance from the EU atomic nucleus and are partially bound to European Community through diverse Association Agreements. Although the attraction force of EU nucleus is lower in this case, it is still strong enough for the European Union to exercise substantial active leverage through its accession conditionality policy combined with intermediary incentives and the final reward of EU membership. At the same time, the European Union exercises an indirect influence on domestic changes of credible candidate states by virtue of its existence and its way of doing things. European level norms and practices emanated from the EU nucleus are believed to have an intrinsic value, regardless of the material incentives provided by the EU.

The next cloud of countries from the EU atomic system is represented by the nearly free states, comprising European outsiders that are bound to the European nucleus through some specific agreements within such frameworks as EFTA or ENP. Although being characterized as nearly-free, they still can have an impact on the working of the European system through the production of some weak periodic perturbation or disturbance to the European club of states, due to their political or economic instability or security threats. The term “nearly bound states” describes well the relationship between the European

¹⁶ Jean B. Grugel, "New Regionalism and Modes of Governance - Comparing Us and Eu Strategies in Latin America," *European Journal of International Relations* 10, 4 (2004): 607-08.

Community and this group of outsiders. The strong EU conditionality policy, combined with material and political rewards, as in the case of candidate states, is missing in the agreements signed with these outsiders. That is why the European Union is expected to have a lower degree of direct pressure on their domestic transformations.

Two different groups of states can be distinguished within this electronic cloud. The first one is represented by EFTA countries that are both closer to EC nucleus, being surrounded by EU member states, and are more integrated within the EU. Countries like Norway or Switzerland had to adopt a significant part of EU legislation, particularly economic *acquis*, in order to be able to join EU internal market and overcome the negative consequences of European integration. Thus, the expectation would be to find a lower degree of EU direct influence as compared to the previous two layers, but still a significant degree of indirect influence, determined by the pressure to adapt to EU regulations in some specific policy domains in order to avoid negative externalities of European integration process.

The second sub-layer of the nearly-free electronic cloud is composed of EU neighboring states from the European continent, such as East European and South Caucasian neighboring countries. They are further in their distance from the EC epicenter and are less integrated within the EU through the official framework of European Neighborhood

Policy as compared to the previous groups of states. As a result, according to theories of external influence, the European Union is expected to have a lower degree of direct pressure on domestic transformations in these countries, while the degree of the indirect EU influence largely depends on the European aspirations of each of these states and their resonance to European norms and values. So, for example, some countries like Ukraine, Moldova, and Georgia would engage in an anticipatory adjustment to EU level regulations, using the existing EU Action Plans as a starting point, in order to express in practice their European aspirations and in hope that one day they would be considered as potential EU candidates, both on the grounds of satisfying geographical criteria for EU accession and complying to EU *acquis communautaire* as a result of their domestic transformations.

Finally, there is another group of states that can be related to EU system. These can be identified with free or non-integrating electrons in an atomic system because of the bigger distance from EC epicenter and a low degree of integration within the EU through the official agreements signed between Brussels and non-European outsiders. First of all, EU conditionality policy has been much weaker with regard to non-European outsiders, such as Mediterranean region, African Caribbean Pacific group or Asia and Latin America (ALA). In most of the cases EU political conditionality, aimed at promoting democracy, human rights,

and the rule of law (Copenhagen criteria) is much weaker than in other cases because its major positive instruments are usually limited to EU market access through preferential trade agreements. This carrot, of course, is much smaller than the one of obtaining full EU membership that can be applied by the EU in relations to European non-member states.

Concomitantly, because of the “soft” nature of EU power in its external relations and its “positive approach” of “managed compliance” through open and constructive dialogue,¹⁷ the sticks that the EU can use in relations with third states are also weaker. They are limited usually to the potential suspension clause of an agreement (e.g. Cotonou agreement for ACP or Mediterranean agreements) or the “appropriate measures” that can be taken by the partners of the agreement in case of the violation of an agreement (the case of New Independent States NIS). Therefore, the European Community can exercise a very limited or no direct force at all on domestic transformations of its non-European outsiders, which gives these states a greater degree of freedom in their relations with the EU.

As regarding the indirect EU influence on domestic changes of this group of states, it is mostly limited to cases of voluntary adjustment to EU institutional

templates and practices, lesson drawing and inspiration from EU rules during the process of domestic transformations.

Other atomic systems. Apart from the nature of EU regulations and domestic factors mentioned above, the degree of attractiveness of EU institutions and “way of doing things” depends also on some international level factors, such as the existence of other poles of attraction. For example, the figure 1 can be expanded as to represent the structures of the atomic systems around other epicenters across the world that emanate different institutions and practices than EC. These epicenters can represent an international organization (such as NATO) or an international actor in the form of a single state (e.g. the USA, Russia, or China).

The relationship between EU level institutional templates and practices and the ones promoted by other atomic nuclei determines also the degree of influence the EU can have on different groups of states represented in figure 1 as different shells. So, in the case of the USA and NATO, because of the similarity of norms and practice between these epicenters and the EC, both EU member and non-member states do not perceive them as alternative systems. By contrast, in most of the cases NATO membership and good relations with the US are seen as coming hand in hand with European integration, or even as a criteria of judging on the readiness of a country to join the EU.

¹⁷ Börzel and Risse, "One Size Fits All! Eu Policies for the Promotion of Human Rights, Democracy and Rule of Law", 8.

A completely different phenomenon can be observed in the case of the relationship between the Russian pole of attraction and the EC. The historical and cultural legacies the Russian empire and later USSR had on Central and East European states, Caucasus and Central Asia played a significant role in defining European level influence on post-communist democratic transitions. Concomitantly, smaller orbitals of most of these countries from Russian nucleus, as compared to the distance from EC epicenter, represent an important factor of EU impact on domestic transformations of post-Soviet countries. Concomitantly, the institutional templates and practices emanated by the two epicenters differ radically. By contrast to the European model, based on liberal democracy and market economy, the Russian Federation tends to promote its own "Russian type democracy" and economic reforms, which are believed to be the proper ones for political and economic development of former Soviet republics.¹⁸ The unique paradigm of Russian-style democracy has reasserted itself especially during the Putin era, with the powerful executive at its head without any serious challenges to his power and firm control of the state's political, economic, and security developments. Therefore, particularly in the case of

European neighboring states from NIS, the Russian factor represents an important element of determining the attractiveness or the repulsion of EU model and the potential perturbations that can appear in the nearly-free states shell or among the free electrons of the EU atomic system.

The Pitfalls of External Influence Literature in Explaining Europeanization Process and Outcomes

The theoretical and empirical arguments presented above prove important limitations of the applicability of the atomic system structure to EU relations with its members and outsiders, based on diffusion approaches and other external influence literature. It reveals that in the case of European integration process the proximity to European institutions and direct borders with EU members, as well as the official degree of integration within European structures, are not the major factors in determining the mechanism and outcome of the Europeanization process, particularly with regard to direct EU pressure on domestic transformations.

First of all, comparing the initial two layers of the EU atomic system from figure 1 - EU member and candidate states, the empirical evidence shows that shorter orbitals from EU nucleus and the higher level of integration within the European structures does not determine a stronger direct influence of Brussels on member states as compared

¹⁸ Michael Emerson and Gergana Noutcheva, "Europeanisation as a Gravity Model of Democratisation," *CEPS Working Documents*, 214 (2004), Nelli A. Romanovich, "Democratic Values and Freedom "Russian Style"," *Russian Social Science Review* 45, 1 (2004).

to the candidate states, which are farther from the EU epicenter and less integrated through Association Agreements. By contrast, the status of member of European Union offers domestic actors the possibility of participating in the process of EU policy-making and they can amend EU policies or suggest a policy initiative that would express their domestic interests. EU members also prove to be more hesitant in adopting EU level policies, having the freedom of remaining out of the area of applicability of certain EU regulations, as well as the veto power. At the same time, during the accession process the candidate states have to “eat the whole meal” of EU conditionality without being able to participate in the process of EU policy making regarding their countries and being obliged to undergo complex domestic transformations according to EU requirements. Thus, EU direct involvement in the process of domestic change is higher in practice in the case of EU candidates than in the case of member states.

The present study argues that the major explanation of this state of art is the fact that European membership perspective has been the strongest instrument of EU direct influence on domestic transformations of aspiring candidate states. As long as certain states express their willingness to join the European club of states and the European conditionality policy offers them significant intermediary rewards (material and political) and the ultimate reward of full EU membership, the

accession countries are ready to comply with EU level policies. Depending on domestic factors, such states will comply with EU requirements calling for radical transformations. In this case the European Union will have the opportunity of exercising a direct influence on domestic changes, setting the rules of the game, depending on the degree of EU pressure and the determinacy of EU level policies, as well as on the degree of domestic engagement.

Yet, once European membership was achieved, as in the recent cases of the 2004 and 2007 enlargements, although new states are more integrated within European structures, Instead of gaining more direct influence Brussels actually loses its power to directly pressure its newcomers into adopting domestic changes according to EU requirements. Second of all, the geographic proximity and the degree of integration into European institutions do not prove to be the major factors in determining EU direct influence with regard to the nearly-bound states, such as EFTA or European ENP countries. Although EFTA countries such as Norway or Switzerland are surrounded by EU members and are closer to EC nucleus, they are not exposed to significant EU direct pressure. It is so because another important factor determines the type and the extent of EU involvement – domestic degree of engagement in transforming according to EU level policies. As public referenda had shown, neither Norwegian nor Swiss people desired to become full members

of European Union, although they had this possibility. As these two states represent cases of stable democracies, self-sustained, rich countries and also have a history of state neutrality (Switzerland), their domestic actors have not perceived any major benefits to becoming a full member of the EU. These countries could afford to remain outside the European club of states because they could deal with the negative externalities of European integration process by adapting to EU standards only in the required policy domains, such as the adoption of EU economic *acquis* with the purpose of obtaining access to EU internal market.

By contrast, the post-communist emerging democracies from the ENP framework, although further from the EC epicenter, allow for a higher degree of direct EU involvement in domestic transformations, yet conditional on the fact that EU membership perspective is not ruled out from the official bilateral agreements, although it might be not explicitly mentioned at present. The domestic willingness to comply with EU standards is based on different reasoning. For example, being newly established democracies, after the disintegration of the Soviet system these states have perceived the European Union as a “guru” of successful domestic transformations towards a stable society where democracy, human rights, rule of law, market economy, and peaceful conflict resolution are well-established principles safeguarded by European level institutions. The like-minded

domestic actors, promoting liberal-democratic principles, need the EU’s economic support (financial assistance for carrying out transition reforms), political legitimacy, and security guarantees (particularly against Russian domination in the region). Therefore, they are more inclined to allow a higher degree of EU direct involvement in domestic transformations with the hope for a more enhanced cooperation agreement that would stipulate the opportunity of obtaining EU membership perspective.

Conclusion

While investigating the explanatory power of IR and CP variables of external influence the present paper advances several important conclusions. First of all, the work suggests the pitfalls of diffusion approaches and external influence literature in explaining the degree of EU direct involvement in domestic transformations of its members and outsiders. Based on the analogy of the EU as an atomic system, it shows that geographic proximity and the degree of integration into the European structures are not the major factors in determining the direct influence of European Union on domestic changes.

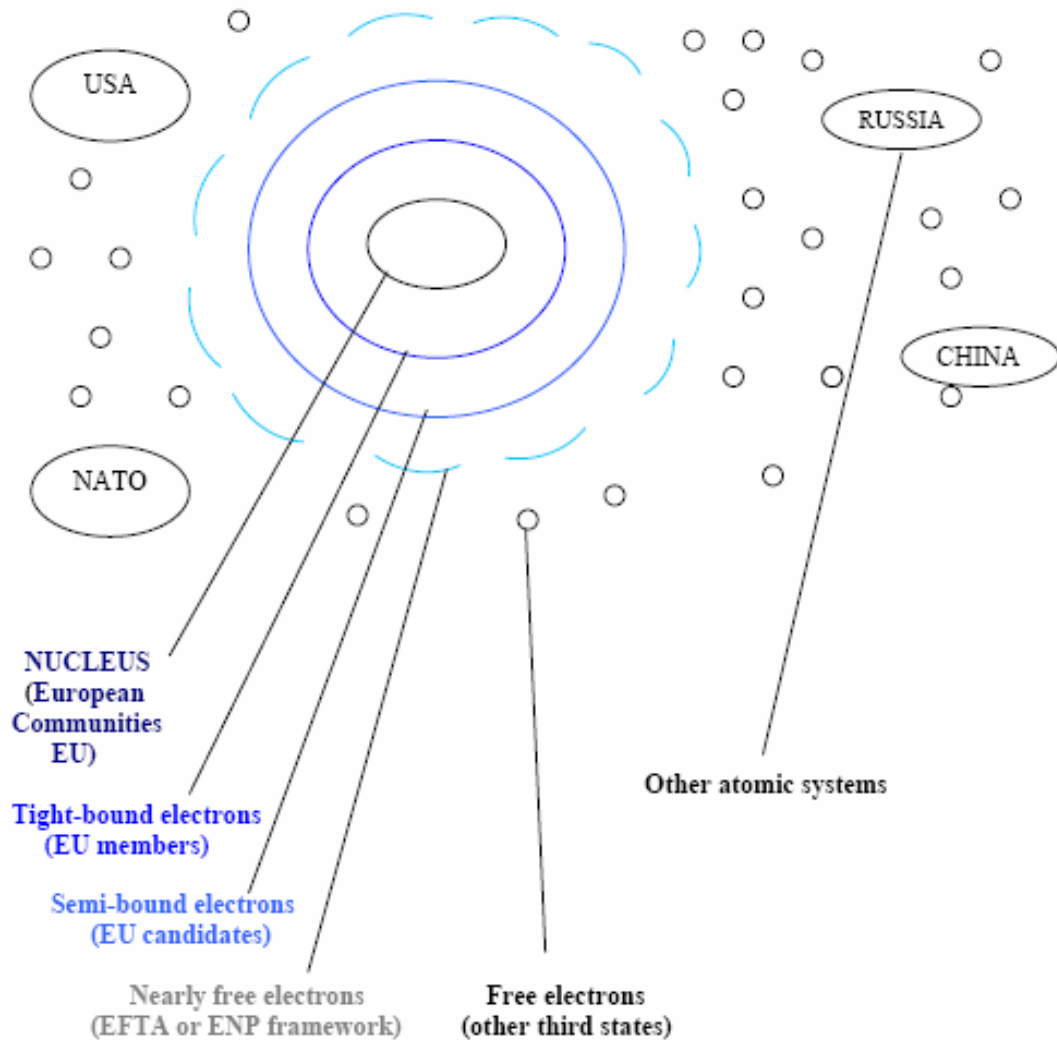
Second, the empirical evidence from the comparison of EU member and candidate states reveals that EU membership perspective has been the strongest instrument of EU direct influence on domestic transformations of aspiring candidate states. However,

once candidate countries become EU members, as in the case of recent 2004 and 2007 enlargements, and they are officially more integrated within the European Community. However, rather than obtaining more direct influence on domestic transformations, Brussels actually loses its power to force its new members in carrying out domestic changes according to EU stipulations. Finally, the analysis of outsiders that are not EU candidates illustrates that EU influence is not the major factor in determining domestic transformations according to EU policies. The degree of

domestic discretion is the decisive factor in this context determining the type and the degree of EU involvement in domestic changes. National and sub-national actors choose to comply with EU requirements depending on the costs of covering the negative externalities of European integration process and the perceived benefits from adopting EU policies at domestic level.

FIGURES

Figure 1. EU as an atomic system



Bibliography

- Börzel, Tanja A., and Thomas Risse. 2004. One Size Fits All! Eu Policies for the Promotion of Human Rights, Democracy and Rule of Law. Paper read at Workshop on Democracy Promotion, at Stanford University.
- Emerson, Michael, and Gergana Noutcheva. 2004. Europeanisation as a Gravity Model of Democratisation. *CEPS Working Documents* (214).
- Epstein, R. A. 2006. International Institutions, Domestic Resonance and the Politics of Denationalization.
- Eyestone, Robert. 1977. Confusion, Diffusion, and Innovation. *American Political Science Review* (71):441-447.
- Grugel, Jean B. 2004. New Regionalism and Modes of Governance - Comparing Us and Eu Strategies in Latin America. *European Journal of International Relations* 10 (4):603-626.
- Haggard, Stephen, and Steven B. Webb. 1994. Introduction. In *Voting for Reform: Democracy, Political Liberalization, and Economic Adjustment*, edited by S. Haggard and S. B. Webb. New York: Oxford University Press.
- Jacoby, Wade. 2004. *The Enlargement of the European Union and Nato: Ordering from the Menu in Central Europe*. Cambridge; New York: Cambridge University Press.
- . 2006. Inspiration, Coalition, and Substitution: External Influences on Postcommunist Transformations. *World Politics* 58 (4):623-651.
- Johnson, Juliet. 2006. Two-Track Diffusion and Central Bank Embeddedness: The Politics of Euro Adoption in Hungary and the Czech Republic. *Review of International Political Economy* 13 (3):361 - 386.
- Kelley, Judith G. 2004a. *Ethnic Politics in Europe: The Power of Norms and Incentives*. Princeton, NJ: Princeton University Press.
- . 2004b. International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions. *International Organization* 58 (3):425-457.
- . 2006. New Wine in Old Wineskins: Promoting Political Reforms through the New European Neighbourhood Policy. *Journal of Common Market Studies* 44 (1):29-55.
- Kopstein, Jeffrey. 2006. The Transatlantic Divide over Democracy Promotion. *The Washington Quarterly* 29 (2):85-98.
- Kopstein, Jeffrey, and David A. Reilly. 2000. Geographic Diffusion and the Transformation of the Postcommunist World. *World Politics* 53:1-37.
- Romanovich, Nelli A. 2004. Democratic Values and Freedom "Russian Style". *Russian Social Science Review* 45 (1):42-48.
- Schimmelfennig, Frank. 2005. The International Promotion of Political

- Norms in Eastern Europe: A Qualitative Comparative Analysis. *Central and Eastern Europe Working Paper* (61).
- . 2007. Europeanization Beyond Europe. *Living Rev. Euro. Gov.* 2 (1).
- Schimmelfennig, Frank, and Ulrich Sedelmeier. 2004. Governance by Conditionality: Eu Rule Transfer to the Candidate Countries of Central and Eastern Europe. *Journal of European Public Policy* 11 (4):661–679.
- . 2005. Introduction: Conceptualizing the Europeanization of Central and Eastern Europe. In *The Europeanization of Central and Eastern Europe*, edited by F. Schimmelfennig and U. Sedelmeier. Ithaca, NY: Cornell University Press.
- Strang, David. 1991. Adding Social Structure to Diffusion Models: An Event History Framework. *Sociological Methods and Research* (19):324-53.
- Strang, David, and Sarah A. Soule. 1998. Diffusions in Organizations and Social Movements: From Hybrid Corn to Poison Pills. *Annual Review of Sociology* 24:265-290.
- Tertrais, Bruno. 2006. Europe/Etats-Unis : Valeurs Communes Ou Divorce Culturel ? *Fondation Robert Schuman* (10).
- Vachudová, Milada Anna. 2005. *Europe Undivided: Democracy, Leverage and Integration after Communism*. Oxford; New York: Oxford University Press.
- Whitehead, Laurence. 1996. Three International Dimensions of Democratization. In *The International Dimensions of Democratization: Europe and the Americas*, edited by L. Whitehead. Oxford: Oxford Studies in Democratization.
- , ed. 2001. *The International Dimensions of Democratization: Europe and the Americas*. rev. ed. Oxford; New York: Oxford University Press.

A HISTORICAL FRAMEWORK OF BARGAINING AND CONTENTION – LEGITIMACY AND DEMOCRACY IN THE EU

Koen P.R. Bartels
Research Master Student Public
Administration,
University of Leiden
k.p.r.bartels@umail.leidenuniv.nl

member states and to the history of the EU.

–“*He that buildeth in the street, many masters has to meet*”– English saying

Abstract

The European Union legitimacy deficit is much debated in practice and science. Solutions for this deficit focus primarily on the institutional level. Democratic reforms would shape the EU more according to the national parliamentary model. This article argues that such democratic reforms are doomed to fail as a result of the absence of bargaining between political elites and citizens in EU history. From a historical perspective, the process of bargaining between rulers and citizens is crucial to the development of a thriving democratic system. Citizens do not engage in public contention about EU issues, because the EU has developed through processes of elite bargaining. A European public sphere is underdeveloped and the European Parliament is not capable of evoking civic attention, preference formation, and contention. Therefore, the article concludes that the EU legitimacy deficit can be most effectively harnessed through politicization of EU issues at the national level. Instead of unitary democratic reform at the EU level, national level politicization would do more justice to differences between

Introduction¹

For over a decade, scholars and practitioners have debated about the legitimacy deficit of the European Union (EU). At the heart of the debate lies the question to what degree the EU is in need of democratization. That is, does the EU need to reform itself to the resemblance of its member states’ democratic institutions, and if so, in which ways? This article argues that democratic reforms are fruitless given the history of the EU. Modern liberal democracies have developed through a process of bargaining between rulers and citizens. Conversely, contemporary European history has been written by means of political elite bargaining. The European Coal and Steel Community has matured through various treaties, rounds of enlargement, and policy development. It was not until the Intergovernmental Conference in Maastricht (1992) that the debate about European integration got politicized and citizen attention was evoked. The rejection of the constitution treaty through referenda in France and the

¹ The author wishes to thank the anonymous reviewers for their helpful comments. The instructive comments of Frank the Zwart on several earlier drafts of this article are gratefully acknowledged.

Netherlands has further raged the debate. Engaging citizens proved to be more than a question of institutional design and planning.

Democracy is inextricably linked to modern government. Particularly for the EU it seems true that “democracy bestows an aura of legitimacy on modern political life”². Why? The answer this article provides is that democracy has historically grown as the most legitimate form of governing. In Western Europe, processes of bargaining between rulers and citizens gradually produced democratic institutions³. Citizens regard current political systems as legitimate because these constitutional democracies carry a historical “aura of legitimacy”.

This article argues that the EU is not regarded as legitimate, because it has not developed itself along this historical path of bargaining. EU integration has commenced through elite bargaining instead of interaction with the population. However, modeling the EU after national constitutional democracies⁴ is not a solution, because institutional design is fruitless in the absence of institutionalization. That is, it is unlikely that citizens will start to focus their claims on the European Parliament instead of their national parliaments.

In general, this article thrives on the idea that a consideration of the historical development of modern political systems teaches us what reform strategies are appropriate to deal with current problems⁵. In order to harness the legitimacy deficit, the EU has to be politicized at the national level. National parliaments are the arenas where contention over political issues yields citizen attention and engagement. Instead of providing an EU level single solution for all member states national level solutions have to be sought to increase EU legitimacy. The differences between the role the EU plays in Western member states and Central and Eastern European Countries (CEEC) underlines that national level politicization is the only effective way in which the EU can build a “reserve of support”.

This conclusion is based on amalgamation of Tilly’s theory of bargaining and the scientific literature on EU legitimacy and democracy. It should be emphasized that the goal of this article is an analysis of theory⁶. The proposed “solution” is hypothetical and deserves empirical analysis in future research. The article is built up in the following steps. First, it will be explained why legitimacy and democracy are so closely affiliated that

² David Held, *Models of Democracy* (Cambridge: Polity Press, 1996). 291.

³ Charles Tilly, *Coercion, Capital and European States* (Cambridge: Blackwell, 1992).

⁴ Robert A. Dahl, *On Democracy* (New Haven: Yale University Press, 1998). 115-116.

⁵ Cf. Paul Pierson, *Politics in Time: History, Institutions, and Social Analysis* (Princeton: Princeton University Press, 2004).

⁶ In order to give the theoretical statements some empirical grounded, several important claims are backed up by some preliminary empirical data, mainly from Eurobarometer research.

weakness or absence of democratic institutions implies a problem for legitimacy. Democracy is crucial for the legitimacy of a political system for historical reasons. Therefore, the discussion will continue by clarifying how processes of bargaining are crucial to the development of democracy. The absence of bargaining is detrimental to the legitimacy of a political system. The EU's legitimacy deficit is explained by the absence of bargaining in its history. Next, a review of the academic debate shows that the desirability of democratic reforms is in the end an empirical question. In any case, democratization is argued to be ineffective, because the European Parliament (EP) is for historical reasons not able to be the focal point of civic contention. Instead, the status of the EP and the role of the EU in CEEC teach us that politicization at the national level is the most effective way to harness the EU's legitimacy deficit. In the end, this article reaches the somewhat ironic conclusion that the meeting point for EU and citizens is not in Brussels, but in capitals of the member states.

Legitimacy, democracy, and deficit

Legitimacy is often explained as legitimate democracy⁷. However, legitimacy and democracy are distinct concepts. Legitimacy refers to

⁷ Thomas Banchoff and Michael P. Smith, "Introduction," in *Legitimacy and the European Union: the contested polity*, ed. Thomas Banchoff and Michael P. Smith (New York: Routledge, 1999). 4.

justification, or authorization, of a political system. If citizens believe that authority is exercised legitimately, this means that they accept, or comply, with that authority. It is important to note that citizen support for an authority depends on the *belief* in its legitimacy. Citizens usually hold an innate conviction of the moral validity of their political system, even after it has produced serious deprivations. If the belief of legitimacy disappears, citizens withdraw their support and try to overthrow the political system⁸. There are several ways in which legitimacy can be maintained, one of which is democracy. Democracy is related to legitimacy on two levels: beliefs and institutions.

The institutional level of democracy is related to the basic characteristics of the *Rechtsstaat*. Democracy embodies "broad and relatively equal citizenship with (a) binding consultation of citizens in regard to state personnel and policies as well as (b) protection of citizens from arbitrary state action"⁹. These two underpinnings of constitutional democracy imply that state authorities are *authorized by* the citizens and

⁸ Max Weber, *Economy and Society: an outline of interpretative sociology*, ed. Guenther Roth and Claus Wittich (Berkeley: University of California Press, 1978). 213. David Easton, "An Approach to the Analysis of Political Systems," *World Politics* 9 (Apr. 1957): 383-400. David Easton, *A Systems Analysis of Political Life* (New York: Wiley, 1965). Held, *Models of Democracy*, 195.

⁹ Charles Tilly, *Roads from Past to Future* (New York: Rowman & Littlefield Publishers Inc, 1997). 198.

*accountable to them*¹⁰. Ideally, an authoritative institution is held accountable for an outcome insofar as it has causally contributed to this outcome¹¹. Authorities can be accountable through different institutional mechanisms, such as electoral accountability, independent expertise (administrative or judicial), intergovernmental agreement, and pluralist policy networks¹². The specific set of institutional arrangements differs per country. Whatever their specific mixture, no political system can do without representative institutions that contribute to its input legitimacy.

Input legitimacy implies that the will of the people somehow has to be articulated as input into the system. Citizens can make public claims on the political system to act in certain ways in a direct way, or in an indirect way, through representative institutions. Legitimacy is enhanced to the degree that outputs of the system are effectively based on these claims and to the degree these claims are actually articulated. Directing demands at a system implies that one accepts that this system is a legitimate actor to enhance these demands. Thus, the process of contention refers to acts within a public

sphere shared by public officials, political representatives and citizens¹³.

Institutional arrangements of a political system are also related to output legitimacy. Outputs have to effectively solve collective social problems. In the long run, a political system will lose support if it does not effectively promote the common welfare of the citizens¹⁴. Harnessing low output legitimacy is a matter of institutional design and reform which is not necessarily related to democratic institutions¹⁵. Nonrepresentative institutions such as markets or dictatorial regimes may enjoy more output legitimacy than a democratic state.

On the level of beliefs, democracy can be seen as a source of process legitimacy, or “Legitimation durch Verfahren”. This form of legitimacy refers to intrinsic acquiescence. Citizens accept the system’s authority even

¹⁰ John Parkinson, *Deliberating in the Real World. Problems of Legitimacy in Deliberative Democracy* (New York: Oxford University Press, 2006), 29-32.

¹¹ Herbert J. Spiro, *Responsibility in Government: Theory and Practice* (New York: Van Nostrand Reinhold Company, 1969).

¹² Fritz W. Scharpf, *Governing in Europe. Effective and Democratic?* (New York: Oxford University Press, 1999).

¹³ See Easton, “An Approach”. Easton, *A systems analysis*. Max Weber, *From Max Weber: essays in sociology*, ed. Hans H. Gerth and Charles Wright Mills (London: Kegan Paul, Trench, Trubner, 1977). 60-62. Frank Schimmelfennig, “Legitimate Rule in the European Union. The Academic Debate,” *Tubinger Arbeitspapiere Zur Internationalen Politik Und Friedensforschung* no 27 (1996). Scharpf, *Governing in Europe*, chap. 1. ¹⁴ Ibidem.

¹⁵ See Vincent Ostrom and Elinor Ostrom, “Public Choice: A Different Approach to Public Administration,” *Public Administration Review* 31, no 2 (Mar/Apr. 1971): 203-216. David Lowery, “Answering the Public Choice Challenge to Progressive Reform Institutions: A Neoprogressive Research Agenda,” *Governance* 12, no 1 (Jan. 1999): 29-56.

despite deprivations. The fact that a system directs its attention to a certain issue and takes responsibility for solving it may be enough for legitimacy to passively persist. A political system does not need to meet all the demands of its citizens, because it can appeal to a “reserve of support”. Within a political community such a buffer is usually promoted through a process of civic political socialization¹⁶. In the Western world, constitutional democracies in particular enjoy a “reserve of support”, because democracy has historically developed as the most legitimate form of governing in the minds of citizens.

More in general, historical processes explain what kind of authority citizens accept. Citizens are socially conditioned with regard to what kind of state behaviour they regard as deprivation and which policies are appropriate¹⁷. Authoritarian regimes in Asia, for example China and Singapore, are ruled by leaders who are not elected freely, but enjoy considerable legitimacy

nonetheless¹⁸. For a large part, these regimes thrive on process legitimacy, because citizens strongly believe in the traditional authority of their leaders¹⁹. In the Western world, such authoritarian process legitimacy could not exist, because democracy is an indisputable core value.

