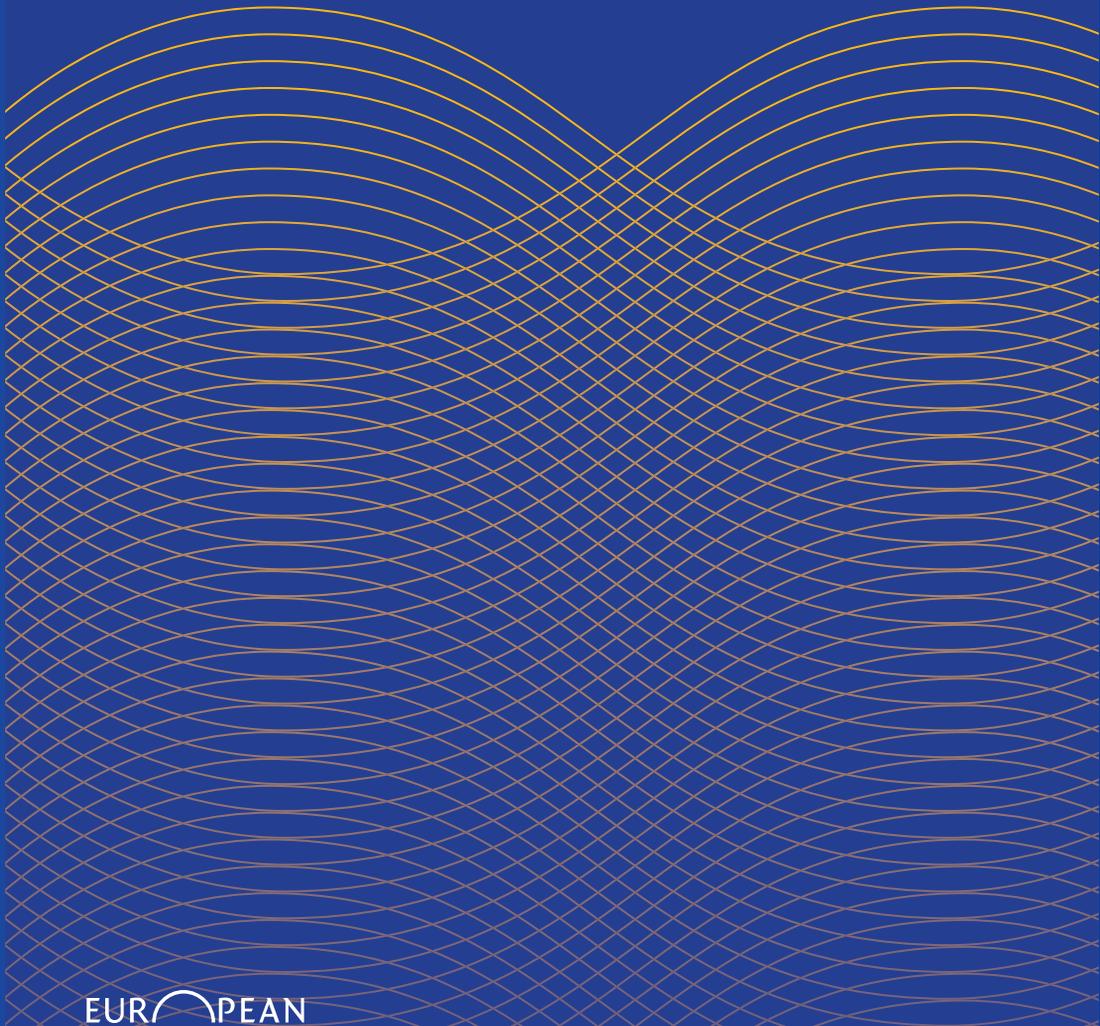


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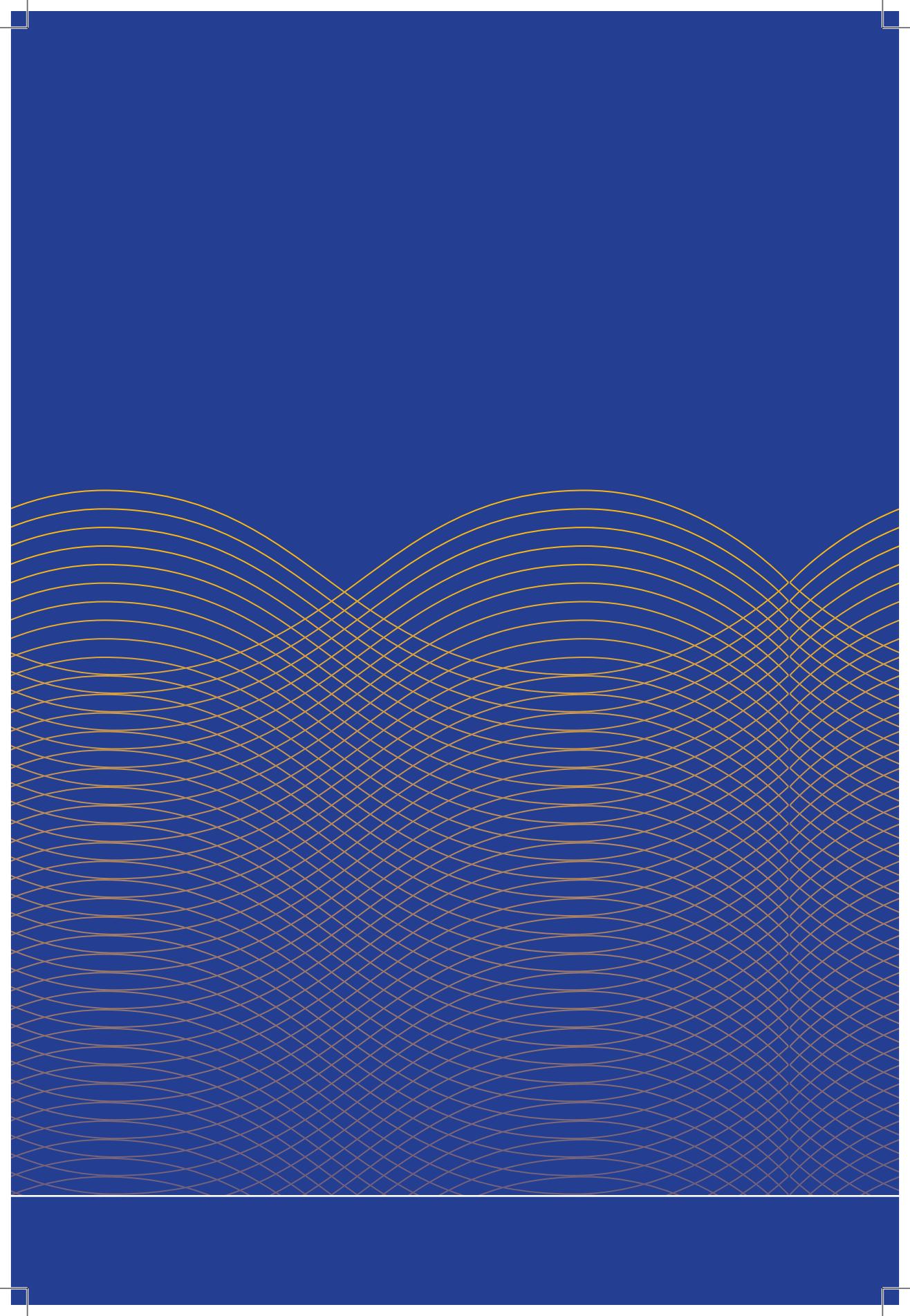
# European & Transatlantic Affairs



EURPEAN  
HORIZONS

VOLUME 1 ISSUE 2

FALL 2015



REVIEW OF

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VOLUME 1 ISSUE 2  
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**REVIEW OF**  
European & Transatlantic Affairs

**VOLUME I ISSUE 2**  
**FALL 2015**

ISSN 2378-2641 [PRINT]  
ISSN 2378-2684 [WEB]

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Printed in the United States of America,  
with the support of the ERASMUS+ programme of the  
European Union.

# TABLE OF CONTENTS

INTRODUCTORY REMARKS	I
Letter from the former Prime Minister of Italy <i>Giuliano Amato</i>	
1.1. From Economics to Security: Issue-linkage and British cooperation within European Union Defense and Security <i>Chloe Colliver</i>	3
1.2. Response to 1.1 <i>Brendan Simms</i>	23
2.1. Explaining the Euromaidan Revolution: Economic Rather than Ethnic Tensions <i>Amanda Dahlstrand Rudin</i>	26
2.2. Response to 2.1 <i>David R. Cameron</i>	60
3.1. Federalization of the European Union <i>Marko Grujicic</i>	64
3.2. Response to 3.1 <i>Vivien Schmidt</i>	85
4.1. A Study of the Determinants of Labor-Market Outcomes for Immigrants in OECD Countries <i>Kira Gartzou-Katsouyanni</i>	89
4.2. Response to 4.1 <i>Georg Fischer</i>	108
5.1. A Case for the European Citizens' Initiative amidst the Perceived Democratic Deficit of the EU <i>Mary Anne Mendoza</i>	112
5.2. Response to 5.1 <i>Jose Martinez Sierra</i>	132



REVIEW OF  
European & Transatlantic Affairs



# Introductory Remarks

## Letter of Introduction

Giuliano Amato  
*Former Prime Minister of Italy*

A prestigious American scholar who well knows Europe, Joseph Weiler, wrote years ago that the initial success of the Europeans in directing their States towards integration owed to a fuel that is now exhausted. Such fuel was the “messianic,” mobilizing force of the message enshrined in the Schuman Declaration of 9 May 1950: no more wars among us; let us secure peace by pooling the resources in the name of which we fought each other for centuries.

Peace among the Europeans has been accomplished, the younger generations are not emotionally moved by that original message, and – the French historian Lucienne Fevre would warn us – history is taking its revenge. National pride, national sovereignty and all the consequent mutual hostilities have reemerged and make it extremely difficult for the Union to achieve its aims.

Nowadays nobody could reasonably challenge this picture of the EU, nor could we disregard Joseph Weiler’s remarks on the distance between the postwar generations and the current ones. But are we really sure that the European youth, though not so sensitive as the Founding Fathers to the original message, is hostile to Europe? Couldn’t it be that the new generations don’t love

today's Europe (a prisoner of national hostilities and therefore powerless), while the United States of Europe still is for them an unaccomplished and deserving goal?

Surveys and polls give us conflicting data. However, there is an encouraging number of young Europeans (and non-Europeans) for whom the Union is an irreversible *fait accompli* – the problem with which is not whether the Union will survive its current difficulties, but how those difficulties can be overcome in view of a more integrated, more democratic common architecture.

This issue of the Review of European & Transatlantic Affairs eloquently illustrates this position. Here students from various American universities cope with matters that are crucial for the future life of the EU and suggest how to solve them – not by abandoning, but by strengthening the common arena.

I deeply agree with this approach; the articles apply both to general and to specific topics. More federalized institutions would be more efficient and less hampered by national conflicts than the currently prevailing intergovernmental patterns. Different clusters of enhanced cooperation, namely in the area of defense, would balance the Eurozone and give a rewarding role also to reluctant members such as the UK. A common governance of immigration would benefit all the member States and also respond to their different needs in terms of skilled and unskilled new labor force. Finally, the democratic deficit can certainly be reduced by activating the citizens' initiative provided for in the Treaty.

Fresh and reinvigorating air for a debilitated Europe. My compliments and my thanks to the young authors.

# 1.1 From Economics to Security: Issue-linkage and British Cooperation within European Union Defense and Security

SUBMITTED BY

Chloe Colliver

## ABSTRACT

Britain, formerly a trailblazer for collective European defense policies initiated in the late 1990s and 2000s, has turned its back on European defense and security cooperation. Such a dramatic reversal threatens the future effectiveness, even the very existence, of European Union defense collaboration. In order to safeguard the future of such avenues for cooperation, a better understanding of the phenomenon of the British retreat is necessary. The UK's rejection of potentially cost-cutting multilateral defense options in a time of austerity raises important questions over the strength of the incentives provided by the European Union collaboration. Their simultaneous adoption of alternative bi- and multilateral defense options underlines the particularity of an aversion to the European Union as a vehicle for cooperation. The theory proposed below rejects current explanations for the change, instead positing a direct link between the economic crises sparked in 2007 and British elites' trust in the broader capabilities of European Union cooperative oversight, including in the realm of defense and security. Such an argument explains both the nature and the timing of the British turn away from European Union defense.

## 1. INTRODUCTION

Europe, in the wake of a challenging period of economic hardship, sits in the shadow of growing international crises, both from renewed instability on its eastern borders in the

Russo-Ukrainian arena, as well as from Islamic State terrorism, increasingly encroaching upon its international interests and domestic security. The project of European Union defense and security cooperation would surely appear to be more relevant than ever under such strains. Scholarship arising both before and in the aftermath of the economic crisis dictates that European defense and security cooperation initiatives hold one overwhelming incentive for participant states: long-term economic savings from capability pooling and sharing, efficiency savings, and reduced operations costs.<sup>1</sup> The literature would, as such, point to an expectation of increased European defense cooperation on the part of states undertaking austerity measures in the wake of the financial crises of 2008 and the widespread economic recession which followed. Britain should fit this pattern neatly: facing defense budget cuts of 7.5 percent between 2010 and 2015, yet stressing in its Strategic Defence and Security Review of 2010 the importance of sustaining security and defense capabilities on all fronts, the UK would appear the ideal candidate for increased European defense cooperation.<sup>2</sup> Why, then, has the past seven years seen a marked British step back from European Union collaborative defense? The assumptions of both current literature, which will be explored below, and economic practicality do not match the scenario which has played out since the economic crises which hit Britain and the Eurozone. The trend is especially puzzling given the central role which the UK played in initiating many of the Common Security and Defence Policy schemes in the two decades preceding the recession. We therefore need an alternative explanation for the relationship between British views on European Union defense and security policy and economic incentives.

British inclination toward defense cooperation in the European Union is an issue of significance not only in assessing the routes through which the UK government can attempt to meet its own security policy goals, but also in consideration of the wider prospects for European cooperation. As a member that continues to bear a disproportionate burden of EU military resources, Britain's role is central in any hope for long-term, sustained security cooperation under the aegis of the institution. Britain is still the

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- 1 Valasek, Thomas, 'Surviving Austerity: The case for a new approach to EU military collaboration', Centre for European Reform (London, 2011). Biscop, Sven, 'The UK and European defense: leading or leaving?', *International Affairs*, 88:6 (2012). O'Donnell, Clara, 'Britain and France should not give up on EU defense co-operation', Centre for European Reform (2011), accessed online, October 2014 [[http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb\\_csdp\\_24oct11-3907.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb_csdp_24oct11-3907.pdf)].
  - 2 'Securing Britain in an Age of Uncertainty: The Strategic Defense and Security Review', Crown Copyright (2010), accessed online, September 2014 [[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/62482/strategic-defense-security-review.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62482/strategic-defense-security-review.pdf)].

largest European security contributor. Any attempt in the near future for European defense and security cooperation without the UK would be hugely handicapped, perhaps stalling entirely, given that in 2012, despite the downward trend in its cooperation, Britain still accounted for 22.4 percent of EU defense expenditure, 11.8 percent of EU armed forces, and was more ready to deploy those forces than most other nations.<sup>3</sup> Furthermore, structural pooling looks to be increasingly important if European states are to preserve broad and complex systems of defense. Most European defense ministers, under harsh budgets cuts, have entirely abandoned certain military capabilities. The UK's maritime surveillance fleet and German conscription are two such casualties of recession-induced budget cuts. It is increasingly crucial to ascertain the obstacles and incentives to European defense cooperation in such times: successful collaboration could provide an avenue through which to retain and protect elements of national defenses vulnerable under these new domestic economic restraints. It is reasoning like this that requires us to take a fresh look at what could be driving rejection of such an apparently appealing defense policy outlet in Britain. In particular, the domestic dynamics that have been largely overlooked in the scholarship concerning international institutions emerge as key in this case.

The rise of Euroscepticism of a more general character within both political elites and the broader public has been marked in Britain since the economic crises of recent years. This paper proposes that, instead of incentivizing cooperation on defense, the economic crisis — more specifically, the perceived mishandling of the issues by the European Union — was central in reducing the trust of British elites in the institution's competencies across the board. The political elites in the UK, the actors most central in directing policy and foreign affairs priorities, took different lessons from the crisis in the Eurozone than those that would be predicted from the literature concerning international security cooperation. The issue-linkage theory fleshed out below posits a connection between perceived capabilities in the EU's management of financial or economic cooperation with those of its security and defense policy. This mechanism explains the surprising relationship between Britain and its propensities towards EU defense cooperation over the past seven years where alternative explanations that have so far failed.

Ernst Haas and Stanley Hoffman, presenting neo-functionalist and intergovernmentalist theories respectively, both suggest

<sup>3</sup> European Defence Agency data, September 2012, cited in Biscop (2012), p. 1297.

that the integrative pressures present in other areas of potential EU policy do not exist in the realm of security and defense in Europe. Yet the 1990s and 2000s saw a strong trend toward European defense cooperation under the banner of the European Union, in which Britain played a crucial — if sometimes hesitant — role. The created in 2004, the Common Security and Defence Policy envisioning “permanent structured cooperation” from the Lisbon Treaty of 2009, and the EU defense procurement and export control policies of 2011 together begin to demonstrate the trend toward a more cooperative European security policy in the years running up to the Eurozone crisis. Clearly the realm of security possesses characteristics which can, in fact, make multilateral approaches appealing. There are therefore more parallels now than Haas and Hoffman conceded in their work between defense cooperation and alternative areas of international collaboration within Europe.

In assessing the impact of the economic crisis on British inclinations toward EU security cooperation, we can therefore better judge the balance of incentives and fears surrounding international cooperation for European Union members on a broader level. The apparent gains from cooperation in the security realm mirror those expressed in much of the literature concerning cooperation in alternative areas, such as environmental or trade regimes: reduced costs, increased efficiency, information provision, and some guarantees of international support. On the other side of the scale, looking at those factors discouraging the British elites from deepened integration into the international mechanisms of cooperation in the realm of defense, we can attempt to draw similar extrapolations. The concerns surrounding “free-riding” states, a loss of political sovereignty to the European Union, and ties to economically weaker nations through international regimes certainly play out in the literature assessing other spheres of European cooperation. This particular case study is therefore of great value in understanding the complex motivations driving policymaking decisions on cooperation within European Union institutions.

Taking domestic factors seriously — a relatively new methodology in the academics concerning international institutions — the theory presented here works in the nexus of new scholarship in the field of international security studies that deconstructs the complex domestic interests driving state behavior. British decisions concerning cooperation — if, how, and with whom — involve rigorous cost-benefit analyses and intense public and political discussions which take place at the domestic level. These must

be taken into account in order to understand its interactions in the European international community. The same could be said of any of the European Union state actors. The decisions made by political elites in Britain clearly depend at least to some extent on the balance of domestic interest groups: the desire for re-election particularly alters the balance between external and internal pressures on “state” behavior, and must be considered even more carefully given the context of an unpredictable General Election in May 2010 in the United Kingdom. The literature review below will analyze the scholarship which acts at each level — examinations of the behavior of the UK as a unitary actor within the EU concerning security and defense policy, as well as explorations of the changing domestic priorities and dynamics within the nation in an era of economic crisis and recession. The absence of work which unites the two represents the space into which this theory deploys its argument.

## 2. LITERATURE REVIEW

There is very little work that conveys, let alone critically examines, Britain’s turn away from EU security and defense policy. That which does exist contains an essential flaw in its failure to account for the “two-level game” of security and defense policy creation: the impact of domestic interest formation on international actors, and its interconnection with the relationship between states and institutions.<sup>4</sup> By synthesizing the scholarship available on domestic UK debates concerning European integration since 2007 with that concerning the link between EU cooperative defense policies and economic savings, we gain a fuller picture of the pressures dictating the balance of foreign policy for the British political elite. Only an explanation that incorporates domestic political reactions to the Eurozone crisis alongside the economic constraints imposed upon the government by the global recession can explain the changes and the timing of shifts in British involvement in European defense cooperation.

Some work along such lines has been attempted in assessing the impact of the economic crisis on the prospects for EU financial cooperation. Helleiner argues persuasively that decisions taken by national governments had a greater impact on crisis control than decisions taken through EU multilateral coordination. He concludes that such reactions to the crises have diminished

4 Putnam, Robert, ‘Diplomacy and domestic politics: the logic of two-level games’, *International Organisation*, 42:3 (1988).

enthusiasm for, and faith in, EU multilateral institutions overall amongst political elites across European member states.<sup>5</sup> However, such investigations are almost absent with regard to the crises' effects on European Union security cooperation. One scholar who has attempted to explain this apparent failure of the economic incentives of EU defense cooperation in a time of economic austerity is Clara O'Donnell. She argues the central reason for the Coalition's rejection of cooperation is the minimal effectiveness of EU mechanisms of defense cooperation.