The concept deficit indicates a shortage, failure, or insufficiency. The centrality of democracy in Western thinking explains why the legitimacy deficit of the EU is often explained as a democratic deficit. The absence of a public sphere of contention and democratic institutions equivalent to those in member states is perceived as a problem. However, the absence of democratic institutions is not necessarily a problem for a political system, as long as it can rely on output or process legitimacy. Output legitimacy is generally low, because of the EU's low problem solving capacity²⁰. Since the EU does not live up to the idea of democracy, we can deduce that process legitimacy is low²¹.

¹⁶ Niklas Luhmann, *Legitimation durch Verfahren* (Darmstadt: Luchterhand, 1978). See also Easton, “An Approach”. Easton, *A systems analysis*. Max Weber, *From Max Weber: essays in sociology*, ed. Hans H. Gerth and Charles Wright Mills (London: Kegan Paul, Trench, Trubner, 1977). 60-62. Schimmelfennig, “Legitimate Rule in the European Union”. Scharpf, *Governing in Europe*, chap. 1. Andreas Føllesdal, “Legitimacy Theories of the European Union,” *Arena Working Papers WP 04/15* (2004). 13-14. Pippa Norris (Ed.), *Critical Citizens: Global Support for Democratic Government* (Oxford: Oxford University Press, 1999).

¹⁷ Pierson, *Politics in Time*.

¹⁸ Francis Fukuyama, “The Primacy of Culture,” *Journal of Democracy* 6 (Jan. 1995): 7-14. Samuel Huntington, “Democracy for the Long Haul,” *Journal of Democracy* 7 (Apr. 1996): 3-13.

¹⁹ For a typology of sources of authority see Weber, *Economy and Society*.

²⁰ Scharpf, *Governing in Europe*.

²¹ This deduction seems to be supported by rudimentary results from Eurobarometer research on the level of citizen satisfaction with the way in which democracy works in the EU and home country. For each year, citizens are on average less satisfied with the way democracy works in the EU than in their home country. See

Therefore, the *absence* of democracy is phrased as a *deficit*. Lack of democratic institutions that leads to low input legitimacy is thus not compensated by process legitimacy, because process legitimacy also depends on democracy. Citizens regard a political system illegitimate if it does not live up to the idea of democracy. The discussion will now turn to the historical explanation for this peculiarity.

Bargaining: a historical perspective on democracy

The centrality of democracy in Western political thinking is the result of the historical development of democracy. Democracy developed over a period of 400 years through a protracted process of mutual bargaining between rulers and citizens. Bargaining is a mechanism fundamental to the development of democracy. In fact, a vigorous democracy will not emerge if rulers refrain from bargaining with citizens. Hence, the presence or absence of bargaining can guide our understanding of current problems with levels of democracy in various political systems²².

Tilly distils the mechanism of bargaining from his historical study of the development of Western European

states. He argues that democratization is fostered through demands from the population and responsiveness to them by rulers. In the long process of state building in Western Europe, rulers tried to establish boundaries to their territory by means of war making. Rulers were dependent on financial and human capital for their expensive wars, which forced them to extract resources (soldiers, goods, and funds) from their population. The population demanded something in return for paying taxes and sending their sons to war. So, they started to bargain for promotion of their interests. Interaction between ruler and population increasingly forced the state to become “vulnerable to popular resistance, and answerable to popular demands”²³. Gradually, the idea of democracy emerged: equal citizens whose consultation is binding and who are protected from arbitrary state action²⁴.

Democracy does not emerge if there is no bargaining between state and population. In fact, absence of bargaining leads to unconstrained state action. In post communist countries, political elites prevented citizens from acquiring a bargaining position. Resources were in the hands of the state and not in possession of the population. This socialist legacy implied that rulers were not dependent on citizens for raising money, goods, and services. The

http://ec.europa.eu/public_opinion/cf/subquestion_en.cfm

²² Venelin Ganev, “Post-communism as an Episode of State Building: A Reversed Tillyan Perspective”, *Journal of Communist and Post-Communist studies* 38, no 4 (Dec. 2005): 425-445. 435.

²³ Tilly, *Coercion, Capital and European States*, 83. Italics added.

²⁴ Tilly, *Coercion, Capital and European States*, 69-70, 76, 83. Ganev, “Post-communism,” 432-437.

political elite did not have to enter into a bargaining process vis-à-vis the population, because they effectively managed to maintain control over resources. In their turn, citizens could organize little resistance to constrain state action, since they did not exert control over resources²⁵. Thus, bargaining does not emerge when there is only a one way dependency relationship between citizens and rulers. The same pattern can be seen in other contexts²⁶. For instance, oil producing Islamic states have little need for taxation, because the political elites control the oil. These states are so rich that their dependence on their citizens is low. State services and democratic representation are only modestly developed.²⁷

Processes of bargaining accompanied a multitude of developments, all contributing to the constitution of modern liberal democracies. Bargaining not only led to the emergence of democratic institutions, but also augmented the development of state structures and patriotism. First, rulers initially developed state structures to support the army directly and also indirectly by means of taxation. Bargaining caused state structures to develop further. Citizens demanded more services and goods from the state if taxes were more burdensome. In that sense, bargaining is related to output

legitimacy of a political system. Second, citizens got socialized into the emerging nation state. Citizens started to attach moral value to paying taxes, i.e. the idea emerged that paying your taxes was the duty of any good citizen²⁸. In this way, bargaining is related to a political system's process legitimacy. Thus, democratization processes are related to more than just the development of democratic institutions. Nevertheless, the emergence of democratic institutions is a vital feature of democratization.

Bargaining has caused the emergence of specific institutional structures that still function as object and modifier of public contention. Tilly's study of parliamentarization in Great Britain between 1758 and 1834 demonstrates that parliaments are crucial for democracy. "The relation between parliamentary institutions and the expansion of popular participation in national politics defines the possibilities for democracy"²⁹. Parliamentarization developed simultaneously with and aided the development of deliberate mass organization and electoral system and dynamics. Parliament became a more prominent actor within the political system and simultaneously increasingly became the primary object of civic contention. It has to be stressed that coinciding development of social movements enhances processes of public preference formation, organization, and contention. A mature

²⁵ Ganev, "Post-communism," 435-437.

²⁶ Ganev, "Post-communism," 434-435.

²⁷ Bernard Lewis, "Islam and Liberal Democracy. A Historical Overview," *Journal of Democracy* 7 (Apr. 1996): 2.

²⁸ Tilly, *Roads from Past to Future*. 89.

²⁹ Tilly, *Roads from Past to Future*, 242.

field of interest groups is an important factor in forcing direct links of contention between citizens and rulers³⁰. On the whole, parliamentarization implied that public claim making increased in general, issues of parliament became more central to popular contention, and connections with parliament became more central for public claim making.

In sum, democracy has become the central concept in our modern political systems over 400 years. Evaluating current problems with levels of democracy necessitates a focus on the level of bargaining between rulers and citizens in relation to resources and the production of state commodities and policies. Also, an analysis has to be made of the emergence of a public sphere of contention in relation to the role of parliament. The EU's legitimacy deficit will now be considered on the basis of these historical dimensions of bargaining.

Bargaining in the EU

“The EU is engaged in a difficult legitimation process” and “there is no denying the *perception* of a legitimacy crisis, whether justified or not”³¹. This legitimacy deficit is caused by the absence of democracy on the *belief*

level. This section argues that the legitimacy deficit is not a matter of deficient institutions per se, but rather of perception. Process legitimacy is low, because citizens do not perceive the EU as a democratic system. Despite the presence of democratic institutions, citizen satisfaction with the way democracy works in the EU is of a critical level³². Main reason is the absence of processes of bargaining between political elites and citizens.

It is difficult to reach a final conclusion about the level of democracy in the EU, yet it does become clear that one cannot deny problems with EU democracy in the eyes of the citizens. Official EU surveys held among citizens portray a complex and mixed pattern of results³³. Scientific literature seems to rest in an impasse. There is evidence that makes the claims of Euroscepticism disputable³⁴ while also is argued that

³⁰ See Sidney Tarrow, *Power in Movement: Social Movements and Contentious Politics* (New York: Cambridge University Press, 1998). Charles Tilly, *Social Movements, 1768-2004* (Boulder: Paradigm Publishers, 2004).

³¹ Banchoff and Smith, “Introduction,” 3. Italics added.

³² On average, about 40% of the EU citizens are satisfied with the way in which democracy works in the EU. Although one can argue about the threshold for a system to be judged democratic, a minority of 40% surely does not indicate that there is no problem with the level of democracy. See http://ec.europa.eu/public_opinion/cf/subquestion_en.cfm

³³ European Commission, *The Future of Europe* (Brussels: The European Union, 2000). Directorate-General Communication, *How Europeans see themselves* (Brussels: The European Union, 2006).

³⁴ See for instance Lieven De Winter and Marc Swyngedouw, “The Scope of EU Government,” in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen (New York: Oxford University Press, 1999), 67. Jacques Thomassen and Hermann Schmitt, “In Conclusion: Political Representation and Legitimacy in the European

“the democratization of the Union might not have kept pace with this [economic and legislative] progress”³⁵. By and large, the EU seems to live up to the definition of democracy: equal citizens whose consultation is binding and who are protected from arbitrary state action. As in any member state, citizens are treated equal before the law, the European Parliament is elected freely and fairly, representatives of elected national governments participate in the Council of Ministers, and the EU is bound by the rule of law³⁶. On the other hand, it is claimed that democracy is underdeveloped in the EU, because representation and accountability are too weak³⁷. In general, the EU does possess at least the basic characteristics of a democratic system. Why is the level of democracy in the EU then still such a salient issue?

This discrepancy can be explained by the absence of bargaining between elites and citizens in the development of the EU. The EU has always been an

elite driven project³⁸ that gradually got politicized.

Intergovernmental negotiations by representatives of national elected representatives have characterized the gradual development of the EU over the past fifty years. Originally, the European Coal and Steel Community started out as a political project. Democracy was not an initial goal, but nevertheless became a top priority since the establishment of the Treaty of Maastricht in 1992. Further development of the EU has faced considerable critique and resistance³⁹. The EU has become a more central issue in the public sphere, because of several enlargement rounds of CEEC, the ratification of the constitutional treaty, and the membership of Turkey. Increased attention framed the EU mainly in a negative way as an opaque, distant, and undemocratic system. This critique demonstrates that the EU is perceived as illegitimate, because it does not connect to its citizens.

The absence of attachment between EU and citizens is explained by the absence of bargaining between political elites and citizens. The EU has never been directly dependent on citizen resources or support. Member states make

Union,” in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen (New York: Oxford University Press, 1999b), 260.

³⁵ Jacques Thomassen and Hermann Schmitt, “Introduction: Political Representation and Legitimacy in the European Union,” in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen (New York: Oxford University Press, 1999a), 3.

³⁶ Nugent, *The Government and Politics*, 212-213, 235-245.

³⁷ Liesbeth Hooghe and Gary Marks, *Multi-Level Governance and European Integration* (Lanham: Rowman & Littlefield Publishers, 2001), 41.

³⁸ Neil Nugent, *The Government and Politics of the European Union* (New York: Palgrave MacMillan, 2003), 3-53, 107, 366-374.

³⁹ See for instance Thomas Banchoff and Michael P. Smith, “Introduction,” in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith (New York: Routledge, 1999), 1.

financial contributions, which are derived from national taxes. Citizens only indirectly provide the EU with the scarce amount of resources it needs. Processes of bargaining about EU issues between political elites and citizens did not emerge, so that a European public sphere never really developed. Moreover, EU policies were developed in various areas, mainly common market policies, which did not induce any civic mobilization that could lead to democratic representation. The absence of a process of parliamentarization is congruent with this weak public sphere.

In conclusion, the EU has gradually become a more politicized system with democratic institutions. However, democracy did not evolve on the belief level, because direct bargaining about EU issues between political elites and citizens has not occurred. Nevertheless, academic debate approaches the legitimacy deficit primarily by concentrating on the institutional level. The next section discusses several scholars concerning the degree to which they deem democratic reform necessary and which particular institutions they prefer. The subsequent section will show that the belief level of democracy is more fundamental to the EU's legitimacy deficit than the institutional level.

Democratization and Redistributive Effects

The scholarly field is divided about the need for democratic reform of the EU.

On one side, Hérítier, Majone, and Moravcsik each argue that the EU does not need any further democratization. On the other side, Hooghe and Marks, and Føllesdahl and Hix claim that the EU needs more representative democratic institutions. The debate hinges on the point of whether the EU decides autonomously on (re)distributive policies or not.

According to Hérítier⁴⁰, there is no need for democratic reform, because the EU already operates in a legitimate way. She asserts that empirical and normative scrutiny of the EU shows that current processes reinforce legitimation. To be sure, this kind of legitimacy is not the kind required by representative democracy. However, Hérítier judges democracy to be not an appropriate yardstick for the EU. In practice, the EU is engaged in a transparency program and in the creation of supportive networks. Moreover, the EU system consists of mechanisms of internal accountability that provide unanimity driven checks and balances. Although this nonmajoritarian democracy system embodies the potential danger of stalemate, it also provides the EU with *sui generis* accountability mechanisms. Low levels of representation and external accountability are counterbalanced by the transparency program and internal accountability.

⁴⁰ Adrienne Hérítier, "Elements of democratic legitimation in Europe: an alternative perspective," *Journal of European Public Policy* 6 (Jun. 1999): 269-282.

Thus, the EU possesses distinct mechanisms that ensure the legitimate exercise of authority, despite the absence of representative democracy.

Majone⁴¹ argues that the EU does not need more democratic institutions because of its focus on output legitimacy. Nonmajoritarian institutions such as the Commission are constructed to work in an insulated way, as this enhances their capacity to promote (Pareto)efficient solutions. The Commission possesses only a limited set of competences and, moreover, is held accountable to a sufficient degree by parliamentary and judiciary scrutiny at the European level. Politicization of the European Commission's activities would frustrate its long term goals of stable economic integration. Moreover, it would damage the Commission's legitimacy by creating unrealistic assumptions about its competences.

Moravcsik⁴² comes to a similar conclusion as Majone, but for different reasons. Moravcsik asserts that national sovereignty and control remain predominant within the EU framework. The empirical claim underlying this argument is that the EU does not produce policies which have (re)distributive effects. At least, none

which are not subdue to national governments' sovereignty and accountability. He assumes that the EU's supranational institutions do not act outside the domain of member states' preferences. What is more, the EU system puts legal, institutional, fiscal, and administrative constraints on its actors.

Modern liberal democracies also embody a lot of nonmajoritarian institutions that operate insulated from public accountability. These institutions usually enjoy a considerable high degree of legitimacy. It is inappropriate to stimulate civic contestation, because issues dealt with by these institutions have low political salience. In a word, EU policies do not have to be politicized, because decisions by supranational institutions do not affect the lives of citizens outside the control of national level control.

Conversely, Hooghe and Marks⁴³ claim that representative democracy is weak at the EU level. The EU needs more democratic institutions because democratic deliberation will lead to better policy outcomes, citizen trust in EU institutions, and an increase in conscious reflection by citizens about their preferences and feelings towards the EU. Preferences and identity cannot be formed endogenously, but have to be produced in an exogenous public deliberative process. Politicizing EU

⁴¹ Giandomenico Majone, "The European Commission: The Limits of Centralization and the Perils of Parliamentarization," *Governance* 15 (Jul. 2002): 375-392.

⁴² Andrew Moravcsik, "In Defense of the "Democratic Deficit": Reassessing Legitimacy in the European Union," *Journal of Common Market Studies* 40 (Nov. 2002): 603-624.

⁴³ Hooghe and Marks, *Multi-Level Governance*, 41. See also Schimmelfennig, "Legitimate Rule in the European Union", 2-3.

politics will induce citizens to discover the true and salient nature of policies. Føllesdal and Hix⁴⁴ take the same stance because, according to them, EU policies do have (re)distributive consequences. If this is so, then public debate and an engaged citizenry are needed for EU legitimacy. The current system is an opaque framework of checks and balances that focuses on internal proceedings, and blocks majority interests because of veto points. This does not promote the formation of political opposition or public contestation⁴⁵.

The crux of the debate is whether EU supranational institutions decide about policies that have (re)distributive effects. The stance Føllesdahl and Hix take is opposed to Majone's theoretical claim that supranational institutions of the EU are able to foster Pareto efficient outcomes, and to Moravcsik's empirical claim that these institutions do not produce policies which have (re)distributive effects. Up to date, there is no empirical evidence that supports either of these positions. Such empirical research would have to determine who decides on policies that have (re)distributive consequences. Subsequently, it could be determined whether democratic reform is necessary on the basis of the *Rechtsstaat* maxim

that public accountability is appropriate only insofar as an authority has made a significant causal contribution to the outcomes of the policy⁴⁶.

For the moment, we can only contemplate "what if". Democratic reform is only appropriate and, more importantly, will only succeed if it is related to policies which have real redistributive effects among the majority of the population. It seems likely that EU policies influence the lives of citizens to some degree, because in reality pure Pareto efficient policies are nonexistent⁴⁷. Therefore, a more realistic maxim would be that public accountability has to be present insofar as policies affect the lives of citizens in a *significant* way. But for which policies would this be the case? For now it seems that agricultural and internal market policies are the primary areas –although the Council also seems to decide increasingly on justice and home affairs– on which research has to focus. Central to this research would have to be the scope of the population it affects. Few citizens would be motivated to contest policies if only farmers are deprived. The situation would be different in the hypothetical situation that the EU would decide to spend several billions of euros of

⁴⁴ Andreas Føllesdal and Simon Hix, "Why There is a Democratic Deficit in the EU: A Response to Majone and Moravcsik," *Journal of Common Market Studies* 44 (Sep. 2006): 533-562.

⁴⁵ See also Peter Mair, "Political Opposition and the European Union," *Government and Opposition* 42 (Winter 2007): 1-17.

⁴⁶ Spiro, *Responsibility in Government*.

⁴⁷ Føllesdal and Hix, "Why There is a Democratic Deficit," 543. See Francis M. Bator, "The Anatomy of Market Failure," *The Quarterly Journal of Economics* 72, no 3 (Aug. 1958): 351-379. Julien Le Grand, "The Theory of Government Failure," *British Journal of Political Science* 21, no 4 (Oct. 1991): 423-442.

national tax money on building a European army. However, currently it remains an unresolved issue whether citizens will be motivated by EU policies to involve themselves in contestation in the future.

All the same, any kind of democratic reform of EU institutions will have few chances of success, because of the absence of bargaining. This historical factor is related to the belief level of democracy and is more fundamental to legitimacy than the institutional level. Would citizens really get more engaged with the EU if the EU decided to democratize –informed by empirical research or not– by enhancing the role of the European Parliament? The next section argues that politicization of EU issues would only be successful at the national level.

European Parliamentarization

According to Steven Fish, a powerful parliament can play an important role in democratization⁴⁸. Thus, strengthening the role of the European Parliament (EP) might promote democratization and legitimacy. However, institutional reforms in this direction are not very promising, because the EP has not become, and is not likely to become, the central arena for public contention. Citizens are more likely to direct their

claims to national parliaments. Therefore democratization of the EU can best be harnessed by increasing contention about EU issues at the national level.

EP's competencies were enlarged several times, so that it developed into a powerful legislative institution that yields considerable influence in the EU⁴⁹. Since the clash between the EP and Commission in 1999⁵⁰, the EU has developed more into the direction of a parliamentarian model⁵¹. In this model, parliament is the central legislature and the Commission functions as a cabinet that is responsible to parliament. Føllesdal and Hix argue in favour of further parliamentarization, by means of election of the Commissioners, and particularly the Commission president. Such reforms would require major changes of the status quo. First, the Commission suited to function would have to function as a political representative body. Commission conduct would have to be significantly

⁴⁸ M. Steven Fish, "Stronger Legislatures, Stronger Democracies," *Journal of Democracy* 17 (Jan. 2006): 5-20. See also Tilly, *Roads from Past to Future*. M. Steven Fish, "Stronger Legislatures, Stronger Democracies," *Journal of Democracy* 17 (Jan. 2006): 5-20.

⁴⁹ Scharpf, *Governing in Europe*, 9, 157. Wolfgang Wessels and Udo Diedrichs, "The European Parliament and EU legitimacy," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith (New York: Routledge, 1999), 148-149. George Tsebelis and Geoffrey Garrett, "The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union," *International Organization* 55 (Jun. 2002): 359.

⁵⁰ See David Judge and David Earnshaw, "The European Parliament and the Commission Crisis: A New Assertiveness?," *Governance* 15 (July 2002): 345-374.

⁵¹ See Føllesdal and Hix, "Why There is a Democratic Deficit".

politicized and Commissioners should be transformed from member state representatives to political executives. This means a fundamental change of Commission practices. Second, and more importantly, the EP would have to function like a national parliament.

It is unlikely that the EP would reach a status equivalent to national parliaments, because it is not able to evoke civic contention. To be sure, the EP does have considerable legislative influence, but it is certainly not the most prominent actor in the EU. Originally, the EP was intended not so much as a delegated body to secure public accountability, but rather as a strawman to secure process legitimacy. The EP was installed as representative body to enhance the belief among citizens that the EU was a system similar to constitutional democracies. It gradually gained more influence under guise of the democratic deficit. It developed into a real parliament with actual legislative competences⁵². The EP tries to become more of a democratic institution that yields input legitimacy. However, it has mainly gained internal influence instead of external influence in the public sphere. Currently, the EP does not seem to be able to demonstrate to citizens the salience, deprivations, and benefits of policies.

⁵² Berthold Rittberger, "The Creation and Empowerment of the European Parliament," *Journal of Common Market Studies* 41 (Apr. 2003): 203-225.

It is unlikely that citizens will actually involve themselves in making claims upon European parliamentarians, nor that these parliamentarians are able to increase contention of the population vis-à-vis the EP. To be sure, one cannot undisputedly state that members of the EP do not share the same ideas and preferences as their constituency *per se*⁵³. However, correspondence does not mean connection. For example, constituents are not well aware of the positions European parties take⁵⁴. Increasing the role of the EP is useless if there is no real connection with the citizens through a process of contention⁵⁵. Citizens will not quickly turn to the EP if they want to get something done. Citizen protests will continue to be in national capitals rather than Brussels, even if decisions are made by the EU. Citizens are more likely to react to contention from national parliaments, because these have emerged as the most central representative bodies that ensured and still ensure that citizen demands are articulated⁵⁶.

⁵³ Sören Holmberg, "Wishful Thinking Among European Parliamentarians," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen (New York: Oxford University Press, 1999), 249.

⁵⁴ Wouter Van der Brug and Cees Van Der Eijk, "The Cognitive Basis of Voting," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen (New York: Oxford University Press, 1999), 153.

⁵⁵ Føllesdal and Hix, "Why There is a Democratic Deficit," 553.

⁵⁶ See Gary Marks and Carole J. Wilson, "National parties and the contestation of Europe,"

What is more, the EP does not have a European public sphere at its disposal. There is no real *public* sphere where politicians, citizens, and social movements incite political debate. Public preference formation, organization, and contention are crucial to the process of parliamentarization. The congruent development of parliament and social movements is a crucial factor in this process⁵⁷. Interest groups are the most dominant forms of social movements at the EU level. Interest groups have undeniably reached a level of maturity and considerable influence at the EU level, but they operate through private sphere bargaining with political elites. Interest groups do not function as representatives of a broad public at the EU level, but represent small groups of constituents and business corporations which are affected by EU policies on market integration and the Common Agricultural Policy. These policy areas are one of the few which actually do seem to have redistributive consequences. Thus, contention about EU policies does exist, yet it lingers in the private sphere of elite level bargaining. As such, European interest

groups are not able to forge links between citizens and political elites. In the absence of a European public sphere in which the EP is the central actor, the most appropriate way of politicizing seems to lie at the national level. This is not to marginalize the influence EU institutions have, nor to overstate the accountability of national governments, but simply observing that mechanisms for successful contention at EU level are absent. Contrary to its national counterparts, the EP does not function as central forum in the public sphere where contestation takes place over salient policies. It seems unlikely that the EU will gain sovereignty in these policy areas in the near future, since salient issues are the key to national sovereignty⁵⁸. Member states will most likely be unwilling to transfer these vital competences to the EU. Politicizing EU issues in national parliaments is the most likely strategy to evoke civic attention, preference formation, and contention.

How politicization should take form is an open question. In general, politicization of an issue entails that it becomes part of political debate and discourse. A politicized issue is discussed in the political arena and as such engages citizens in the debate. The more politicized an issue, the more prominent it becomes to citizen orientation on the political landscape. In light of Tilly's theory of bargaining, politicization thus serves to connect citizens and rulers to each other.

in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith (New York: Routledge, 1999). Robert Ladrech, "Political Parties and the problem of legitimacy in the European Union," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith (New York: Routledge, 1999), 110. Scharpf, *Governing in Europe*, 10.

⁵⁷ Tilly, *Roads from Past to Future*. Tarrow, *Power in Movement*. Tilly, *Social Movements*.

⁵⁸ See Scharpf, *Governing in Europe*.

Although by no means the only strategy to democratize the EU, politicization seems a crucial strategy if one considers the importance of the historical development of democratic systems. Furthermore, the next section will discuss that historical legacies require context-specific approaches to politicization. How to politicize EU issues at the national level is a topic I wish to bring forward as subject for debate between EU scholars and country experts.

In sum, as far as there is a European public sphere, the EP is certainly not its most dominant institution. The EP is not the central actor towards which citizens direct their claims. It is not likely that it will become so, because of the absence of processes of bargaining and parliamentarization. Institutional reforms that would promote a European parliamentary model are not likely to promote parliamentarization, because the EP does not decide about salient policies. That is, the EP does not have anything to bargain about with citizens. The EP may try to demonstrate the salience of EU policies it does decide about, but they will be talking to themselves. When national parliaments involve themselves in public contention about EU policies, they may actually get citizens' attention and stimulate them to contest in the public arena about EU issues.

Revitalizing the EU and CEEC

Historical legacies matter for explaining problems in modern democracies. The

historical process of bargaining explains why the EU has a legitimacy deficit and also why the EP is not likely to function as a national parliament. However, the "solution" to the EU legitimacy deficit proposed here is neither simple nor unilateral. Instead, politicization will require different strategies in different historical contexts. The historical legacies of CEEC support the claim that national level politicization of EU issues is needed rather than democratic reforms at the EU level. Their socialist legacies also imply a different relationship between CEEC citizens and the EU. What is more, from the perspective of CEEC citizens the EU might not suffer from a legitimacy deficit. This section argues in favour of a context-specific approach rather than an EU level approach by briefly discussing the historical legacies of CEEC.

On the one hand, CEEC citizens might contend that the EU is yet another elite driven not negotiated project. CEEC citizens have already experienced this elite style during the transition from communism to democracy. Political elites kept power at the state level by making intelligent use of existing traditions and structures. Elites were able to pursue their own interests, while citizens were not able to organize any counterforce, since the state still possessed resources⁵⁹. The absence any reference to citizen consent could cause citizens to take little interest in the EU. On the other hand, the EU offers CEEC

⁵⁹Ganev, "Post-communism".

citizens benefits by securing certain standards of income, security, rights, power, wealth, freedom, etcetera. In contrast to citizens of Western member states, the EU granted CEEC citizens with benefits they previously did not have. Consequently, CEEC citizens might be more aware of EU issues, because the EU has had a bigger, and positive, impact on their lives.

What is more, the EU might also positively affect the level of democracy in CEEC. First, new member states have to abide by formal democratic criteria. Second, for CEEC politicization of policy issues and EU competencies might render the EU more legitimate, as well as benefit democratization at the national level. If competences of the EU are politicized by opposition parties in parliament, social movements, and/or in the media, debate on the division of power between the nation state and the EU may be aroused. Evoking debate on this issue could augment public scrutiny and demarcation of state sovereignty and power.

In sum, politicization of EU issues could contribute to the development of a public sphere of contention and demarcation of state powers in CEEC. Although the situation is different in CEEC than in Western member states, the underlying mechanism of bargaining is crucial to democracy in all cases. That is, “it is through popular mobilization and participation that

domains subservient to “checks and balances” are demarcated”.⁶⁰

Awareness of historical differences is vital to get a grasp of the possible effects of solutions to the EU legitimacy deficit.

Conclusion

The EU suffers from a legitimacy deficit because of the presence of a democratic deficit. In Western thought, the belief in democracy is so deeply ingrained that the absence of powerful democratic institutions is perceived as a problem, as a deficit. Citizens do not perceive the EU legitimate even while the level of democratic institutions and conduct might be sufficient for EU standards⁶¹. The EU lacks a “reserve of support”, because it has not effectuated process legitimacy through processes of bargaining vis-à-vis its citizens.

Legitimacy and democracy are almost inseparable in Western thought. However, it is necessary to separate them conceptually to promote understanding of the EU legitimacy deficit. Legitimacy and democracy are strongly interrelated because of historical reasons. We consider a political system legitimate when it is democratic, because democracy has gradually developed over the course of four centuries into the core of political

⁶⁰ Ganev, “Post-communism,” 434.

⁶¹ See Héritier, “Elements of democratic legitimation”. Majone, “The European Commission”. Moravcsik, “In Defense of the “Democratic Deficit””.

practice and theory. Democracy developed through processes of mutual bargaining between rulers and citizens. Citizens started to demand something in return for the resources rulers extracted from them. State structures developed that provided security and commodities to citizens in return for the taxes they paid and the sons they sent to war. Simultaneously, a public sphere of contention emerged in which parliament became a central actor. Citizen awareness and participation in public debate became more normal and was increasingly directed towards parliament. Thus, the process of bargaining is vital for the development of a thriving democratic political system.

Absence of a history of bargaining between political elites and citizens renders a political system illegitimate. Instead of bargaining with the population, the EU has developed through processes of elite bargaining. Over the last decade EU issues have been increasingly politicized, but did not force a connection with citizens. If citizens are not really dependent on the EU, why should they bother paying attention to it? This line of thinking suggests that democratic reforms at the EU level are doomed to fail.

The academic debate consists of different stances towards the presence of a democratic deficit and the need to democratize. EU scholars focus primarily on the institutional level of democracy. Democratization is found necessary to the degree that

supranational EU institutions decide about policies that have (re)distributive consequences for the population. However, up to date there is no empirical evidence available that provides clarity on this issue.