However, her argument ignores the particular timing of the move away from security cooperation. She fails to comprehensively explain the dramatic turnaround in Britain's attitude from instigating CSDP initiatives to reluctance and comparative withdrawal. By ignoring this critical aspect, O'Donnell fails to explain the context in which domestic attitudes towards the EU, and trust in its competency, changed.<sup>6</sup> Furthermore, the lack of evidence provided concerning domestic interest groups, political trends and pressures limits her vision of those considerations which were particular to the new coalition government in 2010, and which are crucial to understanding the actions of British diplomats on the international stage. Encompassing domestic policy issues, explored at length by Paul Cornish and Andrew Dorman, into the question of European Union defense incentives, the argument of the economic crisis as the decisive event in the rebalancing of incentives towards security cooperation becomes much clearer.<sup>7</sup>

Another scholar who has delved deeply into the domestic context, but who has done so, like Cornish and Dorman, without a critical eye to the wider field of international behavior, is David Baker. His work focuses on the link between political-elite

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- 5 Helleiner, Eric, 'Multilateralism Reborn? International Cooperation and the Global Financial Crisis', in Bermeo, N., and Pontusson, Jonas (eds.), *Coping With Crisis: Government Reactions to the Great Recession* (Russell Sage Foundation, New York, 2012), pp. 65-90.
  - 6 O'Donnell, Clara, 'Britain's coalition government and EU defense cooperation: undermining British interests', *International Affairs*, 87:2 (2011). O'Donnell, Clara, 'Britain and France should not give up on EU defense co-operation', *Centre for European Reform* (2011), accessed online, October 2014. [[http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb\\_csdp\\_24oct11-3907.pdf](http://www.cer.org.uk/sites/default/files/publications/attachments/pdf/2011/pb_csdp_24oct11-3907.pdf)]. On the inherent structural weaknesses of a 'European' foreign and defense policy, see Zielonka, Jan, 'Introduction – Constraints, Opportunities and Choices in European Foreign policy', in Zielonka, Jan (ed.), *Paradoxes of European Foreign Policy* (The Hague: Kluwer Law International, 1998).
  - 7 Cornish, P. and Dorman, Andrew, 'Dr Fox and the Philosopher's Stone: the alchemy of national defense in the age of austerity', *International Affairs*, 87:2 (2011). Cornish, P. and Dorman, Andrew, 'National Defense in the Age of Austerity', *International Affairs*, 85:4 (2009). Cornish, Paul, 'Election 2010: Party Promises on Defense', *The New Statesman*, (04/16/2010). Cornish, Paul, 'The Defense Review: Affordability Must be the Cart, Strategy the Horse', *Parliamentary Brief* (01/2010). Also see Niblett, Robin, 'Playing to its Strengths: Rethinking the UK's Role in a Changing World', *Chatham House Briefing Paper* (06/2010), accessed online, October 2014 [[http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Europe/ro6ro10\\_niblett.pdf](http://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Europe/ro6ro10_niblett.pdf)].

concerns over the loss of national sovereignty through European cooperation. This explanation for Euroscepticism neither fully explains change over time, as in the case of O'Donnell, nor the evident willingness of even “Eurosceptic” elites to continue deep integration into a form of European coordination through NATO's multilateral security institutions.<sup>8</sup> Chris Gifford's model of British Euroscepticism falls short on similar levels, despite its alternative proposition of a “best of both worlds” view of sovereignty which emerged under New Labour in the 1990s.<sup>9</sup> Arguing that this shift in domestic political ideology meant that institutions became acceptable alongside British “national sovereignty” and as a constitutive part of a new, broader definition of “Britishness,” Gifford fails, like Baker, to explain change since the 1990s, focusing on continuities in Eurosceptic motivations and tendencies. New scholarship on Euroscepticism is certainly required with the dramatic rise in the past two years of the UK Independence Party, shown in their surge in the European Parliament elections of 2014.

It is clear that the work of all these scholars misses the target somewhat in the attempt to pinpoint the timing and the complexities motivating changes in British attitudes towards European multilateral security. We need a combined examination of domestic political institutions and the international avenues of cooperation to fully understand the context in which decisions over security policy are made in a modern, democratic state such as Britain. Such an amalgamation is absent from current scholarship. David Bearce and Stacy Bondanella have begun to demonstrate that constructivist and rationalist mechanisms affecting state behavior need not be mutually exclusive: what we require in explaining the British case is a “general equilibrium” theory which accounts “simultaneously for the interaction of domestic and international factors.”<sup>10</sup> Putnam's “two-level” game theory needs to be considered in assessing the impact of the domestic “preferences, coalitions, and institutions” on the potential “win-sets” which faced the British governments in their decisions over of EU security cooperation.<sup>11</sup> By recognizing domestic conflicts over the defining of “national interest” as part of the decision-making process over

8 Baker, David, and David Seawright, *Britain For and Against Europe: British Politics and the Question of European Integration* (Oxford: Clarendon Press, 1998).

9 Gifford, Chris, *The Making of Eurosceptic Britain: Identity and Economy in a Post-Imperial State* (Farnham: Ashgate, 2008).

10 Bearce, D. H., and Bondanella, Stacy, ‘Intergovernmental Organizations, Socialization, and Member-State Interest Convergence’, *International Organisation*, 61:4 (2007), pp. 704-705. Putnam, Robert, ‘Diplomacy and domestic politics: the logic of two-level games’ (1988), p. 430.

11 Putnam, Robert, ‘Diplomacy and domestic politics: the logic of two-level games’ (1988), pp. 441-443.

international cooperation, the model provides a sounder basis for examining the British case study than present efforts to portray the state as a unitary actor on the international stage, in the mold of O'Donnell. Yet there are agents of policy influence excluded somewhat by Putnam's model, most notably non-elite public opinion.

In light of Risse-Kappen's demonstration of the importance of public opinion in the formation of democratic states' foreign policies within international institutions, such factors must also be included in the British case. Risse-Kappen states that the particular nature of domestic political institutions and processes hugely impacts the manner in which such opinion is able to affect foreign policy decision-making. It is clear that some merging of these two lenses — public pressures alongside the institutional structures and preferences of elites highlighted by Putnam — is necessary if a full understanding of domestic influences on state foreign policy is to be achieved. Realizing this, and considering Risse-Kappen's limited treatment of the domestic publics only of the United States, Japan, France, and the (then) Federal Republic of Germany, an exploration of the importance of the impact of the two levels of domestic interests on British foreign policy is overdue, and is notably absent from the scholarship concerning its post-economic crisis foreign policy.<sup>12</sup> However, the mechanism through which security policy is formulated and implemented remains within the aegis of political elites. Therefore, although explaining changes in their attitudes requires analyzing wider public trends and attitudes, as Risse-Kappen has highlighted, the changes in state behavior which form the dependent variable in our case are the direct result of elite attitudes. On questions surrounding the European Union, publics remain largely indebted to their political elites and political commentators for information provision, understanding, and opinion formation.<sup>13</sup> There is little direct interaction between publics and the international regime itself. The focus in this case, therefore, should remain on the attitudes of elites toward the European Union, central as they are to both levels of domestic opinion-formation concerning interna-

<sup>12</sup> Risse-Kappen, Thomas, 'Public Opinion, Domestic Structure, and Foreign Policy in Liberal Democracies', *World Politics*, 43:4 (1991). Also see Katzenstein, Peter J. (ed.), *Between Power and Plenty: Foreign Economic Policies of Advanced Industrial States* (Madison: University of Wisconsin Press, 1978), p. 4. See also Katzenstein, "International Relations and Domestic Structures: Foreign Economic Policies of Advanced Industrial States," *International Organization*, 30 (Winter 1976), pp. 1-45.

<sup>13</sup> Ceka, Besir and Armingeon, Klaus, 'The loss of trust in the European Union during the great recession since 2007: The role of heuristics from the national political system', *European Union Politics*, published online, 6 August 2013, accessed online, 11/14/2014 [<http://eup.sagepub.com/content/early/2013/08/05/1465116513495595.full.pdf+html>].

tional regimes.

Besir Ceka and Klaus Armingeon posit a similar link to the theory proposed below in their connection between the recent economic recession and a loss of trust in the European Union.<sup>14</sup> They therefore attempt to interweave domestic and international factors influencing state behavior in a time of austerity and political pressure as required in analyzing the British case under examination here. However, their theory ignores the British example, as well as other major states within the EU, focusing solely on the countries hardest hit by the Eurozone crisis and direct recipients of financial bailouts. Whilst the link between economic crisis and reduced trust in the European Union may certainly exist in these particular cases, the theory ignores any similar effects of economic crisis on trust in EU competencies in member states not requiring direct EU assistance. Furthermore, it does not explore the particular link between perceived economic competencies and security management under the European Union. The mechanism that they use to explain trust reduction is also problematic. Ceka and Armingeon argue that levels of trust in the European Union act as a direct proxy for trust in the national government.<sup>15</sup> Their dependent variable, popular trust in the European Union, therefore explains more about the level of support for the national government than it does the direct link between economic crisis and support for the EU itself. Furthermore, it ignores the complex interaction between popular support and elite attitudes when considering state involvement in international regimes. Channels of influence from publics to international institutions, even in democratic states, are not direct. This means that an analysis of elite attitude formation is required in such explorations. Public opinion does have an affective role, as shown by Risse-Kappen, but only one of many influences on elite behavior toward the European Union. In conclusion, it is clear that there is an absence of comprehensive scholarship on the British case regarding European Union security cooperation in recent years. The following theory attempts to provide a starting point in filling this gap in our understanding of the mechanisms affecting such behavior.

### 3. THEORY AND HYPOTHESIS

Ostensibly, the economic crisis should have incentivized European Union security cooperation for British policymakers

<sup>14</sup> Ceka and Armingeon (2013).

<sup>15</sup> *Ibid.*, p. 86.

through the institution's available mechanisms of cost reduction, providing options for the maintenance and continued development of capabilities during times of budget austerity. Why, and accordingly also when, domestic elites turned away from multilateral defense cooperation in the European Union are therefore questions to be addressed. Economic crisis across Europe did not primarily push British political elites to search for cost-cutting policy options, as would be expected. Instead, the economic crisis, and the accompanying perception of Brussels' failure to stem the Eurozone crisis's downward spiral between 2010 and 2012, exacerbated British elites' antipathy to the idea of any deeper integration into an EU demonstrably ineffective in its management capacities and tainted by failing member state economies. I argue that this is the key to understanding the British turn away from multilateral European Union defense cooperation since 2007.

A reduction of trust occurred both in elite political circles, especially amongst the soft Eurosceptics within the Conservative Party, as well as in the public as a whole, as evidenced in the far-right surge in the UK European Parliament elections of May 2014. Degrees of Euroscepticism can be traced through polling evidence, for example using the ICM Research data from the past decade.<sup>16</sup> This gives a broad and consistent view of public levels of trust in the European enterprise, using similar questions and polling methods from year to year. The channel through which this Euroscepticism entered the political debate in Britain, however, and the mechanism via which it affected British policy, was through the political elites. A top-down model explains the process by which conceptions of EU incompetency were established in the domestic debates on EU cooperation. The encounters of political leaders, MEPs, and diplomats with institutions of European Union bureaucracy during the Eurozone crisis represent the most significant link between the international regime and British politics. The change in direction over defense cooperation was a result of issue-linkages made by these political actors, as explained below. Measuring elite levels of Euroscepticism, therefore, is key to understanding the puzzle of British cooperation with EU defense policy.

<sup>16</sup> ICM Research, a member of the British Polling Council, has carried about random sample polls concerning public opinion about membership of the European Union. ICM have carried out polls for various news agencies and political parties in 2001, 2003, 2005, 2007, 2008, 2011, 2012, 2013, and 2014. Interviews were conducted across the country and results weighted to the profile of all adults in each case. The information is publicly available on their website, accessed online on 12/2/2014 [<http://www.icmunlimited.com/media-centre/polls/>]

### 3.1. Background: Moving away from Union

It is first necessary to demonstrate that the underlying premise of this theory is accurate. That is, that there has indeed been a move away from EU multilateral defense and security cooperation since 2007, and that the British governments that have adopted bilateral agreements and commitments to NATO since that time have done so as direct alternatives to EU apparatuses. The selection of these alternatives demonstrates the concerted effort to balance austerity concerns through international pooling, while simultaneously reflecting a specific avoidance of directives under the remit of the European Union.

A bilateral balancing act emerged as the British government's reaction to this combination of economic austerity pressures and domestic political antipathy toward the EU. Through the Lancaster House Treaty with France of December 2010, the new coalition government attempted to restrain spending through pooling and sharing, without the politically volatile appellation of the European Union attached. Sven Biscop rightly identifies the Lancaster House treaties as "St-Malo in reverse, aimed at bilateral rather than European cooperation." The shift in defense approaches from 1998 at St-Malo to Lancaster House in 2010 cannot be explained without the contextual issue of economic crisis between EU member states from 2008 and the EU's perceived inability to prevent the spread and deepening of disaster during that time. In contrast to Biscop's argument that the UK has been "leading the CSDP in order to limit it" in the 21st century, however, it is clear that the British government is not in fact "leading" common defense in the age of recession and recovery at all.<sup>17</sup> Their refusal to champion PESCO since 2009, despite their role in its inception, their parallel failure to support the formation of an operational headquarters for EU military and defense, and their distance from new ventures in multilateral pooling and sharing all demonstrate a clear stance outside of European Union defense cooperation. Instead, the coalition has created a defense policy built around bilateral relationships and a continued attachment to NATO as the sole avenue for multilateral coordination.

Although many EU members have supported calls for the establishment of an operational headquarters for EU defense in the past five years, the British have been pivotal, and so far successful, in blocking its formation. British Foreign Secretary, Wil-

<sup>17</sup> Biscop, Sven, "The UK and European Defense: leading or leaving?", *International Affairs*, 88:6 (2012), p.1305, p. 1297.

liam Hague, stated to the press in 2011 that:

*The United Kingdom will not agree to such a permanent OHQ [operational headquarters]. We will not agree to it now, we will not agree to it in the future. That is a red line for us. We are opposed to this idea because we think it duplicates NATO structures and permanently disassociates EU planning from NATO planning.*<sup>18</sup>

Yet, in following months, the coalition committed further to the establishment of a Combined Joint Force Headquarters originally set out in the Anglo-French Treaties of 2010: Articles 14 and 15 in the UK-France declaration from the summit of February 2012 re-emphasize the intention to set up such an institution by the year 2016.<sup>19</sup> Once again, we see a specific rejection of initiatives under the banner of the EU, while an acceptance of international, European cooperation through other channels.

David Cameron's government has not joined the European Air Transport Command since its inauguration in 2010, despite the invitation extended to the United Kingdom to become a member alongside France, Germany, Belgium, and the Netherlands. Yet in this same year, the British government signed the Lancaster House agreement with France, which included amongst its terms coordination over the shared use of aircraft and aircraft carriers, including air-to-air refueling capacities and passenger air transport. The EATC's plans center precisely on these capacities: cooperation in "air transport, air-to-air refueling and aeromedical evacuation," as their mission statement clarifies.<sup>20</sup> The Libya expedition in the preceding year vividly demonstrated the under-resourced state of European air power. The coalition's answer clearly lay in a bilateral approach, which provided a direct proxy for the multilateral option spearheaded by the EU via the EATC. The EATC identifies itself precisely as "a successful, trustworthy and attractive example of military Pooling and Sharing in Europe."<sup>21</sup> Furthermore, with only a handful of the EU "big players" attached to the EATC — perhaps excluding the more recent accession of Luxembourg — O'Donnell's "free-rider fear" argument does little to explain the British aversion to EU coordination on air defense. It is worth stating that the planning for the Lancaster House

18 "Britain Blocks Proposal for Permanent EU Security HQ," Reuters, 18 July, 2011, accessed online, 7 November 2014 [<http://www.reuters.com/article/2011/07/18/eu-britain-defense-idAFLDE76HoRY20110718>].

19 UK-France Declaration, UK-France Summit, February 2012, accessed online, 7 November 2014

20 'Our Mission', European Air Transport Command, accessed online, 11/20/2014 [<http://eatc-mil.com/12/Our-Mission>].

21 Ibid.

Agreements with France was set in motion before the accession of the new Conservative-Liberal Democrat coalition government. The argument of long-term party political preferences as the explanation for a move away from Europe is therefore undermined. This point will be expanded further below.

Further evidence of the British move away from EU security and defense can be seen in the coalition's Strategic Defence and Security Review of 2010, which effectively placed the British membership the European Defence Agency on probation for two years.<sup>22</sup> Along the same policy lines, UK Defence Secretary Liam Fox fought back against increased funding for the Agency in November 2010, further demonstrating the limitations of British commitment to the EDA. He wrote to the EU's High Representative for Foreign Affairs, Baroness Ashton, "warning that the proposed 3.8 percent rise would be 'impossible to justify' at a time of big defense cuts at home."<sup>23</sup> In 2013, new Defence Secretary Philip Hammond announced the government's decision on continued but "finely balanced" support for the Agency — hardly a demonstration of confidence in an organization in the formation of which Britain played such a central role.<sup>24</sup>

It is clear that there has been a significant shift away from the European Union multilateral defense cooperation that Britain was so crucial in spearheading in the decades preceding the economic crisis. The reversal is surprising. Yet that this shift occurred specifically from 2007 onward is even more unexpected in light of current theories: the expected relationship between austerity measures and willingness to participate in multilateral defense measures did not play out. The fact that no such movement away from multilateral cooperation on defense via NATO occurred in tandem, and that there were even proactive attempts to engage in bilateral cooperation outside the remit of the Common Security and Defence Policy of the EU, suggests a particularity to the British relationship with the European Union that needs explaining. The issue-linkage theory set out here explains both the timing and nature of the British denunciation of European Union defense.

22 'Securing Britain in an Age of Uncertainty: Strategic Defense and Security Review', October 2010.

23 'Britain 'to veto European Defence Agency budget increase'', The Daily Telegraph, 28 November 2010, accessed online, 7 November 2014 [<http://www.telegraph.co.uk/news/uknews/defense/8165333/Britain-to-veto-European-Defence-Agency-budget-increase.html>].

24 Hammond, Philip, 'European Defence Agency Membership Review', Written Ministerial Statements, 12 February 2013, UK Treasury, ECOFIN, accessed online, 7 November 2014, [<http://www.publications.parliament.uk/pa/cm201213/cmhansrd/cm130212/wmstext/130212m0001.htm>].

### 3.2. From economics to security: Issue-linkage in elite trust of European Union competencies

The perceived mismanagement of economic cooperation within the European Union, climaxing in the period between 2010 and 2012, had an impact on more than just those judgments concerning the institution's abilities in the realm of economics. This theory posits that the perceived mismanagement also affected British elites' judgments about the institution's capacity to act as an overseer of defense and security cooperation. This explains the timing and nature of the British turn away from multilateral, European Union defense cooperation since 2007, with an escalation in the pattern since 2010. It was quickly posited and accepted, not just in Britain but amongst commentators, governments, and experts worldwide, that European Union negligence in its responsibilities as an overseer for fiscal discipline since Maastricht's legislative foundations for monetary union in 1992 facilitated the depth and severity of the sovereign debt crises which occurred in Greece, Ireland, Spain and Portugal from 2009.<sup>25</sup> There was little discipline in the framing of, and enforcement of, the Stability and Growth Pact designed to ensure the Eurozone's financial stability.

Furthermore, the conflicts of interest revealed by the liquidity and bailout negotiations between member states attempting to stem the crises demonstrated a fundamental "collective action" problem in the European Union's economic disaster management. The European Union's system of governance, whereby over a dozen autonomous national governments are amalgamated, each responsible first to its own parliament, prevented transparent communication or cohesive action in dealing with crisis. The political inefficiency of the Union bore grave costs for the economic recovery of its failing member states. It also dichotomized the Eurozone members from their British counterpart to an extent not seen before the crisis. The British decision to block treaty amendment in December 2011, instead forcing the creation of a new treaty on fiscal union for all of the remaining 26 member states, exemplifies the stark dividing line present after two years of difficult negotiations and relations. British elites were shocked not only by the structural instabilities rife within the Eurozone to which the EU attached them, and which were revealed from the economic collapse of Greece, but also by the incompetency of

<sup>25</sup> Both global journalism and public comments from world G8 leaders in the aftermath of the Eurozone crisis can be used to evidence this sentiment. Furthermore, academic scholarship that has begun to attempt to account for the course of the economic crisis in Europe has formed a general consensus on the weak nature of fiscal discipline enforced in the Eurozone.

multilateral decision-making in such crisis conditions. The economic crisis revealed such flaws in a stark manner.

The British elites' loss of trust in the competencies of the EU directly affected the formation of defense and security policies and the attitudes expressed in party platforms concerning European defense. This theory argues that both the "affective" and "utilitarian" modes of domestic support for the institution were negatively affected by the economic crisis.<sup>26</sup> The diminishment in elite support led directly and swiftly to a move away from British cooperation with the EU on matters of defense. Elite perceptions of poor EU management capabilities prompted both a rational calculation of the risks and costs of deep integration into an organization tainted with economic difficulty — a reduction in elites' "utilitarian" support for EU defense integration — and an ideological shift in conceptions of the value of the European project as a whole — a reduction in the "affective," normative allegiance of elites to the institution as a whole.

The British elite has pulled away from EU security integration efforts primarily because of these concerns with the institution itself, and with its limited capacities as a nexus of control for critical issues such as defense. It is this concern, more than one regarding the efficiency and effectiveness of the security cooperative mechanisms precisely, which was engendered by the events surrounding the crises from 2007 onwards. Such concerns were not brand new amongst political elites, but were critically exacerbated and confirmed by the perceived EU mishandling of the Eurozone catastrophe. There is a key issue-linkage which we can pinpoint between management of economic integration and management of any manner of "deeper" EU integration. This had a direct, negative impact on willingness for defense cooperation under the CSDP in the British political arena. As Conservative Party spokesman on defense and member of the European Parliament Sir Geoffrey Van Orden stated in his response to the Foreign Office report on "the balance of competences between the United Kingdom and the European Union" of February 2013, "attitudes towards the CSDP will of course be conditioned by one's general approach to the EU."<sup>27</sup> This issue-linkage between different capacities of the European Union was critical in extending the im-

<sup>26</sup> These are two categories proposed by David Easton in his analysis of political support systems. Easton, David, 'A re-assessment of the concept of political support', *British Journal of Political Science*, 5:4, (1975), pp. 435–457. Also see Easton, David, *A Systems Analysis of Political Life* (Chicago: University of Chicago Press, 1979).