On the belief level of democracy, this article asserts that it will be ineffective to model the EU more according to the national parliamentary model. The EP will not be able to act like a national parliament, because there are no policies within its jurisdiction that can be bargained about with citizens. The absence of mutual dependency between the EP and citizens has withheld a process of European parliamentarization. The European public sphere is underdeveloped and the EP is certainly not the institution citizens direct their demands to. Citizens will rather focus their claims on national parliaments. Therefore, instead of democratic reforms at the EU level, it will be more effective to politicize EU issues at the national level.

Politicization at the national level is more likely to be effective because national public spheres and parliaments are better able to facilitate the development of civic awareness, preferences, and contention about the EU. Moreover, national level politicization offers room for variation in national strategies. The different historical legacies of Western member states and CEEC stipulate that a unitary approach will have diverging effects across Europe. The only unitary change

that would provoke civic contention and bargaining is the creation of European taxes and a European army. Citizens would surely start to bargain with the EU about the benefits the EU should provide in return for their tax money. However, this change is not likely to occur. Therefore, national level politicization remains the most fruitful strategy to harness the EU's legitimacy deficit.

How national parliaments should exactly embark upon this task would be an interesting topic for future research and debate. In any case, it is clear that politicization is a delicate task that cannot be fully planned or designed *ex ante*. Instead, it requires politicians, media, social movements, and citizens to contend in the public sphere. First and foremost, the ball is in the court of national politicians. They have to take the first step by taking EU issues out onto the street. That is the place where the EU will then meet its masters.

Bibliography

Bator, Francis M.. "The Anatomy of Market Failure," *The Quarterly Journal of Economics* 72 (Aug. 1958): 351-379.

Banchoff, Thomas and Michael P. Smith, "Introduction," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith. New York: Routledge, 1999.

Brug, Wouter Van der and Cees Van Der Eijk. "The Cognitive Basis of Voting," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen. New York: Oxford University Press, 1999.

Dahl, Robert A.. *On Democracy*. New Haven: Yale University Press, 1998.

Directorate-General Communication. *How Europeans see themselves*. Brussels: The European Union, 2006.

Easton, David. "An Approach to the Analysis of Political Systems," *World Politics* 9 (Apr. 1957): 383-400.

_____. *A Systems Analysis of Political Life*. New York: Wiley, 1965.

European Commission. *The Future of Europe*. Brussels: The European Union, 2000.

Andreas Føllesdal, "Legitimacy Theories of the European Union," *Arena Working Papers WP 04/15* (2004).

Føllesdal, Andreas and Simon Hix. "Why There is a Democratic Deficit in the EU: A Response to Majone and Moravcsik," *Journal of Common Market Studies* 44 (Sep. 2006): 533-562.

Fish, M. Steven. "Stronger Legislatures, Stronger Democracies," *Journal of Democracy* 17 (Jan. 2006): 5-20.

Fukuyama, Francis. "The Primacy of Culture," *Journal of Democracy* 6 (Jan. 1995): 7-14.

- Ganev, Venelin I. "Post-communism as an episode of state building: A reversed Tillyan Perspective," *Journal of Communist and Post-Communist studies* 38 (Dec. 2005): 425-445.
- Held, David. *Models of Democracy*. Cambridge: Polity Press, 1996.
- Héritier, Adrienne. "Elements of democratic legitimation in Europe: an alternative perspective," *Journal of European Public Policy* 6 (Jun. 1999): 269-282.
- Holmberg, Sören. "Wishful Thinking Among European Parliamentarians," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen. New York: Oxford University Press, 1999.
- Hooghe, Liesbeth and Gary Marks. *Multi-Level Governance and European Integration*. Lanham: Rowman & Littlefield Publishers, 2001.
- Huntington, Samuel P. "Democracy for the Long Haul," *Journal of Democracy* 7 (Apr. 1996): 3-13.
- Judge, David and David Earnshaw. "The European Parliament and the Commission Crisis: A New Assertiveness?," *Governance* 15 (July 2002): 345-374.
- Ladrech, Robert. "Political Parties and the problem of legitimacy in the European Union," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith. New York: Routledge, 1999.
- Le Grand, Julien. "The Theory of Government Failure," *British Journal of Political Science* 21 (Oct. 1991): 423-442.
- Lowery, David. "Answering the Public Choice Challenge to Progressive Reform Institutions: A Neoprogressive Research Agenda," *Governance* 12 (Jan. 1999): 29-56.
- Lewis, Bernard. "Islam and Liberal Democracy. A Historical Overview," *Journal of Democracy* 7 (Apr. 1996): 53-63.
- Luhmann, Niklas. *Legitimation durch Verfahren*. Darmstadt: Luchterhand, 1978.
- Mair, Peter. "Political Opposition and the European Union," *Government and Opposition* 42 (Winter 2007): 1-17.
- Majone, Giandomenico. "The European Commission: The Limits of Centralization and the Perils of Parliamentarization," *Governance* 15 (Jul. 2002): 375-392.
- Marks, Gary and Carole J. Wilson. "National parties and the contestation of Europe," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith. New York: Routledge, 1999.
- Moravcsik, Andrew. "In Defense of the 'Democratic Deficit': Reassessing Legitimacy in the European Union," *Journal of Common Market Studies* 40 (Nov. 2002): 603-624.
- Norris, Pippa (Ed.). *Critical Citizens: Global Support for Democratic*

- Government*. Oxford: Oxford University Press, 1999.
- Nugent, Neil. *The Government and Politics of the European Union*. New York: Palgrave MacMillan, 2003.
- Ostrom, Vincent and Elinor Ostrom. "Public Choice: A Different Approach to Public Administration," *Public Administration Review* 31 (Mar/Apr. 1971): 203-216.
- Parkinson, John. *Deliberating in the Real World. Problems of Legitimacy in Deliberative Democracy*. New York: Oxford University Press, 2006.
- Pierson, Paul. *Politics in Time: History, Institutions, and Social Analysis*. Princeton: Princeton University Press, 2004.
- Rittberger, Berthold. "The Creation and Empowerment of the European Parliament," *Journal of Common Market Studies* 41 (Apr. 2003): 203-225.
- Scharpf, Fritz W. *Governing in Europe. Effective and Democratic?* New York: Oxford University Press, 1999.
- Schimmelfennig, Frank. "Legitimate Rule in the European Union. The Academic Debate," *Tübinger Arbeitspapiere Zur Internationalen Politik Und Friedensforschung* no 27. 1996.
- Spiro, Herbert J. *Responsibility in Government: Theory and Practice*. New York: Van Nostrand Reinhold Company, 1969.
- Tarrow, Sidney. *Power in Movement: Social Movements and Contentious Politics*. New York: Cambridge University Press, 1998.
- Thomassen, Jacques and Hermann Schmitt. "Introduction: Political Representation and Legitimacy in the European Union," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen. New York: Oxford University Press, 1999a.
- Thomassen, Jacques and Hermann Schmitt. "In Conclusion: Political Representation and Legitimacy in the European Union," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques Thomassen. New York: Oxford University Press, 1999b.
- Tilly, Charles. *Coercion, Capital and European States*. Cambridge: Blackwell, 1992.
- _____. *Roads from Past to Future*. New York: Rowman & Littlefield Publishers Inc, 1997.
- _____. *Social Movements, 1768-2004*. Boulder: Paradigm Publishers, 2004.
- Tsebelis, George and Geoffrey Garrett. "The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union," *International Organization* 55 (Jun. 2002): 357-390.
- Weber, Max. *From Max Weber: Essays in Sociology*. Ed. Hans H. Gerth and Charles Wright Mills. London: Kegan Paul, Trench, Trubner, 1977.

- _____. *Economy and Society: an outline of interpretative sociology*. Ed. Guenther Roth and Claus Wittich. Berkeley: University of California Press, 1978 [1922].
- Thomassen. New York: Oxford University Press, 1999.
- Wessels, Wolfgang and Udo Diedrichs. "The European Parliament and EU legitimacy," in *Legitimacy and the European Union - The Contested Polity*, ed. Thomas Banchoff and Michael P. Smith. New York: Routledge, 1999.
- Winter, Lieven De and Marc Swyngedouw. "The Scope of EU Government," in *Political Representation and Legitimacy in the European Union*, ed. Hermann Schmitt and Jacques

THE IMPACT OF POLITICAL ELITE CONDUCT ON STATE REFORM: THE CASE OF UKRAINE

Nicole Gallina

Lecturer on East European Politics and Societies,

Department of Political Science,
Palacký University, Olomouc

nicole.gallina@gmx.ch

Abstract

In the context of post-communist state transformation, this paper discusses prerequisites for the build-up of a strong and efficient state in Ukraine. The paper focuses on the impact of political elite on state reform and argues that political elite strength not contained by strong political institutions lies at the heart of the Ukrainian state reform problems. Thus, a necessary component of state reform has to be the change of post-communist political elite comportment. This analysis aims at demonstrating the necessity of an institutional reform connected to a serious change of political elite conduct, replacing personal power gains with responsibility and commitment. As showcases, the paper presents political elite struggles over central political powers and over the decentralization of central political powers to subnational levels. Thus, institutional ambiguities on the very conception of the Ukrainian state as a presidential or parliamentary state and the deep unclarity regarding the development of a decentralized or unitary state foster political instability and hinder the

subsequent formulation of efficient sector policies. In Ukraine, the structural transformation of the state will

only result in a build-up of state capacities with an existing all-elite consensus on the very conception of the Ukrainian state.

Introduction

In Ukraine political quarrels on the central state level – such as the run-up for national elections in 2007 and the subsequent government building process – have been observed closely. They have underlined that Ukraine is a primary example of the negative impact of political elite disunity: political conflict on the central level has delayed important political decisions and influenced state development negatively, such as in the case of the WTO accession. In Ukraine, political fragmentation has been the cause for political inconsistency and frequent changes of government; it has impeded structural reforms, such as administrative, fiscal and budget policy reform. The Orange Revolution did not bring political stability and consensus, and central governments have continued to be highly instable, disintegrating on average every year.¹

¹ Taras Kuzio, *Ukraine. State and Nation Building* (New York: Routledge, 1998). Taras Kuzio, “Oligarchs, Tapes and Oranges: Kuchmagate to the Orange Revolution,” *Journal of Communist Studies and Transition Politics* 23 (Jan. 2007): 30–56, and Kataryna Wolczuk “Catching up with

Political disunity at the central state level additionally generated significant freedom of action for regional elites. Regional developments were ambiguous: on the one hand they were not used for the sake of overall state development, but for individual advancement, proved impressively by both Yulia Tymoshenko and Viktor Janukovich. On the other hand, in Western Ukraine, regional developments significantly contributed to political mobilization finally leading to the 2004 Orange Revolution. As a result, regional political developments considerably influenced discussions on how to balance regional power ambitions with central politics. In this context, the decentralization of central decision-making capacities was propagated as a measure to enhance fiscal and economic capacities of the whole state, thus leading to overall state development and democracy.²

Political elite struggles, not only over the power of central political institutions, but also over efforts for political power decentralization are worthy of observation: Ukraine is one of the few post-Soviet Union successor states that has chosen to continue with democratization efforts and the

subnational strengthening of decision-making competence. In Ukraine, decentralization has signified mainly the strengthening of local government capacities and been generally understood as a measure to enhance efficiency and strength of post-communist administration, decision-making and policy implementation.³ Thus, Ukrainian state reform intended to include the build-up of competent structures of local (and regional) self-government, at the same time disempowering the central state administration.

This paper focuses on the elite impact on state reforms in Ukraine. First, it points to the necessary components of state reform and the role of functional state capacities. It discusses the explanatory power of state capacity concepts in explaining institutional reform and ways of state development and underlines the importance of including the impact of the political elite on state reform. Secondly, the paper outlines political elite conduct in Ukraine. It examines both political elite induced instability in regard to central political institutions and focuses on central political decisions that had a negative impact on regional reform and decentralization. The analysis closes with the insight that fundamental political elite consensus is necessary to

Europe? Constitutional Debates on the Territorial Administrative Model in Independent Ukraine," *Regional & Federal Studies* 12 (April 2002): 65–88.

² Nicole Gallina, *Staat, institutionelle Leistungsfähigkeit und staatlicher Wandel in der Ukraine* (State, institutional capacity and state reform in Ukraine) (Bern: Peter Lang Verlag, 2006).

³ Impressively outlined by the decentralization concept of the Leonid Kuchma presidency. The President of Ukraine, *Concept for State Regional Policy* (Kyiv: The President of Ukraine, 2001).

advance with the structural reform of the Ukrainian state.

This paper holds that political elite interest and institutional legacies have been decisive in impeding state reform in Ukraine. Political elite strength not contained by strong political institutions lies at the heart of the Ukrainian state reform problems. Thus, reform results considering the strengthening of central political institutions and the decentralization of central government powers were disappointing due to political elite quarrels and institutional ambiguities concerning the very conception of the Ukrainian state. Ultimately, this paper aims at demonstrating the necessity of an institutional reform that is connected to a serious change of political elite conduct replacing personal power gains with responsibility and commitment. Moreover, the structural transformation of single state institutions and policies will only succeed when they will be driven by an united elite. Thus, the crucial aspect of Ukrainian state reform will be the generation of an all-elite consensus on the necessity and conception of the overall state transformation.

Requirements for State Reform

The importance of strengthening the efficiency of a given state has to be regarded in the broader context of post-communist state reform, also termed as state building. Questions of state building have been important concerning the creation of a functioning

state, in particular in the context of post-communist transformations. Theoretical studies on state building generally focus on how institutions of a given state enforce power in an instable environment by creating new institutions and enforcing existing ones.⁴ State building has been further interpreted in the context of strengthening the capacities of a weak state or of a state that has to be rebuild in the aftermath of collapse.⁵ State building under these conditions signifies the institutionalization and reconstruction of state structures, for example, in the states of the former Soviet Union or former Yugoslavia.

The process of state building entails institutionalizing central state power in terms of government, parliament, and jurisdiction (also including police, tax administration, basic social security structures etc.). It further comprises the integration of peripheral regions in central state structures and the inclusion of parallel power structures, but also includes the challenge of turning informal structures into formal structures. State building can only succeed if a state has sufficient state power and authority, and is able to

⁴ Francis Fukuyama, *State Building, Governance and World Order in the Twenty-First Century* (London: Profile Books, 2004) and Verena Fritz, *State-building: A Comparative Study of Ukraine, Lithuania, Belarus, and Russia* (Budapest: Central European University Press, 2007).

⁵ Gallina, *State*, 37f.

enforce state power in a legitimate and institutional way.⁶

Moreover, institutional change and the build-up of a functioning state require clarity on the essential components of a state. These essential, i.e. minimal functions of a state can also be expressed as state capacities.⁷ They establish the basic components for a capable and efficient state. Theory so far has not established a standardized catalogue of state capacities to ensure the functioning of a state. State capacity is ultimately a question of the adequate use of political instruments.⁸ Those, however, should be used within strong institutions, and therefore, for post-communist countries state capacity requires the build-up of strong political institutions.

Researchers on state capacity hold that functional state capacities are fundamental to lay the ground for a functioning state.⁹ These build on strong institutions, such as an independent judiciary where the principle of rule of law is strongly embedded, or specialized administration with the ability to

implement politics. For Ukraine, Taras Kuzio et al. present a catalogue of state capacities drawing on functional state capacity criteria underlying coercive, extractive and control capacities.¹⁰ Implicitly, these authors count on the before-hand consolidation of the framework of a given political system – such as democracy, parliamentarism or federalism.

Here, the role of the political elite becomes important. The institutional framework of a given state has to be accepted by the political elite as those actors subsequently play a crucial role in the build up of the single state capacities, such as extractive or control capacities. Evans demonstrates the importance of political actors, i.e. political elite groups, and Kuzio et al. focus on the influence of both political elites and institutions for stimulating state development in Ukraine.¹¹ Higley/Lengyel and Grzymala-Busse/Jones L. underline the importance of elite unity and cooperation for the development of stable institutional structures – If elite fragmentation prevails it is almost impossible to build up stable institutional structures and consequently a functioning state.¹² Thus, in regard to

⁶ Gallina, *State*. Compare with Fritz, *State-building*.

⁷ World Bank, *World Development Report: The State in a Changing World* (New York: Oxford University Press, 1997).

⁸ Linda Weiss, *The Myth of the Powerless State. Governing the Economy in a Global Era* (Oxford: Polity Press, 1998), 15.

⁹ Anne M. Kjær, Ole H. Hansen, Thomsen Frølund, and Jens Peter, *Conceptualizing State Capacity*. (University of Aarhus: Political Science Papers, 2002).

¹⁰ Taras Kuzio, Robert S. Kravchuk, and Paul d'Anieri, eds., *State and Institution Building in Ukraine* (New York: St. Martin's Press, 1999), 8.

¹¹ Peter Evans, *Embedded Autonomy: States and Industrial Transformation* (Princeton: Princeton University Press, 1995) and Kuzio et al. *State*, chap. 1.

¹² Higley, John and György Lengyel, *Elites after State Socialism* (Lanham: Rowman and Littlefield, 2000) and Anna Grzymala-Busse and

state reform it is crucial to strengthen political institutions at the same time subordinating political elites under the respective institutional framework.¹³

In an environment of persisting informal structures, the institutionalization of state structures relies to a great part on the capability and the willingness of the respective political elite.¹⁴ If the power elite dominates political decisions to the detriment of overall state interests and state development – institutionalization will remain insufficient and state reform (and the build up of state capacities) will fail. Thus, driving institutional reform and strengthening state capacities needs political elite capacity in the form of elite unity, commitment and responsibility. Therefore, I will further concentrate on the impact of political elites on policy-formulation and implementation – and thus on the actor-based side of state reform.

The Political Elite Impact on Institutional Stability

Institutional shortcomings and their instrumentalization by the political elite are an important factor for state reform failure in post-communist countries. In

Pauline Jones Luong, “Reconceptualizing the State: Lessons from Post-Communism,” *Politics&Society* 30 (Dec. 2002): 529–554.

¹³ Gallina, *State*, 52 and Nicole Gallina, “Political Elites in East Central Europe: Paving the Way for Negative Europeanisation,” *Contemporary East European Studies* 2 (Dec. 2007): 75–91.

¹⁴ Valerie Bunce, *Subversive Institutions* (Cambridge: Cambridge University Press, 1999).

Ukraine institutional constraints hinder the establishment of efficient state structures.¹⁵ As a matter of insufficient institutionalization in post-Soviet countries, power networks have captured the central state level and concentrated on the support of their entourage and neglected state development. Here, political elites played a crucial role in undermining the building of a strong post-communist state.

Additionally in Ukraine, the implementation of concrete state capacity measures, for example, in the area of fiscal policy, has been strongly influenced by political elite quarrels on the very conception of the Ukrainian state. Here, the political power discussions have impeded consistent and efficient policy conception and implementation.¹⁶ Those discussions mostly concentrate on the power division between central political institutions.

In post-communist Ukraine, conflicts first centered around the communist legacies, the contradiction of the hierarchic Soviet system requiring strong hierarchic bodies and the newly established division of powers. These legacies and contradictions could be observed in the newly established, strong decision-making and supervisory bodies of the Ukrainian state president

¹⁵ Kuzio, *Ukraine*, chap. 1, Kuzio et al., *State*, and Gallina, *State*, chap. 4.

¹⁶ An exemplary case is Ukrainian budget policy. See the detailed discussion of Ukrainian budget capacities in Gallina, *State*, chap. 5.3.

and the National Security and Defence Council of Ukraine – and a parliament that, at the time of independence, had been highly underdeveloped and later could not develop to an agenda-setting and dynamic institution. Thus, important democratic political powers were insufficiently institutionalized while personalized institutions such as the state presidency profited and gained power.

Until the Orange Revolution and the subsequent amendments to the Ukrainian Constitution, the state president disposed of comparably strong instruments influencing the executive branch decisively, particularly under the President Leonid Kuchma (1994–2005). Among the power instruments of the president are notably the presidential administration and the National Security and Defense Council of Ukraine that consists of and controls the most important ministries, including the prime minister. On the central political level, the first years of post-communist politics were characterized by a power struggle between the former state president Leonid Kuchma and the parliament – turning from an institutional struggle to a highly personalized conflict between the president and selected political party leaders represented in parliament. Consequently, this struggle seriously damaged institutional relations impeding efficient policy formulation and driving political decisions to the presidential office and adjacent agencies. One of the examples of weak decision-making capacities was the

drafting of the Ukrainian Constitution¹⁷ that lasted for years until being finally enacted in 1996 – and was a startling example of the incompetence of Ukrainian political decision makers.¹⁸

With the 2004 constitutional amendments strengthening the prime minister's role, political conflicts were transferred to the level of state president – prime minister aggravating the problem of personalized politicizing and radically showing the dependence of policy-enforcement on personal relations, most vividly expressed in the struggles between the State President Viktor Yushchenko and the Prime Minister Yulia Tymoshenko (2005), and later Viktor Yanukovich (2006–2007) (examples were different perceptions on relations with Russia and Russian gas deliveries). In the end, the strengthening of the prime minister resulted in continuing political deadlock. The prime minister and the state president ended up in blocking each other, instead of enhancing state reform, namely budgetary or fiscal reforms.¹⁹

As a matter of institutional instability, Ukrainian policy-making on the central level has been highly instable since the

¹⁷ An overview is available at <http://www.rada.gov.ua/const/conengl.htm>.

¹⁸ Kataryna Wolczuk, *The Moulding of Ukraine: The Constitutional Process of State Formation* (Budapest: Central European University Press, 2001).

¹⁹ “Yushchenko Urges New Constitution,” *BBC News*, 9 February 2006. Available at <http://news.bbc.co.uk/2/hi/europe/4697576.stm>; Kuzio, “Oligarchs, Tapes and Oranges,” 30f.

independence of the country in 1991. Instability is most expressively demonstrated by the high number (18) of Ukrainian Prime Ministers and an average term of one year in office. The constitutional changes of 2004 so far have not led to a stabilization, as the terms in office of the subsequent Prime Ministers demonstrate: Yulia Tymoschenko (January 2005–September 2005), Yuriy Yekhanurov (September 2005–August 2006), Viktor Yanukovych (4 August 2006–December 2006), Yulia Tymoschenko (in office since December 2007). Those frequent changes were largely a consequence of political elite quarrels on the power distribution between the most important state institutions. Political elite fragmentation on those issues culminated in a resurgent quarrel on the Ukrainian Constitution that was passed in 1996. In fact, the constitution had some shortcomings, notably the proposed framework for an adequate decentralization process. However, the document was questioned in first place for its distribution of central powers as it aimed at facilitating the passing from a presidential to a parliamentary system, as favored by the Prime Minister Yulia Tymoshenko.²⁰

The example of Ukraine shows the instability of the political elite and its negative influence on state development. The fragmented elite has

²⁰ Internet Press Service of Yulia Tymoshenko, *New Parliament Will Make Alterations in Constitution* (Kyiv: Internet Press Service of Yulia Tymoshenko, 2007); available at www.tymoshenko.com.ua/eng/news/first/4694/

significantly impeded important political and economic reform – but most significant has been the failed central political reform. Government and political party instabilities have meant that, 17 years after independence, the country still has no firm conception of the Ukrainian state (parliamentarian or presidential, such as decentralized or centralized). The consequences are reduced policy-formulation and implementation capacities, such as in the budget formulating process. Thus, structural reforms were either delayed or drafted hastily according to the current political power constellations on the central political level. An example was the quickly compiled presentation of state development goals without the adequate implementation tools and programs in the last months of the Lenoid Kuchma presidency.²¹

Political Elite Impact on Subnational State Reform

In the case of Ukraine, political elites not only struggled over the division of political powers at the central political level, they hindered the transfer of political power to subnational levels in the form of decentralization. The power delegation to subnational levels has an important background in Ukraine – as the country faces considerable differences between its western and eastern part, and tended to regionalization after 1991 – an example was the Donbas-region due to regional elite pressure for economic

²¹ Gallina, *State*, chap. 4.

independence.²² Thus, the conception of a partial power transfer to the regional and local state levels became part of the Ukrainian state reform.

While one of the few topics of elite consensus has been the nondesirability of federalization, there has been considerable support for the decentralization of state structures, preferable to the local level. And, decentralization was perceived as an efficient instrument to combine certain freedoms for regional and local developments and ensure the unity of the Ukrainian state.²³ The intention of Ukrainian policy-makers to delegate responsibilities has been also driven by excessive demands (namely concerning social security) toward the central level. The following analysis shall make clear that political elite interests instrumentalizing institutional weaknesses have been the most decisive factors impeding effective decentralization legislation and enforcement (and the subsequent development of adequate sectoral policies).

In Ukraine, the decentralization of political power has been mainly understood as the strengthening of local

government, to a great extent ignoring the regional level. The Ukrainian Constitution of 1996 granted the right of local self-government,²⁴ but did not clearly codify central and subnational responsibilities (e.g. in local finance). The constitutional rights accorded to the subnational levels excluded mostly the regional level and concentrated on the local levels. Consequently, the specific Law on Local Government could not close the legal gaps of the Ukrainian Constitution, for example concerning interbudgetary relations, and had to concentrate on local duties leaving out regional competences largely. A particular problem was that the responsible had confused the terms local and regional in both documents, expressing the insecurity on the scope of the decentralization process, and the need for a separate concept on regional policy.²⁵

Another example for insufficient commitment and conception at the central level was the 1993 ratification of the European Charter of Local Self-Government which was ratified without having achieved an overall reform of the system of territorial government of the country – those reforms would have been incompatible with the constitutional requirement of a unitary country. Also in the context of the need for the legitimization of the European Charter, a reform of the self-

²² Kerstin Zimmer, “The Captured Region. Actors and Institutions in the Ukrainian Donbas,” in *The Making of Regions*, ed. Melanie Tatur (Wiesbaden: Verlag für Sozialwissenschaften 2002), 231–348.

²³ Gwendolyn Sasse, “The New Ukraine: A State of Regions,” in *Ethnicity and Territory in the Former Soviet Union: Regions in Conflict*, ed. Hughes, James and Gwendolyn Sasse (London: Frank Cass, 2002), 69–100.

²⁴ Article Seven of the 1996 Constitution of Ukraine states: “Local government is recognized and guaranteed in Ukraine”.

²⁵ Wolczuk, *Moulding* and Gallina, *State*.

government principles was drafted, but not implemented with the constitutional amendments of 2004. The serious shortcomings of the Ukrainian decentralization process were recognized at the highest political level, both by Prime Minister Viktor Yanukovich and Ukrainian President Viktor Yushchenko. While the first aimed at abolishing the principle of self-government, the second stated that the system of local government needed to be reformed parallel to the reform of the central government level.²⁶

However, independent regional structures have not been tolerated by the central political level, such as executive committees in district and oblast councils or an executive administration for the elected regional councils (that are subordinated under the state administration). Also, power delegation has brought conflict between the central political level and the intentions of regional governors to decide independently, and between the locally elected mayors and the regional administration that is subordinated under the central state administration. Moreover, the unclear distribution of responsibilities between the appointed regional governors, the elected regional council, and the regional executive has caused deadlock or political conflict. The centrally appointed governors actually dominate the elected councils

and decide on the distribution of local budgets. As a consequence of the inadequate decentralization provisions, the central state level not only causes frustrations on the subnational level – but within the local political elite and the citizens, it also loses control over political actors and resources, such as over regional governors and their budget distribution.²⁷

A power transfer accepted by all political levels would require the postulation of clearly defined goals and priorities. On a central political level, there is in fact a certain activity: proposals and presidential decrees have been widespread concerning decentralization of political powers and adherent regional policy problems; parliamentary groups have considered budgetary relations, local taxes or the municipal police, and also the reform of territorial administration.

Unfortunately, political outcome was low, and none of the serious proposals or guidelines was enacted. Thus, subnational political elites face the problem that regional policy programs and projects can be only be an approach to the desirable outcome – as the outcome in reality is not known. One example for such a document is the National Regional Policy Concept of

²⁶ “Ukraine's President Pressures for Self-Government Reform,” *forUm*, 8 December 2006; available at <http://eng.for-ua.com/news/2006/12/08/163956.html>

²⁷ Council of Europe Report, *Local Democracy in Ukraine* (Strasbourg: Council of Europe, 2004); available at www.cpp.org.ua/en/partners/149/551; see also Gallina, *State*, chap. 4.

Ukraine²⁸ that demonstrates the lack of central government consistency in overcoming territorial inequalities. In fact, there would be a crucial need for a reform of the Ukrainian administrative-territorial structure within a broader concept of regional policy – mainly to improve the efficiency of both decentralization measures and public administration (such as the example of Poland has proved).

The central political level has been the main hindering factor as political decision makers are not convinced of the necessity for power delegation measures – some elites were aware the country's possibilities would be insufficient for successful power decentralization, more were in favor of centralization and its advantages for containing central elite power. In this sense, regional governors utilized informal structures to overcome the weak formal framework for their own purposes and discredited political concepts attached to power delegation. Also, the constitutional requirement of a unitary state has worked against the formulation of a powerful and widely accepted concept.²⁹

As a matter of inadequate formal conception and political resistance at the central political level, the degree and form of decentralization and local self-government has not been solved yet

in Ukraine. Single programs have been implemented, but the main goals have not been achieved, such as the above speech of the Ukrainian State President Viktor Yushchenko underlines. Moreover, as government programs did not link central state reform and local state reform, the state faced additional problems of inefficient spending and double-tracking of reform measures (for example the state budget was drafted without paying attention to the given government program, and vice versa).³⁰

More seriously, in Ukraine the instable political situation impedes the drafting of long-term programs required for a serious implementation of guidelines for local and regional and public administration reform. This was underlined by the government led by Viktor Yanukovich (2006–2007) who aimed at abolishing local state administrations to regain control over local authorities. A part of his proposal was that amendments to the Law on Local Government should require the registration of bills within state departments of justice. This in fact showed not only his will to recentralize, but also his absolute ignorance to legal provisions (as the intended amendments would have required a change of the Law on Local Government). Ultimately, he risked the necessity of a long term implementation of self-government

²⁸ Bohdan Hawrylyshyn, *Regional Trends* (Kyiv: Center of Policy Studies, 2004); available at www.icps.com.ua/doc/rt_es_eng_200312_02.pdf.

²⁹ Gallina, *State*, chap. 5.