<sup>27</sup> Van Orden, Geoffrey, 'Call for evidence on the government's review of the balance and competences between the United Kingdom and the European Union', Foreign Office report, 28 February 2013, p. 2.

pact of the economic crisis into areas of defense and security policy, and frames the hypotheses stemming from this theory:

**H1: The economic crises since 2007, and the European Union's handling of them, lessened British political elites' trust in the competency of the institution as a whole.**

**H2: The decline in trust in European Union competency led to a decline in British cooperation with multilateral European Union defense and security policies.**

**Alternative channels for international security**

No rejection of NATO's multilateral defense mechanisms occurred in tandem with the British move away from the European Union's collective defense measures. This suggests a specific rebuttal of the EU which must be explained. NATO's constancy as a center of multilateral defense cooperation for Britain did not prevent increasing interest and drives toward EU defense cooperation between 1998 and 2007. The Berlin Plus Agreements of 2002 were composed in this spirit of willingness for the mutual existence of the two institutions side-by-side in Europe's security arena.<sup>28</sup> The pivotal role which Britain played in the creation of the beginnings of an EU remit for defense and security under Blair from the late 1990s demonstrates this further. It is only in the last seven years that elites in the UK have expressed deep-seated and constant concerns about a conflict of interests between the two, together with an active shift in policy to reflect such concerns. The consistency of the commitment to multilateral security cooperation via NATO strengthens the argument for a factor specific to the European Union. The shift from considerations of the CSDP as a viable second avenue for capability enhancement, burden sharing, and common foreign policy to the development of its reputation amongst elites as a futile and cumbersome duplication of NATO structures in a time of austerity cannot be understood outside the domestic antagonisms to management of the Eurozone crisis.

A counterargument may be apparent, by which US pressure outside of the remit of NATO influenced UK foreign policy initiatives. This possibility, that the US pushed the UK to reject European Union security and defense schemes because of differing foreign policy objectives between Washington and Europe, is

<sup>28</sup> A summary of the Berlin Plus Agreements of 2002 is available online, accessed on 11/11/2014, at [<http://consilium.europa.eu/uedocs/cmsUpload/03-11-11%20Berlin%20Plus%20press%20note%20BL.pdf>].

undermined by the fact that the public rhetoric emanating from Washington over the past decade has been one encouraging a strengthening of intra-European collective defense capacities. US politicians' frustration with the uneven burden of resources which they provide for NATO's largely Europe-centric security issues has led to a concerted push toward the creation of a stronger, independent arm of European defense from the Department of Defense in recent years. Senior American officials began warning European nations that, unless they began to spend more on specifically European defense, reversing the sharp declines seen in the wake of economic crisis, they risked "collective military irrelevance."<sup>29</sup> As stated above, the possibility of a robust and powerful European defense operation without the cooperation of the UK is almost obsolete given the enormous military capacities and resources of the UK compared to all of its European partners, except neighboring France. The idea that the US would pressure the British to distance themselves from European cooperation on defense seems highly unlikely given their clear and forceful stance on the development of strong European security capabilities.

The particularity of the British response to the European Union's initiatives on defense can also be identified by considering the Lancaster House Treaties of 2010. The willingness to engage in pooling and sharing agreements with France, whilst simultaneously blocking progress toward EU multilateral defense initiatives, demonstrates the singularity of British misgivings with the institution of the EU itself. The remarks of then-Secretary of State, Liam Fox, following the treaty announcement, support the argument that the bilateral policy was adopted in isolation from France's position as a fellow European Union member:

*This is not about increasing the defense capabilities of the European Union. I repeat — this is about two sovereign nations, which between them spend 50 percent of all the defense spending of the NATO members in Europe, and 65 percent of the research spending. It makes a great deal of sense for us to cooperate, but it is absolutely clear that this is about two sovereign nations that are willing to cooperate when it is in their mutual interest to do so, but keep their ability to act separately when their national interests*

29 Cited in Erlanger, Steven, 'Shrinking Europe Military Spending Stirs Concern', The New York Times, 22 April 2013, accessed online, 11/5/2014 [[http://www.nytimes.com/2013/04/23/world/europe/europes-shrinking-military-spending-under-scrutiny.html?pagewanted=all&\\_r=0](http://www.nytimes.com/2013/04/23/world/europe/europes-shrinking-military-spending-under-scrutiny.html?pagewanted=all&_r=0)]. Furthermore, in 2011, the US Defense Secretary Robert Gates sharply criticized European nations for their lack of impetus in promoting 'Smart Defense' pooling and sharing to build stronger European arms of defense and security.

require it.<sup>30</sup>

The severance of the Lancaster House Agreements from any connection with European Union collective defense here vividly demonstrates the reduced propensity amongst the political elite to associate policy with the institution by 2010. The bilateral agreement with France therefore must not be read as an alternative route towards strengthening European CSDP defense capabilities, but instead as a direct contradiction of the EU's multilateral option. This, in combination with the evidence concerning the continued British affiliation with NATO as a channel for multilateral defense, leads to a third hypothesis concerning reduced British defense cooperation within the European Union:

**H3: The decreased British preference for EU multilateral defense policies led to an increased preference for bilateral defense agreements and continued commitment to NATO as the primary channel of British involvement in any multilateral security action.**

### 3.3. Domestic party politics and Euroscepticism

The evidence relating to continued NATO and French cooperation also demonstrates the weaknesses in any potential counterargument concerning domestic party allegiances. The possibility that the shifts in policy over EU defense cooperation were purely a result of the traditional aversion to European integration within the Conservative Party majority in the coalition government from 2010 is greatly undermined by the government's concurrent adoption of a defense agreement with their European ally across the Channel, and their vocal and continued support of multilateral security efforts in Europe and its border area through NATO bodies and mechanisms. The recent security initiative undertaken in Libya, furthermore, involved a reduced and purely supportive role for the United States within NATO: In that instance, the coalition vividly demonstrated its willingness to enact European multilateral cooperation, when dictated under the remit of an institution other than the European Union.

While the established stance of the Conservative Party in Britain against deep European political integration via an institution such as the European Union cannot be discounted from con-

<sup>30</sup> Liam Fox MP, House of Commons, 2nd November 2010, column 787, accessed online, 12/1/2014 [www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101102/debtext/101102-0001.htm#1011026000594].

siderations of the domestic forces leading to disassociation from security cooperation, the 2010 Anglo-French agreements stand as a strong rebuttal to the Conservative Party's traditional "soft Euroscepticism" as an explanation for shifts in cooperative defense policy. Furthermore, the presence of the pro-European Liberal Democrats in the coalition government, with members filling numerous senior cabinet seats since 2010, diminishes the possibility that such a dramatic reversal was the result of a Conservative presence in Downing Street. The final year of Gordon Brown's Labour government between 2009 and 2010 can be used to evidence a distrust of European Union management of defense cooperation across the political spectrum in Britain, even amongst traditionally pro-European Labour factions. French President Nicolas Sarkozy, for example, had come to see Prime Minister Brown, already by 2008, as stubbornly resistant to proposals to strengthen independent European defense: "Frustrated by Brown's scepticism over European defense," the French administration struggled to arrange talks with the Labour Prime Minister on the issue. The turn away from the European Union in this realm took place amongst a broad political collective, beginning before the accession of the coalition government in 2010 under the presence of a Labour government.

### **3.4. A future for European Union collective security?**

Protecting the project of European security cooperation amid the daunting challenges facing Europe will require a change of course in order to retain the consistent and strong support of the United Kingdom. The potential advantages of broad multilateralism under the CSDP have not proved enticing enough to overcome the fears and distrusts bred by the Eurozone crisis in the British political elite. Thus an emphasis on the EDA's "à la carte" approach to bi- and multilateral cooperation amongst member states, which provides organizational support by way of research, new initiatives or potential defense solutions, would appear a far more realistic path by which to continue to successfully incorporate the reluctant British state into defensive collaboration. Yet, at the heart of the matter, it will take a much broader, concerted effort between EU elites and their British political counterparts to regain a level of trust and reciprocity with which the restoration of Britain's critical involvement in the institution's cooperative defense structures might be possible.

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**Acknowledgments:** *Thank you to Professor Thania Sanchez for her role in guiding the composition of this research paper, first formulated in her graduate seminar, International Organizations and Global Governance. In addition, thanks go to Professor David Cameron for his continued role in advancing my interest and knowledge in European politics.*

## 1.2 Response

to 1.1. From Economics to Security: Issue-linkage and British Cooperation within European Union Defense and Security

Brendan Simms

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I read this most stimulating interpretation of issue-linkage and British cooperation within European defence and security with great interest and profit. Chloe Colliver has put her finger on a critical and often neglected aspect of Britain's troubled relationship with the European Union, namely the way in which its strategic failures have contributed to the growing estrangement. She sets her argument up very persuasively. Given the Coalition Government's commitment to financial retrenchment generally, and its reduction in defence expenditure in particular, one would expect, she remarks, London to have sought greater cuts through defence collaboration at the European level.

The opposite, in fact, is the case. British interest in defence cooperation in Europe declined substantially. Colliver is not the first to remark on this, of course, but she does drive the debate forward by showing that the decisive moment was not the election of the coalition government in 2010, as many imagine, but the financial crisis, which remains with us to this day. The incompetent management thereof, she argues, seriously damaged British confidence in the European project "across the board" and made policy-makers less inclined to pursue closer defence cooperation over the past five or six years. For example, the Lancaster House Treaty with France in December 2010 sought to pool resources with France on a purely bilateral basis. Britain has also opposed plans for an EU operational headquarters, not least because it would duplicate and cut across NATO bodies. Moreover, the shift was discernible well before the election, with British refusal to participate in the "permanent structured cooperation" on defence demanded by the Lisbon Treaty visible already in 2009 under the

Gordon Brown's Labour government.

What is unusual and refreshing about Colliver's approach here is that she emphasizes not the popular euroscepticism of UKIP and the Conservative right, but elite reservations among MPs, MEPs, the Foreign Office, and opinion-formers more generally.

All this is of much more than mere academic interest. In the absence of involvement in the common currency and other aspects of the "project," defence was always going to be a key vehicle of British participation in "Europe." Historically, this had waxed when there were anxieties about the U.S. commitment to Europe and waned when these receded. The remarkable thing about the present situation is that both U.S. interest in European defence and British interest in European defence cooperation is at an all time low, phenomena which have never occurred together. Worse still, from the Europhile point of view, this particular scepticism is not so much a popular as an elite phenomenon. This does not bode well for a "yes" vote in the forthcoming referendum on EU membership. It is also ominous for the EU, about one-fifth of whose defence expenditure is borne by Great Britain, and which it can ill do without.

All this said, there are a few areas that would repay more scrutiny. The evidence for the importance of the financial crisis needs to be beefed up. Here it is potentially confusing that the year when the sovereign debt crisis really exploded, 2010, is also the moment when the new British government is elected. This makes it difficult to disentangle motivations. It would have been helpful to have had some quotations from policymakers and politicians. The author could also make a bolder claim about Britain's military importance to the Union, which is much greater even than the figures for defence expenditure suggest. Her forces are much more deployable, much more experienced and generally of a much higher quality than most other European armies; next to France, Britain is also the EU's only nuclear power. (Here some reference should be made to the work of James Rogers). Unless there is a full political union of the Eurozone, which is what closer defence cooperation there requires, the EU's hopes for a coherent defence policy will be sunk without Britain. Whether or not Britain's departure will damage Britain is being furiously debated at the moment, but what is clear is that if the low view the British elite holds of European crisis management persists, and there is no reason to suppose that Brussels will do any better soon, then Brexit will become much more likely and it will hurt Europe more than it will Britain.

This brings me to a final point. The author could perhaps have put her argument in the broader context of the debate on whether the EU is or is supposed to be a confederation, which is effectively Britain's view, or a federal union, which is what the logic of the common currency and security threats dictates to most of the rest of the Union. Nowhere is this more crucial than in the defence sphere, where sovereignty either rests with the elected government or it does not (NATO is confederation in this sense, because strategic choice still rests with the national governments). So what we are seeing in the British retreat from European defence cooperation, perhaps, is not just a judgment, fair or unfair, on the competence of the EU, but a much deeper concern about where integration is leading.

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## 2.1. Explaining the Euromaidan Revolution: Economic Rather than Ethnic Tensions

SUBMITTED BY

Amanda Dahlstrand Rudin

### ABSTRACT

Two competing accounts of the causes of the 2014 Ukrainian Euromaidan Revolution are (1) disaffection with a corrupt regime and (2) ethnic tensions between Ukrainian-speakers and Russian-speakers. This paper investigates the determinants of engaging in protests shortly before the Euromaidan Revolution, compared to shortly after the Orange Revolution (2004–5) by running OLS and logistic regressions on two sets of individual-level survey data. The dataset consists of two representative samples of the Ukrainian population from the World Values Survey with sample sizes of 869 observations in 2006 and 1,472 in 2011. The primary hypothesis is that language spoken at home (Russian or Ukrainian) was not a significant determinant of participation in protests before the Euromaidan Revolution. The results confirm that there is no significant effect of being a Russian-speaker in 2011, whereas in 2006, there is a significant (1% level) effect, but this effect is not robust to controlling for region. Moreover, it is shown that significant determinants of protesting such as income and unemployment vary across Ukrainian regions, reflecting differing economic circumstances. The conclusion is that recent protesting behavior in Ukraine is not explained by an increase in ethnic tensions, and that differences in income and unemployment are more important in explaining a divide between Ukrainian regions.

## 1. INTRODUCTION

In 2015, the most serious breach of European security in this century occurred with the war between Russia and Ukraine. This was a development of events which followed directly after a 2013–14 Ukrainian revolution. The war, along with the revolution and concurrent political and economic volatility in Ukraine, ought to be at the forefront of the European Union’s current concerns. In order to devise policies toward the countries involved in the war — Ukraine and Russia — it is of utmost importance to gain a better understanding of the underlying reasons for individuals to take part in protests and stage a revolution, since it was the protests in Ukraine in 2013–14 that triggered the current political and economic volatility. The motivations of the common Ukrainian to protest politically are also likely to influence the success of policies devised to support or reform Ukraine. This paper will analyze survey data from the years before the so-called Euromaidan Revolution in 2013–14, with the objective of explaining the determinants of individual protesting in Ukraine before the picture was distorted by propaganda and war.

There are conflicting accounts of the underlying reasons for the 2013–14 Euromaidan Revolution. Stated in a simple way, some argue that the cause was a common wish among the Ukrainian people to oust a corrupt regime and end a corrupt system; others that the reasons were related to ethnic tensions between Russian-speakers and Ukrainian-speakers. In order to understand why the common Ukrainian took the streets in 2013–14, it is necessary to examine survey data covering a representative sample of the Ukrainian population. Using this method, I examine whether the main reasons for showing a propensity to protest in the years building up to the revolution were ethnic (interpreted as relating to language spoken at home), educational, economic, or related to regional variation or demographic characteristics.

My primary hypothesis is that *language spoken at home* (Russian or Ukrainian) was not a significant determinant of protesting behavior in Ukraine in 2011 (two years before the Euromaidan Revolution). I use language as a proxy for ethnic differences since language is the main dividing line suggested by those who argue that the revolution had ethnic causes. My secondary hypothesis is that, while the general theory that education level is correlated with a higher propensity to demonstrate holds, the other determinants of protesting vary across countries and even regions. This

is to say that, while the reasons for individual protesting were not language-related, there may be a difference in the determinants of protesting even within Ukraine. The regions have different economic circumstances, and the background for my hypothesis is that economic differences among the regions of Ukraine are the reason for any political differences — not ethnic differences.

This paper adopts a methodology that in some respects is similar to the one used by Campante et al. (2014) in a paper where they ran regressions on survey data to test whether an interaction between education and relatively disappointing income outcomes is predictive of demonstration behavior.<sup>1</sup> Using survey data to predict demonstration behavior is a novel and useful way of analyzing the underlying causes of revolution. It is useful for two primary reasons: First, it focuses on the individual and therefore better approximates the factors that govern individual agency than accounts which focus on social movements. The latter type of account often tends to obscure the precipitating factors for individuals to decide to join protests in large numbers, which is necessary for any social movement to develop into a full-scale revolution. Second, the approach allows for the introduction of more data to support theories on revolution, since it is possible to use rigorously collected survey data from the time before the political volatility. While this article will not primarily focus on the same topic that was presented in Campante et al. (2014), I will also attempt to test their hypothesis on the interaction of education and disappointing income outcomes as an explanatory factor for protesting, in a specific setting where a revolution actually took place.

The data used in this paper is individual-level survey data from the World Values Survey from 2011 (Wave 6) and 2006 (Wave 5). This is the same as in Campante et al. (2014), but in the present study, a newer dataset (Wave 6) is incorporated, and the analysis is restricted to a single country in order to be able to investigate country- and time-specific effects in a state that actually underwent two revolutions shortly before and shortly after the two survey-waves were rolled out. The methods employed to investigate the individual determinants of demonstration behavior are ordinary least squares and logistic regressions of survey data.

Using these methods, I find support for my primary hypothesis: language spoken at home (Russian or Ukrainian) is not a

<sup>1</sup> Campante, Felipe and Davin Chor. 2014. "The People Want the Fall of the Regime: Schooling, Political Protest, and the Economy." (Harvard University, John F. Kennedy School of Government Working Paper Series rwp11-018) <https://research.hks.harvard.edu/publications/getFile.aspx?Id=671>

significant determinant of protesting behavior in 2011. Moreover, the determinants of protesting vary across the regions in 2011, while the region in itself is not an important explanatory variable of protesting in the 2011 data. In Western and Central Ukraine, lower income is significantly associated with a *higher* propensity to protest, while in Eastern and Southern Ukraine, lower income is significantly associated with a *lower* propensity to engage in protests (see Table 3). This indicates that different economic realities of inhabitants in the different regions explain political differences relating to protesting behavior more than any ethnic or language-related differences. Also, it appears that a difference in terms of the determinants of protesting has emerged between the two blocks of regions in the period between 2006 and 2011. Finally, I find that the general individual propensity to protest was smaller in 2011 than in 2006, and that a better model fit could be achieved in 2006 compared to in 2011.

Taken together, the results indicate that there was not an important budding propensity to demonstrate along the suggested dividing line of language before the Euromaidan Revolution. The motivation of the vast numbers of people demonstrating during the Euromaidan winter is more likely to be related to their specific economic circumstances. Moreover, an active social movement likely influenced large swathes of the population as they went out in such masses during the revolution, despite not having been prone to protest two years earlier. This social movement openly stated that the purpose of the protests was to put an end to a corrupt regime. Therefore, one can only assume that many Ukrainians took part in the revolution with this objective in mind.

As a multitude of actors and groups were involved in the revolution and the subsequent events, it would be reductionist in a distorting manner to present one single reason as to why the revolution took place. This paper examines determinants of individual protesting in the years before the revolution, but does not for that reason attempt to diminish the importance of the events that more directly triggered the popular protests (these are discussed in section 2.3.2 below). Yet, for any revolution to take place, there must be an underlying willingness among the people to protest. The reasons for protesting are important considerations in interpreting the subsequent political and economic situation in the country, as well as the relation between Ukraine and its neighboring countries. Therefore, not least for policy purposes, it is useful to understand the motivation of the general population, and not merely the objectives of the most vociferous or extremist factions

that are highlighted by various news media outlets.

The nature of the causes for Ukrainians to protest and to ignite a revolution have deep implications for how the rest of the world should react to the more recent development of events, with Ukraine experiencing an economic crisis while waging a war against Russia in Ukraine's Eastern borderlands. The West needs to know whether the revolution was an ethnic uprising or a manifestation of a willingness to end corruption, or something else. If the main underlying cause of protesting among Ukrainians was indeed to end corruption, then it is more likely that the reform processes that the Poroshenko government is currently undertaking stand a chance to be successfully implemented, since there is a need for support from the general population and people at all levels of society to put an end to corruption. In that case, the approach of supporting Ukraine's new government economically and politically holds more promise. However, as the implementation of reforms is delayed, EU governments are likely asking themselves whether the revolution was really a manifestation of the people's will to end corruption, or instead whether the conflicting accounts are correct — perhaps it was an eruption of ethnic tensions that had been building up between different language groups in the years preceding the revolution. If the causes for protesting were indeed ethnic tensions and repression of certain groups, then a more wary approach to supporting Ukraine's government is probably called for.

I would argue that the results from this paper support the theory that the two revolutions that have shaken Ukraine during its first 25 years of independence from the Soviet Union can both be characterized as emphatic manifestations of (at least part of) the population's wish to put an end to rampant corruption, and that they were not caused by ethnic tensions. Ukraine is the most corrupt country in Europe, ranking at 142nd place out of 170 countries around the world evaluated by Transparency International, and corruption creates huge malfunctions in the economy<sup>2</sup>. After one revolution against corruption and fraud in 2004–5, called the Orange Revolution, Ukraine did not improve on key corruption indicators and the country experienced another revolution on the same theme not even 10 years later. Ethnic tensions between different language groups seem to be a less important explanatory

<sup>2</sup> Transparency International. 2015. "A year after Maidan, Ukraine is still the most corrupt country in Europe." Last modified 3 Dec. 2015. [http://www.transparency.org/news/pressrelease/a\\_year\\_after\\_maidan\\_ukraine\\_is\\_still\\_the\\_most\\_corrupt\\_country\\_in\\_europe](http://www.transparency.org/news/pressrelease/a_year_after_maidan_ukraine_is_still_the_most_corrupt_country_in_europe). Accessed 15 June 2015.

factor for individuals' decisions to protest.

## 2. BACKGROUND

Relevant to the examination of protest behavior in one specific country that has experienced revolution is, first, an explanation of what a revolution is. Second, a theoretical background concerning reasons for political participation in general — in particular, “protest modes” of participation — is useful. Protest modes of participation here signify more effort-intensive ways of participating in politics, such as demonstrating, as opposed to, for example, discussing politics or voting. Third, a sociopolitical background setting the reasons for protesting in this particular country and time in context is relevant.