³⁰ Yulia Tymoshenko, “Ukrainian Breakthrough: For the people, not for politicians, draft Government Action Program,” *ICPS Newsletter* 393, 21 January 2008.

provisions for short term political gains.³¹

The government led by Yulia Tymoshenko (2007–) has insisted on a constitutional reform and aimed at a completely new constitution. Thus, the discussion around the political system again evolved to a highly politicized topic. And, the government proposed a public administration reform decentralizing the rights of regional administrations to the regional state level.³² Those proposals in fact cannot be called strong evidence for the will of a long range implementation of structural reforms. There was, however, one issue Prime Minister Yulia Tymoshenko rightly recognized, namely with her statement that the decentralization of power could not proceed without a (final) decision on a parliamentary or presidential political system.

Political Elite Struggles on the Structural Transformation of Ukraine – a Never Ending Story?

With the above statement Prime Minister Yulia Tymoshenko was aware of one important prerequisite for political power transfer: If the central political level could not prove competent in the execution of political powers and delegated them to

subordinated political levels, they would also most probably fail. Thus, in order to enforce sustainable state reform in Ukraine, first the central political system has to be stabilized, then, a decision has to be made on the degree of regionalization of the country, and only then, very single state capacity programs can be drafted and implemented efficiently. In the context of state reform, the case of Ukraine underlines the necessity of a stable institutional framework.

In Ukraine, the political elite still has not yet decided in whose hands – the prime ministers” or the state presidents” – political power should be concentrated. In her second term as Prime Minister, Yulia Tymoshenko seems to be very determined to induce a decision on this fundamental question. And in fact, in Ukraine, only a very determined structural transformation and strengthening of state institutions will guarantee an efficient budget formulation or tax extraction – and long-term state development. As political elite interests have dominated over institutional provisions after 1991, the crucial question for Ukraine will be who will lead the structural transformation, draft and implement the respective programs.

The case of Ukraine demonstrates that, foremost, the framework of a given political system has to be institutionalized and accepted by the political elite. Not until the capacities of the central state level are guaranteed; i.e. state autonomy including the

³¹ Serhiy Hrabovskyi, “Federalization or Feudalization,” *Ukrayinska Pravda*, 11 October 2006.

³² Yulia Kyseliova, “The Government Action Program: Practices and Possibilities,” *Ukrayinska Pravda* 18. January 2008.

codification of the most important pillars of a state, can other state structures and processes be institutionalized in a sustainable way. Only then will trust in the political system and social capital emerge.

The example of Ukraine proves how rocky the road is for post-Soviet Union countries to transform state institutions and the political elite. Here, one could also remark that states such as Ukraine rely on despotic powers, i.e. the focus on political elite power and neglect the conception and enforcement of concrete state development programs and the strengthening of the respective institutional tools. In Ukraine, elite dominance and the weight of despotic powers over political institutions has caused a deficient institutional transformation with the result that political institutions are not consolidated. The ongoing discussion on presidentialism and parliamentarism is indicative of the country's struggle to determine if it should belong to Eastern Europe (dominated by presidential political systems) or Western Europe (mainly characterized by parliamentarism).

When comparing the case of Ukraine to Central Eastern European countries, the observer notices a basic difference: while in Ukraine the framework of the political system is up to discussion and fundamental state capacities not guaranteed, CEE countries have consolidated the fundamental state capacities. If there are shortcomings, such as in the police and justice

branches, it is mainly due to the lack of democratic and independent mechanisms, such as independent anti-corruption courts challenging political corruption networks. Thus, in CEE countries, the fundamental capacities of the state are in place. In Ukraine, important steps for political system consolidation still have to be made – political elites must find a common language and accord whether the political system will be presidential or parliamentarian in nature and to which degree state structures and policies will be centralized. Only after those fundamental decisions are made, will other structural state reforms, such as restructuring the public administration or fiscal policy reforms make sense. Thus, the solution to Ukraine's state reform problems lies in the reform of its political elites, who must reach a consensus on the fundamental pillars of how the state should look.

Bibliography

- Anna Grzymala-Busse and Pauline Jones Luong, "Reconceptualizing the State: Lessons from Post-Communism," *Politics&Society* 30 (Dec. 2002): 529–554.
- Anne M. Kjær, Ole H. Hansen, Thomsen Frølund, and Jens Peter, *Conceptualizing State Capacity*. (University of Aarhus: Political Science Papers, 2002).
- Bunce, Valerie, *Subversive Institutions* (Cambridge: Cambridge University Press, 1999).
- Evans, Peter, *Embedded Autonomy: States and Industrial*

- Transformation* (Princeton: Princeton University Press, 1995)
- Council of Europe Report, *Local Democracy in Ukraine* (Strasbourg: Council of Europe, 2004); available at www.cpp.org.ua/en/partners/149/551; see also Gallina, State, chap. 4.
- Francis Fukuyama, *State Building, Governance and World Order in the Twenty-First Century* (London: Profile Books, 2004)
- Gallina, Nicole, "Political Elites in East Central Europe: Paving the Way for Negative Europeanisation," *Contemporary East European Studies* 2 (Dec. 2007): 75–91.
- Gwendolyn Sasse, "The New Ukraine: A State of Regions," in *Ethnicity and Territory in the Former Soviet Union: Regions in Conflict*, ed. Hughes, James and Gwendolyn Sasse (London: Frank Cass, 2002), 69–100.
- Hawrylyshyn, Bohdan, *Regional Trends* (Kyiv: Center of Policy Studies, 2004); available at www.icps.com.ua/doc/rt_es_eng_200312_02.pdf.
- Higley, John and György Lengyel, *Elites after State Socialism* (Lanham: Rowman and Littlefield, 2000)
- The President of Ukraine, *Concept for State Regional Policy* (Kyiv: The President of Ukraine, 2001).
- Internet Press Service of Yulia Tymoshenko, *New Parliament Will Make Alterations in Constitution* (2007); available at www.tymoshenko.com.ua/eng/news/first/4694/
- Kerstin Zimmer, "The Captured Region. Actors and Institutions in the Ukrainian Donbas," in *The Making of Regions*, ed. Melanie Tatur (Wiesbaden: Verlag für Sozialwissenschaften 2002), 231–348.
- Kuzio, Taras, "Oligarchs, Tapes and Oranges: Kuchmagate to the Orange Revolution," *Journal of Communist Studies and Transition Politics* 23 (Jan. 2007): 30–56.
- Kuzio, Taras, Robert S. Kravchuk, and Paul d'Anieri, eds., *State and Institution Building in Ukraine* (New York: St. Martin's Press, 1999), 8.
- Kuzio, Taras, *Ukraine. State and Nation Building* (New York: Routledge, 1998).
- Nicole Gallina, *Staat, institutionelle Leistungsfähigkeit und staatlicher Wandel in der Ukraine* (State, institutional capacity and state reform in Ukraine)(Bern: Peter Lang Verlag, 2006).
- Serhiy Hrabovskyi, "Federalization or Feudalization," *Ukrayinska Pravda*, 11 October 2006.
- Verena Fritz, *State-building: A Comparative Study of Ukraine, Lithuania, Belarus, and Russia* (Budapest: Central European University Press, 2007).
- Wolczuk, Kataryna "Catching up with Europe? Constitutional Debates on the Territorial Administrative Model in Independent Ukraine," *Regional&Federal Studies* 12 (April 2002): 65–88.

- Wolczuk, Katarzyna, *The Moulding of Ukraine: The Constitutional Process of State Formation* (Budapest: Central European University Press, 2001).
- Weiss, Linda, *The Myth of the Powerless State. Governing the Economy in a Global Era* (Oxford: Polity Press, 1998), 15.
- World Bank, *World Development Report: The State in a Changing World* (New York: Oxford University Press, 1997).
- Yulia Kyseliova, "The Government Action Program: Practices and Possibilities," *Ukrayinska Pravda* 18. January 2008.
- Yulia Tymoshenko, "Ukrainian Breakthrough: For the people, not for politicians, draft Government Action Program," *ICPS Newsletter* 393, 21 January 2008.
- "Yushchenko Urges New Constitution," *BBC News*, 9 February 2006. Available at <http://news.bbc.co.uk/2/hi/europe/4697576.stm>; Kuzio, "Oligarchs, Tapes and Oranges," 30f.

WHAT IS TO BE DONE? FOREIGN POLICY IN BOSNIA AND HERZEGOVINA

Joan Davison,
Associate Professor and Director of
International Relations Program
Rollins College,
jdavison@rollins.edu

Jesenko Tesan,
German Peace Research Institute,
Frankfurt, Germany
jesenkot@aol.com

Abstract

As a weak state, Bosnia and Herzegovina (BiH) faces challenges in achieving its foreign policy goals. BiH must strive to counter institutional constraints associated with consociationalism, ethnic politics and the Dayton Peace Accords. The path to EU membership highlights the difficulties. BiH leaders and public widely support EU membership. Yet, the EU links accession with reforms associated with good governance which BiH leaders are resistant to undertake. Thus, BiH institutional reforms remain paralyzed, state capability limited, and EU membership unrealized. This research examines the foreign policy process in BiH through various theoretical perspectives including Putnam's two-level game, Moravcsik's two-stage model, Tsebelis' nested game, and Bendor and Hammond's bureaucratic politics. All the approaches highlight the complexity of the foreign policy process in BiH, and the need for reform in order to

strengthen state capacity and achieve policy goals. The research explains elite intransigence's impact on reforms efforts and concludes comprehensive institutional changes remain unlikely, but incremental reforms can occur.

Introduction

A complex environment of contending international and domestic actors impedes the success of BiH's foreign policy. BiH still labors under the authority of the Peace Implementation Committee (PIC) and the Office of the High Representative (OHR). The OHR maintains an ultimate veto over politics and policies. The diversity of foreign influence, including Russia, Serbia, the EU, and Iran, introduces countervailing pressures and incentives. At the domestic level, the constitution creates a cumbersome decision-making process. Strong entity governments challenge central government authority while nationalist politicians block the strengthening of the state and the rationalization of the foreign policy process. Public opinion is torn and citizen disaffection is high. Citizens possess intense interest in relations with bordering states, particularly states with historic and ethnic ties.

Yet, leaders and citizens in BiH share fundamental foreign policy goals despite ethnic cleavages. Membership in the European Union (EU) consistently remains a high priority

with the government and public acknowledging integration into Europe as the best vehicle to achieve political and economic security. Public support for EU accession remains strong and significant for all ethnic groups.¹ In January 2007, the tri-partite presidency cited EU accession as the primary objective of the government. The leaders of six major political parties representing all ethnic groups endorse membership.

Related to the priority of integration, the Presidency includes among its foreign policy goals the adoption of constitutional forms to position BiH as a “functional and modern country with European standards”.² The EU only will grant membership after BiH demonstrates an ability to harmonize with Europe. The necessity to reform the foreign policy process and enhance state capability clearly exists.

¹ Oxford Research International, *The Silent Majority Speaks: Snapshots of Today and Visions of the Future of Bosnia and Herzegovina*, (United Nations Development Programme, 2007); available at www.undp.ba?PID=7&RID=413; Toal, Gerard, John O’Loughlin, and Dino Djipa, “Bosnia-Herzegovina Ten Years after Dayton: Constitutional Change and Public Opinion,” *Eurasian Geography and Economics* 47:1 (2006): 61-75; Rose, Richard, *Bosnia-Herzegovina Public Opinion: A South-East Barometer Study*. Studies in Public Policy Number 396. (Glasgow: Centre for the Study of Public Policy, 2004).

² Bosnia and Herzegovina Presidency, *Decisions and Conclusions Made during the Meeting of the BiH Presidency*. 3 January, 2007; available at <http://www.predsjednistvobih.ba/zaklj/1/?cid=10115,1,1>. Also note, the EU requires constitutional reform as a condition for accession, and accordingly constitutional change becomes a foreign policy issue.

Accordingly, Foreign Minister Alkalaj identifies rationalization of the Foreign Ministry as a priority.³

Still, ethnic competition and the foreign policy powers of the entities impede policy success. Experienced professionals in the Foreign Ministry from various ethnic groups assert diplomats’ present positions with nationalist nuances and preferences despite the shared realization they ultimately must pursue policies of cooperation with the EU and Balkans.⁴ Political leaders, including members of the Presidency and Alkalaj, remain confrontational concerning constitutional reform and bureaucratic reorganization.⁵ This paper examines the post-Dayton foreign policy process in BiH and the weakness of the central state to achieve its policy goals. The research addresses the questions why impediments to constitutional change and state strengthening exist, and what institutional reforms are possible.

The topic of weak states and state building relates to BiH as a developing, post-communist, and post-conflict state. Migdal focuses upon weak states and their development of state capability.⁶

³ Nidzara Ahmetasevic, “Bosnian Divisions leave Foreign Policy to Chance,” *Balkan Insight*, 11 April 2007.

⁴ Interviews conducted summer, 2006 and 2007.

⁵ On May 5, 2008, Prime Minister Spiric began procedures to remove Alkalaj for conflict of interest. Alkalaj contends the charges are politically motivated, and plans to appeal.

⁶ Joel Migdal, *Strong Societies and Weak States: State-Society Relations and State Capabilities in*

Like Fukuyama, he explains state building often involves conflict.⁷ Migdal's work with Schlichte emphasizes the dynamic character of the state relative to state power, its actual functioning, and its relationship with domestic and international actors.⁸ These analyses suggest the challenges BiH faces to strengthen, and particularly to gain control of its foreign policy given domestic conflicts and international pressures.

In regard to policy-making and development, Evans introduces the significance of the autonomous state and embedded autonomy.⁹ He rejects the universal superiority of a *laissez faire* state. He focuses on the fact the bureaucracy may introduce its own interests to decision making, but clarifies this can be desirable given contending interests in society. Evans also explains that homogeneity facilitates embedded autonomy.

Substantial literature emphasizes the additional state building difficulties post-communist states confront because

the Third World, (Princeton: Princeton University Press, 1988).

⁷ Joel Migdal, *State in Society. Studying how States and Societies Transform and Constitute one Another*, (Cambridge: Cambridge University Press, 2001); Fukuyama, Francis, "Liberalism Versus State-Building," *Journal of Democracy* 18:3 (2007): 10-13.

⁸ Migdal, Joel and Klaus Schlichte, "Re-thinking the State," *The Dynamics of States: The Formation and Crises of State Domination*, ed. Klaus Schlichte (Burlington, VT: Ashgate, 2005).

⁹ Evans, Peter, *Embedded Autonomy: States and Industrial Transformation*, (Princeton: Princeton University Press, 1995).

they simultaneously undergo international, political, economic and social transitions.¹⁰ Krastev discusses the weakness of Balkan states from multiple perspectives: the inability to implement policies and achieve goals, constituent dissatisfaction, and the dominance of powerful interests.¹¹ He advocates the possibility of individual paths to state building. Brunell focuses specifically upon the development of bureaucratic autonomy and institutional capital given the weakness of civil society in post-communist systems.¹² Park highlights the importance of leadership for the foreign policy success of small, post-communist states.¹³ Brunell and Park's conclusions suggest pessimism regarding BiH's transition.

Research addressing state-building in post-conflict situations generally views

¹⁰ See for example Muco, Marta, "Low State Capability in Southeast Transition Countries," *Southeast European and Black Sea Studies* 1:1 (2001): 41-54; Feilcke-Tiemann, "Albania Gradual Consolidation Limited by Internal Political Struggle," *Southeast European and Black Sea Studies* 6:1 (2006): 25-41; Bieber, Florian, "Slow Progress towards a Functional State," *Southeast European and Black Sea Studies* 6:1 (2006): 43-64; Way, Lucan, "Weak States and Pluralism," *East European Politics and Societies* 17 (2003) 454-482.

¹¹ Ivan Krastev, "The Balkans: Democracy without Choices," *Journal of Democracy* 13:3 (2002): 39-53.

¹² Brunell, Laura, *Institutional Capital: Building Post-Communist Government Performance* (Lanham, MD: University Press of America, 2005).

¹³ Park, Asura, "Starting from Scratch: The Role of Leadership in the Foreign Policymaking of the Baltic States, 1991-1999," *East European Quarterly* 39:2 (2005) 229-270.

strong states as preferable for world order.¹⁴ This literature differentiates state strength and scope, emphasizing state scope refers to the extent of state regulation and involvement in society. By contrast, state strength focuses upon the ability to provide fundamental goods, including physical and economic security. Fukuyama offers a narrow definition of state building as “the development of certain governmental capacities to provide public goods.”¹⁵ He argues emphasis must be placed on bolstering strength to achieve efficiency. He further contends the key issue is the “ability of states to plan and execute policies...what is now commonly referred to as state or institutional capacity.”¹⁶

This focus on the strength of post-conflict states generates debates concerning whether state building can be externally promoted. Some argue externally initiated and supervised state building is contrary to the avowed liberal democratic goals which the international community holds. Ramet emphasizes the critical nature of domestic political legitimacy.¹⁷ Other

authors believe the external presence evokes negative reactions which strengthen nationalist elites.¹⁸ Chandler contends international presence actually depletes state capacity.¹⁹ Conversely, Bose finds the international involvement in BiH producing more benefits than problems. He acknowledges existing impediments to state building and suggests reforms to increase institutional efficiency. Bose advocates changes in BiH to emphasize the benefits of institutionalization and counter the effects of consociationalism.²⁰

Discussion of institutional reform within BiH, however, necessitates an understanding of the policy-making process and the political impediments to change. The complexity of BiH policy-making associated with the Dayton Peace Accords (DPA) requires several models to illuminate the diverse processes and influences affecting policy outcome. At the global level of

¹⁴ Krasner, Stephen and Carlos Pascual, “Addressing State Failure,” *Foreign Affairs* 84:4 (2005); Fukuyama, Francis, “The Imperative of State-Building,” *Journal of Democracy* 15:2 (2004) 17–31.

¹⁵ Fukuyama, “Liberalism Versus State-Building,” 12.

¹⁶ Fukuyama, “The Imperative of State-Building,” 22.

¹⁷ Ramet, Sabrina, *The Three Yugoslavias: State-building and Legitimation, 1918-2005* (Bloomington, IN: Indiana University Press, 2006) 471-473.

¹⁸ Coyne, Christopher, “Reconstructing Weak and Failed States: Foreign Intervention and the Nirvana Fallacy,” *Foreign Policy Analysis* 2 (2006): 343-360; Batt, Judy, “Bosnia and Herzegovina: Politics as “War by Other Means” Challenge to the EU’s Strategy for the Western Balkans,” *Journal of Intervention and State Building* 1 (2007) 65-67; Cox, Marcus, “State Building and Post-Conflict Reconstruction: The Lessons from Bosnia,” (Geneva: CASIN, 2001).

¹⁹ Chandler, David, *Empire in Denial: The Politics of State-Building*, Pluto Press, 2006.

²⁰ Bose, Sumantra, *Bosnia after Dayton: Nationalist Partition and International Intervention*, (Oxford University Press, 2006) 274; Bose, “The Bosnian State a Decade after Dayton,” *International Peacekeeping* 12:3 (2005): 322-335.

analysis, Putnam and Moravcsik's models of foreign policy-making facilitate an understanding of the interaction between foreign and domestic actors. Putnam's two-level games addresses the notion the central government negotiates policy with both foreign actors and domestic constituents. Putnam contends the simultaneous negotiations interact, and the policy outcome is a product of this interaction.²¹ In the case of BiH, the reality is complicated and a multi-level version of Putnam's game demonstrates policy discussions occur between many different levels. The model highlights the complexity of BiH policy-making. Moravcsik's two-stage model also recognizes the influence of foreign and domestic sources, but contributes the insight the central government may not always serve as a mediator.²² Further Moravcsik's use of liberal theory highlights the reality that harmony is not automatic in a democratic state. Domestic actors often favor divergent policies. Moravcsik identifies the possibility of contending political, economic, and ideological groups within the state. This approach permits a focus upon the critical significance of ideational groups in BiH. The model also suggests the potential power of transnational networks to penetrate and influence BiH civil society.

²¹ Robert Putnam, "Diplomacy and Domestic Politics: The Logic of Two-level Games," *International Organization* 42:3 (1988): 427-460.

²² Moravcsik, Andrew, "Taking Preferences Seriously: A Liberal Theory of International Politics," *International Organization* 51:4 (1997): 513-553.

Indeed, Smith's concept of multi-level governance emphasizes the EU penetration of member states.²³ Smith explains a special relationship exists between the EU and citizens within Europe. He also discusses the need for member states to adjust their foreign policy bureaucracies to operate effectively within the EU. This research focuses upon the inadequacy of the current BiH foreign policy process from the EU perspective. Together the work of Putnam, Moravcsik, and Smith offer models to understand and examine the complexity of BiH foreign policy making given the interaction between foreign and domestic actors. These models suggest the opportunities for international actors and transnational social networks to influence policy, particularly given BiH democratization and EU integration.

Yet, political dynamics and structures within BiH remain the primary source of policy inefficacy and the major impediment to reform. Thus, analysis at the domestic level must complement a global level of analysis. An understanding of BiH policy-making requires examination of both consociational elite decision-making and bureaucratic politics. Tsebelis' work with nested games and multiple veto players provides insight into how and why consociational elites resist

²³ Smith, Michael. "Toward a Theory of EU Foreign Policy-making, Multi-level Governance, Domestic Politics, and National Adaptation to Europe's Common Foreign and Security Policy." *Journal of European Public Policy* 11:4 (2004): 740-758.

constitutional and institutional reform.²⁴ His concept of multiple veto players conveys pessimism regarding the possibility of comprehensive change of the current policy-making process. Bendor and Hammond's typology addresses the differential impact of bureaucratic politics on policy under various conditions. They emphasize the difficulty of achieving efficient foreign policy in a state with multiple decision makers. Their typology considers the possibility of multiple bureaucrats introducing varying perspectives. Bendor and Hammond provide insight into constraints on rationality in the foreign policy process, and thus complement Tsebelis' emphasis on the difficulty of strengthening the central state. These constraints then create the need to consider potential discrete reforms to improve the effectiveness of the Foreign Ministry and advance the foreign policy of BiH.

Multiple Levels and Stages: Compounding Complexity, Confounding Foreign Policy

Understanding BiH foreign policy then requires examination of relationships at multiple levels. The decision-making process occurs within a bureaucratic politics environment where representatives of varying interests favor positions consistent with

particularistic notions of welfare. This is typical of policy in most states, where for example farm interests conflict with free trade interests. In BiH, however, ethnic competition and consociational constitutional requirements further complicate politics within the foreign ministry. The commitment to balance ethnic representation within the ministry adds an ethnic politics to the existing bureaucratic politics.

Consociationalism also affects the relationships between the executive and legislative branch, and the central and entity governments. The presidency is tri-partite with representation of all three major groups; the chair rotates. In the absence of consensus, policy is not made. Additionally, the major ethnic groups within the legislature retain the right to veto policies. Majorities of all ethnic groups must approve legislation. Finally, the entity governments possess significant jurisdictions, including foreign policy powers. Entity governments sometimes initiate policies which conflict with central government goals. Thus, constitutional provisions of the DPA impede efficient decision-making.

The public is willing to move beyond politics of ethnicity and stalemate to consolidate democracy and achieve EU membership. People now express willingness to compromise on constitutional and ethnic issues in order to advance economic opportunities and EU accession. Substantial agreement exists on the major goal for BiH: 71% believe BiH should be in the EU within

²⁴ Tsebelis, George, "Decision making in Political Systems: Veto Players in Presidentialism, Parliamentarism, Multicameralism and Multipartyism," *British Journal of Political Science* 25:3 (1995): 289-325.

20 years.²⁵ Constitutional reform is very salient, but the apathy of the citizens enables leaders to disregard public opinion even on issues of relative public significance.

By contrast, a vocal minority continues to emphasize ultranationalist positions. The apathy of the majority permits the small but mobilized extremist faction to demand elites not compromise.²⁶ The heightened significance of the ultranationalist view leads to a situation in which the worst outcome for any elite is to offer concessions which are not reciprocated, and consequently be viewed as weak by supporters. Extremists reinforce the preferences of the nationalist elites, and elites then manipulate extremists to maintain a vocal opposition to concessions.

Simultaneously, international and transnational actors influence the decision-making process, so any analysis of decisions must move beyond the domestic level to include global politics. The DPA provides international actors with ultimate authority. Additionally, transnational society permeates BiH and potentially offers a vehicle for the development of civil society and social capital. Therefore, understanding BiH foreign policy-making requires an analysis of both the international and domestic level.

Putnam's two-level games demonstrate international and domestic politics exert an interactive effect upon a state's foreign policy. Putnam contends,

At the national level, domestic groups pursue their interests by pressuring the government to adopt favorable policies.... At the international level, national governments seek to maximize their own ability to satisfy domestic pressures.... Neither of the two games can be ignored by central decision-makers....²⁷

Putnam explains strategies of negotiators influence outcomes by offering side payments. The OHR and EU reward cooperative leaders; conditional terms associated with investment funds and EU accession illustrate such efforts. Conversely, the OHR retains the power to impose policies and remove obstructionist politicians.²⁸ Yet, the OHR does not make all decisions. Further, the OHR prefers to facilitate consensus rather than simply impose a position. BiH politicians do negotiate with OHR officials.

Two-level games also illustrate negotiators jeopardize deals if they guess wrong in the face of uncertainty about what domestic

²⁵ Oxford International Research 2007; Toal et al. 2006.

²⁶ Oxford Research International, 2007.

²⁷ Putnam, "Diplomacy and Domestic Politics." 434.

²⁸ Recently the OHR threatened use of its power to force police reform after months of intransigence by ethnic leaders.

constituents will accept.²⁹ With BiH uncertainty remains a serious problem because policies require approval of three ethnic groups whose ultranationalist parties and conflict entrepreneurs often adopt hard line positions.³⁰ The failure of the April 2006 constitutional compromise demonstrates the problem. Negotiators guessed wrong about the willingness of legislators to accept the deal the major parties endorsed.³¹ Further complications arise from the foreign policy powers of entities which retain significant autonomy in the areas of foreign policy and trade.³²

Putnam focuses upon two-level games, but recognizes the existence of multi-level games in complicated situations such as BiH. Table 1 compares the BiH multi-level game with Putnam's two-level game. Policy-makers in the BiH executive negotiate with foreign states as in Putnam's Level I and deal with voters and legislators comparable to Putnam's Level II, but the total BiH

game exhibits extraordinary complexity. In the BiH multi-level game, Level I introduces the international actors and institutions of Europe as special players. The OHR and European Union Special Representative (EUSR) maintain ultimate control over decisions. The OHR can remove elected leaders, overturn laws, and ban parties. The institutions of Europe, including the European Bank for Reconstruction and Development and the Organization for Security and Cooperation in Europe, influence policy because they provide resources and clearly favor regional integration and inter-ethnic cooperation. BiH leaders are conflicted because often the interests of Europe (i.e., security through cooperation and integration) run contrary to their ethnic interests (i.e., security through ethnic segregation).

Level II in the multi-level game reflects BiH's special relations with neighbors in the western Balkans, particularly Slovenia, Macedonia, Montenegro, Croatia, Serbia and Albania. The common history of the Yugoslav era coupled with the EU's support of Balkan integration creates special ties and means of influence. Serbian politicians within the BiH leadership still appeal to Serbian voters, just as Croatian politicians within BiH appeal to Croats and Bosniak politicians appeal to Bosniaks. The fact politicians of different nationalities within the BiH government and the region act based upon ethnic interest rather than state interest affects state capacity and leads

²⁹ Putnam, "Diplomacy and Domestic Politics," 452.

³⁰ Crocker, Chester, Fen O. Hampson, and Pamela Aall, *Taming Intractable Conflicts: Mediation in the Hardest Cases*. (Washington D.C.: United States Institute of Peace, 2005), 105, 114, 124. Also note, the DPA established a consociational system so the presidency includes a representative of each ethnic group, and each ethnic group also retains a veto on legislation.

³¹ The deal failed in the legislature by two votes with the defection of extremists from their leadership position.

³² The DPA created two entities within BiH: The Federation of Bosnia and Herzegovina (FBiH) and the Republika Srpska (RS).

to a third-level game, i.e., a game between ethnic leaders within the region with the entities and internal ethnic groups in BiH.

At this third level each ethnic leader positions to produce the best foreign policy for his or her national interests understood as ethnic interest. Not only the leaders of BiH seek to satisfy BiH legislators and voters, but at times the Serbian government appeals to Serbs living in BiH and the Croatian government appeals to Croats in BiH. These relationships based on ethnicity challenge and weaken the state. External actors appeal to BiH citizens in competition with the BiH government while internal actors divide the BiH government along ethnic lines.

This third level overlaps a fourth level which occurs between the central state

leaders and the entity leaders of BiH and the entity leaders and their constituents. Leaders of the entity governments sometimes make nationalist appeals to their constituents which run counter to the attempts by some BiH central government leaders to promote cooperation. Prime Minister of Republika Srpska (RS) Dodik frequently appeals to Bosnian Serbs and links the events and independence in Kosovo to the RS. Finally, a fifth level to the BiH foreign policy game exists resembling Putnam's Level II. At the fifth level the central government negotiates with legislative parties and representatives.

Compounding complexity exists, however, due to the tri-partite nature of the presidency, the multi-ethnic

TABLE 1. COMPARISON OF TWO-LEVEL AND MULTI-LEVEL GAMES

LEVELS	TWO-LEVEL	MULTI-LEVEL
I	Foreign Actor - State Government	Foreign Actor –State Government of BiH (Global Actors: OHR, EUSR, US, NATO)
II	State Government – Constituents in Legislature, Parties and Public	Foreign Actor – State Government of BiH (Foreign Actor: Former Republics of Yugoslavia)
III		Former Republics of Yugoslavia-Entities”Governments and Population
IV		State Government of BiH – Entity Governments
V		State Government of BiH –BiH Legislature, Parties and Public

representation in the Foreign Ministry, and the legislative vetoes held by each ethnic group. Such conditions

confound attempts by BiH to pursue rational policy and achieve its goals.

While the notion of a multi-level political game provides a useful model to understand foreign-policymaking in BiH, it still fails to convey the full intricacy of the process. The members of the tripartite presidency negotiate foreign policy with one another, and then on five interactive levels. Putnam's model views the state negotiating with foreign and domestic actors, but in BiH foreign actors sometimes bypass the state and bargain directly with domestic actors. The BiH state does not necessarily occupy a pivotal role as a mediator or representative of popular interests. Foreign governments work with entity governments, and the Organization of Security and Cooperation in Europe works with domestic groups.