### 2.1. Definition of a revolution

To explain the causes of revolution, it is necessary first to define the concept. The meaning of the term revolution has evolved over time, and is contested in terms of its necessary elements. Kuran's (1989) definition of revolution is influential: a revolution is “a fundamental change in the social order brought about in a short period of time through a massive shift in people's expressed political views.”<sup>3</sup> A benefit of Kuran's definition is that it highlights what probably matters most to the people who revolt: that there is a change in the social and political order that is perceived as fundamental to them. However, there are difficulties with Kuran's definition since the meaning of a “fundamental change” can be debated, especially when there is disagreement about what is considered to be “fundamental.” Even assuming such agreement, whether a fundamental change in the social order has occurred can be difficult to determine when the political volatility is recent. In Ukraine in 2015, for instance, there are allegations that the new leaders are (equally) corrupt, and if the revolution was one against corruption, a fundamental change may not have come about.

Another potential definition of revolution suggested by Tilly (1978) avoids this difficulty by focusing on the contestation between polities instead of on a change to the social order: “a revolutionary situation is characterized by multiple sovereignty, when a status quo government faces competition from another polity.”<sup>4</sup>

3 Kuran, Timur. 1989. “Sparks and Prairie Fires: A Theory of Unanticipated Political Revolution” *Public Choice*, 61 (1): 41-74.

4 Tilly, Charles. 1978. *From Mobilization to Revolution*. Reading, Massachusetts: Addison-Wesley, p. 191.

This definition makes revolutions easier to unambiguously isolate in time, especially when they are happening or have recently happened. On the other hand, a shortcoming of Tilly's definition is that it lacks the important element of popular participation and shift in expressed political views that Kuran (1989) highlighted. In fact, according to Tilly's definition a coup d'état could count as a revolution, when there is a change of leadership without any popular participation or shift in social order.

For the purposes of this study, a combination of Tilly's and Kuran's definitions will be employed: a revolution will be interpreted as a period of multiple sovereignty, induced by a fast-paced (i.e. counted in weeks or months rather than years) shift in the population's expressed political views. The benefit of this combination is that it allows one with some certainty to say that a recent period of contested, multiple sovereignty is a revolution, without having to know if a fundamental change in the social order will take place concomitantly. Moreover, the combined definition requires popular participation and the expression of alternative political views by the public, which is relevant to the topic of this study, namely individual protesting. Using this definition, both the Orange Revolution (in Ukraine 2003–4) and the Euromaidan Revolution (in Ukraine 2013–14) would be labeled revolutions since they contain both elements: multiple sovereignty (as expressed by a set of leaders claiming sovereignty while the people or another set of leaders challenging or rejecting this sovereignty) and public expression of new political views. Had only Kuran's definition been employed, then it is unclear whether the events count as revolutions, for it is arguable whether the Orange Revolution actually brought about a change of the social order, and it is probably too early to say in 2015 whether the Euromaidan revolution has. It is true however, that during both revolutions discussed here, there was a tangible shift in the people's expressed views and a wish amongst large groups of the population for real regime change, as well as short periods of contested or multiple sovereignty.

## 2.2. Theoretical background on the determinants of political participation

The determinants of political participation in general have been more extensively studied than political protesting behavior, but since political protesting falls under the category of participation in general, I will here briefly discuss important theories on political participation.

### 2.2.1. Theories on the relationship between education and political participation

The conventional story on the main determinants of political participation in general is that higher education is associated with more political participation, but the causal pathway is contested. Verba and Nie (1972) examined American participation in politics, and provided the foundation for the theory about the association between education and participation.<sup>5</sup> The causal link between education and participation has been explored more recently employing quasi-experimental designs. Berinsky and Lenz (2011) argue that an assumption that education causes participation may be mistaken, due to the presence of a third set of variables that govern both education and political participation.<sup>6</sup> In this view, education is merely a proxy for status in society and cognitive skills, which are the ultimate causes of higher educational attainment. Berinsky and Lenz test this hypothesis exploiting a rise in the level of education caused by the Vietnam draft among males, and conclude that there is scant significant evidence that education in itself would increase political participation. On the other hand, Sondheimer and Green (2010) do find evidence that exogenously induced increases in high-school graduation rates do increase voter turnout, using two randomized experiments and one quasi-experimental design.<sup>7</sup> They suggest several different pathways that are present in previous literature, for instance that education increases interest in and knowledge of politics, or that increased education leads to an expanded social network and increased participation in political communities.

In sum, the causal link between education and participation is still debated, but it is clear that an association exists. In the present study, I will investigate whether the association holds for Ukraine as well, but since the association is well-documented in a wide variety of settings, the focus will be on testing country-specific reasons to political participation as well as newer

5 Verba, Sidney, and Norman H. Nie. 1972. *Participation in America: Political Democracy and Social Equality*. New York: Harper & Row.

6 Berinsky, Adam J., and Gabriel S. Lenz. 2011. "Education and Political Participation: Exploring the Causal Link." *Political Behavior* 33:357–373

7 Sondheimer, Rachel M., and Donald P. Green. 2010. "Using Experiments to Estimate the Effects of Education on Voter Turnout" *American Journal of Political Science*. 54 (1): 174–189.

theories than that between education and participation, which are nuancing the idea that higher education is always associated with more participation.

### 2.2.2. Education and income residual as potential determinants of participation

Campante et al. (2014) contributed to nuance existing theories on the relationship between education and political participation when they suggested that the relationship between education and some forms of political participation would have different strengths depending on the income obtained by the individual. They argue that this holds for so-called “effort-intensive” or “protesting” participation modes such as demonstrating, striking, and participating in boycotts, but not for less-demanding modes of participation such as voting or discussing politics. Their theory is that the strength of the relationship between education and effort-intensive participation is governed by individual income outcomes, in particular whether the individual has attained a higher or lower income than what he or she could have expected given personal characteristics and education. That is, people with more negative income outcomes given their education and other biographical characteristics tend to protest more, while people with more positive income outcomes tend to protest less.

There are various — potentially complementary — interpretations of this potential relationship. The *human capital interpretation* states that when an individual’s human capital is for some reason relatively less useful in income generation by means of economic production, then it is more likely that this individual would use their human capital in effort-intensive political participation. The *grievance interpretation*, on the other hand, argues that disappointment with one’s economic situation compared to one’s obtained education level may lead to political disaffection, in turn sparking demonstration behavior. Both these mechanisms could be complementary causal reasons for individual participation in protests and revolutionary activities. Campante et al. (2014) do not, however, take it for granted that there is a causal link between education and participation that holds; instead, they leave open the possibility that self-selection may produce the association. The *self-selection interpretation* is that there

exists some third omitted variable which governs both propensity to protest and education and labor market outcomes, such as ideology. Campante et al. (2014, p. 2) proxy ideology by the variables political extremism, political positioning and religiosity in their regressions but do not find support that such a third variable is at play.<sup>8</sup>

### 2.2.3. The importance of country- and time-specific factors

All the authors mentioned so far contribute to general theories regarding the relation between education and individual political participation and/or protesting, but they do not help much in clarifying why at a certain occasion extensive political protesting suddenly arises, causing a revolution in a particular country. To explain this, we need to investigate the factors that are specific for each country experiencing revolution.

Studies that are broad-ranging in a geographical sense but narrow in the mechanisms studied, such as Campante and Chor's study (2014), improve our understanding of a single mechanism behind protests that can potentially be generalized across countries. However, since Campante and Chor (2014) in particular are using a dataset from over 80 different countries in several WVS survey-waves, their study is not helpful in clarifying the most important causes for protesting in time periods around revolutions in Ukraine. It is important to note that most of the countries included in Campante and Chor's (2014) dataset did not experience a revolution around the time that the survey was administered. Therefore, the relationship they derive may not be what drives actual revolutionary behavior, but might be a tendency regarding individual protest behavior that is present in peaceful times. Moreover, the dataset used aggregates over 80 countries, which means that country-specific factors are not analyzed (even though country-dummies are used). Arguably, in any actual revolution, country-specific factors may be considerably more important in governing individual protesting behavior than general trends relating to participating in protests, which would hold across a broad sample of countries.

<sup>8</sup> Campante et al., p. 2

### 2.3. Demographical, historical and sociopolitical background

There are several reasons why the Ukrainian data merits specific examination. First, there is a multitude of conflicting accounts on what propelled the Ukrainians to demonstrate in 2011, and to a lesser extent in 2006. The data investigated in this study indicate that the determinants of protesting behavior change between the two survey waves. This suggests the need for studying each revolution in isolation to determine the time-specific effects. Second, there are regional differences in the determinants of protesting in Ukraine, which means that an attempt to create a worldwide, or even a countrywide, model of protesting behavior has its limits, since one cannot control for country-specific regional differences in a regression encompassing many different countries. For these reasons, this paper focuses on one specific country in two separate time periods, both of which are close in time to a revolution (one survey was carried out after the Orange Revolution and one before the Euromaidan revolution). For reasons of relevance, most of the focus will be on the Euromaidan revolution, but it is important to analyze the change in the determinants of protesting between the period just after the Orange Revolution and the time before the Euromaidan Revolution. For the interested, I will therefore give a brief overview of the Orange Revolution.

#### 2.3.1. Brief overview of the Orange Revolution

The Orange Revolution started with protests on Kiev's Independence Square in November 2004, as a result of fraud in the presidential election, when voters chose between the incumbent Prime Minister, Viktor Yanukovich, and Viktor Yushchenko, who had been Prime Minister the term before (1999–2001). Yanukovich was the candidate supported by large parts of the elite and the authorities, interpreted as those that had governed Ukraine since the collapse of the Soviet Union in 1991.<sup>9</sup> Yushchenko, previously also an “insider,” was framed as the leader of a strong opposition movement.<sup>10</sup> The protests against election fraud soon spread across the entire country, and their success in voiding the election results is attributed to the combination of “a powerful civic movement, a skilled political opposition, and a de-

<sup>9</sup> Wilson, Andrew. 2005. *Ukraine's Orange Revolution*. New Haven: Yale., p. 1.

<sup>10</sup> Wilson, p. 1

terminated middle class.”<sup>11</sup> What triggered demonstrations was the blatant difference between exit polls during the presidential runoff election on Nov. 21, 2004, and the official results.

The number of demonstrators on Kiev’s Independence Square in late November was so vast that any estimation is unreliable, but the organizers themselves estimated 500,000 people demonstrating in Kiev on Nov. 27.<sup>12</sup> As much as 18.4% of adult Ukrainians claimed having participated in demonstrations according to a December 2004 poll by the Kiev International Institute of Sociology, but the numbers were much higher in Western and Central Ukraine: 35.5% and 30.1%, respectively.<sup>13</sup> The participants came from various age groups: 27.5% were 18–19 years old (which is only a little bit higher than this group’s share of the entire Ukrainian population, 22.4%) and 23.7% of the participants belonged to the 30–39 age group.<sup>14</sup> The participants were predominantly from large cities: 57% came from cities with more than 100,000 inhabitants.<sup>15</sup>

### 2.3.2. The Euromaidan Revolution

The demonstrations constituting the Euromaidan Revolution started in Kiev in November 2013, and ended with the ousting of President Viktor Yanukovich in February 2014. The initial demonstrations were triggered by the rejection of a potential association agreement with the European Union by the incumbent President Viktor Yanukovich. However, after brutal police crackdowns on the protests from Nov. 30, 2013, the protests changed direction: overthrowing President Yanukovich became the apparent objective.<sup>16</sup> The goal of the protests was presented as ending a corrupt regime, and large swathes of the Ukrainian population took part in the demonstrations.

Naturally, in 2015 there is less authoritative research regarding the Euromaidan Revolution compared to regarding the Orange Revolution, since the former is

11 Karatnycky, Adrian. 2005. “Ukraine’s Orange Revolution.” *Foreign Affairs* 84 (2): 35–52., p. 35.

12 Wilson, p. 127

13 Wilson, p.127

14 Wilson, p.127

15 Wilson, p.127

16 Carroll, Jennifer J. 2014. “This is Not about Europe: Reflections on Ukraine’s EuroMaidan Revolution”. *Perspectives on Europe* 44(1): 8–15. [http://councilforeuropeanstudies.org/files/Perspectives/Spring%202014/s3\\_Carroll.pdf](http://councilforeuropeanstudies.org/files/Perspectives/Spring%202014/s3_Carroll.pdf)

still quite recent. However, some tentative evidence of which demographic groups participated can be found by looking at lists of the people who died during the most violent days of the demonstrations, Feb. 18–20, 2014. Such lists can be found on <http://nebesnasotnya.com.ua/en>, for example, and the portraits of the deceased are still lined up along the torn-out cobblestones on Kiev's Independence Square in June 2015. Among the demonstrators, employment groups corresponding to different levels of educational attainment were represented: some of the dead were students of medicine, IT, or philosophy; one was a political journalist and another an engineer holding a Ph.D., others were self-employed in construction services, locksmiths, or railroad workers. By examining the backgrounds of the people who died, it is also clear that the protestors comprised many age groups — from Ivan Nakonechnyy, 83, former officer of the USSR Navy, to Ivan Tarasyuk, a 21-year-old medical student. Regarding gender, most of the dead were men, but that does not necessarily mean that women did not participate, but merely that they often had different roles in the demonstrations and were not as present on the front lines and in the violent outbreaks.

Demonstrations followed in various cities across Ukraine, while the largest ones took place in Kiev. Accounts of the number of attendants should be treated with caution since they are still far from established, but media reports on the Kiev (in Central Ukraine) demonstrations estimate that there were several hundred thousand people there at the peak. There were large demonstrations also in Lviv (Western Ukraine), Kharkiv (Eastern), Cherkasy (Central), Ternopil (Western) and Dnipropetrovsk (Southern), representing all four regions that will be used in regressions in this study. The regions and their ethnic composition will be discussed in more detail in section 2.3.3, in the Demographical background. There were very few demonstrations reported in Crimea, however, and as a general trend, protests tended to have fewer participants in the South and East compared to in the Western and Central regions.

There are important differences between the Orange Revolution and the Euromaidan Revolution: mainly, that the former occurred without bloodshed, while the latter saw more than 100 individuals die only during a few days

in February 2014, not to mention the bloodshed in the ensuing war in the Eastern borderlands of Ukraine. However, the war in Eastern Ukraine is outside the purview of this study since it is not understood as part of the Euromaidan Revolution, according to the definition of revolution given above. There are also similarities between the revolutions — in particular, both called for the ending of a corrupt system. Corruption was a major theme of the Euromaidan demonstrations. Working-class concerns were central in the critique of Ukraine's rampant corruption; in particular as Kiev city employees had not received wages in months.<sup>17</sup> In the Orange Revolution, state corruption leading to blatant election fraud was also at the epicenter of events.

The existing corruption within the Ukrainian state is related to many economic problems of the people, such as the non-payment of workers' wages because of lavish compensation to leaders, or the inability of an educated person to find a commensurate job because he or she does not have the right contacts or cannot pay the associated bribes. This is ultimately a failure of the state to enforce the rule of law and to properly regulate economic functions. Many markets in Ukraine have long been regulated in inappropriate ways, and this can be a reason for some to protest. For instance, corruption connected to arbitrage possibilities in the energy market — created by gas subsidies that are supposedly meant to help the poor pay their energy bills but that have produced an energy-inefficient country with strategic dependence on foreign countries despite its own natural energy resources — may lead to disaffection and lack of trust in the government. Because of all these interrelated problems, it is of great interest to study the patterns behind individual protesting in Ukraine in relation to corruption, since corruption influences most economic concerns of the Ukrainian people.

Finally, the symbolism used was also a common factor in the two revolutions. It is notable that both revolutions were symbolically tied to Kiev's Maidan Nezalezhnosti, the Independence Square, since *maidan* is a Ukrainian word for square, originally borrowed from Turkish, and not a word that exists in the otherwise closely relat-

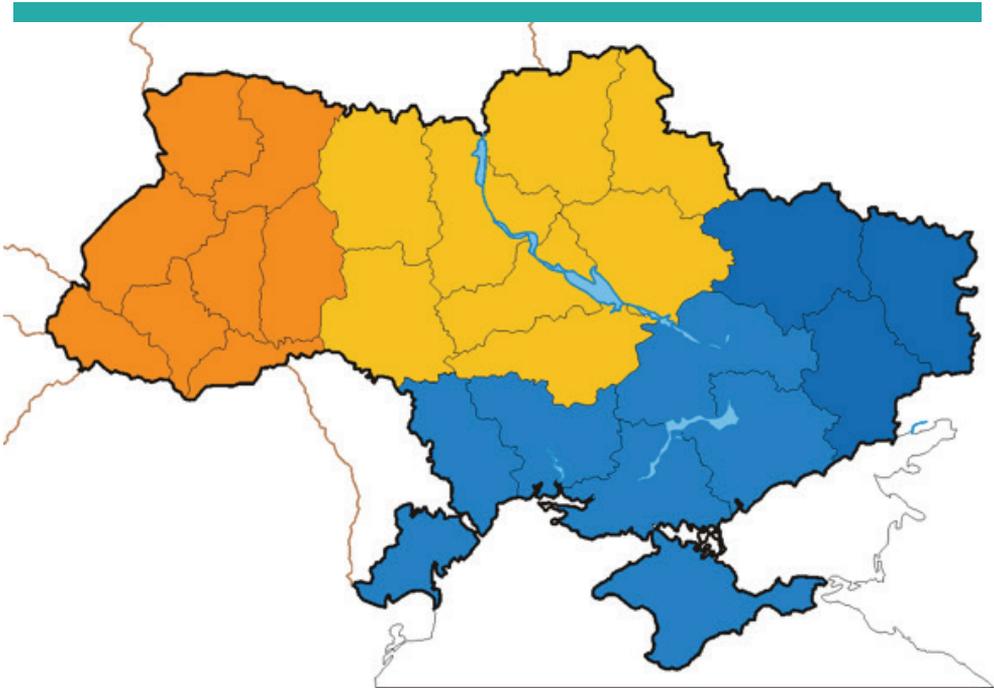
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<sup>17</sup> Carroll 2014

ed Slavic language Russian. The word came in broader use after Ukrainian independence in 1991, before which the Russian word *ploshchad'* was more common. Thus, Maidan is in several ways a symbol for a new and independent Ukraine.<sup>18</sup> Many of the protesters in both revolutions expressed disappointment with the development of the new Ukraine, where corruption was blatant and old elites were still in power.

### 2.3.3. Demographical and historical background

A feature of Ukraine's demography that is important for this study is the difference between Western and Central Ukraine and the Eastern and Southern parts of the country. First, the ethnic and first language composition differs between the two regional blocs. Moreover, there are historical differences and differences related to economic development between the two blocs of regions. In brief, Central and Western Ukraine were influenced by early Christianity from the Byzantine Empire and Pol-



**Figure 1:** Non-administrative regional division of Ukraine used by Kiev International Institute of Sociology (KIIS) in election polls. Source: Wikimedia Commons, released to public domain by copyright holder.

ish Roman Catholicism, respectively. In the 19th century, Western Ukraine belonged to the Austrian Empire, which further strengthened its ties to Western Europe.<sup>19</sup> The Southern and Eastern regions, however, has few ties to the West as it was populated by Asian nomads before Slavs moved into the area in the 17th and 18th centuries. Later on, in the 19th century, the area became an industrial center, which led to urbanization and attracted many Russians.<sup>20</sup>

Ukraine's modern-day regional differences in ethnic composition are best illustrated by census data. According to the 2001 All-Ukrainian Population Census, 17.3% of Ukraine's population identify as ethnic Russians, and 77.8% as ethnic Ukrainians.<sup>21</sup> However, 29.6% have Russian as their first language and 67.5% Ukrainian. Also according to the Census, the percentage of the population who speak Russian as their first language is concentrated in the South and the East, with proportions ranging from 29.3% (Mykolayivska, South) to 76.6% (Crimea, which is no longer a part of Ukraine, South) and 90.6% in Sevastopol (South), which is the capital of Crimea and the location of the Russian naval base for the Black Sea Fleet. In Western and Central Ukraine, the proportion of first-language Russian-speakers ranges from 1.2% (Ternopilska, West) to 15.5% (Sumska region, Central), with a local high of 25.3% in Kiev City (Central). The proportion of people who identify as ethnic Russians follows the same pattern with the highest concentration in the Eastern and Southern regions, with proportions ranging from 14.1% (Mykolayivska, South) to 58.3% (Crimea, now Autonomous Republic of Crimea, South), and with considerable lower proportions in the Western and Central regions, such as 1.2% in the Ternopilska region (West).

### 3. DATA

The data analyzed in this study are drawn from Wave 6 (Ukraine: Dec. 1–12, 2011) and Wave 5 (Ukraine: Nov. 15–25,

19 Hajda, Lubomyr. 2014. "The Conflict in Ukraine: A Historical Perspective." Interview by Lauren McLaughlin. Harvard Summer School Blog. Harvard University, June 2014. Accessed May 2, 2015. <http://www.summer.harvard.edu/blog-news-events/conflict-ukraine-historical-perspective>

20 Hajda 2014

21 Central Intelligence Agency. 2015. "CIA World Factbook: Ukraine." Last modified 18 May 2015. <https://www.cia.gov/library/publications/the-world-factbook/geos/up.html>. Accessed 15 June 2015.

2006) of the World Values Survey.<sup>22</sup> The World Values Survey is one of the largest surveys of political and social values, using a common questionnaire for representative samples of the population in almost 100 countries, which together comprise 90% of the world's population. The fact that only Wave 5 and Wave 6 of the WVS in Ukraine contain the protesting variables of interest restricts the datasets used for this paper to 1,000 observations in 2006 and 1,500 observations in 2011, and accounting for missing values, the final datasets used have 869 observations from 2006 and 1,472 from 2011. Lack of statistical power due to the relatively small datasets may cause problems for the analysis, but the smaller size of the dataset is inevitable if we want to look at effects that are particular to one single country, and in particular to Ukraine which has undergone revolutions, and where earlier waves are missing or do not contain the variables of interest.

Despite the drawbacks in terms of sample size, I have chosen this dataset since it is a well-known and rigorously collected dataset, which has been successfully used by researchers in the past to demonstrate the role that people's political beliefs play in the political and economic development of a country. An important benefit of this dataset is that it includes the most relevant questions for this project, such as education, income decile, interest in politics, and language spoken at home.

### 3.1. Potential methodological concerns regarding income measurement

A central variable for the proposed research questions is income. The World Values Survey does not measure the actual value of the respondent's income, but instead in which income decile the respondent falls. The income measurement of the WVS has been criticized (Donnelly et al. 2012) mainly for two reasons: first, that it is not comparable across country-waves, since in some waves a "subjective" and in other waves an "objective" measurement of income decile is used, and secondly, that the subjective measurement of income is an unreliable measure for actual income.<sup>23</sup> The subjective income measurement actually asks respondents to determine themselves where in the income distri-

22 World Values Survey Association, n.d. "Who we are." Accessed May 2, 2015. <http://www.worldvaluessurvey.org/WVSContents.jsp?CMSID=WhoWeAre>

23 Donnelly, M. and Grigore Pop-Eleches. (2012). "The Questionable Validity of Income Measures in the World Values Survey". Working paper presented at the Princeton University Political Methodology Seminar, Princeton, New Jersey, March 16, 2012. <http://www.princeton.edu/politics/about/file-repository/public/Donnelly-PopElechesMarch16.pdf>

bution of their country they fall, without recording their actual income. The first problem does not concern us here, since the income measurement method is identical in the two waves of the Ukrainian WVS which are used for this study. The second problem does not apply either, since the subjective measurement method, in which each respondent estimates in which income decile he or she falls, is not used in the Ukrainian Wave 5 and Wave 6 of the WVS. Instead, the income deciles were determined in advance of administering the questionnaires (based on previous data on the income distribution in Ukraine) and the surveyor determined the decile according to these deciles after asking for the individual's actual income. Clearly, this is a more objective and reliable method of data collection than the subjective method.

There is, however, a third problem with the method of income measurement that is potentially more problematic for the present research question: namely, the fact that actual income is not recorded but merely the income decile, which reduces the variation in the data. The variation in the recorded income distribution might actually be reduced to such an extent that we are unable to capture the features that vary across income levels with our regressions. This is a real problem, which may cause insignificance of the income decile variable in many of the regressions that will be reported below. However, there is a potential tradeoff between loss of variation in the income measure from recording income decile, and the potential increase in noise in respondents' incomes if the monetary amount were recorded. We should expect less noise using the WVS's method of measurement, meaning that a larger fraction of the income decile observations are indeed their true values than what would have been the case were the monetary value recorded.

## 4. METHODS

The empirical strategy proceeds in two steps: first, I construct a measure of relative income performance, interpreted as the extent to which an individual's income deviates from what *s/* he could have expected given the obtained level of education and other biographical characteristics. The variable is constructed by running an Ordinary Least Squares regression of income decile on education and a set of biographical characteristics (gender, age, single) and recording the residuals as a measure of having income above the expected or below the expected, given the level of education. This variable is used for some of the final regres-

sions. Second, I perform Ordinary Least Squares (i.e. a Linear Probability Model (LPM) since the outcome variable is binary) and logistical regressions of the binary variable *have demonstrated* on the regressors university education, interest in politics, and income decile controlling for a vector of individual characteristics (gender, age, single or not). I then add other controls to test the robustness of the model specification, such as region, language spoken at home (a binary variable; Russian or Ukrainian), unemployment and an interaction term between income residual and education level (in which case I omit income decile for reasons discussed below). I perform the above-mentioned regressions in a similar fashion on the dataset from 2006 and the dataset from 2011, and compare the effects.

#### 4.1. Choice of dependent variable in the final regressions

In the World Values Survey, questions about several different modes of participation in politics are included. These are, for instance, “civic” forms of participation such as voting and discussing politics, as well as more “protesting” or effort-intensive forms of participation such as demonstrating lawfully, striking, occupying, and participating in boycotts. However, in the Ukrainian dataset from 2006, the variables for striking and occupying are not included, and the number of respondents who have participated in boycotts are very few (29 respondents), which prevents regressions on this variable from having sufficient power. Therefore, the only variable which will be used as an outcome variable in this study is *participation in lawful demonstrations*. This is coded as a binary variable — either a respondent has participated in one or more lawful demonstrations or she or he has never done this. Moreover, participation in demonstrations can be regarded as a particularly important variable in Ukraine since both the Orange Revolution and the Euromaidan revolution were characterized by large and (initially for the Euromaidan) peaceful demonstrations.

## 5. SUMMARY STATISTICS

For overall summary statistics, please refer to Tables 7 and 8 in the Appendix.

### 5.1. Participation in demonstrations

As expected, since the Orange Revolution was more re-

cent in 2006, the proportion that says they have participated in a demonstration is higher in 2006 (17.6%) than in 2011 (11.4%). However, there are sharp regional differences in 2006: 30% and 28% respectively of respondents in both Western and Central Ukraine have taken part in demonstrations, but only 8% in both Eastern and 9% in Southern Ukraine have participated in 2006. The explanation for this discrepancy is the above-mentioned differential patterns of participation in the Orange Revolution across regions (Wilson 2005b). The demonstrations against the fraudulent victory of Viktor Yanukovich were centered in Central and Western Ukraine, where support for Yushchenko was much stronger than in the Southern and Eastern regions. In 2011, the patterns of participation across region have changed: now, the region with the highest participation rate is Southern Ukraine (14.6%) and in Western and Central Ukraine the participation rates have decreased to 12.6% and 10.8%, respectively. In Eastern Ukraine, only 6.8% have participated in demonstrations in 2011. Given these differences over region and over time, trying to explain demonstration behavior in Ukraine without controlling for region would be a mistake.

## 5.2. Participation in lawful demonstrations in relation to education

Across educational groups in 2011, 3% of those with incomplete primary school have participated in demonstrations, 18% of those with a university degree have participated in demonstrations, while all the other educational groups have a participation rate around 9%. It is thus clear that the most important differentiation in terms of education is having a university degree or not, as well as having no formal schooling at all compared to having at least some — but there are extremely few respondents with no formal schooling at all (4 in 2006, 0 in 2011). However, the different categories within primary and secondary education do not make a big difference for this type of protesting behavior. Therefore, I will use an indicator variable for having a university-level education (a university degree or some university-level education without degree) instead of all the categories of education, which was the specification of education used in Campante and Chor (2014).

## 6. RESULTS

The regression specifications discussed in this section are presented in Table 1 (2011) and Table 2 (2006) below. The interested reader can compare to logistical regressions results in odds ratios in Table 5 (2011) and Table 6 (2006).

### 6.1. Education

First, there is clear evidence from both 2011 and 2006 (Tables 1 and 2) that having university education increases the propensity to demonstrate, in accordance to what is predicted by the standard theory on political participation (Verba and Nie 1972), discussed in section 2.2.1.<sup>24</sup> It is reassuring to find that the model used in this paper corroborates a relationship that is previously well-documented, and the fact that this relationship is significant on the 1% level in both years for all model specifications (except in model 5 from 2006 where the significance is on the 5% level) shows that, given the sample size, there is enough statistical power to detect at least the most generalizable trend in determinants of political participation. The coefficients on university education are of the same order of magnitude across the two years, suggesting that the data from Ukraine confirms what the general theory predicts: the relationship between education and participation is constant over time. Moreover, the sizes of the coefficients remain stable across models within years, lending more confidence to the estimates.

### 6.2. Language

Second, Table 2 shows that speaking Russian language at home instead of Ukrainian has a large and significant (1% level) negative effect on demonstration behavior in 2006, if region is not included in the regression (Model 4, 2006). However, the significant effect completely disappears when I control for region in Model 5, 2006. This indicates that Russian-speakers were less likely to protest in the Orange Revolution, but these Russian speakers were also the people who lived in the Eastern and Southern regions, which means that it was potentially only the region one lived in that mattered for demonstration propensity. Interestingly, in 2011 (Table 1) there is no significant effect of being a Russian-speaker neither in Model 4 (not controlling for region) nor

<sup>24</sup> Verba and Nie 1972

**Table 1: Models of Demonstration Behavior in 2011: Ordinary Least Squares**

VARIABLES	(1) Base	(2) Region	(3) Region + Unempl.	(4) Lang. + Unempl.	(5) Lang, Unempl. Region
Income decile	0.000147 (0.00448)	0.00232 (0.00451)	0.00151 (0.00455)	-0.000246 (0.00453)	0.00195 (0.00464)
University educ.	0.0832*** (0.0202)	0.0825*** (0.0201)	0.0798*** (0.0202)	0.0818*** (0.0203)	0.0811*** (0.0203)
Interest in politics	0.0601*** (0.0102)	0.0586*** (0.0103)	0.0585*** (0.0102)	0.0595*** (0.0103)	0.0579*** (0.0102)
Male	0.0228 (0.0169)	0.0207 (0.0171)	0.0242 (0.0171)	0.0263 (0.0169)	0.0249 (0.0171)
Single	-0.0107 (0.0249)	-0.0101 (0.0251)	-0.00946 (0.0250)	-0.00977 (0.0248)	-0.00926 (0.0250)
Years of age	-0.000157	-0.000140	-0.000272 (0.000535)	-0.000260 (0.000535)	-0.000256 (0.000536)
Region = 2, East		-0.0437* (0.0224)	-0.0487** (0.0228)		-0.0390 (0.0257)
Region = 3, Central		-0.0161 (0.0229)	-0.0185 (0.0230)		-0.0147 (0.0231)
Region = 4, South		0.0288 (0.0251)	0.0265 (0.0252)	††	0.0357 (0.0270)
Unemployed			-0.0686*** (0.0263)	-0.0635** (0.0259)	-0.0701*** (0.0263)
Russian-speaker				-0.0126 (0.0167)	-0.0145 (0.0190)
Constant	-0.0490 (0.0394)	-0.0480 (0.0459)	-0.0326 (0.0474)	-0.0322 (0.0412)	-0.0330 (0.0473)
Observations	1,472	1,472	1,472	1,472	1,472
Adjusted R-squared	.0425	.0468	.0485	.0434	.0482
VIF	1.18	1.30	1.28	1.16	1.40

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

† Income decile omitted to avoid imperfect multicollinearity with income residual; the correlation coefficient between them in 2011 is 0.9235.

†† Region is omitted to examine the effect of being Rus-

sian-speaker without controlling for region. The significance of being a Russian-speaker disappears when we include Region, since most Russian-speakers live in the Eastern and Southern regions of Ukraine. The model fit in terms of adjusted R<sup>2</sup> is considerably better when including region instead of language.

**Table 2: Models of Demonstration Behavior in 2006: Ordinary Least Squares**

VARIABLES	(1) Base	(2) Region	(3) Region + Unempl.	(4) Lang. + Unempl.	(5) Lang, Unempl. Region
Income decile	0.0155** (0.00762)	0.0110 (0.00751)	0.0106 (0.00763)	0.0137* (0.00771)	0.0106 (0.00765)
University educ.	0.0687** (0.0289)	0.0706** (0.0282)	0.0700** (0.0282)	0.0765*** (0.0287)	0.0704** (0.0282)
Interest in politics	0.0873*** (0.0142)	0.0739*** (0.0139)	0.0740*** (0.0139)	0.0777*** (0.0142)	0.0739*** (0.0140)
Male	0.00952 (0.0288)	0.00860 (0.0281)	0.00977 (0.0281)	0.0114 (0.0287)	0.00983 (0.0281)
Single	0.0921** (0.0393)	0.0903** (0.0375)	0.0907** (0.0376)	0.0884** (0.0386)	0.0905** (0.0377)
Years of age	-0.000234	0.000157	0.000110 (0.000829)	-0.000535 (0.000842)	9.20e-05 (0.000839)
Region = 2, East		-0.170*** (0.0365)	-0.171*** (0.0366)		-0.167*** (0.0444)
Region = 3, Central		0.00588 (0.0440)	0.00466 (0.0441)		0.00673 (0.0463)
Region = 4, South		-0.166*** (0.0404)	-0.166*** (0.0405)	††	-0.162*** (0.0459)
Unemployed			-0.0293 (0.0551)	-0.0491 (0.0559)	-0.0302 (0.0557)
Russian-speaker				-0.105*** (0.0269)	-0.00525 (0.0326)
Constant	-0.140** (0.0630)	-0.0151 (0.0711)	-0.00995 (0.0728)	-0.0342 (0.0701)	-0.00876 (0.0736)
Observations	869	869	869	869	869
Adjusted R-squared	.0764	.122	.121	.0921	.12
VIF	1.24	1.41	1.38	1.20	1.62

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

† Income decile omitted to avoid imperfect multicollinearity with income residual; the correlation coefficient between them in 2011 is 0.846.

†† Region is omitted to examine the effect of being Rus-

sian-speaker without controlling for region. The significance of being a Russian-speaker disappears when we include Region, since most Russian-speakers live in the Eastern and Southern regions of Ukraine. The model fit in terms of adjusted R<sup>2</sup> is considerably better when including region instead of language.

**Table 3: 2011 Models by Region:  
Ordinary Least Squares**

VARIABLES	(1) West/ Central	(2) East/ South
Income decile	-0.0159** (0.00628)	0.0155** (0.00642)
University educa- tion	0.0804*** (0.0269)	0.0755** (0.0305)
Unemployed	-0.101*** (0.0320)	-0.000116 (0.0490)
Interest in politics	0.0501*** (0.0131)	0.0729*** (0.0162)
Male	0.0223 (0.0234)	0.0311 (0.0249)
Single	0.0230 (0.0369)	-0.0411 (0.0326)
Years of age	-0.00115* (0.0559)	0.000827 (0.0576)
Constant	0.0914 (0.0559)	-0.182*** (0.0576)
Observations	792	680
R-squared	0.046	0.080
scalars	.	.

**Table 4: 2006 Models by Region:  
Ordinary Least Squares**

VARIABLES	(1) West/ Central	(2) East/ South
Income decile	0.0184 (0.0124)	0.000849 (0.00885)
University educa- tion	0.0743 (0.0487)	0.0552* (0.0296)
Unemployed	-0.0578 (0.0924)	-0.0144 (0.0500)
Interest in politics	0.104*** (0.0246)	0.0482*** (0.0131)
Male	0.0466 (0.0480)	0.00141 (0.0285)
Single	0.140** (0.0669)	0.000225 (0.0367)
Years of age	-0.00100 (0.00165)	-0.000289 (0.00165)
Constant	-0.0991 (0.105)	-0.0418 (0.0697)
Observations	405	479
R-squared	0.096	0.041
scalars	.	.

Robust standard errors in parentheses

\*\*\* p&lt;0.01, \*\* p&lt;0.05, \* p&lt;0.1

in Model 5 (controlling for region). This goes against hypotheses that there was a growing tension between Russian-speakers and Ukrainian-speakers in the years leading up to the Euromaidan Revolution.

### 6.3. Region

A third result is that region is an important explanatory variable in 2006, with respondents in the Western and Central regions of Ukraine being more likely to have participated in demonstrations in 2006. This is clearly related to the Orange Revolution

— as discussed above, demonstrators were more numerous in the Western and Central regions compared to the Eastern and Southern regions. It is not unexpected that the Eastern and Southern regions would be different from the Western and Central regions, since they differ in several respects, for instance in economic conditions, in voting patterns and regarding the proportion of Russian-speakers — which is higher in the East and South. However, what is noteworthy is that in 2011, the regional differences are smaller: only in Eastern Ukraine are respondents slightly less likely to have participated in demonstrations compared to the Western region as the reference group. Moreover, when controlling for language, there is no significant effect even between the Eastern and the Western region (the latter is used as baseline in the reported regressions). When running the regression varying which region is used as a baseline, I find that there are no significant differences between any of the regions in 2011 when controlling for language (Model 5).

The result that there is a smaller difference in demonstration behavior between the blocks of regions in 2011 may be related to actual behavioral changes; such as an increased propensity to protest in Eastern and Southern Ukraine, a smaller propensity in Western and Central, or it may be related to the fact that the Orange Revolution (2004–05) was less salient in respondents' memory in 2011 than in 2006, producing recall bias. However, since only five years have passed between the surveys and the Orange Revolution was a quite significant event in the recent history of Ukraine, it is less likely that the result is due to recall bias. The question is phrased as “Have you participated in peaceful/lawful demonstrations?” — it does not ask for participation in demonstrations only in the past few years or months. A more likely explanation is that the demonstrations of the Orange Revolution were centered in Western and Central Ukraine, while any demonstrations unrelated to the revolution in the years between 2006 and 2011 are less likely to have been concentrated in one part of the country to such an extent.

A more important result is that, when I run separate regressions for each block of regions — Eastern and Southern Ukraine contrasted with Western and Central Ukraine — (Table 3 for 2011 and 4 for 2006) the explanatory variables of protesting behavior in the different regions are not the same in 2006 as they are in 2011. See section 2.2.3 for the rationale for lumping together the Western and Central regions and comparing them to the Eastern and Southern regions. The relationship between income decile

and demonstration propensity is insignificant in both blocks of regions in 2006. However, in 2011 a difference has emerged in the determinants of protesting between the Western and Central regions compared to the Eastern and Southern regions, which may be important in explaining the 2013–14 Euromaidan Revolution. The difference is that in 2011, income decile has a significant *positive* effect on demonstration behavior in the Eastern and Southern bloc (on the 5% level). However, income has a *negative* and significant effect on demonstration propensity in the Western and Central regions. Moreover, unemployment is not significant in any region in 2006 (Table 4), but in 2011, a difference has emerged between the blocs: in Western and Central Ukraine, unemployment has a large negative significant effect on engaging in protests. In sum, the determinants of protesting vary among the regions, while region in itself is not an important explanatory variable of protesting.

#### 6.4. Income

Fourth, belonging to a higher income decile has no significant effect on demonstration behavior in any of the regression models aggregated over the regions except in models 1 and 4 from 2006, where there is a small significant (on the 5% and 10% levels respectively) positive effect on demonstration behavior. In the aggregated 2011 models (Table 1), income decile seems to have no impact at all on protesting behavior in any model specification. However, when separate regressions are run for the Western/Central and Eastern/Southern regions in 2011 (Table 3), it is evident that the reason for the insignificance of the coefficient on income in the region-aggregated models is that there are different relationships between demonstrating and income across the two blocks of regions. As mentioned above in section 6.3, the relationship between income and protesting is positive in the East/South and negative in West/Central. The appearance of a divide between the parts of the country in terms of the determinants of protesting is interesting in itself, and indicates that in the years preceding the Euromaidan Revolution, the population in the different blocks of regions became increasingly different in terms of the reasons for protesting. Moreover, it shows that this difference was related to economic factors, such as income and unemployment, and not ethnic, such as language.

### 6.5. Income residual — refer to the logistic regressions in the Appendix (Tables 5 and 6)

Campante et al.'s (2014) hypothesis that the income residual interacted with education has a negative effect on demonstration behavior, *controlling for income decile*, is untestable using these datasets, even if we use logistic (non-linear) regression models (see tables 5 and 6). We cannot include the income residual in the linear model when including the income decile, since we are already effectively using the income residuals on the decile on the other right-hand side variables, according to the Frisch-Waugh theorem. Moreover, even if we use non-linear logistic models, the income residual is too closely correlated with income decile (see section 9.1.2 in the Appendix) with correlation coefficients ranging from 0.88 (2006) to 0.92 (2011), so a regression of demonstration behavior on both income decile and income residual suffers from imperfect multicollinearity (as diagnosed by a high variance inflation factor), which means that the standard errors and coefficients are not reliable. Thus, the effects of belonging to a low income decile cannot be separated from having a negative income residual since a regression included both variables cannot be run.

However, if we include only the income residual in a regression of demonstration behavior and leave out the income decile (in the logistical regressions in Tables 5 and 6), then the results are similar to Campante and Chor's (2014) results (when they included both income residual and income decile) for the case of the 2011 dataset. The effect of the residual itself on demonstration behavior is positive (i.e. above 1 in the odds ratio interpretation) and significant on the 1% level in the 2011 dataset, while the effect of education interacted with the income residual is negative (i.e. below 1 in the odds ratio interpretation), and also significant on the 1% level. These effects cannot be found in the 2006 dataset, perhaps because of the smaller sample size. If these results are reliable, then it would imply that Ukrainians *without* university education protest slightly less when they have more disappointing income outcomes than what they could have expected, while people who *do have* university education tend to protest more if they have disappointing income outcomes. Seen from another angle, the positive effect that university education has on protesting is muted if a person has better income outcomes than expected, but reinforced for individuals who have university education but disappointing income outcomes as measured by the residual. However, it should again be noted that these effects cannot be separat-

ed from the effect of the actual income decile, since it could not be included in the same regression.

The interpretation of this would be similar to that offered in Campante and Chor (2014), with the slight modification that the education variable in the present dataset is an indicator for having university education or not, while in Campante and Chor (2014), the education variable included several categories. In any event, the effect in the Ukrainian case could be interpreted using the *human capital* interpretation (see section 2.2.2: Education and income residual as potential determinants of participation) in the following way. People who have invested in university education but do not get the income outcomes that they could have expected given their education and other biographical characteristics are more prone to demonstrate, since they find that the human capital that they have acquired is not as productive as they thought in economic production, and therefore they shift to effort-intensive political activities. Another interpretation discussed in the theory section above is the *grievance interpretation*, according to which the educated are disappointed when they do not receive as high an income as they would have expected, given their investment in university education, and therefore they demonstrate out of disaffection. However, it is important to keep in mind that the interpretation has to be modified compared to the one offered by Campante et al. (2014), to account for the fact that I was not able to control for income decile in Model 6 in the logistic regression tables (Tables 5 and 6 in the Appendix).