Putnam's model also fails to focus upon where policy initiates. Former BiH UN Ambassador Kusljagic explains policy often is reactive and frequently begins with the OHR.¹ At times, the central state remains outside the foreign policy process such as when RS sold its oil company to Russia. Thus, modeling the BiH policy process as a multi-level game conveys the interactive nature of decision-making but neglects complications associated with the weakness of the central government. Putnam's model seems to assume a strong state. To the extent the multi-level game does not fit, however, the misfit reveals the need for institutional

changes to bolster the central state capacity.

Moravcsik offers a two-stage model of policy-making which suggests the development of transnational social networks affects the preferences states selectively pursue. The focus upon transnational social networks deemphasizes the state as a mediator and recognizes societal change can lead to policy change. In these ways, the two-stage model offers insights missing from Putnam's games.

Further, Moravcsik embraces liberal theory, but "...rejects the utopian notion that an *automatic* harmony of interest exists..."² His rejection of automatic harmony and emphasis on competitive interests characterizes the situation among ethnic groups in BiH. He also contends actors tend to exhibit rationality and risk-aversion. Indeed, BiH groups portray these qualities; ethnic and economic differences exist, but most surveys confirm realistic views about the need for compromise. Seventy-five percent of Serbs state admission into the EU requires compromise and reform.³

Yet, Moravcsik warns "Deep, irreconcilable differences in beliefs about the provision of public goods, such as borders, culture, fundamental

¹ Kusljagic, Mirza, "BiH and Global Challenges," *Foreign Policy Review* 1:1 (2006): 103-14.

² Moravcsik, "Taking Preferences Seriously," 517.

³ Oxford Research International, *The Silent Majority Speaks*.

political institutions, and local social practices promote conflict....”⁴

Moravcsik focuses upon three sources of societal influence and potential conflict: ideational, economic, and republican. Each source possesses significance in BiH. The ideational “...stresses the impact...of conflict and compatibility among collective social values or identities...”⁵ In BiH diverse ethnoreligious preferences create tension between politicians especially because social identities relate to jurisdictional borders and constitutional structure. Yet, economic interests tend to create crosscutting cleavages and unify people, particularly with regard to the goal of EU membership.⁶

Finally, “republican liberalism stresses the impact of varying forms of domestic representation...”⁷ Moravcsik explains a system of representation tends to privilege certain groups. Elites often benefit in consociational systems, and in BiH elites perceive advantages to the institutional status quo.⁸ BiH’s

consociational system frustrates efforts to rationalize policy-making and negotiate constitutional change while the system’s provision of entity and ethnic powers exacerbates foreign policy incoherence. Moravcsik notes: “When particularistic groups are able to formulate policy without necessarily providing off-setting gains for society as a whole, the result is likely to be inefficient, suboptimal, policies from the aggregate perspective.”⁹ This analysis elucidates the current situation in BiH in which the public and elites favor EU membership, but yet refusal to accept constitutional reforms leaves the state weak with limited institutional capability and derails stabilization and accession.

Moravcsik explains the state determines which societal preferences to favor in foreign policy. The state may privilege some groups, and such privileging certainly occurs in BiH given the elitism and patronage associated with consociationalism. Moravcsik also anticipates some states behave in a disaggregated fashion with “...semiautonomous foreign policies in the service of disparate social

⁴Moravcsik, “Taking Preferences Seriously,” 517.

⁵ Moravcsik, “Taking Preferences Seriously,” 515.

⁶ The United Nations Development Program’s recent report confirms public receptiveness to constitutional reform and EU accession, as well as the popular frustration with elite intransigence on these matters. Oxford Research International, *The Silent Majority Speaks*, 2.

⁷Moravcsik, “Taking Preferences Seriously,” 515.

⁸Crocker, Chester, “The Place of Grand Strategy, Statecraft, and Power in Conflict Management,” in *Leashing the Dogs of War*, ed. Chester Crocker, Fen O. Hampson and Patricia Aall (Washington D.C.: United States Institute of Peace, 2007). 355-368; Fischer Martina,

Peacebuilding and Civil Society in Bosnia-Herzegovina: Ten Years after Dayton (Munster: Lit Verlag, 2006); Tsebelis George, *Nested Games: Rational Choice in Comparative Politics* (Berkeley: University of California Press, 1990); Lijphart, Arend, *The Politics of Accommodation: Pluralism and Democracy in The Netherlands* (Berkeley: University of California Press, 1968).

⁹ Moravcsik, “Taking Preferences Seriously,” 530-531.

interests.”¹⁰ Such characterization well describes BiH where entities maintain individual foreign ministries and conduct autonomous policy, thereby countering the central state capacity. The tri-partite presidency and central foreign ministry also exhibit disaggregated behavior as representatives of ethnic groups sometimes pursue particularistic policies. Thus various “powerful domestic groups enfranchised by representative institutions and practices”¹¹ differentially conceive and seek economic and political security.

The two-stage model also acknowledges the significance of interdependence and notes foreign actor preferences can constrain state behavior.¹² Indeed, the extraordinary powers of the EUSR in BiH create the opportunity for the international community to veto policies of decision-makers. Currently deadlock characterizes EU - BiH relations as EU preferences demand constitutional change but BiH ethnonationalist elites hesitate to compromise because of differing perceptions of sovereignty and security. Leaders eventually must consider their power to achieve their goals in relation to foreign actors. The power and determination of the PIC and EUSR likely trumps the ability of BiH to achieve its goals. BiH cannot

simultaneously resist constitutional reform and achieve its foreign policy goal of EU membership.

Across time transnational societal interaction affects societal preferences so leaders’ priorities change. Domestic groups internally determine state’s preferences, but transnational networks can prompt changes in these preferences.¹³ EUSR, EBRD and FDI contacts with business promote rational economic behavior and interethnic ventures. Raffi Gregorian, deputy OHR, states business must organize and push for reform while “Bosnia’s political elite must be put under pressure to abandon their populist and nationalistic rhetoric.”¹⁴ Gregorian’s comments suggest his faith in transnational society.

Additionally, Serbia maintains contacts with Serbs in the RS and Croatia influences Croats in the Federation. Many leaders in Serbia and Croatia dissuade ultranationalist preferences. Some leaders seek to avoid relations with RS which antagonize the EU. Serbian parliament speaker Oliver Dulic rejects RS irredentism and argues economics and “realism not emotions” determine policies.¹⁵ Thus, ethnic elites

¹⁰ Moravcsik, “Taking Preferences Seriously,” 518.

¹¹ Moravcsik, “Taking Preferences Seriously,” 519-520.

¹² Moravcsik, “Taking Preferences Seriously,” 520.

¹³ Moravcsik, “Taking Preferences Seriously,” 513-523.

¹⁴ Gardner, Andrew, “Bosnian Business Urged to Push for Reform,” *RFE/RL Newslines*. 13 September 2007; available at <http://www.rferl.org/newslines/2007/09/4-SEE/see-130907.asp>.

¹⁵ Gardner, Andrew, “Serbia Says Economics Key to Ties with Bosnia,” *RFE/RL Newslines*, 18 July 2007; available at

probably will encounter increasing pressure from foreign actors and domestic groups as transnational society nurtures and supports BiH civil society.

Moravcsik's two-stage model responds to Putnam's analysis which seems to assume the state shares society's preferences and mediates all external and internal contacts. Moravcsik emphasizes society-state relations, potential bias within the state's representation of interests, and the dynamic influence of transnational contacts. He allows for disaggregation in beliefs and interests at the domestic level while acknowledging the power of foreign actors. These factors figure prominently in the foreign policy process of BiH and affect its efforts to strengthen state capacity.

The requirement of reform to meet EU criteria is not unique to BiH. Smith explains the EU's Common Foreign and Security Policy requires constitutional and institutional changes of many states. He notes the need to reorganize "ministries toward "Europe""¹⁶ and to expand diplomatic offices to serve the member states of Europe. Professional bureaucrats in the BiH Foreign Ministry voice similar recommendations. Smith also highlights the conditions under which states resist EU policy. Federal states with anti-EU ideologies and

coalition governments addressing issues in the security realm (*domaine reserve*) exhibit recalcitrant behavior.¹⁷ BiH fits this case.

Smith, like Moravcsik, also acknowledges transnational connections and contends publics often become sympathetic toward EU policies and push their elected leaders to weigh the demands of Europe in policy-making. Smith's conclusions concur with the notion BiH relations with the EU transcend a two-level game.¹⁸ Multi-level governance rather than multilevel games better conceptualizes the relationship between BiH and the EU. The concept of multi-level governance compensates for the missing piece in the application of two-level games and two-stage models to BiH. The state is not merely a mediator, nor the EUSR a typical external actor. The EUSR penetrates state and society. Further, the EU and domestic society are not necessarily at odds; EU and BiH societies share preferences. Thus, the EU influences policy but the effect is mixed: the EU demands good governance while adding another factor into an already complex policy process.

Decision Making Theories: Nested Games, Veto Players and Bureaucratic Politics

<http://www.rferl.org/newsline/2007/07/4-SEE/see-180707.asp>.

¹⁶ Smith, "Toward a Theory of EU Foreign Policy-making," 747.

¹⁷ Smith, "Toward a Theory of EU Foreign Policy-making," 752.

¹⁸ Smith, "Toward a Theory of EU Foreign Policy-making," 748.

Tsebelis' work with nested games and veto players targets consociational systems as impediments to both policy-making and institutional reform. His work offers important insight into the problem of reforming decision-making in BiH. Tsebelis contends the multiple veto players in consociational governments lead to "cumbersome bureaucratic procedures."¹⁹ With reference to the consociational system in Belgium as a "constitutionally required super majority" he concludes, "they give veto powers to particular coalitions of players and consequently increase the stability of the status quo."²⁰ The participation of all parties in policy negotiations tends to increase ethnic cohesion at the expense of interethnic cooperation. Elites prefer the institutional stability, and reform becomes difficult.

BiH labors under similar constraints with each major ethnic group holding a veto within the presidency and the legislature. Even when Serbs, Croats and Bosniaks share similar policy goals, they often favor different strategies. It is interesting that one recent initiative – the removal of some ambassadors – occurred without consulting with all parties. Such reforms become unlikely when all parties share in decision-making and seek to maintain bureaucratic influence and patronage relationships.

¹⁹ Tsebelis, "Decision making in Political Systems," 324.

²⁰ Tsebelis, "Decision making in Political Systems," 307.

Tsebelis contends, "...political elites engage in a parliamentary game that is embedded or nested inside an electoral game."²¹ "Short-term discrepancies between elite behavior and mass aspirations are not infrequent... However, such a discrepancy cannot exist for a long time.... Elites have to explain their behavior and persuade the masses or they will be replaced by more competitive elites."²² Indeed, in the BiH case, the voters rejected the ultranationalist incumbents in 2006. Yet, Tsebelis proposes elites avoid compromise in some instances because they believe their counterparts under pressure will concede, giving the intransigent elite the best outcome.

In other cases elites initiate conflict due to power considerations rather than ethnic differences.²³ This seems consistent with Fischer's notion of BiH politicians as conflict entrepreneurs who perpetuate the system because of the benefits associated with patronage.²⁴ Crocker concurs and generally identifies peace-building and constitutional change as a threat to the careers of ultranationalist politicians.²⁵ In BiH, Deputy OHR Raffi Gregorian specifically perceives Dodik and Silajdzic as obstreperous politicians. In September 2007, in light of a stalemate

²¹ Tsebelis, *Nested Games*, 160.

²² Tsebelis, *Nested Games*, 163.

²³ Tsebelis, *Nested Games*, 163-164.

²⁴ Fischer, *Peacebuilding and Civil Society in Bosnia-Herzegovina*, 450.

²⁵ Crocker, "The Place of Grand Strategy, Statecraft, and Power in Conflict Management," 363.

on police reforms he said, “It seems to me that they have an interest in preserving the status quo.”²⁶

Tsebelis explains decisions about institutions are more critical and fragile than decisions about policies for consociational leaders. In BiH, constitutional reform is more consequential to decision makers than EU accession and economic policy-making. With reference to failed constitutional reform efforts in Belgium, Tsebelis states “...paradoxically, the adoption of measures that reduce the consequences of disagreement (qualified majorities, postponement of conflict) increase the frequency of disagreement.”²⁷ “Concerning issues of asymmetric importance, institutions assign exclusive jurisdictions and delegate complete authority to the concerned group.”²⁸ Likewise, the DPA’s constitutional arrangements decrease the likelihood of political violence and rights violations, but the arrangements also increase political stalemate and impede the rationalization of foreign policy.

The problem further compounds because the difficulty of changing the status quo increases as the number of veto players increases and the cohesion within ethnoreligious groups

increases.²⁹ Accordingly, the attitude of nationalist elites toward constitutional and institutional reform makes sense. Members of extremist Croatian and Serbian factions recognize the ethnic veto protects their rights and interests. Ethnic leaders in BiH identify a need to maintain existing institutions precisely because these practices limit state capability, and even if these arrangements constrain rationality.

While this analysis explains why elites hesitate to support various constitutional and institutional reforms, it does not explain why elites continue to oppose reform under pressure from voters. Indeed, Tsebelis contends “...leaders must take their followers’ preferences into account because of the existence of the electoral arena; ...political elites who have lost their monopoly will accurately reflect the feelings of their constituents.”³⁰ A number of possible reasons exist for the unexpected outcome in BiH. The atypical attitude of the BiH public offers one explanation. Tsebelis argues most voters in consociational systems are more polarized than their elites.³¹ The rejection of the ultranationalist candidates and the recent public opposition to elite intransigence on the constitution in BiH appears contrary to the typical mass ethnic behavior. The ability of BiH elites to ignore the public then seems to depend upon the general

²⁶ Gardner, Andrew, “US Vows to Do ‘Anything to Save Bosnia’,” *RFE/RL Newswire*, 26 September 2007; available at: www.rferl.org/newswire/2007/09/4-SEE/see-260907.asp.

²⁷ Tsebelis, *Nested Games*, 181.

²⁸ Tsebelis, *Nested Games*, 186.

²⁹ Tsebelis, “Decision making in Political Systems,” 289.

³⁰ Tsebelis, *Nested Games*, 185.

³¹ Tsebelis, *Nested Games*, 164-165.

political disaffection of the voters. *The Silent Majority Speaks* finds in

„no other transformation country are there more voters who say they are not at all interested in politics....BiH does not emerge as a country where voters are actively involved in the shaping of political decisions. In fact, people appear mistrustful of political structures, and, beyond voting, do not seem ready to participate.“³²

The apathy of the citizens enables leaders to disregard public opinion even on issues of relative public significance. As Moravcsik suggests, BiH leaders engage in selective representation of interests. Public disaffection facilitates this behavior. Yet, transnational contacts and the development of societal preferences portend change. Mo considers nested games, emphasizes the possibility the state does not represent the public, and explains when the political power of the public increases from a point of weakness, the state will need “to make more concessions to her domestic constituents....”³³

A second factor limiting public influence of elites relates to issue salience and information access. Tsebelis states: “If information costs are high, elites will possess a substantial degree of freedom from mass

control.”³⁴ Emotional costs remain high in BiH – weariness characterizes the popular attitude toward politics. Under these conditions elites engage in invisible politics and operate away from public scrutiny.³⁵ Secrecy limits the influence of public opinion, the participation of civil society, and the pressure these institutions place on negotiators. Belloni and Deane argue people have no role in legitimating the process in BiH; citizens are discouraged from participating while veto players block change.³⁶ Thus, despite popular support for EU accession and constitutional reform, disaffection and secrecy constrain the electorate’s influence while elites find security and personal benefits in current constitutional arrangements.

Although the overwhelming majority of the public favors institutional change, a small but mobilized extremist faction demands elites not compromise.³⁷ The heightened significance of the ultranationalist view leads to a game in which the worst outcome for any elite is to be perceived weak or naive, i.e., to offer concessions. EUSR Lajcak concurs, “according to local political culture, compromise is not considered a

³² Oxford Research International, *The Silent Majority Speaks*, Conclusions, Lessons Learned and Policy Advice, 3.

³³ Mo, Jongryn, “The Logic of Two-Level Games with Endogenous Domestic Coalitions,” *Journal of Conflict Resolution* 38:3 (1994): 415.

³⁴ Tsebelis, *Nested Games*, 168.

³⁵ Sartori, Giovanni, *Parties and Party Systems* (Cambridge: Cambridge University Press, 1976), 143.

³⁶ Roberto Belloni and Shelley Deane, “From Belfast to Bosnia: Piecemeal Peacemaking and the Role of Institutional Learning,” *Civil Wars* 7:3 (2005): 219-43.

³⁷ Oxford Research International, *The Silent Majority Speaks*, Conclusions, Lessons Learned and Policy Advice, 3-5.

victory but a defeat.”³⁸ Extremists reinforce the preferences of the elites, and elites manipulate extremists to maintain a vocal opposition against concessions. Currently ultranationalist Serbs do not wish to concede, and their elites wish to maintain images as strong leaders. This reinforcing cycle impedes constitutional reform and foreign policy coherence. Dodik replies to criticism from the international community “the Republika Srpska is a permanent category [while BiH is] an interest category” that only exists as long as international community maintains it.³⁹ Thus, elites hold constitutional reform and EU accession captive to the preferences of political entrepreneurs and ultranationalists and the outcome disrupts foreign policy rationality, blocks institutional reform, impedes state capability, and seems suboptimal from the general public’s perspective.

Yet, the PIC, OHR and EUSR constitute ultimate veto players and this reality combined with the power of transnational society supports the premise of eventual reform. Recently the PIC reaffirmed its support of the OHR’s use of strong tactics to push reform, and after substantial

maneuvering the elite leaders conceded to the EU’s terms for police reform. These developments suggest elites will continue to resist reform, but change ultimately is likely to extend from the police to other ministries. Further, nested game theory explicates the claims of some members of the BiH Foreign Ministry that they agree on issues and goals but must speak a certain ethnic language. Diplomats discuss and implement many policies away from the public eye so foreign policy is less visible than domestic policy. In this invisible environment, ministry officials can pursue bureaucratic, pragmatic, ethnic or personal interests.⁴⁰

Bendor and Hammond’s typology of state foreign policymaking also raises insights about the BiH Foreign Ministry and its need for institutional reform. Their typology includes a model for the BiH case of multiple decision makers, sometimes with shared goals and sometimes with conflicting goals, but generally imperfectly rational due to the limits of bureaucracy.⁴¹ Coordination problems exist under ideal circumstances in the absence of ethnic or policy disagreements. In the charged environment of BiH consociational elite politics, problems of policy-making multiply. Bendor and Hammond relate Thompson and Tuden’s conclusion: “When stakes are high, outcomes

³⁸Supova, Tereza, “Without Police Reform, the Door to the EU will be Closed,” *Lidove Noviny*, 21 September 2007; available at http://www.ohr.int/ohr-dept/rule-of-law-pillar/prc/prc-articles/default.asp?content_id=40560.

³⁹Gardner, Andrew, “International Envoy Warns Bosnian Serb Premier,” *RFE/RL Newsline*, 23 August 2007; available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-100907.asp>.

⁴⁰ Tsebelis, *Nested Games*, 167.

⁴¹ Jonathan Bendor J and Thomas Hammond, “Rethinking Allison’s Models,” *APSR* 86:2 (1992): 301-322.

uncertain, and beliefs deeply held, debates over how to reach a common end may become rancorous; passionate disagreements need not indicate goal conflict.”⁴²

Disagreement about beliefs despite agreement on goals often plagues BiH policy-making. When goals do conflict, then consociational bargaining processes compound information limitations and coordination issues. Alkalaj, Kusljagic and Hadziahmetovic identify many of these problems in the BiH Foreign Ministry.⁴³ Additionally, unlikely participants sometimes bargain with one another because of support outside the executive.⁴⁴ The decentralized system in BiH opens opportunities to many politicians for influence. The conflict between Alkalaj and Dodik illustrates this complexity; each accuses the other of nationalistic prejudices. Dodik’s ability to mobilize support impedes Alkalaj’s proclaimed intention to rationalize policy and policy-making. Without reforms to strengthen state capability, BiH’s government will continue to flounder rather than achieve foreign policy priorities.

The Possibility of Reform

These insights highlight the complexity and deficiencies of BiH foreign policy-

making. Accordingly, desirable reforms fall into three categories: comprehensive constitutional reform, discrete constitutional change, and targeted improvement of the Foreign Ministry. The research shows, however, that comprehensive reforms, and in fact any constitutional change, encounter serious impediments and opposition. Thus, current efforts to enhance efficiency and effectiveness necessarily focus upon the Foreign Ministry.

In the long term, comprehensive constitutional reform remains essential in order optimally to facilitate policy-making. Moreover, at least discrete constitutional change must occur before EU accession. Under the DPA, the central government and entities both operate foreign ministries. This leads to three foreign ministries for a country of three to four million people. This practice of bureaucratic redundancy translates to personnel costs which are seventy percent of BiH’s budget. The Council of Europe estimates the government budgets of BiH account for 60% of the GDP.⁴⁵ Furthermore, the policies of the various ministries sometimes contradict and consequently the overlap of central government and entity jurisdictions impedes foreign policy coherence and contributes to inefficiency and corruption within the state.

⁴² Bendor and Hammond, “Rethinking Allison’s Models,” 314.

⁴³ Ahmetasevic, “Bosnian Divisions leave Foreign Policy to Chance.”

⁴⁴ Bendor and Hammond, “Rethinking Allison’s Models,” 315.

⁴⁵ Europa, “Summaries of Legislation: European Partnership with Bosnia Herzegovina,” *Council Decision 2006/55/EC*, 30 January 2006; available at <http://europa.eu/scadplus/leg/en/lvb/r18012.htm>.

Kusljugic contends only after BiH establishes a coordinated foreign ministry will the OHR permit BiH to control its own foreign policy.⁴⁶ Indeed, The Commission of the European Communities reports that it cannot successfully negotiate an agreement with BiH until it “presents a single, coherent national position.”⁴⁷ While the international community does not mandate the elimination of the RS and FBiH as part of reform,⁴⁸ the central government eventually must control foreign policy. The central government must occupy an intermediary position between external and domestic actors as Putnam’s model suggests. BiH eventually reached agreement on military and police reform. Movement to a coordinated foreign ministry seems consistent with these accomplishments.

Even without constitutional reform, however, considerable rationality can develop in the foreign policy process by targeting the operation of the Foreign Ministry. Every audit of the Foreign Ministry since 2001 identifies professionalization of personnel and

rationalization of the budget as essential to efficient and quality operations.⁴⁹ Current Foreign Ministry hiring practices permit each ethnic group to appoint a third of the employees. Such a system favors nationalist loyalty over expertise. Kusljugic explains that “...the BiH Ministry of Foreign Affairs functions mainly through its parallel/separate “ethnic communication channels””, which result in ethnic interests dominating state interests.⁵⁰ Further the present system does not guarantee representation of individuals or groups who do not fit into the categories of Bosniak, Croat, or Serb. Additionally, no explicit controls for merit exist. To the contrary, efforts to build good will sometimes include promising political appointments in exchange for cooperation.⁵¹ To date this tactic fails to nurture domestic consensus, and instead politicizes negotiations,

⁴⁶ Kusljugic, “BiH and Global Challenges,” 104.

⁴⁷ Commission of the European Communities, “Report from the Commission to the Council on the Preparedness of Bosnia and Herzegovina to Negotiate a Stabilisation and Association Agreement with the European Union,” Brussels: 18, November 2003; available at http://eur-lex.europa.eu/LexUriServ/site/en/com/2003/com2003_0692en01.pdf.

⁴⁸ Toal et al., “Bosnia-Herzegovina Ten Years after Dayton,” 70.

⁴⁹ Audit Office of the Institutions of BiH, “Audit of the Financial Operations of the Ministry of Foreign Affairs of BiH,” Sarajevo, 2007, available at <http://www.revizija.gov.ba/hr/audit-rep/arhiva04.asp>.

⁵⁰ Kusljugic, “BiH and Global Challenges,” 107.

⁵¹ The EUSR guaranteed the RS a position on the EU negotiating team as a quid pro quo for police reform. See Foreign Policy Initiative of Bosnia and Herzegovina, “Readiness for Stabilization and Capacity for EU Association: Institutional and Social Capacity to Negotiate the SAA.” (Sarajevo, Bosnia and Herzegovina, 2006), 6; available at <http://www.vpi.ba/doc.aspx?title=Political%20Analysis>. Police reform still languishes while entity and ethnic power challenge the sovereignty of the central state.

deprofessionalizes the civil service, and exacerbates the problem of ethnic identity.

Former Yugoslav President and Foreign Minister Raif Dizdarevic explains politics dominate the operation of the ministry and patronage drives appointments. Each ethnic group demands representation and problems extend far beyond rhetoric to incompetent personnel. He believes ethnic criteria and partisan representation impede foreign policy. Dizdarevic suggests a professional civil service removed from ethnic interests is necessary to improve the ministry.⁵²

Alkalaj concurs and complains about the lack of a law on diplomatic service and appointments.⁵³ He supports reform, advocates job requirements, and endorses employment based upon expertise. Likewise, the most recent available audit of the Foreign Ministry concludes major personnel problems exist which could negatively influence efficiency and effectiveness. The audit specifies the lack of professional bureaucrats as a source of miscommunications, financial irregularities, embassy inefficiencies, and inadequate planning.⁵⁴

In fact, the European Commission currently funds efforts to build administrative capacity, and depoliticize the ministry.⁵⁵ The Commission believes professional bureaucrats frame questions differently than elected national elites who perceive conflict as intractable, and perhaps desirable. Qualification criteria create a foreign ministry with foreign language, diplomatic and technical skills. Shared expertise establishes a potential basis for cooperation that transcends ethnic affiliations. The professionalization of the ministry also generates the type of institutional capital and embedded autonomous state analysts deem desirable to strengthen the state and its capability.⁵⁶

In fact, the ministry does include talented professionals from the Yugoslav era who possess significant expertise, knowledge, and a history of working together. Although ethnic identities currently define and divide the staff, some diplomats share decades of common experience. A few bureaucrats confide they share goals, but also must embrace the nationalist rhetoric which dominates political life. Yet, these diplomats already successfully pursue relations and implement policies on technical issues, typically related to cooperation within

⁵² Interviews conducted summer and fall 2007. Raif Dizdarevic served as Chairman of the Presidency of Bosnia and Herzegovina from 1978-82, Yugoslav Foreign Minister from 1984-1988, and Chairman of the Presidency of Yugoslavia from 1988-1989.

⁵³ Ahmetasevic, "Bosnian Divisions leave Foreign Policy to Chance."

⁵⁴ Audit Office of the Institutions of BiH, 18-26.

⁵⁵ European Commission Delegation to BiH, "Public Administration Reform Fund Established;" 2007; available at <http://www.europa.ba/?akcija=vijesti&akcija2=pregled&jezik=2&ID=84>.

⁵⁶ Brunell, *Institutional Capital*; Evans, *Embedded Autonomy*.

the Balkans, where the interests of BiH as a state are uncontroversial. This pool of professional civil servants creates a foundation for strengthening the ministry's capabilities.

Essential reform then must relax the emphasis on strict quotas, while emphasizing appropriate qualifications, civil service exams, and a sensitivity to ethnic balance. Lijphart encourages flexible quotas with a target range for divided societies. He further suggests states often only need "an explicit constitutional provision in favor of the general objective of broad representation."⁵⁷ BiH then should abandon the practice of appointing equal numbers of Serbs, Croats, and Bosniaks to each office, and instead should favor a rough balance throughout the whole ministry. Appointments should focus upon skills rather than nationality quotas. Additionally if BiH considers the total ethnic balance within the whole ministry rather than the exact representation at each office, the Foreign Ministry gains flexibility to station bureaucrats where need exists. Audits and interviews suggest the current system leads to excess personnel in some embassies while other embassies operate with inadequate staffing.

Moreover, the BiH Foreign Ministry must begin to welcome the talented

⁵⁷ Arend Lijphart, *Constitutional Design for Divided Societies*, *Journal of Democracy* 15:2 (2004): 106.

"others"⁵⁸ who offer both skills and a different (i.e., non-nationalist) view of policy. Often members of the émigré community, the "others" possess a broad world-view and reject the identification of problems and issues in nationalist's terms. These émigrés offer a potential advantage compared to many weak and transitioning states, but current BiH practices ignore the brain drain. Indeed, the "others" often are perceived as threats, not because they threaten any particular national community, but because they challenge the very foundation of a system justified by ethnic divisions.⁵⁹ In fact, Dodik's fierce opposition to Alkalaj's proposals relates to these issues of identity and interests.⁶⁰ Likewise, Croatian

⁵⁸These include Jews and Roma as well as individuals (often from multi-ethnic, multi-religious backgrounds) who refuse to select an ethnicity. They are often excluded from job consideration because they do not fit into the quota system for institutionalized ethnicities. Yet, because of their objective characteristics and subjective identity they are inclined to set aside ethnic interests and embrace the notion of a BiH state interest.

⁵⁹ Eide, Espen Barth. *Between Rationalism and Reflectivism – Constructivist Security Theory and the Collapse of Yugoslavia* (Oslo: Institute of Political Science, University of Oslo, 1998), 76.