The fact that no significant effect on the income residual and education interaction can be detected in the 2006 dataset may be a result of the smaller sample size. However, we cannot rule out that there was indeed a weaker relationship in 2006, which would indicate that university-educated people have become more prone to protest in 2011 if their income was lower than expected. This is plausible, given the worsened economic situation in Ukraine after the 2008–9 global financial crisis. In 2006, when the first wave of the survey was conducted, the economic outlook for Ukrainians was much better, and educated people had a higher chance of finding commensurate employment.

## 6.6. Unemployment

Unemployment is a predictor of demonstration behavior in 2011: being unemployed has a significant (on the 1% or 5% level depending on model) negative effect on demonstration behav-

ior (Table 1). However, in 2006 (Table 2), the coefficient on unemployment in the regression of demonstration behavior is not significant in any model. This may be because of lack of power since unemployment was lower in 2006 and the dataset is smaller. However, the most important part of the unemployment analysis is found in Table 3 where separate regressions are run on the data from Western/Central and Eastern/Southern Ukraine. It is clear that the entire negative effect of unemployment that is visible in the region-aggregated Table 1 is driven by Western/Central Ukraine. In Table 3, the coefficient on unemployment in Western/Central Ukraine is large (negative) and significant on the 1% level, while the coefficient on unemployment in the data from Eastern/Southern Ukraine is insignificant and extremely close to zero. This indicates that the unemployed in Western/Central Ukraine were more muted in their propensity to protest than the unemployed in Eastern/Central Ukraine in 2011, where unemployment had no effect on protesting behavior. This is yet another indication of the differences in terms of determinants of protesting that were emerging between the two parts of the country in the years preceding the Euromaidan revolution, and that the differences were related to economic variables.

### 6.7. Biographical characteristics

Finally, biographical characteristics are not very important explanatory variables. Age, for instance, does not seem to matter for demonstration propensity at all, in contrast to what Verba and Nie (1972) found concerning the political participation of Americans, where older people voted to a significantly larger degree. Whether a person is single or not has a positive and significant (5% level) effect in 2006, but no detected effect at all in 2011. Gender never has a significant effect. All of this corroborates the evidence (section 2.3.2) that the population demonstrating during the Euromaidan was diverse and did not represent a small and specific section of the Ukrainian society. However, I include the biographical characteristics in the base regression and in all models, since these biographical characteristics may nevertheless be important controls. Another important control is interest in politics, since this factor is highly likely to influence propensity to demonstrate. As expected, interest in politics has a strong and positive effect on propensity to demonstrate in both 2006 and 2011. This is hardly surprising given that more politically interested individuals should logically be more likely to engage politically in most ways, including demonstrating.

## 6.8. Model fit

The fit of the model is visibly better in 2006 than in 2011, with adjusted R-squared ranging from 0.076 to 0.12 in 2006, and never exceeding 0.05 in 2011. This can be interpreted as yet another result of the fact that the Orange Revolution was more recent in 2006. When there is a revolution, the dividing lines between people of certain characteristics become emphasized by the social movement, and this leads to a better fit of the regression model since people gathered in groups along regional and language lines during the revolution. Yet, an implication of this is that the 2011 model may be better at delineating the determinants of individual demonstration propensity. This is because in 2011 it is less likely that respondents were influenced by the social movement of the Orange Revolution, when there may have been social pressure to demonstrate along the side of one's fellow language-speakers or neighbors. The fact that the fit of the model is worse in 2011 captures the fact that the determinants of individual behavior are always manifold and varies between individuals. However, I have still been able to capture at least three highly significant determinants of individual protesting behavior in Ukraine in 2011: university education (positive effect), unemployment (negative effect), and interest in politics (positive effect). It is of great importance that language and region are not among these determinants; indicating that these proposed differences are either artificial, or created as a result of propaganda or social movements in relation to a revolution.

## 7. DISCUSSION AND CONCLUSION

The results support my primary hypothesis that language spoken at home — Russian or Ukrainian — was not a significant determinant of protesting behavior in Ukraine in 2011, two years before the Euromaidan Revolution. Whether region was a determinant is more complicated: region in itself does not appear as a very important determinant of protesting in 2011, and its significance has declined since 2006. However, the other determinants of protesting vary when running separate regressions for the different regions, which supports my secondary hypothesis that the economic determinants of protesting vary across regions. Thus, while the reasons for individual protesting do not seem to be directly related to language or region, inhabitants of different

regions in Ukraine have different determinants of protesting, and these differences appear in economic variables. The regions have different economic circumstances, and it may be these differences that are the reason for any political differences.

The different reasons for protesting in the two blocks of regions in 2011 are interesting in themselves, but the causal story behind the differences is unclear and merits further research. Most importantly, the relationship between income and protesting is significantly positive in the East/South and significantly negative in the West/Central. This could be interpreted as a piece of evidence against the suggestion that poor people in the Russian-speaker dominated East and South have been discriminated against by the Ukrainian government, at least if being subject to discrimination would imply a higher propensity to protest. Instead, it is the richer people who have a higher propensity to demonstrate in the East and South. The explanation for this should be subject to further investigation. To the contrary, in Western and Central Ukraine, belonging to a lower income decile corresponds to a higher propensity to protest. This could be interpreted as another sign that the Western/Central Ukrainians were fed up with an economic system that did not allow them to prosper economically. However, more research is needed to be sure of these inferences.

The general insignificance of both region and language as explanatory variables of demonstration behavior in 2011 is extremely interesting, given that a commonly expressed perception in media reports during and after the Euromaidan Revolution has been that tensions have built up between Russian-speakers, mostly in the East and South, and Ukrainian-speakers, mostly in the Western and Central regions, during a longer period of time — tensions which exploded in the Euromaidan Revolution and in the ensuing war in Eastern Ukraine. Moreover, some accounts have argued that Russian speakers have been differentially treated in Eastern Ukraine during a period of “forced Ukrainification” under President Yushchenko. However, if this is true, then it seems not to have created any increased propensity to demonstrate among these inhabitants of Eastern and Southern Ukraine, nor of the Russian-language speakers.

In the entire country, university education is associated with a higher propensity to protest, and the effect is strongest in 2011. This is in line with theory on the explanatory variables of political participation in general (see section 2.2.1). In this paper, I have also attempted to test whether there is a relationship between protesting and education interacted with an income residual, as

suggested by Campante et al. (2014). Some evidence for this is found in the 2011 data, even if an exact replication of Campante et al.'s regressions was not possible for methodological reasons. In theory, Ukraine could be a prime example of a country where Campante et al.'s (2014) hypothesis holds, since the labor force is relatively well educated and characterized as highly skilled, yet the levels of compensation to skill is low relative to most developed countries.<sup>25</sup> Moreover, in the aftermath of the global financial crisis in 2008, the demand for skilled labor weakened further.<sup>26</sup> Therefore, it is possible that parts of the Ukrainian population experienced disaffection because they were unable to reap the desired rewards from education in terms of income. Alternatively, they may have engaged in political protesting because they found their productivity in economic production lower than their productivity from engaging in political activities (see section 2.2.2 for theories on these relationships). Combining the data with the messages of the revolutionaries during the Euromaidan Revolution, one can infer that the increased propensity to protest among the educated with poor income is potentially related to an eagerness of educated Ukrainians to oust a corrupt regime. This can be assumed since the relationship between high levels of education and disappointing income outcomes can partly be indebted to the rampant corruption in Ukraine, which Ukrainians claimed were a major reason for their participation in the Euromaidan Revolution.

The dissatisfaction with the outcomes from investment in human capital that some Ukrainians seem to have experienced could also be related to a comparison with the outcomes received in the countries of the European Union, where return to skill is generally higher. In the current debate about Ukraine, this could lend support to those (Berglöf and Roland 1997, for instance<sup>27</sup>) who argue that the EU could serve as an “institutional anchor” toward which some Ukrainians strive since the EU has managed to create institutions that are comparatively efficient and free from corruption. The trigger of the revolution was a rejection of an association agreement with the European Union, and one reason for protesting against corruption at this point in time could be a desire to approach the European Union with its longstanding

25 Brown, David J., and John S. Earle. 2006. “Job Reallocation and Productivity Growth in the Ukrainian Transition” *Comparative Economic Studies*, 48(2): 229-251

26 Sutela, Pekka. 2012. *The Underachiever: Ukraine's Economy Since 1991*. Washington, DC: Carnegie Endowment for International Peace.

27 Berglöf, Erik, and Gérard Roland. 1997. *EU as an Outside Anchor*. Stockholm: Swedish Government Commission on the Consequences of Eastern Enlargement of the European Union.

traditions of transparency, democracy, and rule of law.

However, there is a counteracting effect which tends to mute demonstration behavior in bad economic times, coming from the fact that there are more unemployed in those times, and the unemployed are less prone to protest in Western/Central Ukraine in 2011. This contradicts the idea that bad economic times (with more unemployment) unequivocally lead to higher risk for revolutions. However, the tendency for unemployed people to protest less has been observed in other European countries, for instance by Giugni (2009)<sup>28</sup>. To explain this, theories on the apathy or lack of organization of the unemployed may be more relevant than theories about disappointing income outcomes. However, the negative relationship between protesting and unemployment may only hold until the unemployed have become sufficient in numbers that they organize and that unemployment is defined as a social and political problem. When unemployment increased in Ukraine between 2006 and 2011, it appears that this kind of critical mass was not yet reached, since being unemployed decreases the propensity to demonstrate in Western/Central Ukraine in 2011, holding all else constant, and the effect is significant on the 1% level. The fact that there was no such effect in Eastern/Southern Ukraine indicates once more the differences in how the inhabitants of the two parts of the country construe their economic circumstances and relate them to political action.

Moving forward, in order to devise sensible policies toward Ukraine and Russia, one must be aware of the underlying reasons for the Ukrainian people to demonstrate and overthrow the government in 2013–14. This study has shown that tensions between different language groups were not a main reason for the common Ukrainian to take the streets a few years before the Euromaidan Revolution, indicating that most of this may be propaganda released after the revolution. Moreover, individual propensity to protest was lower in 2011 than in 2006, despite a more difficult economic situation for Ukrainians — or perhaps because of it, since unemployment in some part of the country tends to decrease demonstration behavior. The lower propensity to protest shortly before the Euromaidan Revolution compared to after the Orange Revolution indicates that many of the individuals who took the streets in the Euromaidan Revolution were encouraged by an active social movement and a visibly strong opposition during an

<sup>28</sup> Giugni, Marco. 2009. "State and Civil Society Responses to Unemployment: Welfare, Conditionality and Collective Action." In *The Politics of Unemployment in Europe: Policy Responses and Collective Action*, edited by Marco Giugni. Farnham: Ashgate.

incipient revolution. This in turn could signify that the opposition movement's main message during the Euromaidan appealed to large swathes of the population and perhaps constituted the true reason for demonstrating. The Ukrainian people manifestly wanted to first oust corrupt politicians, and secondly, put an end to a corrupt system, just as they claimed to want during the Orange Revolution in 2004–5. In both revolutions, they succeeded with the first goal. Whether they will succeed in the second this time around is unclear, but it is less likely that they will do so if the reasons for the revolution are concealed behind propaganda about ethnic tensions.

## 8. METHODOLOGICAL NOTES ABOUT PROBLEMATIC VARIABLES

### 8.1. Additional discussion of problems with income measurement

The World Values Survey records “income decile” as their variable for income. This variable is described more thoroughly above in the Methods section. It was collected through giving respondents a list of ten income brackets calculated beforehand by the survey's principal investigators from a distribution of the population's incomes. The respondents placed themselves within a bracket by giving the letter corresponding to the bracket in which their income falls to the enumerator. The expected distribution of respondents within the deciles should have been uniform: a similar number of people within each decile. However, the 2006 data does not follow this pattern: the “income decile” distribution has most respondents in the middle deciles, and the distribution has a positive skew or a long right tail, similar to what is common in actual income distributions recorded in a regular manner.

The reason for this income decile distribution could be misspecification of the income brackets by the principal investigators, or poor sampling or poor response rates (Donnelly 2012, p.3). The impact this has on the present study might be that the coefficients on income decile in regressions are unreliable since there is too little variation in the income decile distribution: there are very few respondents in the very high and the very low deciles. This serves to further compound the problem with low variation in the income variable in the first place due to the fact that it has 10 broad categories and does not reflect small variations in income. These could be the reason that we do not see significant coefficients on

the income decile in regressions of demonstration behavior.

## 8.2. The income residual calculation

The income residual is intended to measure the difference between what a person in this particular country and time period could have expected to earn, based on their education and other personal characteristics. The income residual can be calculated through several methods, for instance by running a regression of income decile on education and a vector of personal characteristics, and then taking the difference between the predicted value from this regression and the actual income for each observation. This is the method used in this paper; other methods that I tested yielded similar results.

Replication of some of the income residual calculations made by Campante and Chor (2014) for the Ukraine data results in an income residual that is very closely correlated to the income decile, which limits the possibilities of running regressions including both income decile and income residual. Including them both gives rise to multicollinearity, as indicated by the variance inflation factor, which was used as a diagnostic tool to detect multicollinearity. The correlation between income decile and the calculated income residual thus prevents us from knowing the relation between the income residual and demonstration propensity, while controlling for income decile. Moreover, it is doubtful that the income residual actually captures true shocks relative to what a person could have expected.

Yet, some correlation between the income residual and income decile is expected, since the people who end up in a low income decile are more likely to have been negatively surprised by their income outcomes than positively surprised. Vice versa, if a person gets much larger income than he or she could have expected, then s/he is more likely to end up in a higher income decile than in a lower. Therefore, the correlation between income residual and income decile in the data does not have to be a sign of faulty data or incorrect calculation of the residual. In fact, in a country where initial expectations of income are fairly equal for people based on their measurable demographic characteristics, but where actual outcomes are determined by other factors than obtained human capital – for instance, by nepotism and corruption — it is in theory more likely that we see a high correlation between income decile and income residual.

### 8.3. Language spoken at home

The conflict around the Euromaidan Revolution has often been framed as an ethnic conflict between West-Ukrainian nationalists and East-Ukrainian Russian separatists, or as a language conflict, where the Ukrainians try to prevent Russian-speakers from speaking Russian. Therefore, it would make sense to control for ethnicity, but this variable is not consistently recorded in the 2006 and 2011 datasets; in the 2011 there are “Russian” and “Ukrainian” categories along with some minorities, whereas in 2006 the groups are “White,” “Black” etc., and the variable does not differentiate between Russians and Ukrainians. However, the people with Russian ethnicity almost exclusively speak Russian at home (96%), so first language largely coincides with ethnicity in many cases — although the people with Russian as their first language are more numerous than the people with Russian ethnicity, as was described above. The data allows controlling for language, so language spoken at home is used as a control in the 2006 and 2011 regressions. The languages recorded are almost exclusively Russian or Ukrainian, which is why a binary variable is used and the very few observations with other languages spoken at home are dropped from the regressions.

## 9. TABLES AND FIGURES

**Table 5: Models of Demonstration Behavior in 2011: Logistic regression, odds ratios**

VARIABLES	(1) Base	(2) Region	(3) Region + Unempl.	(4) Lang. + Unempl.	(5) Lang, Unempl. Region	
Income decile	1.007 (0.0470)	1.031 (0.0488)	1.022 (0.0486)	1.003 (0.0474)	1.027 (0.0492)	
University education	2.197*** (0.391)	2.207*** (0.394)	2.149*** (0.385)	2.176*** (0.391)	2.194*** (0.398)	2.289*** (0.410)
Interest in politics	1.811*** (0.178)	1.784*** (0.175)	1.783*** (0.176)	1.797*** (0.177)	1.770*** (0.175)	1.793*** (0.178)
Male	1.246	1.229	1.278	1.293	1.290	1.223

2.1. Explaining the Euromaidan Revolution

	(0.213)	(0.212)	(0.222)	(0.222)	(0.224)	(0.212)
Single	0.917	0.933	0.941	0.919	0.935	0.947
	(0.240)	(0.246)	(0.249)	(0.242)	(0.248)	(0.251)
Years of age	0.998	0.998	0.997	0.997	0.997	0.997
	(0.000833)	(0.000819)	(0.000829)	(0.000842)	(0.000839)	
Region = 2, Eastern		0.559**	0.533**		0.597	0.570**
		(0.159)	(0.152)		(0.189)	(0.162)
Region = 3, Central		0.854	0.838		0.876	0.881
		(0.196)	(0.192)		(0.206)	(0.203)
Region = 4, Southern		1.303	1.286		1.430	1.332
		(0.292)	(0.289)		(0.371)	(0.300)
Residuals						1.214***
						(0.0839)
Uni_educ##c. Residual						0.740***
						(0.0705)
Unemployed			0.373*	0.400*	0.368*	
			(0.199)	(0.213)	(0.196)	
Russian spoken at home				0.860	0.845	
				(0.149)	(0.176)	
Constant	0.0218***	0.0218***	0.0254***	0.0260***	0.0252***	0.0239***
	(0.00950)	(0.00998)	(0.0118)	(0.0115)	(0.0117)	(0.00955)
Observations	1,472	1,472	1,472	1,472	1,472	1,472

seEform in parentheses  
 \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 6: Models of Demonstration Behavior in 2006: Logistic regression, odds ratios**

VARIABLES	(1) Base	(2) Region	(3) Region + Unempl.	(4) Lang. + Unempl.	(5) Lang, Unempl. Region	(6) Base + Resid. Interact
Income decile	1.122** (0.0604)	1.097 (0.0616)	1.093 (0.0618)	1.107* (0.0609)	1.093 (0.0618)	
University education	1.553** (0.304)	1.614** (0.327)	1.609** (0.326)	1.658** (0.331)	1.610** (0.327)	1.750*** (0.354)
Interest in politics	1.989*** (0.236)	1.856*** (0.228)	1.862*** (0.229)	1.886*** (0.229)	1.861*** (0.229)	1.858*** (0.228)
Male	1.082 (0.212)	1.125 (0.226)	1.136 (0.229)	1.105 (0.219)	1.136 (0.229)	1.143 (0.231)
Single	1.791** (0.465)	1.722** (0.468)	1.713** (0.466)	1.710** (0.453)	1.713** (0.466)	1.690* (0.461)
Years of age	0.996 (0.00724)	0.997 (0.00764)	0.997 (0.00765)	0.993 (0.00744)	0.997 (0.00771)	0.994
Region = 2, Eastern		0.282*** (0.0806)	0.278*** (0.0798)		0.281*** (0.102)	0.280*** (0.0800)
Region = 3, Central		1.121 (0.266)	1.107 (0.264)		1.112 (0.288)	1.110 (0.263)
Region = 4, South- ern		0.270*** (0.0889)	0.267*** (0.0881)		0.269*** (0.105)	0.271*** (0.0896)
Residuals						1.108 (0.0873)
Uni_ educ##c. Residual						0.955 (0.106)

Unemployed			0.762 (0.379)	0.703 (0.342)	0.761 (0.379)	
Russian spoken at home				0.463*** (0.0895)	0.987 (0.257)	
Constant	0.0175*** (0.00920)	0.0351*** (0.0203)	0.0365*** (0.0213)	0.0355*** (0.0197)	0.0366*** (0.0214)	0.0595*** (0.0290)
Observations	869	869	869	869	869	869

seEform in parentheses

\*\*\* p<0.01, \*\* p<0.05, \* p<0.1

**Table 7: Summary Statistics 2011**

VARIABLES	(1) N	(2) mean	(3) sd	(4) min	(5) max
Male	1,472	0.399	0.490	0	1
Years of age	1,472	47.19	18.19	18	89
Have attended a lawful demonstration	1,472	0.113	0.317	0	1
Region	1,472	2.542	1.117	1	4
Russian spoken at home	1,472	0.489	0.500	0	1
Unemployed	1,472	0.0564	0.231	0	1
University education	1,472	0.344	0.475	0	1
Income decile	1,472	4.315	1.879	1	10
Interest in politics	1,472	2.215	0.880	1	4
Single	1,472	0.160	0.366	0	1
Residuals	1,472	-0.00395	1.737	-4.655	5.730

**Table 8: Summary Statistics 2006**

VARIABLES	(1) N	(2) mean	(3) sd	(4) min	(5) max
Male	869	0.341	0.474	0	1
Years of age	869	42.77	16.80	18	90
Have attended a lawful demonstration	869	0.176	0.381	0	1
Region	869	2.449	1.024	1	4
Russian spoken at home	869	0.588	0.492	0	1
Unemployed	869	0.0437	0.205	0	1
University education	869	0.366	0.482	0	1
Income decile	869	4.319	1.896	1	10
Interest in politics	869	2.442	0.905	1	4
Single	869	0.186	0.390	0	1
Residuals	869	-0.00196	1.684	-4.207	6.392

**Table 9: Demonstration participation in 2011 by region** (*Have attended a lawful demonstration*)

Region	No	Yes	Total
Western	87.43	12.57	100.00
Eastern	93.25	6.75	100.00
Central	89.20	10.80	100.00
Southern	85.37	14.63	100.00
Total	88.65	11.35	100.00

**Table 10: Demonstration participation in 2006 by region** (*Have attended a lawful demonstration*)

Region	No	Yes	Total
Western	70.06	29.94	100.00
Eastern	92.23	7.77	100.00
Central	72.44	27.56	100.00
Southern	91.23	8.77	100.00
Total	82.39	17.61	100.00

**Bio:** Amanda Dahlstrand Rudin, currently working as Research Fellow in Cambridge, Massachusetts, has graduated with a MA in International and Development Economics from Yale University and holds a BA in Philosophy, Politics and Economics from University of Oxford.

**Acknowledgments:** The author would like to express her appreciation to Anders Fridén for his unfailing support, to Michael Boozer for his valuable critique and to Justin L. Thomas for his constructive suggestions during the planning and development of this research work.