⁶⁰ Generally Serbian politicians express concern due to Alkalaj's opposition to an independent foreign policy for RS including RS's close relationship with the Serbian Orthodox Church and the RS sale of the oil industry to Russia. Serbs also reject Alkalaj's position as Foreign Minister because he does not represent any of the major nationality groups. Spiric claims Alkalaj disrupts smooth functioning of foreign policy. See Gardner, Andrew, "Bosnian Premier threatens Reshuffle," *RFE/RL Newswire*, 8 August 2007; available at <http://www.rferl.org/newsline/2007/08/4->

criticisms of Komsic relate to his identity as an “other.”⁶¹

These nationalist laden attitudes and behavior illustrate Bendor and Hammond’s point about the additional complexity introduced when unlikely participants bargain. Such behavior further impedes rational policy-making. Thus, professionalization of the Foreign Ministry, while perhaps easier to achieve than constitutional change, encounters impediments. The system of patronage creates “winners” who hold an interest in the continuation of the conflict. The beneficiaries of the war

are not willing – not because of ideological limitations but based on rational economic calculation – to transform themselves into actors in a modern...bureaucratic state.”⁶²

Discrete reform of the Foreign Ministry also must address resource allocation and financial accountability. BiH’s Audit Office advises resource distribution must be assessed.⁶³ Again, dropping a strict interpretation of quotas would facilitate resource flexibility. Kusljagic suggests that BiH must consider fully staffing the Research and Planning Department of the Ministry so that policies can be based upon sound analyses.⁶⁴ Smith discusses the need for EU members to invest resources to support the relationships associated with integration. Some members of the foreign ministry anonymously agree and complain BiH currently establishes embassies to appease ethnic and religious affiliations. Embassies exist

SEE/see-080807.asp. In fact, accusations of Alkalaj’s incompetence or corruption continue to grow in BiH. Croatian and FBiH media also voice criticism about excessive spending. Some members of the Foreign Ministry suggest barriers proved too great to Alkalaj’s desire to reform, and that Alkalaj now appreciates the political and ethnic pressures on the office require compromise.

⁶¹ Tensions between Croatian parties and politicians also highlight the difficulty of reform. Croatian HDZ leaders accused Komsic of patronage following the Tri-partite Presidency’s decision to remove three Croatian diplomats. HDZ politicians assert Komsic wishes to replace the diplomats with supporters of his SDP. Additionally, some HDZ politicians view Komsic as an ‘other’ because he is not Croatian. While unclear whether the SDP or HDZ is playing politics, evidently at least one of the parties’ statements are politically inspired. Finally, Bozo Ljubic, head of the HDZ-1990 contends, “The diplomatic service cannot belong to a party; it has to belong to the state...If we are committed to the principles of professionalism, the dismissal of an ambassador prior to the expiration of his term has to be explained with sound arguments.” In Gardner, Andrew, “Removal of Bosnian Ambassadors splits Croatian Politicians,” *RFE/RL Newslines*, 26 September 2007; available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-260907.asp>.

⁶² Fischer, *Peacebuilding and Civil Society in Bosnia-Herzegovina*, 450. Also Deputy OHR and senior US diplomat Gregorian suggests with reference to Dodik and Silajdzic, “It seems to me that they have an interest in preserving the status quo.” In Gardner, “US Vows to Do ‘Anything to Save Bosnia.’” OHR Lajcak concurs and promises to increase pressure upon both leaders. See Gardner, Andrew, “Bosnia’s High Representative ups Pressure for Reform,” *RFE/RL Newslines*, 26 September 2007; available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-260907.asp>.

⁶³ Audit Office of the Institutions of BiH, 15, appendix 2:18.

⁶⁴ Kusljagic, “BiH and Global Challenges,” 107.

throughout the Middle East including Qatar, Kuwait, Iran and UAE. BiH could administer affairs in the region from one of these locations.

Alternatively, BiH could act cooperatively with other Balkan states to represent one another's interests. At the same time ministry officials contend BiH understaffs and underfunds essential embassies in Brussels, New York and throughout the Balkans. According to one official in the UN mission, the ability to cast votes in UN committees is complicated because diplomats lack cell phones to contact the ambassador and laptops to research issues.

Likewise, efforts to develop state capacity require BiH institute practices to ensure financial accountability. The 2006 Audit emphasized the Foreign Ministry's lack of response to four years of warnings regarding financial affairs and the lack of controls within the system. Accounts are not separate so that utility bills, salaries, and entertainment draw from the same fund. In the past three years, major financial irregularities were identified in fifteen embassies. The Audit Office concludes that unprofessional bureaucrats feed the problems of poor fiscal planning and financial mismanagement that impede foreign policy implementation.⁶⁵ While a ministry free of ethnic politics might not be sufficient to solve all problems, the issue of ethnic politics within the

ministry necessarily must be addressed to increase efficiency and capability.

Conclusions

A variety of theories and models suggest intractable complexity seems a reality of the foreign policy process for BiH. International actors and transnational networks already penetrate BiH while the OHR maintains a policy veto. BiH citizens and leaders accept these relationships to the extent they relate to political and economic security. Foreign contacts associated with EU integration remain particularly significant. Consequently, the external environment will continue to influence BiH foreign policy.

Furthermore, the post-Dayton constitutional structure of BiH complicates decision-making. The DPA institutionalizes a consociational system that impedes efficient policy making. Elites, however, benefit from the current structure and consequently resist efforts to reform the system. Moravcsik identifies factors which contribute to disharmony, and indeed such ideational and representative conditions exist in BiH. Ethnic tensions persist and leaders tend to respond to extremist interests. Tsebelis' work raises similar considerations: BiH ultranationalists prefer the consociational system, and the moderates of the silent majority remain apathetic. Moreover, multiple veto players decrease the likelihood of reform.

⁶⁵Audit Office of the Institutions of BiH, 15, appendix 2:18.

Yet, Tsebelis and Moravcsik's models suggest eventual change seems likely given public attitudes. Tsebelis focuses on elections and Moravcsik on transnational networks. Tsebelis cautions that eventually disgruntled citizens will defeat unrepresentative elites. Moravcsik highlights the process by which transnational networks build an active civil society. Tsebelis and Moravcsik's focus and analyses are very different, but both suggest eventually BiH citizens will demand responsive leaders.

The BiH public favors a future in the EU, but membership necessitates a rational state. Reform is essential for BiH to legitimize itself as a capable and functioning state vis-à-vis the OHR, the entities and other states. BiH efforts to integrate into Europe cannot occur under the current fragmented and decentralized foreign policy process. Given the commitment of the forces opposing change, the comprehensive reforms to facilitate the foreign policy process seem unlikely. Yet, the enduring presence of contending international and domestic actors cannot be ignored. Pressure for change will remain, so that incrementalism likely will characterize reforms in BiH. The immediate possibility for increasing state capability centers on the professionalization of the Foreign Ministry. The most important change in this regard is a shift from a ministry based upon ethnic political appointments to a meritocracy. The substitution of a general sensitivity for ethnic balance for the current strict

quotas will facilitate professionalization and efficiency while circumventing the contentious issues of constitutional change.

This research utilizes a variety of models to illustrate the complexity of the BiH foreign policy process. While some areas of reform are highlighted, the specific and detailed changes are not discussed. Future comparative research must expand the analysis to other weak, post-communist states. Macedonia shares BiH's problems of ethnic balance. Kosovo experiences comparable external pressures and constraints. From a comparative perspective further consideration must examine how to balance considerations of ethnic balance with expertise, how to develop state capability given ethnic division, and how to assert state authority given international presence. Additionally, a comparative approach might begin to examine how states emphasize foreign policies and relationships deemed critical. These issues are central to the effective execution of BiH's foreign policy. If BiH and other Balkan states hope to capitalize on the opportunities of their foreign relations they must appear as functional and modern states; they must effectively employ the resources available for foreign policy.

Bibliography

Ahmetasevic, Nidzara. "Bosnian Divisions leave Foreign Policy to Chance." *Balkan Insight*, 11 April 2007.

- Audit Office of the Institutions of BiH, "Audit of the Financial Operations of the Ministry of Foreign Affairs of BiH," Sarajevo, 2007. Available at <http://www.revizija.gov.ba/hr/audit-rep/arhiva04.asp>.
- Batt, Judy. "Bosnia and Herzegovina: Politics as "War by Other Means" Challenge to the EU's Strategy for the Western Balkans," *Journal of Intervention and State Building* 1 (2007) 65-67
- Belloni, Roberto and Shelley Deane. "From Belfast to Bosnia: Piecemeal Peacemaking and the Role of Institutional Learning," *Civil Wars* 7:3 (2005): 219-43.
- Bendor, Jonathan and Thomas Hammond. "Rethinking Allison's Models," *APSR* 86:2 (1992): 301-322.
- Bose, Sumantra, *Bosnia after Dayton: Nationalist Partition and International Intervention*, Oxford University Press, 2006.
- _____. "The Bosnian State a Decade after Dayton," *International Peacekeeping* 12:3 (2005): 322-335.
- Bosnia and Herzegovina Ministry of Foreign Affairs. "Bosnia and Herzegovina and the United Nations." Available at www.mfa.gov.ba.
- _____. "South East European Cooperation Process." Available at www.mfa.gov.ba.
- Bosnia and Herzegovina Presidency. "Decisions and Conclusions Made during the Meeting of the BiH Presidency, 3 January 2007. Available at www.predsjednistvobih.ba/zaklj/1/?cid=10115,1,1.
- Brunell, Laura. *Institutional Capital: Building Post-Communist Government Performance*. Lanham, MD: University Press of America, 2005.
- Chandler, David. *Empire in Denial: The Politics of State-Building*, Pluto Press, 2006.
- Commission of the European Communities, "Report from the Commission to the Council on the Preparedness of Bosnia and Herzegovina to Negotiate a Stabilisation and Association Agreement with the European Union," Brussels, 18 November 2003. Available at eur-lex.europa.eu/LexUriServ/site/en/com/2003/com2003_0692en01.pdf.
- Covell, Maureen. "Ethnic Conflict and Elite Bargaining: The Case of Belgium," *West European Politics* 4 (1981): 197-218.
- Cox, Marcus. "State Building and Post-Conflict Reconstruction: The Lessons from Bosnia," Geneva: CASIN, 2001.
- Coyne, Christopher. "Reconstructing Weak and Failed States: Foreign Intervention and the Nirvana Fallacy," *Foreign Policy Analysis* 2 (2006): 343-360.
- Crocker Chester, Fen.O. Hampson, and Pamela Aall. *Taming Intractable Conflicts: Mediation in the Hardest Cases*. Washington D.C.: United States Institute of Peace, 2005.
- Crocker, Chester. "The Place of Grand Strategy, Statecraft, and Power in

- Conflict Management” in *Leashing the Dogs of War*, ed. Chester Crocker, Fen O. Hampson and Pamela Aall. Washington D.C.: United States Institute of Peace, 2007.
- Eide, Espen Barth. *Between Rationalism and Reflectivism – Constructivist Security Theory and the Collapse of Yugoslavia*. Oslo: Institute of Political Science, University of Oslo, 1998.
- Europa. “Summaries of Legislation: European Partnership with Bosnia Herzegovina,” Council Decision 2006/55/EC of 30 January 2006. Available at <http://europa.eu/scadplus/leg/en/lvb/r18012.htm>.
- European Commission Delegation to BiH. “Public Administration Reform Fund Established.” Available at <http://www.europa.ba/?akcija=vijesti&akcija2=pregled&jezik=2&ID=84>.
- European Union Special Representative in Bosnia and Herzegovina. “European Security Strategy – Bosnia and Herzegovina,” 17-18 June 2004. Available at <http://www.eusrbih.eu/policy-docs/?cid=1,1,1>.
- _____. “Integration or Isolation,” 6 September 2007. Available at <http://www.eusrbih.eu/media/speeches/1/?cid=1929,1,1>.
- Evans, Peter. *Embedded Autonomy: States and Industrial Transformation*. Princeton: Princeton University Press, 1995.
- Fischer, Martina. *Peacebuilding and Civil Society in Bosnia-Herzegovina: Ten Years after Dayton*. Munster: Lit Verlag, 2006.
- Foreign Policy Initiative of Bosnia and Herzegovina*. “Readiness for Stabilization and Capacity for EU Association: Institutional and Social Capacity to Negotiate the SAA.” Sarajevo, Bosnia and Herzegovina, 2006. Available at <http://www.vpi.ba/doc.aspx?title=Political%20Analysis>.
- Fukuyama, Francis. “Liberalism Versus State-Building.” *Journal of Democracy* 18:3 (2007) 10-13.
- _____. “The Imperative of State-Building,” *Journal of Democracy* 15:2 (2004) 17-31.
- Gardner, Andrew. “Bosnian Business Urged to Push for Reform,” *RFE/RL Newline*, 13 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-130907.asp>.
- _____. “Bosnian Premier threatens Reshuffle,” *RFE/RL Newline*, 8 August 2007. Available at <http://www.rferl.org/newsline/2007/08/4-SEE/see-080807.asp>.
- _____. “Bosnia’s High Representative ups Pressure for Reform,” *RFE/RL Newline*, 26 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-260907.asp>.
- _____. “Ethnic-Croatian Parties Unite on Bosnian Constitution,” *RFE/RL Newline*, 24 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-100907.asp>.

- _____. "International Envoy Warns Bosnian Serb Premier," *RFE/RL Newslines*, 23 August 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-100907.asp>.
- _____. "Removal of Bosnian Ambassadors splits Croatian Politicians," *RFE/RL Newslines*, 26 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-260907.asp>.
- _____. "Serbia Says Economics Key to Ties with Bosnia," *RFE/RL Newslines*, 18 July 2007. Available at <http://www.rferl.org/newsline/2007/07/4-SEE/see-180707.asp>.
- _____. "Support Creation of Croatian Entity and Continue to Use Stronger Rhetoric." *RFE/RL Newslines*, 4 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-040907.asp>.
- _____. "US Vows to Do 'Anything to Save Bosnia'," *RFE/RL Newslines*, 26 September 2007. Available at <http://www.rferl.org/newsline/2007/09/4-SEE/see-260907.asp>.
- Krasner, Stephen and Carlos Pascual. "Addressing State Failure," *Foreign Affairs* 84:4 (2005).
- Krastev, Ivan. "The Balkans: Democracy without Choices," *Journal of Democracy* 13:3 (2002) 39-53.
- Kusljagic, Mirza. "BiH and Global Challenges." *Foreign Policy Review* 1:1 (2006): 103-114.
- Lijphart, Arend. "Constitutional Design for Divided Societies," *Journal of Democracy* 15:2 (2004) 96-109.
- _____. *The Politics of Accommodation: Pluralism and Democracy in The Netherlands*. Berkeley: University of California Press, 1968.
- Mayer, Frederick. "Managing Domestic Differences in International Negotiations: The Strategic Use of Internal Side-Payments," *International Organizations* 46:4 (1992): 793-818.
- Mazower, Mark. *Balkan, Central Europe*. Zagreb, 2003.
- Migdal, Joel. *State in Society. Studying how States and Societies Transform and Constitute one another*, Cambridge: Cambridge University Press, 2001
- _____. *Strong Societies and Weak States: State-Society Relations and State Capabilities in the Third World*, Princeton: Princeton University Press, 1988.
- Migdal, Joel and Klaus Schlichte. "Re-thinking the State," in *The Dynamics of States: The Formation and Crises of State Domination*, ed. Klaus Schlichte. Burlington, VT: Ashgate, 2005.
- Mo, Jongryn. "The Logic of Two-Level Games with Endogenous Domestic Coalitions," *Journal of Conflict Resolution* 38:3 (1994): 402-422.
- Moore, Patrick. "Croatian President Discusses Balkan Conflict," *RFE/RL Reports: Balkan Report*, 11 November 2006. Available at <http://www.rferl.org/reports/balkan-report/2006/11/11-281106.asp>.

- Moravcsik, Andrew. "Taking Preferences Seriously: A Liberal Theory of International Politics," *International Organization* 51:4 (1997): 513-553.
- Oxford Research International. (2007) *The Silent Majority Speaks: Snapshots of Today and Visions of the Future of Bosnia and Herzegovina*. United Nations Development Program, 7 July 2007. Available at
- Park, Asura. "Starting from Scratch: The Role of Leadership in the Foreign Policymaking of the Baltic States, 1991-1999," *East European Quarterly* 39:2 (2005): 229-270.
- Putnam, Robert. "Diplomacy and Domestic Politics: The Logic of Two-level Games," *International Organization* 42:3 (1988): 427-460.
- Ramet, Sabrina. *The Three Yugoslavias: State-building and Legitimation, 1918-2005* (Bloomington, IN: Indiana University Press, 2006).
- Rose, Richard. *Bosnia-Herzegovina Public Opinion: A South-East Barometer Study*. Studies in Public Policy Number 396. Glasgow: Centre for the Study of Public Policy, 2004.
- "Row between Bosnian Premier, Foreign Minister Escalates," *RFE/RL Newswire*, 3 August 2007. Available at <http://www.rferl.org/newsline/2007/08/4-SEE/see-080807.asp>.
- Sartori, Giovanni. *Parties and Party Systems*. Cambridge: Cambridge University Press, 1976.
- "Serbian President Says Balkan Borders Should Not Be Changed," *RFE/RL Newswire*, 30 June 2007. Available at <http://www.rferl.org/newsline/2006/06-4SEE/see-300606.asp>.
- Sergi, Bruno. "Understanding the 'EU factor': The Balkans Regions as Recipients of FDI and Industries," *South-East Europe Review* 4 (2004): 7-20.
- Smith, Michael. "Toward a Theory of EU Foreign Policy-making, Multi-level Governance, Domestic Politics, and National Adaptation to Europe's Common Foreign and Security Policy," *Journal of European Public Policy* 11:4 (2004): 740-758.
- Supova, Tereza. "Without Police Reform, the Door to the EU will be Closed," *Lidove Noviny*, 21 September 2007. Available at http://www.ohr.int/ohr-dept/rule-of-law-pillar/prc/prc-articles/default.asp?content_id=40560.
- Thompson James and Arthur Tuden. "Strategies, Structures and Processes of Organizational Decisions," in *Comparative Studies in Administration*, ed. by James Thompson. Pittsburgh: University of Pittsburgh Press, 1959.
- Toal, Gerard, John O'Loughlin and Dino Djipa. "Bosnia-Herzegovina Ten Years after Dayton: Constitutional Change and Public Opinion," *Eurasian Geography and Economics* 47:1(2006): 61-75.
- Tsebelis, George. "Decision making in Political Systems: Veto Players in Presidentialism, Parliamentarism,

Multicameralism and
Multipartyism,” *British Journal of
Political Science* 25:3 (1995): 289-
325.

_____. *Nested Games: Rational
Choice in Comparative Politics.*

Berkeley: University of California
Press 1990.

THE EVOLUTION OF LOCAL STATE CAPACITY AND INSTITUTIONAL CHANGE IN EAST ASIAN MEGAURBAN REGIONS: THE CASE OF THE PEARL RIVER DELTA, CHINA.

Christian Wuttke
Ph.D. Candidate,
Department of Geography
University of Hamburg
cwuttke@web.de

Michael Waibel
Dr., Senior Lecturer,
Department of Geography
University of Hamburg
mwaibel@gwdg.de

Abstract

This paper aims to link the literature of institutional change and capacity building with issues of governability in megaurban and transitional contexts. It explores the causes and effects of intercity competition in the Chinese Pearl River Delta. While positive effects on economic growth and negative impacts on public spending have been acknowledged in the literature, the capacity building aspect has been largely ignored so far.

We argue that decentralization, the adoption of market-like strategies by local governments, and a high degree of autonomy allowed for competition and learning mechanisms to come to play in the political arena. Thereby, local capacities are built by evolving entrepreneurial cities in their efforts to retain and improve competitiveness.

Consequently, the Pearl River Delta does not quite fit into the negative image of a moloch often associated with megaurban regions. The manifold megaurban challenges, such as skyrocketing population, emergence of slums, social problems, inadequate infrastructure, or environmental issues, etc. are dealt with comparative success. We conclude that local state capacities compensate for a lack of higher level capacities and increase the governability of megaurban regions.

1. Introduction

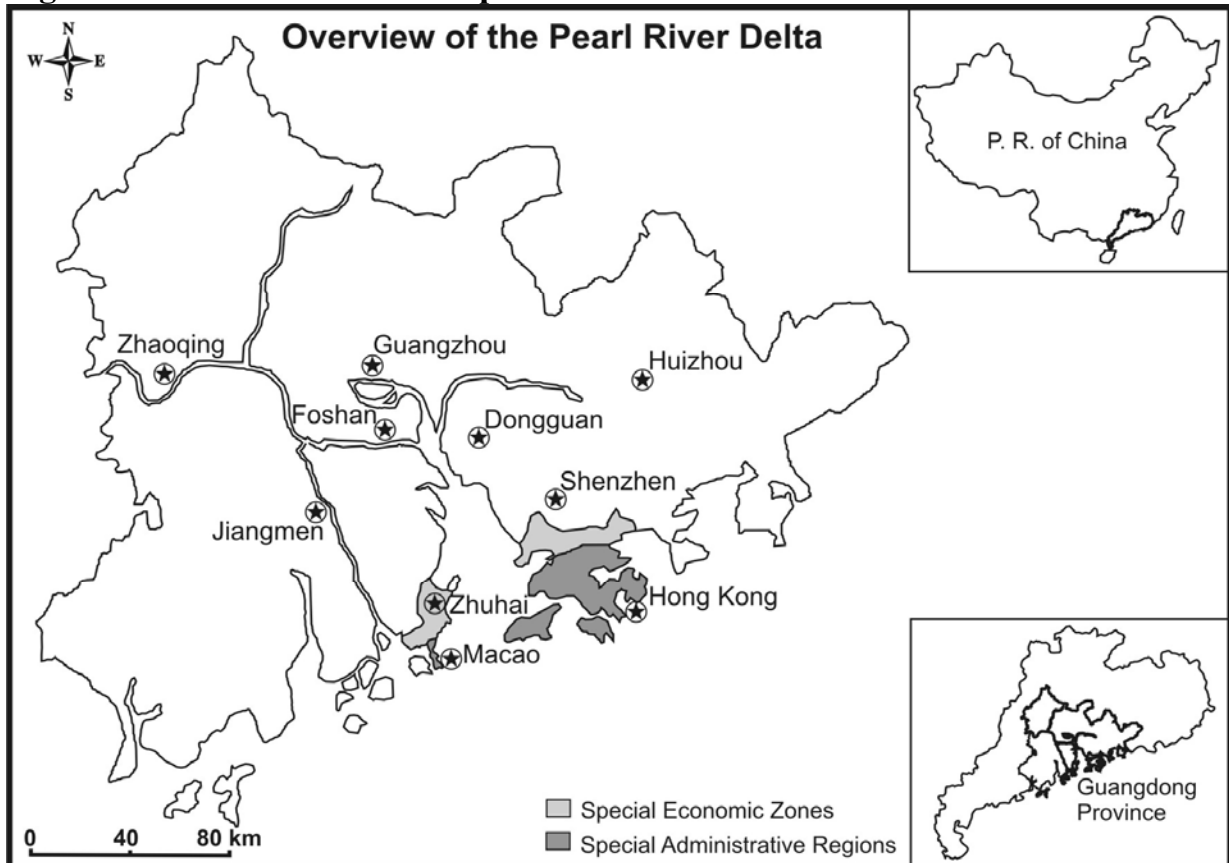
China's distinct path to transition has famously been described as "crossing the river by groping for stones" by Deng Xiaoping on the outset of reform in 1978. It is characterized by a gradual and experimental approach to marketization under close supervision of the authoritarian central government. Thereby, it differs widely in its transitional development from the former USSR and the Central and Eastern European countries that experienced a political collapse and economic shock therapy at the same time.

However, the other river bank remains foggy even today. That is, the direction of reform was variously labelled as socialist with Chinese characteristics, market socialism etc. and is far from

being complete. Despite its impressive economic growth over the past thirty years, China is also far from becoming a Western-style democratic country

with a market economy in the near future. The success of the Chinese path to transition

Figure 1: Pearl River Delta Map



is all the more astonishing, as neither its institutional features resembled best-practice examples of the developed countries, nor were any of the early reforms advocated by economists.

At the very forefront of China's transition is the Pearl River Delta (PRD) in the Guangdong Province. In the course of reform it grew into the highly dynamic polycentric megaurban region with variously estimated some 30 to 50 million inhabitants, many of them migrant or so-called floating population. Adjacent to the Special Administrative Regions Hong Kong

and Macao, a single urban corridor stretches from Shenzhen and Zhuhai in the south, encompassing Dongguan, Foshan, Zhongshan, Jiangmen, several districts of Huizhou and Zhaoqing, to Guangzhou in the north (Figure 1). If urban data were collected in a different way, the PRD would easily rank among the world's top ten largest cities. In 2000, the import and export transactions between the PRD and the world reached those of

Table 1: Pearl River Delta Main Indicators ²

	Registered Residents in 10000, 2006 (migrant population not included)	GDP, (RMB 100 mill.)	2006Contracted Foreign Capital 2006 (USD 100 mill.)	Foreign Capital,Actually Utilized, 2006 (USD 100 mill.)	Foreign Capital Utilized, 2005 (USD 100 mill., provincial data)
Dongguan	168,31	2626,51	24,85	18,08	
Foshan	358,06	2928,17	17,72	11,37	
Guangzhou	625,33	5643,95	42,32	27,28	
Huizhou	118,26	588,49	10,76	8,48	
Jiangmen	134,70	485,68	5,57	3,31	
Shenzhen	196,83	5813,56	52,64	32,69	
Zhaoqing	49,34	163,03	2,83	1,13	
Zhuhai	92,63	747,71	24,67	8,24	
<i>PRD total</i>	1743,46	18997,1	181,36	110,58	4280,02
CN total 2005	130756	183956,1			14219,1
PRD/CN	1,3%	10,3%			30,1%

² Sources: Guangdong Statistics Bureau, *Guangdong Statistical Yearbook 2007* (Beijing: China Statistics Press, 2007), National Bureau of Statistics of China (Beijing: National Bureau of Statistics of China, 2006) [database on-line]; available at <http://stats.gov.cn/english/>. Calculations by the authors.

Russia.¹ The PRD accounts for more than 10 percent of China's GDP, Guangdong's foreign trade volume comprised 428 billion US\$ in 2005, accounting for more than 30 percent of the country's (Table 1).²³

As other megaurban regions in developing and transitional countries, the PRD faces huge challenges in terms of mushrooming informal economic activities, traffic congestion and inadequate infrastructure, environmental pollution, a high influx of migrants, crime as well as a rising spatial fragmentation and social polarization. Highly dynamic, simultaneous developments on a huge spatial and demographic scale threaten the governability of megaurban regions in general and the PRD in particular. Nevertheless, the Pearl River Delta does not quite fit into the negative picture often associated with megacities: The ungovernable, soiled molochs where the calamities of globalization accumulate and are most visible. The scale of issues seems comparatively modest in the Pearl River Delta. Also, compared to other city regions in China, the Pearl River Delta is well off: Four cities in the Pearl River Delta rank among the Top 10 Chinese cities in terms of quality of life: Shenzhen (1st), Dongguan (2nd), Zhuhai (6th) and Guangzhou (9th)⁴. Obviously,

¹Huikang Jin, *Aspects of Guangdong Province* (Guangzhou: Cartographic Publishing House of Guangdong Province, 2007).

³ Wang Rendai, "Urban Life Has Improved but More Needs to Be Done," *China Economist*, May 2006, 127.

the challenges associated with megaurban developments are managed with relative success - certainly an indication of a comparatively high governing capacity.

The goal of this paper is to demonstrate how an unusual degree of governing capacity evolved in the Pearl River Delta in contrast to other megaurban regions in transitional countries and the developing world. The authors find that cooperation among its jurisdictions does not play any significant role, despite efforts on provincial as well as central state level and although advocated by planners. Instead, capacity building results from experimental learning approaches and a heavily criticized feature of the PRD: intercity competition. This is all the more surprising, as recent theoretical advancements in political science institutional theory argued, that these mechanisms generally suffer from severe limitations in the political world. Thus, they cannot easily be assumed to enhance institutional efficiency and effectiveness and, thereby, promote capacity-building.

The strong competition among the delta's jurisdictional (sub-) units at all levels has recently been subject to forceful critique, especially from the planning discipline. It is acclaimed to be responsible for the implementation of overly large-scale projects and the production of excess and redundant infrastructure, wasting capital in the face of soft budget constraints⁵. Many

⁴ Liu Junde, "Study on the Innovation in the Administrative Organization and Management of

authors therefore argue for more integrated and more comprehensive governance and planning. However, considering the enormous economic and demographic growth over the past 30 years, it may well be the case that what seems to be excess infrastructure now is just enough to meet the demands of continuing rapid economic development in the years to come.

More importantly in the context of this paper, the political dimension of inter-city competition seems to be comparatively under-researched and the implications on the institutional structure and its organizational counterpart – the capacity on local and regional level – largely ignored. After all, this institutional milieu created a rare instance in the political world: competition between institutions. The authors argue that as cities adopted to the competitive pressures after decentralization and fiscal reform, they seized the opportunities of an increased autonomy, regulatory power, and self-organization. They became what has been termed “entrepreneurial cities.”

the Metropolitan Area in Mainland China, with Special Reference to the Pearl River Delta," in *Resource Management, Urbanization and Governance in Hong Kong and the Zhujiang Delta*, ed. Kwan-yiu Wong and Jianfa Shen (Hong Kong: Chinese University Press, 2002), Jiang Xu and Anthony Gar-On Yeh, "City Repositioning and Competitiveness Building in Regional Development: New Development Strategies in Guangzhou, China," *International Journal of Urban and Regional Research* 29, no. 2 (2005).

First, the authors will briefly review the concept of governing capacity and the institutional change literature and discuss its implications for local state capacity. Then, the structural characteristics of the PRD within a transitional context, its distinct socio-cultural features will be portrayed and their influence on local state agency derived: the emergence of entrepreneurial cities and the impact of competition and learning on local state capacity building. Finally, the PRD local governments' entrepreneurial strategies will be illustrated by the example of Guangzhou. In conclusion, it is argued that local state capacities are built through pursuing entrepreneurial strategies. Further, these local state capacities compensate for a lack of higher level capacities and, thereby, increase the governability of megaurban regions.

Governing Capacity

Almost by definition, megaurban regions are plagued by issues of governability. Governing capacity can be seen as the ability to cope with these challenges: the governments' capacity to administer, make and enforce decisions with respect to the issues at hand. Painter and Pierre describe governing capacity as a triangle of administrative, state and policy capacity, drawing attention to the structural characteristics and resource stocks of a governing system. The flow of these stocks – that is, the ways in which they are channelled so as to be available when needed – is governed by

Table 2: Governing Capacities

	Indicators	Values/criteria	Support systems
Administrative capacity	Effective resource management	Economy Efficiency Responsibility Probity Equity	“Civil Service”(merit) systems Territorial organization and delegation Public expenditure management Audit and inspection
Policy capacity	Intelligent choice	Coherence Public-regardingness Credibility Decisiveness Resoluteness	Collective decision processes Planning and evaluation Information and analysis Coordination procedures
State capacity	Appropriate outcomes	Legitimacy Accountability Compliance Consent	Consensual elite formations Political intermediation structures Unified state coercive forces Implementation structures Consultative arrangements

particular needs and contingencies. They not only have to be created, stored and marshalled, but also put to use. Thus evidence of policy capacity can be gathered both from the analysis of the quality and quantity of institutional resources and from the success of specific outputs and outcomes.⁵

It should be noted that evidence does not mean exact measurement, as indicators and criteria (Table 2)⁶ for each corner of the triangle necessarily are subject to discussion and remain normative in the end. This is especially true when looking at non-Western countries in transition, which arguably cannot be measured the same way. Different political and socio-cultural preconditions, fragmented administrative structures, and an often incoherent institutional framework need to be taken into account. The

⁵ Martin Painter and Jon Pierre, "Unpacking Policy Capacity: Issues and Themes," in *Challenges to State Policy Capacity. Global Trends and Comparative Perspectives*, ed. Martin Painter and Jon Pierre (Basingstoke: Palgrave Macmillan, 2005), 3.

⁶ Painter and Pierre, "Unpacking Policy Capacity," 5.

indeterminant character and functions of individual institutions and organizations is a truly puzzling feature of the Chinese (local) state. For example, finding responsible and accountable administrative (sub-)units, e.g. to get necessary approvals or licences, is often and for varying reasons a frustrating endeavour, even for professionals such as business consultants. On the other hand, the speed in which infrastructure is being planned and built, or local policies are implemented and enforced in China, is often astonishing to Western observers. Rather than further discussing the pros and cons of measurements, the authors will instead focus on the mechanisms that promoted and/or restricted the state, or more accurately, the local state and city governments in building governing capacity. Therefore, it is necessary to take a closer look on the development of the local states' structural characteristics, that is, their institutional foundations. In the following, the authors will briefly review the respective literature on institutional change.

Institutional Theory

In the political science literature, three main theoretical approaches to institutions and institutional change can be distinguished: historical (or structural), cultural (or sociological) and rational choice (or new institutional economics).⁷ Historical institutionalism

is mainly concerned with the large scale structural, societal, economic and legal developments in the long-run and emphasize path dependencies and unintended consequences. Institutional change occurs at critical junctures followed by long periods of stability or incrementally.⁸

Sociological institutionalists generally employ a broader definition of institutions including wider cultural and symbolic patterns. Change occurs as long term evolution and/or in response to external influences, following a logic of appropriateness rather than instrumentality.⁹ The latter is often assumed in rational choice theory, where institutional change is assumed to be the outcome of action and calculus of rational and strategic actors within given constraints.

Other than earlier institutionalist thinking presumed, institutions are not

literature, respectively, see: Douglass Cecile North and Robert P. Thomas, *The Rise of the Western World: A New Economic History* (Cambridge: Cambridge University Press, 1973).

⁸ See, for example, Sven Steinmo, Kathleen Thelen, and Frank Longstreth, eds., *Structuring Politics: Historical Institutionalism in Comparative Analysis* (New York: Cambridge University Press, 1992), Kathleen Thelen, "Historical Institutionalism and Comparative Politics," *Annual Review of Political Science* 2 (1999), Paul Pierson, *Politics in Time. History, Institutions, and Social Analysis*. (Princeton: Princeton University Press, 2004).

⁹ John L. Campbell, "Institutional Analysis and the Role of Ideas in Political Economy," in *Rediscovering Institutions: The Organizational Basis of Politics*, ed. James March and Johan Olson (New York: Free Press, 1989).

⁷ For a more detailed review and comparison of the three approaches and institutional change

necessarily or automatically efficient.¹⁰ Instead, even in the most advanced countries, the actual institutional framework is “usually a mixed-bag”¹¹ of efficiency increasing and efficiency decreasing institutions. Functional rational choice approaches often explain the existence and form of institutions by their effects on and functions for (current) rational and strategic social actors. As Pierson cautioned in his award-winning article on the limits of design, the rational choice approach to institutional change has several limitations.¹² His critic targets loose functionalist accounts of institutional change. Functional approaches are often based on a crude translation of economic theoretical assumptions into political science theory. According to Pierson, for institutions to be truly functional, at least one of two hypothesis must prove to be true: Either institutional innovations need to be products of rational design or evolve through mechanisms of institutional enhancement, namely competition and learning. Rational design is limited by designers not acting instrumentally, the

problem of short time horizons and unanticipated effects.¹³

There is no reason to believe these limitations should not hold in the context of Chinese politics. Indeed, it may be assumed that the power plays in communism are even more prone to follow the logic of appropriateness rather than the strive for efficient institutions. Long-time effects are certainly no less heavily discounted by officials appointed for three to five years by the Communist Party than by their elected counterparts in Western democracies. Finally, unanticipated effects are probably even more likely to occur in the uncertainties of transitional processes.

Evolution through competition and learning are believed to compensate for these deficits, as they allow institutions to evolve into functional ones even though their designers are subject to these limitations. As in market settings, the competitive pressures of Adam Smith’s invisible hand would sort out effective and efficient institutions and organizational forms while the losers wither away. But again, the evolution of efficient institutions is often hampered in politics, because, other than in market settings, competition generally does not occur *between* institutions but *above*, e.g., between states in international relations, or *below* institutional level, as in elections.¹⁴ In addition, the complexity and ambiguity

¹⁰ Douglass Cecile North and Robert P. Thomas, *The Rise of the Western World: A New Economic History* (Cambridge: Cambridge University Press, 1973). North himself later abandoned this view in Douglass Cecile North, *Structure and Change in Economic History* (New York: Norton, 1981).

¹¹ Douglass Cecile North, *Institutions, Institutional Change, and Economic Performance*, *The Political Economy of Institutions and Decisions* (Cambridge & New York: Cambridge University Press, 1990), 64.

¹² Paul Pierson, "The Limits of Design: Explaining Institutional Origins and Change," *Governance: An Integrated Journal of Policy and Administration* 13, no. 4 (2000).

¹³ Pierson, "The Limits of Design," 477-86.

¹⁴ Pierson, "The Limits of Design," 488.

of the political world casts doubts on whether learning provides a reliable mechanism for institutional enhancement – a simplifying indicator such as market prices is thoroughly missed in politics. As the governing capacity criteria in the last chapter suggest, indicators for responsibility and accountability in the political world are much more complicated, complex, and sometimes contradictory. Moreover, in the context of megaurban regions in developing countries, highly dynamic and overlapping concurrent processes as described above impose additional difficulties on often unprepared, resource-lacking, fragmented, and all in all overtaxed governments and administrative units.

In conclusion, the analyst has to show, first, how and if mechanisms of competition and learning come in to play in political contexts, and, secondly, work out instrumentally in the face of specifiable constraints in the political arena of interest. This points to another level of institutional analysis: Institutions in general and urban governance in particular are both embedded in and constantly challenged by higher-level processes and specific cultural, geographical, and political multi-level settings over time. This is reflected in the different logics applied and approaches used in institutional theory. Several authors have therefore argued that the three theoretical approaches in institutionalism should be seen as complementary rather than rivals. Consequently, some efforts towards integration have been made.

Arguably the most prominent and promising advance among urban research scholars has been made by DiGaetano and Strom.¹⁵ They masterfully weave the three big theoretical threads into a single integrated framework for comparative urban research. Moreover, the framework captures the dynamic interrelationships between all three levels of analysis. In their words:

Structure sets the parameters of urban governance: Market forces and economic structures; national, regional, and international governing arrangements; and population migrations and demographic structures all establish the context of a city's politics. But explaining differences among otherwise structurally similarly situated cities requires an appreciation of cultural factors, which may vary even from city to city. And explaining change within cities requires an understanding of agency, how and why individuals act as they do, and what institutional and policy consequences follow from their action.¹⁶

In the following, applying DiGaetano and Strom's integrated framework, the authors are looking at the mechanisms in place that forged the institutional milieu and, respectively, the capacity of

¹⁵ Alan DiGaetano and Elizabeth Strom, "Comparative Urban Governance. An Integrated Approach," *Urban Affairs Review* 38, no. 3 (2003).

¹⁶ DiGaetano and Strom, "Comparative Urban Governance," 362.

the local state in the megaurban region in the Pearl River Delta.

The Pearl River Delta, China *Structural Parameters*

The contemporary Chinese state is far from being a monolithic entity. It has been characterized as fragmented authoritarianism.¹⁷ There are six layers of administrative hierarchy: national, provincial, prefecture, county, township, and village. A city resp. municipality can be provincial level, prefecture-, or county-level.¹⁸ Each of these layers has considerable regulatory power. The result is a shared governance structure that requires constant negotiations among different levels of government.

In the beginning of the reform course the central government started to devolve authority to lower local levels of government – not least to get support for the reform course.¹⁹ Particularly, local governments received authority over and responsibility for state fixed investment (industry and

infrastructure), business and tax policies and control over about three quarters of state industrial firms. At about the same time, the fiscal contracting system was introduced. Instead of a unified system of collecting and redistributing government revenues, contracts were bargained out between local and higher level governments. Local governments could now retain higher marginal shares of up to 100 percent plus extra and off budget funds. Thereby, the new system encouraged and rewarded local governments for economic development, and created a vested interest in and support for the reform course.²⁰

Though the fiscal contracting system was replaced by a rule-based system due to several weaknesses as part of a series of reforms in 1994, it is still worth noting that fiscal contract incentives and decentralization aligned local governments' interests with market interests. Also, as local governments controlled most enterprises, a major source of their income, they became market actors themselves. Strong horizontal inter-jurisdictional competition was introduced – with profound implications for institutional change. For example, Li et al.²¹ formally elaborated and empirically tested the theory of Weingast and others on

¹⁷ Kenneth G. Lieberthal and David M. Lampton, eds., *Bureaucracy, Politics and Decision-Making in Post-Mao China* (Berkeley: Princeton University Press, 1992).

¹⁸ Note that the municipalities of Beijing, Chongqing, Shanghai and Tianjin are directly under central government control.

¹⁹ Susan L. Shirk, *The Political Logic of Economic Reform in China* (Berkeley, Los Angeles & Oxford: University of California Press, 1993), Gabriella Montinola, Yingyi Qian, and Barry R. Weingast, "Federalism, Chinese Style: The Political Basis for Economic Success in China," *World Politics* 48, no. 1 (1995).

²⁰ Shirk, *The Political Logic of Economic Reform in China*, 152

²¹ Shaomin Li, Shuhe Li, and Weiyang Zhang, "The Road to Capitalism: Competition and Institutional Change in China," *Journal of Comparative Economics* 28, no. 2 (2000).

“market-preserving federalism.”²² They show how cross-regional competition after decentralization induced privatization of state-owned enterprises despite the lack of a private ownership regulations.

After fiscal reform, local governments were largely dependent on revenues produced by their own enterprises. To increase revenue, the efficiency of their companies had to be improved and for that purpose had to be privatized. The process was self-reinforcing: Both newly founded and privatized companies further intensified market competition. Privatization in China was not a priority of the central government at that time, nor uncontested within the Communist Party. It must thus be understood largely as an unintended consequence of decentralization and the devolution of power, especially the power to regulate and control companies to local governments.²³

On behalf of the local state, the important point is that through competition and as market actors, they learned how to act according to market principles. Economic development and growth became a top priority, local state capacity developed accordingly.

²² Barry R. Weingast, "The Economic Role of Political Institutions. Market-Preserving Federalism and Economic Growth," *Journal of Law, Economics, and Organization* 11 (1995), Montinola, Qian, and Weingast, "Federalism, Chinese Style: The Political Basis for Economic Success in China."

²³ Li, Li, and Zhang, "The Road to Capitalism: Competition and Institutional Change in China."

Competition between regions consistently calls for innovative ideas from lower-level government. In the old planning system, bargaining with the superior official was almost the only way for one region to get ahead of another. Now, with much more freedom, entrepreneurship in the government is a critical factor in the competition between regions.²⁴

To be successful, knowledge about the behaviour of competing areas, and respective responsive and strategic arrangements had to be made. On the other hand, other issues of urban management, such as migrant workers' housing, were not, and could not, be treated with the same intensity. At a later stage, though, they were added to and/or incorporated in the overall municipal development strategies.

Another distinct feature of the Chinese path of transition is learning through (regional) experimentation. A prominent example is Special Development Zones which were implemented as investment and development areas, but often served as laboratories of institutional innovations, too. Prototype and exemplar for the construction of development zones were the four Special Economic Zones

²⁴ Yingyi Qian and Joseph Stiglitz, "Institutional Innovations and the Role of Government in Transition Economies: The Case of Guangdong Province of China," in *Reforming Asian Socialism: The Growth of Market Institutions*, ed. John McMillan and Barry Naughton (Ann Arbor: University of Michigan Press, 1996), 179.

(SEZ), set up in 1979, three of them in the Guangdong Province, with the Shenzhen and Zhuhai SEZ two in the PRD. The main objectives of the SEZs were at least fourfold:

- First, to test reforms in spatially confined, remote, and so far mostly undeveloped areas,
- second, to develop international cooperation and technological exchange,
- third, to attract and channel foreign direct investments (FDI), and, thereby and particularly in the case of the PRD, to make use of the large group of emigrants from the area - among them many successful business men in the Asian Tigers and elsewhere,
- and, finally, to use the proximity of and take a first step towards the integration of Hong Kong and Macao.²⁵

SEZs were the key element of the “open door-policy” and export-led industrialization, contributing significantly to rapid growth and market transition. Based on a positive evaluation of the SEZs, similar policies were implemented in 14 open coastal cities in 1984 – among them Guangzhou, the provincial capital of Guangdong. The success of special policies and development control through spatial confinement led to the

²⁵ E.g., see: Guangwen Meng and Klaus Sachs, "Achievements and Problems of Modern Free Economic Zone in Pr China – the Example of Teda (Tianjian Economic and Technological Development Area)," *Die Erde* 136 (2005).

promotion of various types of special development zones. Each targeted (and was limited to) specific economic functions, such as export processing, trade or high tech development.²⁶

Oftentimes, special purpose associations were outsourced by local governments to manage these zones. The success of the zoning policy led to a proliferation of special development zones in the 1990s. On the one hand, special development zones served as carriers for the diffusion of market institutions throughout the region, on the other hand, the resulting “zone fever” led to a race to the bottom and inefficient land-use.²⁷

Preferential policies first within, and later beyond, the SEZs placed the PRD ahead of other regions – a tremendous advantage in interregional competition, e.g. with the Yangtze River Delta. Since 1992, China began to cut back preferential treatment on its road to enter the World Trade Organization (2001) and in favour of a fair ground of regional competition.²⁸ While the policy advantage disappeared, local

²⁶ For a detailed characterization and classification of various types of development zones in China, see: Guangwen Meng, "The Theory and Practice of Free Economic Zones: A Case Study of Tianjin, People's Republic of China" (Ph.D. diss., Ruprecht-Karls University of Heidelberg, 2003).

²⁷ Carolyn Cartier, "'Zone Fever', the Arable Land Debate, and Real Estate Speculation: China's Evolving Land Use Regime and Its Geographical Contradictions," *Journal of Contemporary China* 10, no. 28 (2001).

²⁸ Jianfa Shen, "Urban and Regional Development in Post-Reform China: The Case of the Zhujiang Delta," *Progress in Planning* 57 (2002).

governments had to turn to new strategies in order to continue attracting investments and remain competitive.

Socio-Cultural Features

Because of its history, the Guangdong Province has gained a reputation as being revolutionary and more open to foreign influences. The long trading tradition of the province dates back to the ancient Silk Road. Until recently, Guangzhou was one of the few ports connecting the western world and China. The rebellion against British colonialists started in Guangdong, later the Qing Dynasty was overthrown by Sun Yat-sen, originating from Guangzhou and to be the first president of the First Republic. Today, the Guangdong Province is still known to make extensive use of its distance to and the limited oversight capability of Beijing. As a famous proverb goes: "the heaven is high, the emperor far away!"²⁹ Local governments are known to be particularly strong and tend to ignore instructions from the central government.

The promise of economic improvements attracted millions of migrants since the beginning of reform. Beyond mostly uneducated peasants, there has also been an extensive influx of high potentials. For example, the level post-school education among

²⁹ Valery M. Garrett, *Heaven Is High, the Emperor Far Away - Merchants and Mandarins in Old Canton* (New York: Oxford University Press, 2002).

Shenzhen's population ranks second only to Beijing.³⁰ Knocking opportunities called out to entrepreneurs and elites from all over China. Looking back on Shenzhen's history as a pioneer, a businessman from Hunan commented: "People who dare to take risks have always wanted to come here. This spirit makes Shenzhen the most commercially vibrant city on the mainland."³¹

With China's opening up to the world, the PRD also benefited from its large overseas Chinese community. They were the first to seize the opportunities available in the early transition period and invested heavily in the towns and villages of origin. Personal networks (*guanxi*) and often informal arrangements substituted for the lack of a legal framework and reduced risks associated with political uncertainties.

Overall, the PRD's socio-cultural features certainly contributed to it embracing new ideas, innovations and daring experiments.

Understanding Agency

As shown above, decentralization and fiscal reform shaped an environment characterized by an intense intercity

³⁰ Michael J. Bruton, Sheila G. Bruton, and Yu Li, "Shenzhen: Coping with Uncertainties in Planning," *Habitat International* 29 (2005): 229.

³¹ Chung Yan Chow, "City at the Crossroads. After 24 Years of Breakneck Growth, the Mainland's Richest Municipality Ponders Its Future as an Economic Pioneer," *South China Morning Post*, 2 April 2004.

competition. On an institutional level, the alternatives presenting themselves to municipal governments went far beyond the privatization issue mentioned above, e.g.: relying on informal personal networks in attracting FDI vs. formalizing state-investor relations, tolerating sprouting informal developments vs. cutting down on informal economic activities to (re-)gain development control, fragmented traditionalized government responsibilities vs. customer oriented one-stop management, flexible strategic planning vs. holistic long-term planning.

Making use of their strong position due to a high degree of autonomy and self-organization, local governments in the Pearl River Delta came to pursue entrepreneurial strategies. Alternatives were weighed and opportunities seized as available. In effect, they evolved into entrepreneurial cities.

These have been characterized as follows:

- An entrepreneurial city pursues innovative strategies intended to maintain or enhance its economic competitiveness vis-à-vis other cities and economic spaces.
- These strategies are real and reflexive. They are not “as”if strategies, but are more or less explicitly formulated and pursued in an active, entrepreneurial fashion.
- The promoters of entrepreneurial cities adopt an entrepreneurial discourse, narrate their cities as

entrepreneurial and market them as entrepreneurial.³²

Entrepreneurial cities are not necessarily economically successful, nor are economically successful cities entrepreneurial per se. Behaviour and strategy are its distinct features. Also, entrepreneurial cities should not be confused with the concept of “entrepreneurial local government”, where the government itself is an economic actor, too.³³ Rather, it can be argued that, through being an economic actor at an earlier stage, local governments learned to adopt market rationales and entrepreneurial strategies - and thereby contributed to the emergence of entrepreneurial cities in the PRD.

External actors experts are often consulted during the formulation and evaluation of new concepts on all governmental levels. In the case of the PRD, knowledge transfer often stems from Hong Kong, and to some lesser

³² Bop Jessop and Ngai-Ling Sum, "An Entrepreneurial City in Action: Hong Kong's Emerging Strategies in an for (Inter-)Urban Competition," *Urban Studies* 37, no. 12 (2000): 2289. Also see: Tim Hall and Michael Hubbard, "The Entrepreneurial City: New Urban Politics, New Urban Geographies," *Progress in Human Geography* 20 (1996), Tim Hall and Michael Hubbard, eds., *The Entrepreneurial City: Geographies of Politics, Regime, and Representation* (Chichester: John Wiley & Sons, 1998).

³³ Hubbard, "Bureaucrats and Markets in China: The Rise and Fall of Entrepreneurial Local Government," *Governance: An Integrated Journal of Policy and Administration* 8, no. 3 (1995).

extent, Taiwan and Singapore. Due to the impressive development of these first generation tiger economies, they are perceived as role models for the PRD development. When needed, new concepts and management practices are often imported from there.

Cooperation and consensus seeking among government, industry and experts are used to produce improved outcomes. The lack of independent and organized interest groups considerably reduces the number of potential veto players. Resistance to change is much lower than in Western cities, due to a civil society still in its infancy. Qian and Stiglitz report the case of the Zhuhai SEZ, whose tourism-centered strategy proved to be ineffective. The issues were solved through expert involvement and “a citywide discussion of development strategy and industrial policy [...] A consensus was reached: Zhuhai should set priorities on foreign investment, products for export, technology-intensive industries, and high-tech industries for an outward oriented economy.”³⁴

Local State Capacity Building

Faced with the manifold challenges and uncertainties of transition, municipalities in the PRD, above all Shenzhen, adopted strategies based on both experimental learning and a

pragmatic “learn as you go” approach.³⁵ Faced with increasing competition both from their neighbours as well as rising cities, such as Shanghai, they evolved into entrepreneurial cities. The intensive competition constantly calls for new ideas and their implementation. As each city is well informed about the strategies of its competitors, institutional innovations, planning strategies, and new management practices quickly diffuse across and beyond the delta.

An illustrating example can be found in the shift of the urban development strategy of Dongguan in 2003. For the first time, Dongguan, until then always third after Shenzhen and Shanghai, dropped behind Suzhou in the ranking of China’s most important export centres. Greatly alarmed, the local government critically analyzed the comparative advantages of both locations. A lack of urban identity, fragmented administrative structures as well as unplanned and informal developments were acknowledged. Consequently, Dongguan changed its course towards a coherent urban strategy. This included an improved, aesthetically built environment and a new city center with an international convention centre, a city hall, a modern sport stadium, a star-architect-built opera house as well as a new high-tech and science park.³⁶

³⁴ Qian and Stiglitz, "Institutional Innovations and the Role of Government in Transition Economies," 181.

³⁵ Bruton, Bruton, and Li, "Shenzhen"

³⁶ Terry G. McGee et al., “China's urban space: development under market socialism” London: Routledge, 2007, 115f.

These diffusion processes can be found both for efficiency-increasing mechanisms, such as strategic management plans, and for the implementation of image-improving but economically questionable large-scale projects. Another widely known example from the early transition phase is the commodification of land through the practice of land-leasing during the 1980s. First, imported from Hong Kong and implemented in the Shenzhen SEZ, it spread throughout the PRD and elsewhere, before it became legalized by a constitutional amendment in 1988. Flexible strategic planning mechanisms were also first implemented in Shenzhen in the mid-1990s and, according to a high-level provincial official interviewed by the authors, is now widely adopted by PRD municipal governments. In the following, the authors will review Guangzhou's entrepreneurial strategy to provide a more detailed example.

In the 1990s, Guangzhou, traditionally both economic and political centre of the province, found its position increasingly threatened: As regional service hub and port city by Hong Kong and Singapore, as manufacturing centre by the rise of Shenzhen, Foshan, Dongguan and others. Its share of GDP in the Pearl River Delta dropped from 42.8 percent in 1980 to 23.69 percent in 1994.³⁷ At the same time it faced many urban problems like traffic congestion, environmental issues, and rising crime.

³⁷ Shen, "Urban and Regional Development in Post-Reform China," 123.

These also contributed heavily to threatening its competitiveness.

In response, a three phase strategy of "minor change in a year, medium change in three, and major change in 2010"³⁸ was adopted in 1998. The goal was to transform Guangzhou into a "liveable, ecological, and entrepreneurial city"—and thereby making it a more favourable place for business, too.

Every aspect of development should contribute to the enhancement and quality of life of the people ... but this is not the sole aim, since the core element of new strategies should help in the process of economic restructuring ... to address issues created by the declining role of Guangzhou.³⁹

As a first step, more than a hundred small image-improving projects were implemented, followed by 74 somewhat larger projects such as eliminating illegal construction and improving transportation infrastructure. Open spaces, such as at the northern gate of the Sun Yat-sen University were created for public amenity. The public space was greened to improve the cityscape and reduce air pollution. Phase three started in 2002 with US\$ 12.8 billion investments over five years, among them the New Baiyun

³⁸Jiang Xu and Anthony Gar-On Yeh, "Guangzhou," *Cities* 20, no. 5 (2003): 368..

³⁹ Nanfang Daily, 19 May 2002, cited from: Fulong Wu, Jiang Xu, and Anthony Gar-On Yeh, *Urban Development in Post-Reform China* (London and New York: Routledge, 2007), 212.

International Airport, supposed to become one of three key hubs in the country, the Nansha Deep Water Port, the Guangzhou International Convention and Exhibition Center, the Guangzhou New City Center, and the Guangzhou University Town. "There is no question that competition was the key part of the rationale and ideology for the new strategies."⁴⁰

It was recognized that in order to upgrade the local economy and the city's overall competitiveness, urban space had to be improved and a more sustainable path of development to be followed. Large-scale image improving projects alone can hardly suffice to achieve this goal. Guangzhou made huge efforts to improve its governing capacity. Through annexing the neighbouring county-level-cities Huadu and Panyu, Guangzhou expanded its administrative boundaries and increased development control in the area. Afterwards, it rearranged its administrative subunits: the districts and development zones. As in Zhuhai, the municipal government made use of external experts in the process.⁴¹ The Guangzhou Development District,

formerly divided into four different special development zones, was merged into one zone under one management. A one-stop administration was created to ease administrative burdens on behalf of investors and industry.⁴² Based on a positive experience of a failed former high-tech zone in Dongguan, the strict policy of industry zoning was relaxed to produce a mixed structure of work, living and amenities.⁴³ As most successful municipal sub-division, the zone management also received full district government responsibilities over the newly founded Luogang District, now finding itself in a dual role both as the cities most powerful economic development authority and less powerful district administration.

Establishing better environmental management capacities were also part of the city's strategy. This is reflected in the municipal budget: Guangzhou's respective financial commitment increased from 0.54 percent of GDP in 1995 to 2.84 percent of GDP in 2000.⁴⁴ Planners strive to produce a "landscape-style metropolitan ecological pattern" of "a city amongst mountains and waters, and mountains and waters in a

⁴⁰ Xu and Yeh, "City Repositioning and Competitiveness Building in Regional Development."

⁴¹ For some of the results of the consultation process: Siu-Wai Wong and Bo-Sin Tang, "Challenges to the Sustainability of 'Development Zones': A Case Study of Guangzhou Development District, China," *Cities* 22, no. 4 (2005), Siu-Wai Wong, Bo-sin Tang, and Basil van Horen, "Strategic Urban Management in China: A Case Study of Guangzhou Development District," *Habitat International* 30 (2006).

⁴² GDD, "Meeting the Needs of Both Investors and Businesses," (Guangzhou: Guangzhou Development District, 2004).

⁴³ Author interview with a high-level Guangdong official

⁴⁴ Shan-shan Chung and Carlos Wing-hung Lo, "Sustainable Development in Urban Cities in the Pearl River Delta: Comparing Guangzhou and Hong Kong," in *Developing a Competitive Pearl River Delta in South China under One Country - Two Systems*, ed. Anthony G. O. et al. Yeh (Hong Kong: Hong Kong University Press, 2006).

city.”⁴⁵ Again, external experts (from Japan, Switzerland, and the U.S.) worked in close cooperation with local planners in order to achieve a more sustainable development.⁴⁶

So far, Guangzhou’s strategy seems to be successful: Both workers and expatriates living in Guangzhou and interviewed by the authors reported increased public safety, hygiene and environmental improvements. An official public opinion poll in 2002 reported 96 percent of Guangzhou’s residents satisfied with the city’s development – in sharp contrast to a 1997 poll with 73 percent being dissatisfied.⁴⁷ Guangzhou’s efforts were recognized internationally: It was awarded the international “Garden City” title in 2001 and won the “Dubai International Award for Best Practices in Improving the Living Environment 2002.”

Conclusion: Local State Capacities, Institutional Change and the Role of Competition

In the Pearl River Delta, capacity building is achieved by the adoption of entrepreneurial strategies that incorporate approaches of learning, experiments and the extensive use of

external experts. Guangzhou’s strategy to reposition itself is but one example and not at all limited to government spending and huge construction projects. While the economic viability may be questionable at least for some of these projects, another aspect is at least as important for our purposes. The evolution of an adaptive and responsive local governing system – indispensable in achieving at least a sufficient degree of governability in the highly dynamic and fast growing megaurban region.

Entrepreneurial cities evolved in response to competitive pressures created through decentralization and fiscal reform. Institutional innovations, knowledge import, and management practices quickly diffuse across the Pearl River Delta and beyond. Thus, the lack of a comprehensive and coordinated megaurban strategy and megaurban governability can at least partially be compensated by the local state adopting entrepreneurial strategies and capacity-building.

From the perspective of higher-level governments, experiments with new institutional arrangements and new modes of urban governance in cities are desirable (and in many cases deliberately encouraged): The immediate effect is limited while the overall direction of development – including the option of reversal – is maintained. Learning through experimentation significantly reduces risks in the transition process. Potential negative side-effects are by and large limited to spatially confined areas, such

⁴⁵ UDPS, "Guangzhou Strategic Masterplan Outline - Ecological Project," (Guangzhou: Guangzhou Urban Planning and Design Service, 2000).

⁴⁶ Margrit Hugentobler et al., "AGS Future Cities: Guangzhou – a Partnership for Sustainable Urban Development," *DISP* 151 (2002).

⁴⁷ Xu and Yeh, "Guangzhou," 368.

as economic development zones, rather than the whole country. In this way of “crossing the river by groping for stones,” complexities can be reduced and pressures on the central government’s administrative and political capacities relaxed as local and urban capacities are being built.