## 2.2. Response

### to 2.1. Explaining the Euromaidan Revolution: Economic Rather than Ethnic Tensions

David R. Cameron

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Twice in less than a decade, Ukraine experienced large-scale mobilizations of popular protest that shook the post-Soviet regime to its core. The first, the Orange Revolution, occurred in 2004 after the regime declared that Viktor Yanukovych, the incumbent prime minister and preferred candidate of Russian President Vladimir Putin, had won the presidential election. The second occurred in late 2013 and 2014 after Yanukovych, who had been elected president in 2010, decided not to sign an association agreement with the European Union and instead arranged with Putin a large loan in exchange for which he agreed to align the country economically with Russia.

Both episodes of large-scale mobilization were revolutions. But they began for very different reasons and concluded in very different ways. The first was an outgrowth of a contentious presidential election that, among other things, featured the poisoning with dioxin and disfiguring of Viktor Yushchenko, the opposition candidate, by the Russian and Ukrainian intelligence services, a near-tie well short of a majority between Yanukovych and Yushchenko in the first round of the election, and a decision by the Central Election Commission that Yanukovych won the run-off in November despite massive evidence of voter fraud. After widespread popular protests, coupled with international condemnation, the Constitutional Court annulled the results and called a new run-off election in December 2004 which Yushchenko won.

The second revolution was prompted by a decision by Yanukovych not to sign the association agreement with the EU in late 2013 and, instead, accept a large loan from Russia and align the country economically with Russia rather than with the EU. The decision gave rise to protests throughout the central and western

portions of the country, occupation of the Maidan, Independence Square, in Kyiv, recurring clashes between protestors and police, and eventually, in February 2014, several days of violence in which more than 100 were killed. Yanukovich fled, the parliament declared the presidency vacant, a new government was formed and, shortly thereafter, Russia, proclaiming the change as a coup d'état, took control of Crimea, annexed the territory, and provided support for pro-Russian separatists in the eastern regions of Donetsk and Luhansk.

We know a great deal at the macro-political level about the events that gave rise to those mobilizations of popular protest. But we know surprisingly little about why some Ukrainians participated in those events while many others did not. It is that question that Amanda Dahlstrand Rudin addresses in her very interesting article. We don't have reliable and representative survey data gathered from those who actually participated in the protests in the fall of 2004 or the long and difficult Maidan occupation in the winter of 2013–14 and, without those data, one must be cautious about attempting to explain who participated in those events and who they did so. But Ms. Rudin has been able to make use of representative national surveys conducted by the World Values Survey in 2006 and 2011 and examine participation in lawful demonstrations as a way of suggesting why some Ukrainians participated in the mobilizations of late 2004 and the winter of 2013–14 while others did not.

As the subtitle of her article — “Economic Rather than Ethnic Tensions” — suggests, Ms. Rudin is interested in particular in determining whether participation in protests before the Maidan events of 2013–14 was influenced by ethnicity or economic conditions. By ethnicity, she means, of course, the Ukrainian or Russian heritage of the population. According to the 2001 census, roughly 17 per cent of all Ukrainians were ethnic Russians although, because of intermarriage, roughly 30 per cent of the population spoke Russian as their first language. By economic conditions, she means the level of income as well as the disparity between an individual's income and the level predicted on the basis of education and other background factors. Employment or the lack thereof is another possible influence and, unlike income deciles, is quite reliably reported by respondents.

As we know from both the 2004 (and subsequent) presidential elections and the 2013–14 events, there are dramatic regional differences in Ukraine which reflect the differing ethnic heritages of their populations and the fact that Ukraine represents an amalgamation of territories with very different histories —

those in the west tracing their heritage to the Polish-Lithuanian Commonwealth and, later, the Austrian-Hungarian empire, and those in the east tracing their heritage to the Russian Empire.

It is hard to avoid the political salience of region in Ukraine, and one of the interesting facts noted by Rudin is the very dramatic variation among the major regions in the frequency of participation in a demonstration reported in the 2006 survey: 30 per cent of those in the west and 28 per cent of those in the central region reported participating in a demonstration while only 9 per cent of those in the south and 8 per cent of those in the east reported doing so. But five years later, perhaps reflecting the disappointment and disillusion with the Orange Revolution and the Yushchenko presidency, the regional variation in participation had largely disappeared, especially in the central and western regions that had been the bastions of support for both. Thus, in 2011, only 13 per cent of those in the west and 11 per cent of those in the central region reported participating in a demonstration, while 15 per cent of those in the south and 7 per cent of those in the east reported doing so. Those in the east continued to be, as they had been five years earlier, overwhelmingly non-participatory. But those in the west and the center appear to have experienced a dramatic demobilization in participatory politics.

Rudin suggests at the outset that she is concerned primarily with comparing the impact on participation of ethnicity, as reflected (with some degree of error) in the respondent's first language, versus economics, as measured by the decile of the respondent's income as well as its deviation from what might be expected on the basis of education and other attributes. But interestingly, her analysis suggests that both are largely inconsequential to an explanation of participation. Thus, in the 2006 survey the income decile of the respondent is statistically significant in two of the five regressions in Table 2. Ethnicity is statistically significant in one of the two regressions in which it is included, although it ceases to be significant when the regional dummies are included. Likewise, in the 2011 survey, the income decile is statistically insignificant in all five regressions in Table 1 as is ethnicity. In short, neither economics nor ethnicity would seem to account for the propensity of some Ukrainians but not others to participate in demonstrations.

Instead of ethnicity and economics, Rudin's analysis suggests that two variables are strongly associated with participation and retain their statistical significance even with the inclusion of other variables such as income decile, gender, marital status, and age. In both 2006 and 2011, the best predictors of whether a

Ukrainian did or did not participate in a legal demonstration were the level of education and degree of interest in politics. Those with a university education and with a high degree of interest in politics were more likely to participate than those with less education and little interest in politics. The only other variables that appear to be consistently associated with participation after taking those two factors into consideration are region and unemployment; even taking education and interest into account, those living in the South and the East were less likely than others to participate in 2006 and those who were unemployed were less likely to participate in 2011.

Obviously, it is a stretch to claim that we can know, from survey data gathered in 2006 and 2011 on participation in legal demonstrations, who participated in the Maidan Revolution several years later — a revolution that involved not only civil disobedience but often outright violation of laws, especially the laws restricting protestors enacted by the Yanukovich regime in the winter of 2013–14. That we won't know until we learn, perhaps from later World Values Surveys, about the attributes and motives of those who participated in the Maidan protests that led to the downfall of the Yanukovich regime.

But one thing we do know, thanks to Rudin's careful analysis, is that, as many scholars have found in other polities, in Ukraine the fact that some citizens participated actively in politics in the years between the Orange Revolution and the Maidan, in the sense of doing more than just showing up for an election every few years, depended on the extent of education, both as a means of obtaining the ability to analyze and understand politics and as a measure of social and economic status, and the extent of interest in politics. In that sense, and despite the exceptionally difficult political and economic conditions under which they have lived in recent years, citizens in Ukraine are like citizens in many other polities: Those who are educated and interested in politics, participate; those who aren't, don't.

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## 3.1. Federalization of the European Union

SUBMITTED BY

Marko Grujicic

### ABSTRACT

The European Union is a federal system. More precisely, the process of European integration in the last six decades demonstrates that the European Union possesses certain features of modern federations. Indeed, from the beginning of such integration, federalism as a normative concept and the idea of a European federation have been a reference for this process. However, after failing to ratify the Treaty Establishing a Constitution for Europe it seemed that the further federalization of the European Union came to a standstill. Fortunately, the adoption of the Treaty of Lisbon confirmed the opposite. To that regard, the subject of this paper is to analyze the European Union from the perspective of federalism after the Treaty of Lisbon. The theoretical framework presented herein introduces a reader to the main concepts of federalism, federal political systems, and federation. Such a theoretical framework is further developed and examined in the context of the European Union and its governance structure in the post-Lisbon era. The aim of this paper is to analyze the European Union and its federal features as well as to present counterarguments to that regard. The author argues that the European Union after the Treaty of Lisbon may not be perceived as a federation due to the strong intergovernmental characteristics of its legal and institutional structures. Therefore, the EU represents a hybrid federal political system with unique institutional arrangements.

Key words: *federalism, federation, European Union, Treaty of Lisbon, hybrid federal system*

## 1. INTRODUCTION

The history of Europe has been marked by a multitude of wars and clashes between nation-states whose territorial apprehensions tremendously contributed to the devastation of the European continent. The principal impetus of these wars was the desire to unite Europe under a single ruler. From the Habsburgs in the 16th century to Napoleon and Hitler, many had dreamt about uniting Europe and tried to achieve such a dream through forceful expansions, military aggression and conquest. Fortunately, all of these attempts failed to achieve such a goal. Contrary to this violent approach, numerous peaceful solutions have also been introduced with an aspiration for a federal reorganization of the European continent. The ultimate goal of these pacific proposals was the achievement of lasting peace in Europe. Most of these projects had been delivered by philosophers and poets who advocated for the creation of governance at the European level. To their minds, such governance would be able to create the conditions for uninterrupted progress and the development of all European people.<sup>1</sup> However, it was not until the end of the Second World War that the proposals made by Europeanist politicians strongly calling for the creation of a European Federation<sup>2</sup> took root among the European nation-states. The foundation of the European Communities, the role of the Court and further political development which lead to the modern-day EU clearly show that project of a federal Europe has been successfully initiated.

Delving into the present-day EU one can observe a host of traits accredited to typical federations, especially after the adoption of the ToL. However, the MS failed to ratify the Treaty Establishing a Constitution for Europe (hereinafter referred as the Constitution for Europe) mostly due to the fear of excessive federalization and the loss of national sovereignty. Such a fear has contributed to the highly controversial and debated nature of the federalization issue. Despite this trend, the European integration process has not halted. This process has continued with the rat-

<sup>1</sup> Victor Hugo delivered speeches at numerous Peace Congresses in the 19th century, inter alia stating that “a day will come when we shall see those two immense groups, the United States of America and the United States of Europe, stretching out their hands across the sea, exchanging their products, their arts, their works of genius...”; “Let us be the same Republic, let us be the United States of Europe, let us be the continental federation, let us be European liberty, let us be universal peace!” Lucia Ames Mead, “A Primer of the Peace Movement,” Victor Hugo Central, Accessed May 12, 2015, <http://www.gavroche.org/vhugo/peacecongress.shtml>

<sup>2</sup> In 1946 Winston Churchill advocated for the establishment of a United States of Europe and in 1950 then-French minister of foreign affairs Robert Schuman proposed the creation of the European Coal and Steel Community.

ification of the ToL, which accepted the majority of designs proposed in the non-ratified Constitution for Europe (e.g. the abolition of the pillar structure, the legal personality of the EU, and new competences). With the exception of a few solutions (a term constitution, a minister of foreign affairs, an officially recognized flag, an anthem and a motto of the EU, to mention a few), which seemed to be essential features for standard federations, the integration process has continued.

The ongoing process of federalization in the EU has evidently shown that the federal dream has left substantial marks on the political and legal systems of European countries over the last six decades. Thus said, this paper will examine how close or distant the modern EU is from the aspiration called the European Federation. In order to conduct such an analysis, the following two-part question has to be posed; namely, what features of a federation does the EU possess and consequently, has the EU already become a federation? The discussion that will be presented herein provides an answer to these often controversial topics.

This paper has a twofold structure. Firstly, it will establish a theoretical framework which will help a reader to understand the concepts of federalism, federal political systems, and federation. Moreover, the paper will present the most important features of the legal and institutional structures of the EU in the light of such a theoretical framework. This paper contends that the EU has evolved into a hybrid federal system; combining features of federations and intergovernmental cooperation, the modern EU represents a unique federal arrangement whose development has not yet concluded.

## 2. THEORETICAL FRAMEWORK

### 2.1. Federalism as a Concept

Since the European integration process began, federalism as a concept has been widely used to explain the narrative and the ultimate goal of such a process. However, to better understand this concept, the terms federalism, federal political systems, and federation ought to be defined and analyzed.

There are as many definitions of federalism as scholars who write about it. However, in all these definitions, the ultimate goal of federalism is to create a space for the cooperation and association of different constituent units while preserving their dis-

tinct features.<sup>3</sup> According to Ronald Watts, federalism “is used basically not as a descriptive but as a normative term and refers to the advocacy of multi-tiered government combining elements of shared-rule and regional self-rule.”<sup>4</sup> The kernel of federalism is thus a partnership between two or more constituent units that function under the higher level of governance. Therefore, federalism as a normative concept enables different units to defend mutual interests, thus reducing “the number of topics on which it is necessary to arrive at inter-regional and inter-community agreement.”<sup>5</sup> Thus said, federalism has been typically implemented in societies that share the same values (democracy, cultural heritage, rule of law, respect of human rights, to mention a few) and have common interests to create multi-tiered government in policy areas where they assume the goals would be more easily achieved (e.g. foreign policy, economy, security).

Finally, by defining federalism as the concept of the state, Thomas Fleiner and Lidija Basta Fleiner underscore the constitutionally stipulated balance between different levels of governance.<sup>6</sup> Therefore, constituent units have to cooperate, i.e. to establish a partnership as the quintessential element of federalism. Despite numerous definitions, the main concept of federalism is the connection, collaboration, and association of various constituent units at the federal level. Such an idea embraces numerous federal political systems as systems of governance that advocate federalism as a normative term.

Federal political systems implicate different types of state systems with at least “two (or more) levels of government thus combining elements of shared-rule (collaborative principle) through a common government and regional self-rule (constituent unit autonomy) for the governments of the constituent units.”<sup>7</sup> As inferred from the definition, federal political systems incorporate various categories of federal communities such as unions, federations, confederations, and associated states to name a few.<sup>8</sup> However, besides these, there are hybrid federal systems which combine various traits of different federal political systems.

3 For the purpose of this paper, the term “constituent unit” will be used for all types of lower level units which exist under various federal systems. In addition, the term “federal unit” will be used particularly for constituent unit of federation as a separate federal system.

4 Ronald Watts, *Comparing Federal Systems* (London: Montreal & Kingston 3rd edition, 2008), 8.

5 Andreas Follesdal and Peter Koslowski, *Democracy and the European Union*, *Studies in Economic, Ethics and Philosophy* (Berlin: Springer Verlag, 1997), 246.

6 Thomas Fleiner and Lidija Basta Fleiner, *Constitutional Democracy in a Multicultural and Globalized World* (Berlin Heidelberg: Springer Verlag, 2009), 541.

7 Watts, *Comparing Federal Systems*, 8.

8 More about these federal political systems in Watts, *Ibid.* 10-11.

For a better understanding of the EU, it is necessary to define the term confederation due to the strong presence of intergovernmental characteristics within such a federal political system. It suffices to say that confederations, as a system, do not create their separate identity since constituent units just transfer certain powers in order to achieve mutual goals.<sup>9</sup> Therefore, the higher, confederal level is completely depended on the will of constituent units. This implies that confederations have no direct powers over citizens, and that only the governments of constituent units will be represented on a confederal level. Another important feature of confederations is unanimity voting within confederal institutions, which indicates that constituent units can “veto decisions, and even leave the confederation.”<sup>10</sup> Thus said, the right to secede is *differentia specifica* between confederations and federations.

Despite numerous different federal political systems and a multitude of solutions they have accepted, some common features can be indicated. Namely, as Daniel J. Elazar contends, the essential characteristics of a truly federal system are a written constitution, non-centralization, and a division of power.<sup>11</sup> Therefore, according to this author, the existence of two or more levels of governments, who among themselves distribute competences guaranteed by the constitution, makes one political system a federal one.

## 2.2. Federation and its Characteristics

The USA has been perceived as the first modern federation in the world. Thus, it is correct to claim that “the United States is a federal country in spirit, in its way of life, and in its Constitution.”<sup>12</sup> The success of the US federation has motivated many other nations to implement similar structures in their constitutions. An analysis of the constitutional and political systems of modern countries demonstrates that over 40 percent of the world’s population has been living in federations.<sup>13</sup> Such a fact emphasizes the relevance and significance of a federation for the understanding of the globalized world.

As a distinct federal political system, in federations “neither the federal nor the constituent units of governments are constitutionally subordinate to the other, i.e. each has sovereign powers

9 John McCormick, *The European Union: Politics and Policies* (Boulder Colorado: Westview Press, 1999), 85.

10 Follesdal and Koslowski, *Democracy and the European Union*, 231.

11 Daniel J. Elazar, *Exploring Federalism*, (Tuscaloosa London 1987), 157-166.

12 Maurice J.C. Vile, *The Structure of American Federalism* (London: Oxford University Press, 1961), 1.

13 George Anderson, *Federalism: An Introduction* (New York: Oxford University Press, 2008), 1.

derived from the Constitution rather than from another level of government, each is empowered to deal directly with its citizens in the exercise of its legislative, executive and taxing powers, and each is directly elected by the citizens.”<sup>14</sup> This comprehensive definition asserts that federation implies a separate identity for such federal systems, and a stronger association between its federal units in comparison to a confederation.

However, despite a host of existing federations and different federal interpretations they introduced in their political systems, certain common features might apply for all federations. To that regard, Justin Frosini emphasizes that in order to define federation and make a clear distinction with a regional state, the following elements should be taken into consideration: the degree of legislative power exercised by federal units, the existence of a separate branch of judiciary at the lower level as well as the second chamber, and the involvement of federal units in constitutional amendments.<sup>15</sup> To that regard, there has been a crucial difference between a federation and a regional state considering all these criteria. Suffice it to say that regions within a regional state have less significant influence on a central government in comparison to the impact on federal units to a federal level.

Moreover, most authors also agree that the following traits are *conditio sine qua non* for defining one federal political system as a federation:

1. the existence of two orders of government;
2. a formal constitutional distribution of legislative and executive authority and allocation of revenue resources;
3. the existence of a second chamber;
4. a supreme written constitution not unilaterally amendable;
5. an umpire, which could take different forms, and
6. the existence of institutions that facilitate intergovernmental collaboration.<sup>16</sup>

All of these characteristics will be further analyzed in order to provide comprehensive theoretical framework and understanding of a federation.

### 2.2.1. Two orders of governments

Every federation has at least two orders of govern-

<sup>14</sup> Watts, *Comparing Federal Systems*, 9.

<sup>15</sup> It has been demonstrated that federal units usually have a central role in amending the federal constitution i.e. the power to ratify amendments to such constitution. Justin Orlando Frosini, “Forms of State and Forms of Government” in: *Introduction to Italian Public Law*, ed. G. F. Ferarri (Giuffrè Editore, 2008), 40.

<sup>16</sup> Watts, *Comparing Federal Systems*, 9.

ments. One order exists at a federal level, while the other exists at the level of federal units. These units could have different sizes of territories, number of citizens, and economic power, which could potentially contribute to certain obstacles in cooperation among the federal units. Despite this, the sole existence of these units within a federation presupposes that federal units in general have an equal rights and liabilities.

Another significant facet of a federation is the lack of sovereignty of federal units. Due to the transfer of their sovereignty to a federation, federal units do not have the right of unilateral secession from a federation.<sup>17</sup> This structure is completely opposite to those in confederations, and has its logical explanation in a fact that federal units pooled their sovereignty to the federation.<sup>18</sup> Moreover, in typical federations both levels of government have jurisdiction over their respective territory and each level is allowed to act directly towards its citizens. Finally, unlike the structure accepted in a confederation, majority voting in federal institutions has been one of the main features of a federation and crucial for the uninterrupted function of such federal system.

### 2.2.2. Distribution of Powers

To achieve the goals for which a federation has been created, both levels of government ought to possess certain competences. Therefore, “the fundamental defining institutional characteristic of federation has been the constitutional distribution of powers between the federal and regional governments.”<sup>19</sup> Federal constitutions usually mention the different types of distribution of power between the federal and regional levels. These could be in the form of the exclusive authority of federations; the concurrent authority of federations and federal units; shared authority, when each level is involved through consent or an opinion; and the exclusive authority of federal units. Finally, a genuine autonomy, which federal units enjoy in federations, implies that such units possess classic gov-

<sup>17</sup> Fleiner and Basta Fleiner, *Constitutional Democracy*, 570. The only exception to this rule was provided by the constitution of ex USSR. Moreover, today the right to secede from the federation has been stipulated by the Constitutions of Ethiopia (Article 39) and the Constitution of Saint Kitts and Nevis.

<sup>18</sup> The Clarity Act of Canada from 2000 provides the possibility for negotiated secession of a province from Canada. Clarity Act S.C.2000, c. 26, Minister of Justice of Canada, Accessed May 11, 2015. <http://laws.justice.gc.ca/PDF/C-31.8.pdf>

<sup>19</sup> Watts, *Comparing Federal Systems*, 83.

ernmental branches, i.e. legislative, executive, and judicial competences provided in their own constitutions. Considering legislative power, the implementation of exclusive legislative authority varies from federation to federation. More precisely, it is usual that the federal constitution lists the areas for which the federal government is competent, thus recognizing residual authority to the federal units.<sup>20</sup> However, even in this case, legislative acts adopted by federal units have to be in compliance with the federal constitution and the laws of a federation.

### 2.2.3. Second chamber

The existence of a second chamber is a characteristic that differentiates a federation from purely decentralized states. Namely, the second chamber provides the full implementation of the shared-rule principle<sup>21</sup> since it enables federal units to participate in the decision-making process on the federal level. Thus said, every federation has two legislative chambers (bicameralism): the first or lower chamber represents the citizens of the federation regardless of their affiliation to various federal units. Furthermore, the second or higher chamber secures the participation of federal units in legislation on a federal level. Therefore, it may be concluded that the second chamber is an expression of the political and legal equality of the federal units and a tool by which they influence federal policies and federal laws.