Bibliography

- Bruton, Michael J., Sheila G. Bruton, and Yu Li. "Shenzhen: Coping with Uncertainties in Planning." *Habitat International* 29 (2005): 227-43.
- Campbell, John L. "Institutional Analysis and the Role of Ideas in Political Economy." In *Rediscovering Institutions: The Organizational Basis of Politics*, edited by James March and Johan Olson. New York: Free Press, 1989.
- Cartier, Carolyn. "Zone Fever", the Arable Land Debate, and Real Estate Speculation: China’s Evolving Land Use Regime and Its Geographical Contradictions." *Journal of Contemporary China* 10, no. 28 (2001): 445-69.
- Chow, Chung Yan. "City at the Crossroads. After 24 Years of Breakneck Growth, the Mainland's Richest Municipality Ponders Its Future as an Economic Pioneer." *South China Morning Post*, 2 April 2004, 1.
- Chung, Shan-shan, and Carlos Wing-hung Lo. "Sustainable Development in Urban Cities in the Pearl River Delta: Comparing Guangzhou and Hong Kong." In *Developing a Competitive Pearl River Delta in South China under One Country - Two Systems*, edited by Anthony G. O. et al. Yeh. Hong Kong: Hong Kong University Press, 2006.
- Clemens, Elisabeth S., and James M. Cook. "Politics and Institutionalism: Explaining Durability and Change." *Annual Review of Sociology* 25 (1999): 441-66.
- DiGaetano, Alan, and Elizabeth Strom. "Comparative Urban Governance. An Integrated Approach." *Urban Affairs Review* 38, no. 3 (2003): 356-95.
- Garrett, Valery M. *Heaven Is High, the Emperor Far Away - Merchants and Mandarins in Old Canton*. New York: Oxford University Press, 2002.
- GDD (Guangzhou Development District). "Meeting the Needs of Both Investors and Businesses." Guangzhou, 2004.
- Guangdong Statistics Bureau. *Guangdong Statistical Yearbook 2007*. Beijing: China Statistics Press, 2007.
- Hall, Peter A., and Rosemarie C. R. Taylor. "Political Science and the Three New Institutionalisms." *Political Studies* 44 (1996): 936-57.
- Hall, Tim, and Michael Hubbard. "The Entrepreneurial City: New Urban Politics, New Urban Geographies." *Progress in Human Geography* 20 (1996): 153-74.

- , eds. *The Entrepreneurial City: Geographies of Politics, Regime, and Representation*. Chichester: John Wiley & Sons, 1998.
- Hubbard, Michael. "Bureaucrats and Markets in China: The Rise and Fall of Entrepreneurial Local Government." *Governance: An Integrated Journal of Policy and Administration* 8, no. 3 (1995): 335-53.
- Hugentobler, Margrit, Beisi Jia, Fred Moavenzadeh, and Keisuke Hanaki. "AGS Future Cities: Guangzhou - a Partnership for Sustainable Urban Development." *DISP* 151 (2002).
- Jessop, Bop, and Ngai-Ling Sum. "An Entrepreneurial City in Action: Hong Kong's Emerging Strategies in an for (Inter-)Urban Competition." *Urban Studies* 37, no. 12 (2000): 2287-313.
- Jin, Huikang. *Aspects of Guangdong Province*. Guangzhou: Cartographic Publishing House of Guangdong Province, 2007.
- Li, Shaomin, Shuhe Li, and Weiyang Zhang. "The Road to Capitalism: Competition and Institutional Change in China." *Journal of Comparative Economics* 28, no. 2 (2000): 269-92.
- Lieberthal, Kenneth G., and David M. Lampton, eds. *Bureaucracy, Politics and Decision-Making in Post-Mao China*. Berkeley: Princeton University Press, 1992.
- Liu, Junde. "Study on the Innovation in the Administrative Organization and Management of the Metropolitan Area in Mainland China, with Special Reference to the Pearl River Delta." In *Resource Management, Urbanization and Governance in Hong Kong and the Zhujiang Delta*, edited by Kwan-yiu Wong and Jianfa Shen. Hong Kong: Chinese University Press, 2002.
- McGee, Terry, George C.S. Lin, Mark Wang, Andrew Marton and Jiaping Wu. "China's urban space: development under market socialism." London: Routledge, 2007.
- Meng, Guangwen. "The Theory and Practice of Free Economic Zones: A Case Study of Tianjin, People's Republic of China." Dissertation, Ruprecht-Karls University of Heidelberg, 2003.
- Meng, Guangwen, and Klaus Sachs. "Achievements and Problems of Modern Free Economic Zones in PR China – the Example of Teda (Tianjian Economic and Technological Development Area)." *Die Erde* 136 (2005): 217-44.
- Montinola, Gabriella, Yingyi Qian, and Barry R. Weingast. "Federalism, Chinese Style: The Political Basis for Economic Success in China." *World Politics* 48, no. 1 (1995): 50-81.
- National Bureau of Statistics of China (Beijing, 2006) [database online]; available at <http://stats.gov.cn/english/>.
- North, Douglass C. *Institutions, Institutional Change, and Economic Performance, The Political Economy of Institutions*

- and Decisions*. Cambridge; New York: Cambridge University Press, 1990.
- . *Structure and Change in Economic History*. New York: Norton, 1981.
- North, Douglass C., and Robert P. Thomas. *The Rise of the Western World: A New Economic History*. Cambridge: Cambridge University Press, 1973.
- Painter, Martin, and Jon Pierre. "Unpacking Policy Capacity: Issues and Themes." In *Challenges to State Policy Capacity. Global Trends and Comparative Perspectives*, edited by Martin Painter and Jon Pierre. Basingstoke: Palgrave Macmillan, 2005.
- Pierson, Paul. "The Limits of Design: Explaining Institutional Origins and Change." *Governance: An Integrated Journal of Policy and Administration* 13, no. 4 (2000): 475-99.
- . *Politics in Time. History, Institutions, and Social Analysis*. Princeton/N.J.: Princeton University Press, 2004.
- Qian, Yingyi. "The Institutional Foundations of China's Market Transition." Stanford University, 1999.
- Qian, Yingyi, and Joseph Stiglitz. "Institutional Innovations and the Role of Government in Transition Economies: The Case of Guangdong Province of China." In *Reforming Asian Socialism: The Growth of Market Institutions*, edited by John McMillan and Barry Naughton. Ann Arbor: University of Michigan Press, 1996.
- Shen, Jianfa. "Urban and Regional Development in Post-Reform China: The Case of the Zhujiang Delta." *Progress in Planning* 57 (2002): 91-140.
- Shirk, Susan L. *The Political Logic of Economic Reform in China*. Berkeley, Los Angeles & Oxford: University of California Press, 1993.
- Steinmo, Sven, Kathleen Thelen, and Frank Longstreth, eds. *Structuring Politics: Historical Institutionalism in Comparative Analysis*. New York: Cambridge University Press, 1992.
- Thelen, Kathleen. "Historical Institutionalism and Comparative Politics." *Annual Review of Political Science* 2 (1999): 369-404.
- UDPS (Guangzhou Urban Planning and Design Service). "Guangzhou Strategic Masterplan Outline - Ecological Project." Guangzhou, 2000.
- Wang, Rendai. "Urban Life Has Improved but More Needs to Be Done." *China Economist*, May 2006.
- Weingast, Barry R. "The Economic Role of Political Institutions. Market-Preserving Federalism and Economic Growth." *Journal of Law, Economics, and Organization* 11 (1995): 1-31.
- Wong, Siu-Wai, and Bo-Sin Tang. "Challenges to the Sustainability of 'Development Zones': A Case

- Study of Guangzhou Development District, China." *Cities* 22, no. 4 (2005): 303-16.
- Wong, Siu-Wai, Bo-sin Tang, and Basil van Horen. "Strategic Urban Management in China: A Case Study of Guangzhou Development District." *Habitat International* 30 (2006): 645-67.
- Wu, Fulong, Jiang Xu, and Anthony Gar-On Yeh. *Urban Development in Post-Reform China*. London and New York: Routledge, 2007.
- Xu, Jiang, and Anthony Gar-On Yeh. "City Repositioning and Competitiveness Building in Regional Development: New Development Strategies in Guangzhou, China." *International Journal of Urban and Regional Research* 29, no. 2 (2005): 283-308.
- . "Guangzhou." *Cities* 20, no. 5 (2003): 361-74.

BOOK REVIEWS

H. John Poole. *Tactics of the Crescent Moon: Militant Muslim Combat Methods*. Emerald Isle (North Carolina): Posterity Press, 2004, 249 pp. + notes, bibliography and index.

Author: Dr Greg Simons
Researcher, Crismart (Stockholm) and
Department of Eurasian Studies
(Uppsala University)
Greg.simons@eurasia.uu.se

Since the attacks launched on the United States mainland on September 11, 2001, the profile of the Global War on Terrorism has highlighted the issue of what has been called by some as the new threat of the 21st century (fascism and communism being the threats of the 20th century). This issue or threat is the phenomenon known as terrorism, which has steadily evolved from local or national struggles for independence or liberation, such as the Basque Separatists, IRA, and the various colonial wars fought in the post World War Two era. Today the threat of terrorism has developed into something that transcends national, political, and religious boundaries. New concepts have crept into the political dictionary – *jihad*, *suicide bomber*, *world caliphate*. In spite of the great amount of media coverage that is generated by such news-worthy events such as this, there is still relatively little coverage or understanding of how terrorism has managed to grow into such as threat.

John Poole is a retired lieutenant colonel from the United States Marine Corps and author of military books that specialise in the study of small unit tactics. In this book he explores the combat tactics employed in Gallipoli by the Ottoman Turks and by militant Islamic groups in the Middle East, Afghanistan, and Chechnya. It is a study of the relatively new (post World War II) Fourth Generation Warfare (4GW). This involves blurring the lines between war and politics, civilians and soldiers. It is in essence the decentralisation of warfare, where the state is no longer the sole actor that is fighting another state. It involves a number of elements to it: high technology, a non-national or transnational foundation, use of terrorism, very developed psychological operations aspect (including media manipulation) and cultural conflict.

One of the points made by Poole is the need to understand and adapt to the new type of warfare if there is any chance of victory in this conflict. He contends that all too often short term political goals, often linked to election cycles, are counter productive in counter-insurgency (COIN) operations. Insurgency wars are often very long and enduring conflicts that can last for decades, which is beyond the political map of national politics in many countries. This implies a need for a deep reflection of two different themes; 1) institutional reforms of the political and military structures and 2) state capacity in terms of how well equipped

the “modern”state is to take on the threat of terrorism.

A criticism of the way in which modern COIN is conducted is the over-reliance on modern technology and the disproportional level of response. This has the effect of alienating the authorities and boosting support in the community for the insurgent group(s) that live among the civilian population. It is above all a war that involves the issue of legitimacy, which is often measured in the ability of one side to demonstrate its capacity to provide for the “common man”.

To a large extent this is guided by perception, e.g., which actor seems to be doing the better job at the time. In practical terms this means being seen and heard in the community, providing the necessities of life to the civilian population – food, water, shelter, education and health care, for instance. 4GW involves the aspect of hearts and minds, which Poole thinks the insurgents are better at, due to understanding the local situation. Coalition Forces’ political and military structures are very complex and bureaucratic, which makes quick decisions impossible and therefore unable to take advantage of opportunities that may briefly arise. Whereas the structure of the insurgent organisations is very localised and flat, enabling a rapid decision making process.

An unconventional response is proposed by Poole (see especially

chapter 11). One point is that military force should be proportional and authorities should not respond to evil with evil (215). That means the moral high-ground should be taken and kept. He also states the need, with regard to institutional reforms, which come with regime change that is forced from the outside that local conditions need to be understood and respected when nation building (217-218). The important point that some wars cannot be won by force of arms alone is made (221), stressing the need to realise and use alternative ways to sap the strength of the insurgency movement. One of these suggested means is that of religion (222). I agree with Poole on the importance of culture and restraint in insurgency warfare; this is often overlooked.

The book ends with a number of well-defined and formulated suggestions on increasing the capacity to deal with the insurgency problem, which among other things involves being more flexible in nature and structure. By retreating into fortified areas, Poole rightly argues that the state capacity is actually significantly reduced, which is one of the reasons why this is an aim of the insurgent (to induce the authorities into a defensive stance) and to gradually reduce the will of their opponent to fight over time (pp. 237-240). A particularly useful aspect of this book is that it gives the perspective and goals of both sides to an insurgency style conflict (that of the authorities and the insurgents). This has the effect of

creating an improved wider understanding of these complex events.

Perhaps as a reflection of his background, the book has a strong empirical focus and thus from the point of view of theory, it is somewhat lacking. But the method he uses and the conclusions he reaches are well backed by solid examples. There is maybe potential here, using this book as the basis, to set about developing a theoretical perspective of the situation and problems outlined.

This work is not only an interesting and valuable read for those in the security and military field, but also those who have an interest in the current world events unfolding around us. It is well formulated in written in a manner that is easy to understand, even for someone that is unfamiliar with military tactics and terminology. It is a refreshing, well timed departure from a lot of literature that can have a tendency to ignore the cultural aspects of warfare and focus on the political and military. Finally, it should indicate to those in power the needs for a number of institutional reforms that are badly needed to increase the capacity of dealing with the threat. The author makes a valuable point throughout the book, which is often overlooked. That is, the “Western-style” of warfare (involving use of mechanisation and firepower) has been adapted to by insurgent forces that face them, however Western forces have thus far seemed unwilling or unable to evolve further. This book is neither “mainstream” nor a deeply theoretical

piece; it is descriptive and instructive, but is interesting and valuable nonetheless.

Jörg Friedrichs. 2005. *European Approaches to International Relations Theory. A House of Many Mansions.* London and New York: Routledge.

(206 pages, including Bibliography and Index)

Author: Ioana Creitaru

MA Candidate,

European Institute of the University of Geneva

ioanacreitaru@gmail.com

Describing and conceptualizing the configuration, development, and prospects of world politics is an ongoing academic effort. Scholars provide valuable results, one of them being represented by the history and theoretisation of International Relations. As any story-telling, the intrigue is biased towards its narrator's choice of words and facts. Jörg Friedrichs' *European Approaches to International Relations Theory* is a plea for a Euro-centric revision of International Relations historiography. The author provides a critical overview of the European contributions to the IR theory, currently under the spell of an American “intellectual hegemony”. His core hypothesis is that the relationship between the American and the European knowledge productions abides to the logic of a centre-periphery arrangement. Consequently, European scholars have been developing diverse strategies of survival that range from

resignation to peripheral mobilisation and from gradual alignment to the mainstream to manifest independence.

The author aims to find a shiny new key to the rusty old door of the IR labyrinth. He contends that an accurate map of the maze relies on European estimations. Advocating for a “Eurodiscipline” of International Relations implies a two-way stratagem: a simultaneous de-Americanisation and Europeanisation of this field of study. In his seven-chapter essay, Friedrichs divides his argumentation in three sections: the first consists in the analysis of three traditions of European IR research, the second accounts for the construction of an IR “third way” made-in-Europe, while the latter third proposes a self-claimed original and constructive tactic to create a fully-fledged “Eurodiscipline” of IR under the form of new medievalism. The book is dedicated to the transatlantic audience, as the confessed intention of the author is twofold. On the one hand, he is keen to assist the European academic community in its contribution to the IR discipline as a whole by mapping out several patterns of co-habitation with its American counterpart. On the other hand, he wishes to raise awareness about the European scholarly service in this field on the other shore of the Atlantic and beyond.

Friedrichs argues that the IR discipline is under a strongly entrenched American epistemic hegemony. This claim is supported by three pieces of evidence: the use of English as a lingua

franca, the process of editorial selection, and the overwhelming quantity of American IR literature. Despite this state of the art, Friedrichs is optimistic in evaluating the chances of a European emancipation. In doing so, he departs from the analysis of the specificity of IR research *à l'eurodisciplinaire*, selecting three strategies adopted by three geographically and culturally distant academic traditions as a response to the hegemonic American mainstream. The French self-reliance and self-encapsulation (30) resulted in an egocentric and insulated research community. For their part, Italian scholars placed themselves at the marginal periphery of IR, compliant towards the American parochialism and disconnected from other peripheries. In contrast with both French and Italian traditions that have failed to yield a substantial contribution to European IR, the Scandinavian multi-level research cooperation based on intense networking is estimated to have created a constructive strategy to cope with the American monopoly. The Nordic strategy is praised to be inductive of an original and integrated “Eurodiscipline” of IR.

For the second part of the book, Friedrichs walks the path of “triangular reasoning”, identifying two opposite attempts to establish a European theoretical “third way” as an alternative to dichotomous cleavages characteristic of the American academia. Namely, the English school’s approach of international society spells equidistance from the confrontation between

realists" obsession with national interest and idealists" dream of world society and perpetual peace (103). Conversely, middle-ground constructivists" understanding of the European polity as a socially-constructed reality sounds like a disguised rapprochement towards the mainstream. Finally, the third section of the book introduces new medievalism as a test for "theoretical reconstruction" that seeks to bring the antecedent disparate and non-hegemonic approaches under the same roof in order to generate innovative theoretical synthesis.

At the end of the day, is Friedrichs" study a successful endeavour? The short answer is "yes", but the long one is more challenging. Particularly, he provides a comprehensive, well structured, balanced, and very readable comparative literature review that can be rightfully arranged on the historiography of IR bookshelf. Each chapter is written to be read on its own, to the greatest benefit of selective readers. Moreover, the author goes well beyond descriptive narrative, launching a revisionist examination of IR theory from a European standpoint. Friedrichs" interpretation of new medievalism as an adequate macro-analytical lens over flying contemporary world politics represents a considerable added-value of the essay. He successfully attempts to go beyond the traditional definition of new medievalism as "a system of overlapping authority and multiple

loyalty" (133) through the consideration of "a duality of competing universalistic claims" (p. 134). Echoing the medieval Empire-Church couple, the author convincingly argues that the emergent "post-international" system (137) is characterised by a novel duality formed by an enduring nation state and the transnational market economy.

Beyond the evoked intrinsic qualities of the essay, enhanced by a charming style, the IR readers may confront two interrelated difficulties. First, in his disciplinary approach to the epistemic potential of the Euro-branch of IR, the author seems to unfairly neglect the European integration theory (although it is analysed separately as one of the case studies). Specifically, one does not gather a clear-eyed impression of the relationship between the IR theory and the European integration theory. If one concedes that European studies form an autonomous and legitimate field of study centred on the institutional and identitary construction of a Euro-polity, what relationship does it establish with the IR discipline? If the IR is a house of many mansions, is integration theory a tenant or a neighbour, a guest or the spouse? Irrespective of the exact answer to this question, it seems reasonable to estimate that, at least due to geographical proximity, the flourishing research agenda on European integration allowed for a situation where the snapshot was preferred to the larger picture.

Second, given the plea for a Euro-branch of the IR, the author under-

develops the potential of a pan-European research community able to compete with the American establishment. While Friedrichs opens up the discussion with an appraisal of the Scandinavian multi-level cooperation as an opportune model to learn from, he leaves the Euro-enthusiastic reader unfairly frustrated. How pertinent is the project of a pan-European research community in the light of enduring national identities within the European continent? Would regionalism (of which Nordic cooperation is a materialisation) constitute an advantage or rather an impediment for a nascent pan-European scholarly community? Could an EU policy approach genuinely contribute to its emergence or the educational technocrat and the scholar are unable to forge a constructive dialogue? Regretfully, the author does not explore these questions, the answers of which might have strengthened his analysis of the “Eurodiscipline” of IR.

The interrogations that spring out of Friedrichs’ stimulating book blunt by no means the sword of his quest for an ever discernible European insight into the IR theory. A detached observer will readily acknowledge author’s remarkable success in paving the way for a clear and comprehensive guide to Euro-IR.

Warwick Armstrong and James Anderson, *Geopolitics of European Union Enlargement: The Fortress Empire*, Routledge: London and New York, 2007

Author: Laçin İdil Öztuğ
PhD Student
EU Politics and International Relations
Marmara University
lacinidiltr@yahoo.com

Borderlands are related with security, sovereignty and identity. Carrying the tracks of the past, they are areas in which it is difficult to draw clear-cut distinctions about local, national and cultural affinities. They involve both elements of cooperation and conflict between the countries that they transcend. *Geopolitics of European Union Enlargement*, edited by Warwick Armstrong and James Anderson, gives a thorough insight into the borderlands within the EU by discussing their implications at different levels. The book is structured in 13 chapters, some of which discuss the border issues specifically from historical, political, ethno-political and anthropological point of views and the others deal with more general questions. The elimination of borders within the EU with the enlargement is the main point of departure of the book. The analysis on the affects of the transformation of borders depend upon local, bilateral and regional dynamics.

The book combines different methodological approaches in examining border issues. The borders

are depicted as lines which delineate not only territories, but histories, identities and languages. However, borderlands are areas in which this division becomes less clear. In their discussions, the authors draw on ethnic, identity and historical studies. Particular attention is paid to the historical process of the borderlands so that we can better understand the changes brought by the EU and single out certain characteristics of their culture and identity. The chapters of the book are both informative and analytical. All chapters are linked in different ways to the European integration and transformation process brought by it.

The chapters can be differentiated as specific, dealing with borderlands in general, looking at the EU from a broader perspective. Furthermore, while some chapters are devoted to the borders within the EU, the others deal with the borders that delineate EU and non-EU countries. The chapters of the first category make a two-way analysis. By studying the implications of the borderlands for the EU, they also emphasize what kind of affects the EU has over them. The chapters of the second category give a glimpse of the EU's international relations. Considering the EU's role in the regional and international arena, immigration, regional policies and enlargement become central points of analysis.

The fundamental argument of the book is that while the elimination of the

borders was aimed at bringing unity in Europe, it has exacerbated division between Europe and "others". The chapters try to prove that by revealing the distinction between the borders which have different geographic locations and historical backgrounds. For example, while examining the Irish border, a particular attention is paid to ethnicity and local nationalism. On the other hand, immigration becomes a central point of departure in examining the Spanish-Moroccan border. Thus, different dynamics whether socio-economical or political, determining border relations, are taken into consideration.

While some chapters study the border lands from the aspect of international relations, others focus on local level analysis, including interethnic relations across the borders. It is stressed that local cultural dynamics should also be analyzed in border studies, as macro level analysis may overlook certain characteristics of border relations. Bottom up approaches make us see the effect of the border changes on the local people living across the border. The book touches upon different identities and the sense of belonging developed in the borderlands which make it difficult to draw a strict line between EU and non-EU countries in terms of identity, since the other exist even inside the EU, but differs in degree.

Macro-level discussions help us understand the status of the EU in a global environment. The chapters dedicated to policy analysis are helpful

in locating the border issues in a broader perspective. Focused on regional relations of the EU, they give a glimpse of how the EU perceptualizes “the other” outside its borders. For example, George Joffé focuses on the Mediterranean policies of the EU after the Cold War under the frameworks of the Euro-Mediterranean Partnership and the European Neighborhood Policy. However, the heading “Europe and Islam” does not match well with the context of the article, considering the membership of Israel, Ukraine, Belarus and Moldova in the EU’s Mediterranean policies.

In terms of structure and context, the book has certain weaknesses. First, the chapters of the book do not follow a sequential approach. It is mixed with chapters dedicated to micro-level and macro level analyses. Division of the book into two parts could have solved this problem. Second, the attention in the book towards borderlands is not dispersed evenly. Instead of three chapters devoted on the Irish borderland, more articles on the borders in Central Eastern Europe could have been included. Additionally, an article which focuses on the Republic of Cyprus after its EU membership and its border relations with the Turkish Republic of Northern Cyprus and policies of the EU could have suited the book.

However, the merits of the book outweigh its shortcomings. A wide range of methodological approaches are used skillfully to cover border issues

which have different dynamics. By doing so, particularity and uniqueness of each border region and border relations is stressed. The case studies allow us to make comparisons and distinguish the characteristics of each borderland according to their location, identity and ethnicity. The issues are articulated in a smooth way. The arguments derive from detailed research conducted in specific border regions. And, field work observations contribute to the originality of the book.

Macro level discussions help unfold the points raised in the introduction. The discussions prove to be helpful in locating the EU on the new international environment emerged after the Cold War. Based mostly on the EU’s regional policies, the arguments are illuminating and persuasive. The conclusion contributes to the strengths of the book. It benefits from the argumentation of each chapter and uses them in a compatible way to find out what the future EU may look like.

Considering its richness in methodological approaches and case studies, the book enlightens our understanding in borderlands and their implications for the future role of the EU on regional and global levels. The book helps us understand nationalism, ethnicity and the EU from the eyes of the people living in the borderlands. It helps us see how the EU looks in the lands where there is no clear cut division of language and sense of belonging. It is differentiated from other books that study the EU from an

institutional or policy based approach. Blending approaches from political economy to anthropology, the book demonstrates that the EU is an ever changing entity which is making it difficult to grasp it from one angle. Left behind the moribund discussions of intergovernmentalism and supranationalism, the book makes clear that the EU is heading towards a new path determined by multiple dynamics.

V.V. Kostyushev, *Institut ombudsmana i prava cheloveka v regionalnom pole politiki (sociologicheskoe ponimanie)* / Pod redakciey A. Sungurova (*The Ombudsman in the field of regional politics (sociological approach)*) / Edited by A. Sungurov), Sankt-Peterburg: Norma, 2007.

Author: Konstantin Kokarev,
PhD Student,
The Institute of Scientific Information
for Social Sciences of the Russian
Academy of Science
konstantin.kokarev@gmail.com

Many research papers on Russian civil society, regional politics, and human rights have been published in the last 20 years. Arguments partly founded on facts about politics, NGOs, and the activities of municipal authorities are used in the discussions on democratization in Russia. Much less attention is paid to the development of judicial institutions and practice, non-judicial institution of human rights

structures. As far as the human rights ombudsman is widely recognized as one of the facilities to build more transparent government and increase the power of citizens, the study of this institution could be a good source for a deeper understanding of the transformation of the Russian political system.

The book of Sankt-Petersburg's sociologist Vladimir Kostyushev analyzes the human rights situation in Russian regions. The goal of the book is to build a theoretical framework for analysis and it is structured accordingly. There are three chapters: "The Theoretical Foundations of an Inquiry", "The Ombudsman and Human Rights in the Regional Politics" Field: An Empirical Study", and "Development of Theoretical Model". The author's effort is based mainly on the theoretical framework of Pierre Bourdieu and the neo-institutionalists. The first main concept is "human rights' field". It is defined in a preamble to the book by the scientific editor Alexander Sungurov as a "social reality of everyday life where people do some actions to defend their rights" (p.5). The second relevant concept is "actor" and involves guardians, violators, victims, defenders or governmental business and non-governmental activists in the human rights domain. Another important concept and a key point of investigation are practices (i.e. observance, violation, defense, and rights' recovery).

Each actor has his individual repertoire of practices. He also suggests that when analyzing human rights we should take into account three types of tensions: deprivation, information, and action (142-146). This model is tested with some empirical evidence. The second chapter is based on a survey with 80 interviews conducted during 2004 in three Russian regions (Kaliningradskaya oblast, Smolenskaya oblast, and Krasnodarskiy krai) which represent different Federal Districts (North-West, Central, and Southern). They are substantively different in terms of their local history, economic characteristics, and the types of regional political regime. One of the author's main arguments is that all the investigated regions have mainly the same set of actors and structure of practices. It shows that the theoretical framework is suitable for employment in Russia.

The second chapter provides some unique material as it is based on interviews with different types of actors: people from the regional and local administration, members of regional parliaments and local representatives, ombudsmen and members of his office, human rights activists, members of trade-unions, journalists, social scientists; businessmen, and lawyers. As far as it was very problematic to organize interviews with most of these people, the author and his colleagues used snowball sampling. Interviews were half-formalized with 100 points to check. One can imagine how hard it

was to obtain relevant data from so many people, from state institutions in particular, because they get in contact by a narrow margin. However, the data has not been analysed completely as far as no in-depth investigation of every region has been made. The description of the regions does not seem regular as can be seen from the structure of parts in the second chapter. The first section provides the analysis of the situation in Kaliningradskaya oblast and contains data on various incidents of violated rights (with quotes from interviews which are extremely helpful for qualitative analyses as they illustrate how the fact of rights' violation is being reported). The description of the two other regions contains no information of the same value, but only a general report on the situation with human rights. There is no attempt to analyse the causes of different practices in every region. The comparison of regions at the end of the second chapter (111-130) gives us figures and tables. However, although it could be useful to know how many organizations violate human rights, it does not help us to understand the causes and motives of these actors. At the same time placing these figures in a broader context provides a deeper comprehension of regional political systems in Russia.

The most intriguing and useful data one can extract from the book are the lists of actors in the "human rights' field". In Kaliningradskaya oblast there are 44 actors in total with 15 of them being influential, 55 and 13 – in Smolenskaya oblast, and 34 and 12 – in

Krasnodarskiy kray. Some of these institutions represent civil society. The greatest number of influential non-governmental organizations among them is based in Kaliningradskaya oblast; and Kostyushev supposes that these figures show that in that region civil society is better developed (150). Another detailed list that may be of interest is a roster of rights' defending practices including up to 40 types of actions. However the roster itself does not look complete so we cannot understand in what situations these practices are used.

Another relevant observation is that there are seven main actors in the "human rights' field": executive, legislative, and judiciary, the mass media, employers, and the human rights ombudsman. The latter is recognized as an independent and significant actor by most of those interviewed. Apart from the ombudsman, all these actors are simultaneously violators and defenders of rights (116-117).

Kostyushev argues that the ombudsman is inappropriate for the current political regime in Russian regions as the state system is not traditionally oriented towards the significance of a person. The ombudsman belongs to another type of administration because of its ideology concerning human rights and its way of functioning (140). But in the second chapter we see that the ombudsman is recognized as an independent and significant actor by most of interviewees. The fact that such a new institution as the ombudsman is

widely recognized as one of the main defenders shows that in many cases it has a good chance to influence the situation. This means that the ombudsman is a forceful institution and gradually it may become more incorporated into the institutional structure of Russia. But this topic does not receive much attention. It seems odd that the concept of ombudsman, placed in the title, does not get theoretical consideration or attention paid to it in the empirical survey. Consequently the institution of ombudsman is perceived as an ordinary element of the model thus placing the book among many other publications dedicated to human rights in general. Moreover, research on the ombudsman from the position of political science is rare.

This book is aimed at social scientists who seek a suitable model to carry out investigation of the political process in transitional political systems. It also supplies genuine data on Russian regions, which may be of interest for research of regionalism. The important question that can be raised while reading the book is, what should we do with the formulated formal model of "human rights' field" description? On the one hand it gives us a fine structural framework where every actor may be placed, and, on the other hand, it has not been used or criticized so far. There, we can join the author's aspiration for further in-depth exploration of this issue in Russia.