### 2.2.4. Supreme, written constitution

To establish a federation, the people of future federal units have to come to an agreement by adopting a federal constitution. Unlike some other federal systems which legal foundation is grounded in an international agreement, a federation can neither be established nor operate as a federal system, nor can it be properly developed without a constitution.<sup>22</sup> Such federal constitution has twofold salience: first, it determines the distribution of powers between a federation and federal units. Furthermore, it states the primacy of the federal constitution over

20 The only exception to this rule is Canada which “allocates the residual subject matters to the federal government and not to the provinces.” Frosini, “Forms of State and Forms of Government,” 41.

21 Fleiner and Basta Fleiner, *Constitutional Democracy*, 589.

22 All translations from Serbian are the author’s except where otherwise noted. Ratko Markovic, *Ustavno pravo i političke institucije* (Belgrade: Official Gazette, 2001), 448.

the constitution of federal units,<sup>23</sup> which further implies the primacy of federal law over the law of federal units. Finally, in order to amend the federal constitution, a significant majority of the federal units must vote in favor of it, while in other federal political systems a unanimity decision is required to amend the founding international treaty.

#### 2.2.5. An umpire — judicial review

Another important element of a federation is the existence of an institution or a procedure that decides on constitutional disputes between different levels of governments. Namely, provisions and rules provided in the federal constitution need to be interpreted to find solutions for potential disputes which could occur between different actors. This interpretation should be provided by an umpire who has a task to interpret and apply these rules.<sup>24</sup> Most notably, the interpretation has been usually provided by courts and therefore is called a judicial review. The goal of a judicial review is to declare legal acts that are subordinated to the federal constitution as unconstitutional, whenever they oppose the provisions of the federal constitution.

#### 2.2.6. Intergovernmental collaboration

Finally, often the competences of a federation and federal levels overlap, which trigger numerous conflicts between these levels. In order to enable governments to cooperate and establish partnerships, the institutions of intergovernmental collaboration have the task to resolve possible conflicts as well as to adapt to changing circumstances.<sup>25</sup> These institutions usually present a forum in which both levels of government can collaborate in order to avoid obstacles which may arise.

### 3. FEDERAL EUROPE IN THE POST-LISBON ERA

The EU has been federalized in many aspects. The process

<sup>23</sup> The only exception is India where constituent units do not have their constitutions.

<sup>24</sup> Thomas O. Hueglin and Allan Fenna, *Comparative Federalism: A Systematic Inquiry*, (Toronto: Broadview Press, 2006), 275.

<sup>25</sup> In 2003 in Canada, interprovincial Council of the Federation was established in order to support interprovincial partnership and to enable a common stand in negotiations with the federal government; Watts, *Comparing Federal Systems*, 117.

of federalization has been very slow due to the ungrounded fear of statesmen and citizens of nation-states that further integration of the EU will lead to the disintegration of their respective states. That is the reason why legal and institutional structures have had different paces of integration.

The Court had the decisive role in the federalization of the EU legal system and gave a boost to the early successes of European integration. This success started in the 1960s and 1970s when the Court established groundbreaking principles similar to the constitutional norms in most federations. One of the most important principles is the direct effect that enables individuals to rely before national courts on certain European provisions. It was in the 1960s when the Court stated in the *Van Gend en Loos* judgment that the “European Economic Community constitutes a new legal order of international law for the benefit of which the states have limited their sovereign rights. [...] Independently of the legislation of Member States, community law not only imposes obligations on individuals but is also intended to confer upon them rights which become part of their legal heritage.”<sup>26</sup> This principle clearly provides that provisions of the Treaty establishing the European Economic Community<sup>27</sup> as well as secondary legislation could be invoked by individuals before national courts. Furthermore, the judgment emphasizes the uniqueness and importance of the European legal system in comparison to existing legal orders of national and international law.

Another principle introduced by the Court is the principle of supremacy of EU law. Specifically, this principle, established with the case *Flaminio Costa v ENEL*,<sup>28</sup> stipulates that EU law precedes national law of the MS. Finally, the judicial activism of the Court has established an “overall constitutional review for consistency with the Treaty of Rome which is binding through the near-uniform acceptance of its decisions by domestic courts.”<sup>29</sup> This Court’s role gave a tremendous impetus toward deeper integration of the EU. During that process, the Court established these principles directly by the objective of the Treaties, even though it is worth

26 *NV Algemene Transport – en Expeditie Onderneming van Gend & Loos v. Netherland Inland Revenue Administration*, Case 26-62, [1963], ECR I-1, paragraph 3

27 The European Economic Community (EEC) was created by this treaty in 1957. The aim of this community was to established economic integration and internal market in Europe.

28 “It follows from all these observations that the law stemming from the Treaty, an independent source of law, could not, because of its special and original nature, be overridden by domestic legal provisions.” *Flaminio Costa v. E.N.E.L.*, Case 6/64, [1964], ECR I-585

29 Andrew Moravcsik, “Federalism in the European Union: Rhetoric and Reality”, in *The Federal Vision: Legitimacy and Levels of Governance in the US and the EU*, eds. Kalypso Nicolaidis and Robert Howse (Oxford: Oxford University Press, 2001), 162.

mentioning that they were established only for the areas under the former first pillar (economic, social, and environmental policies). Despite this fact, the Court had the most important role in the early development of the EU. The creativity of its judges often compensated for the lack of political vision and courage of European statesmen. Thus said, it has been commonly considered that the Court's role in the development of the EU has similar importance as the Supreme Court has had in the US, making them the two most influential courts in judicial history.

On the other hand, the institutional structure of the EU experienced a completely different development. Namely, until the late 1970s and direct election of EP members, the institutional structure of the EU did not experience any significant changes. However, during the 1970s, 1980s, and 1990s the institutional structure had experienced significant changes. As of the SEA, which introduced majority voting in the Council, "governmental structure of the Community which was completely confederate received significant federal features."<sup>30</sup> Not only did the SEA highly influence the excessive federalization of EU institutions, but also following amendments of the Treaties made further changes to that regard. A significant impact made by the ToM indicated that European decision-makers have a clear intention to establish some kind of a federal system.<sup>31</sup> This can be easily seen in the provisions of the ToM which introduced European citizenship as well as the three-pillar structure (the MS transferred most of their competences within the first pillar to the EU level). Finally, after the ToL, the EU acquired a legal personality<sup>32</sup>, meaning that it can conclude international agreements that bind the MS in the same way that federal governments in typical federations can obligate the federal units.

This extensive federalization of the EU has contributed to the fear that continuation of the European integration process may eventually abolish European nation-states. More precisely, opponents of European integration often use the ungrounded argument that the EU has already become a federation and that the MS have completely lost their powers and competences. Hence, it seems obvious to recall the following two-part question: What features of a federation does the EU possess and consequently, has the EU already become a federation? The best way to answer

30 All translations from Serbian are the author's except where otherwise noted. Bojan Kovacevic, "Obeleznja federalizma u sistemu upravljanja Evropske Unije." (PhD diss, University of Belgrade, 259.)

31 Bojan Kovacevic, *Ibid.*, 271.

32 Consolidated Version of the Treaty on European Union art. 47, 2010 O.J. C 83/01 [hereinafter TEU post-Lisbon].

the question is to recall the theoretical framework introduced earlier, and to present both federal and intergovernmental elements that might exist in the EU.

A federation must possess at least two orders of government. Suffice it to say that the EU indeed has two orders of government, i.e. the European institutions that may correspond to the federal level and the MS which could be perceived as federal units. However, neither the European level is fully federalized nor do the MS present the real federal units. Namely, in typical federations, federal units transfer their sovereignty to a federation and thus cannot secede from such a federal system. On the contrary, in the EU any member state may decide to withdraw from such union which is to be negotiated with the EU.<sup>33</sup> This solution is in obvious discrepancy with the pure theoretical arrangement adopted in a host of typical federations<sup>34</sup> and thus presents a strong intergovernmental element in the EU.

Moreover, in a typical federation, both levels of government have jurisdiction over their respective territory, and each order acts directly toward its citizens. This arrangement has its limitation in the EU. Namely, the provisions of EU primary law<sup>35</sup> have direct effect on citizens only if a certain provision fulfills the criteria determined in the *Van Gend en Loos* case, i.e. if it is sufficiently clear, precisely stated, unconditional, not dependent on any other legal provision and if it confers a specific right upon which a citizen can base a claim. By the same token, the direct effect of the EU secondary law depends on the type of a considered act, whilst recommendations and opinions have no binding force whatsoever. Hence, the direct effect of the EU law cannot be fully compared with such effects of a federal law in typical federations. Finally, even though the ToM introduced the European citizenship, EU citizens remain only the nationals of their MS.<sup>36</sup> On the contrary, in typical federations, citizens possess the nationality of a federal level. Therefore, the lack of the EU nationality could be observed as another significant feature of the EU intergovernmental structure.

A formal constitutional distribution of competences between the two orders of government has been one of the most significant features of a federation. To that regard, the ToL indeed

<sup>33</sup> TEU post-Lisbon, art. 50 (1), 2010 O.J. C83

<sup>34</sup> Canada recognizes a possibility for negotiated secession of its provinces under the Clarity Act of 2000.

<sup>35</sup> Primary law is the supreme source of law in the EU and prevails over other sources. It consists mainly of the founding treaties of the EU and its later amendments.

<sup>36</sup> Suffice it to say that the EU citizenship has certain features of a nationality and thus European citizens enjoy limited rights. Consolidated Version of the Treaty on the Functioning of the European Union art. 20 (2), 2008 O.J. C 115/47 [hereinafter TFEU]

introduced the detailed distribution of competences<sup>37</sup> and provided the principles of subsidiarity, conferral, and proportionality as main principles of such distribution. However, this arrangement cannot lead to the conclusion that the EU has become a federation. Namely, although the areas where the EU possesses legislative power have been considerably expanded, the intergovernmental decision-making process embodied in the Council's requirement for unanimity has still marked the EU. Thus, a host of fundamentally federal competences (e.g. financial policy, enlargement, and common foreign and security policy) have not yet become the subject of the EU's ordinary legislative procedure. Another important feature of every federation is the financial independence of such a federal level. The solution accepted in the ToL reveals that the EU does not collect revenues, except those obtained indirectly from the MS' budgets, due to the lack of right to levy its taxes. Hence, tax-and-spend capacity as one of the most important features of a federation has not been provided for the EU.<sup>38</sup> Indeed, the EU has been characterized by the strong role of the MS, which is the most obvious in the area of financial policy where the EU lacks taxing-and-spending power.

The existence of second chamber represents an important feature of a typical federation. Nevertheless, the EU has no second chamber in a pure theoretical sense, even though the Council might be considered as a lookalike second chamber. To be specific, the Council is still the only legislator in many important areas (e.g. foreign policy, financial policy) adopting its decisions unanimously. Therefore, the EP as a lookalike federal lower chamber has no competences in the adoption of legislative acts in these areas. This arrangement just confirms the argument that the Council is still the main legislator in the EU. Moreover, the crucial importance of the Council has been confirmed by the decision of the Federal Constitutional Court of Germany (hereinafter referred as the German Court) which states that "at European level, the Council is not a second chamber as it would be in a federal state but the representative body of masters of the Treaties."<sup>39</sup> Hence, this solution further emphasizes the role of MS' executive bodies within the EU and thus clearly symbolizes the strong intergovernmental element in the EU institutional structure.

<sup>37</sup> TFEU, art. 2-6, 2008 O.J. C. 115

<sup>38</sup> Tanja A. Borzel and Thomas Risse, "Who is Afraid of a European Federation? How to Constitutionalise a Multi-Level Governance System," *The Jean Monnet Working Paper no. 7/00, Symposium: Responses to Joschka Fisher*. Accessed May 11, 2015, <http://centers.law.nyu.edu/jeanmonnet/archive/papers/00/00of0101.html>

<sup>39</sup> German Federal Constitutional Court (Bundesverfassungsgericht – BVerfG), Judgment on the Maastricht Treaty of October 12, 1993, Cases 2 BvR 2134/92 and 2 BvR 2159/92. Accessed May 12, 2015, [http://www.judicialstudies.unr.edu/JSP\\_Summer09/JSP\\_Week\\_1/German%20ConstCourt%20Maastricht.pdf](http://www.judicialstudies.unr.edu/JSP_Summer09/JSP_Week_1/German%20ConstCourt%20Maastricht.pdf)

Another important characteristic that is the *condition sine qua non* of a federation is the existence of a supreme written constitution not unanimously amendable. Unlike typical federations, the EU is grounded on the TEU and the TFEU which represent classical international agreements. These agreements may not be observed as a constitution due to the lack of *demos*, i.e. Europeans as people who would deliberately decide to create a federation by their sovereign decision. Indeed, to adopt such a decision the citizens of Europe must become a distinct people and thus the only holders of sovereignty.<sup>40</sup> However, Europeans as people do not exist. The MS nationals are still the ultimate holders of sovereignty and therefore they could decide to terminate existing international agreements at any time. To that regard, Joseph H.H. Weiler clearly contends that “Europe’s constitutional architecture has never been validated by a process of constitutional adoption by a European constitutional *demos*. [...] Indeed, European federalism is constructed with a top-to-bottom hierarchy of norms, but with a bottom-to-top hierarchy of authority and real power.”<sup>41</sup> This argument undoubtedly confirms that the TEU and the TFEU cannot be considered as anything else except classical international treaties. Finally, all typical federal constitutions may be amended with the majority voting of federal units. Contrary to this, amendments to the ToL could be adopted only if all the MS agree. This arrangement opposes the solution adopted in modern federations and thus presents an additional strong intergovernmental element within the EU. The present arrangement in the EU clearly acknowledges that the absence of Europeans as a separate people precludes the adoption of constitutional decision which would create a European federation.

Every modern federation has an umpire existing in different forms. The EU structure underlines that the Court has the role of an institution competent for judicial review. Namely, the Court is the only institution that is authorized to interpret provisions of the Treaties in order to solve possible disputes between different actors. During the process of EU development, the Court established a comprehensive judicial review when deciding in a host of cases. Such a review establishes the consistency of disputed acts with the Treaties and the full recognition of European legal sys-

40 Mario Rainer Lepsius, “The European Union as a Sovereignty Association of a Special Nature,” *The Jean Monnet Working Paper* no. 7/00, Symposium: Responses to Joschka Fisher. Accessed May 13, 2015, <http://centers.law.nyu.edu/jeanmonnet/archive/papers/00/0ofi201EN.html>

41 Joseph H.H. Weiler, “Federalism and Constitutionalism: Europe’s Sonderweg”, *The Jean Monnet Working Paper* no. 7/00, Symposium: Responses to Joschka Fisher, Accessed May 13, 2015, <http://centers.law.nyu.edu/jeanmonnet/archive/papers/00/001001.html>

tem.

Moreover, in typical federations, the courts of federal units must accept and fully recognize the effects of decision adopted by a federal court. However, in the EU, the national courts are granted the right not to accept the Court's decisions. To be precise, when the Court decides according to the preliminary rulings procedure, it delivers only a non-binding opinion stating how the national courts should act. Thus, it is up to these courts to require "if it so chooses, enforcement of that opinion using national legal and coercive means."<sup>42</sup> In theory, the national courts can decide not to grant the full recognition to the Court's decision which is contrary to what the court of a federal unit may do. Nevertheless, previous experience demonstrates that the national courts always accept the Court's decision. This argument just confirms that the principle of supremacy would not be established if the national courts of MS had decided to disregard the Court's decision. Finally, unlike in typical federations where the supremacy of a federal law is provided in federal constitutions, the principle of supremacy in the EU is not strictly provided in the ToL. Therefore, the Court has to recall its previous decisions to confirm the supremacy of the EU law although the ToL includes Declaration No. 17 concerning primacy<sup>43</sup> which make a certain progress to this regard.

The final characteristic of a federation is the existence of processes and institutions for intergovernmental collaboration. The EU institutional structure possesses strong intergovernmental elements enabling officials of the MS to cooperate. This cooperation helps them to achieve a certain level of consent before the federal decision-making process starts. Furthermore, such collaboration may be seen in the activities and goals of certain bodies, such as the Committee of Regions, where different regions of the MS are represented at the EU level. In this, and other similar institutions of intergovernmental collaboration, the MS and the EU institutions can negotiate and agree on certain issues before the final decision is made at the EU level.

Based on the above-mentioned arguments, it could be inferred that the EU has numerous federal and intergovernmental elements in its governance structure. A number of authors contend that the EU represents a specific political community with the "plenty of federal elements within the current Union despite

<sup>42</sup> Moravcsik, "Federalism in the European Union: Rhetoric and Reality," 170- 171.

<sup>43</sup> "It results from the case-law of the Court of Justice that primacy of EC law is a cornerstone principle of Community law." Declaration no. 17 concerning primacy together with the Opinion of the Council Legal Service of June 22, 2007 is an integral part of TFEU

the strong positions of individual Member States.”<sup>44</sup> To that regard, these authors’ theoretical framework used to explain a federation proves that the EU looks like and acts as a typical federation.<sup>45</sup> The existence of a relatively uniform legal system, exclusive competences of the EU in certain areas, the unique Single Market, and institutions resembling the ones in typical federations clearly show that the EU has been already federalized to a great extent. In that sense even the German Court in its judgment *Solange III* referring to the ToM stated that “[...] this Treaty would bring about a new step towards integration which would lead irrevocably towards the gradual formation of a European federal State.”<sup>46</sup> Thus said, the federalization of EU has become an inevitable process especially after the ratification of the ToL, which accepts the majority of solutions proposed in the Constitution for Europe.

The above-conducted analysis deals with the federal features of the EU and thus provides an answer to the first part of the question posed at the beginning of this paper, *i.e.* what features of a federation does the EU possess? Moreover, based on the theoretical framework introduced earlier and above-conducted analysis we can answer the second part of the question, *i.e.* has the EU already become a federation? This framework and analysis suggest that the EU cannot be considered as a fully-fledged federation although it has numerous traits of modern federations. On the contrary, the EU possesses strong intergovernmental elements even though it is not a pure confederation. Indeed, a host of authors strongly advocate that the EU is neither federation nor confederation yet it is a hybrid federal system possessing characteristics of both. As separate systems, hybrids combine features of different federal political systems. The reason for the creation of such hybrid federal systems is the need for pragmatic political decisions when federal theory cannot provide us with desired solutions.<sup>47</sup> Hence, a hybrid federal political system evolves as a response to political reality. Responding to such reality in Europe, European statesmen created a truly unique federal system — a system that combines both structural features of a modern federation and intergovernmental system.

44 Jan Zielonka, “Enlargement and the Finality of European Integration,” *The Jean Monnet Working Paper no. 7/00*, Symposium: Responses to Joschka Fisher, Accessed May 12, 2015, [http://cadmus.eui.eu/bitstream/handle/1814/17255/ResponsesToJ.FISCHER\\_2000.pdf?sequence=1](http://cadmus.eui.eu/bitstream/handle/1814/17255/ResponsesToJ.FISCHER_2000.pdf?sequence=1)

45 Borzel and Risse, “Who is Afraid of a European Federation? How to Constitutionalise a Multi-Level Governance System.”

46 German Federal Constitutional Court (Bundesverfassungsgericht – BverfG), Judgment on the Maastricht Treaty of October 12, 1993, Cases 2 BvR 2134/92 and 2 BvR 2159/92. Accessed on May 12, 2015, [http://www.judicialstudies.unr.edu/JIS\\_Summer09/JSP\\_Week\\_1/German%20ConstCourt%20Maastricht.pdf](http://www.judicialstudies.unr.edu/JIS_Summer09/JSP_Week_1/German%20ConstCourt%20Maastricht.pdf)

47 Watts, *Comparing Federal Systems*, 11.

Even though the EU has a relatively uniform legal system and lookalike federal institutional structure, there are opinions that it is difficult to observe the EU as the federation under construction.<sup>48</sup> These arguments have its legitimation in the strong role of the MS which remain the master of the Treaties, despite all the development of the EU in the last six decades.

The above-conducted analysis seen in the light of the introduced theoretical framework demonstrates that the EU has to be perceived as a truly “unique political creation with both confederal and federal features.”<sup>49</sup> This unique and hybrid model of federal structure cannot be explained using pure theoretical explanations relevant for a particular federal political system. Thus, one facet of the EU represents the classical international organization i.e. confederal structure while the other affirms a lookalike federation similar to modern federations.<sup>50</sup>

The uniqueness of the EU federal arrangement might be observed through numerous aspects of its governance structure. Namely, the lack of legislative power in many important areas clearly proves the deficiency of the EU federal capacity. In most of these areas (e.g. defense, military policies, educational policy, civilian infrastructure, foreign policy) the MS have primacy in the EU decision-making process. More precisely, the intergovernmental decision-making procedure is still an important tool for the creation of most significant policies in the EU. Even though the ToL introduced innovations to this regard,<sup>51</sup> this is still not enough for the EU to be considered as a typical federation. The problem of the EU’s almost trivial competences in some areas has been further stressed by the “insignificant fiscal capacity [...] where the EU lacks the common fiscal base of a modern state.”<sup>52</sup> Depending on financial resources granted by the MS in addition to the lack of possibility to levy its taxes clearly indicates that the EU is not a fully-fledged federation. Hence, the absence of a strong foreign policy, insignificant impact on the world’s military issues, the deficiency of taxing powers, and required unanimity in decision-making procedures in the most essential policy areas clearly acknowledges that the EU cannot be perceived as a typical federation. Despite a very strong federal element and excessive federalization in the previous six decades, the EU is a hybrid fed-

48 Moravcsik, “Federalism in the European Union: Rhetoric and Reality,” 163.

49 George Anderson, *Federalism: An Introduction*, 5.

50 Deidre Curtin, *Executive Power of the European Union: Law, Practices, and the Living Constitution* (New York: Oxford University Press, 2009), 6.

51 In the area of educational policy, the EU contributes to the development of quality education by encouraging the MS and supporting and supplementing their actions. TFEU, art. 165 (1), 2008 O.J. C. 115

52 Moravcsik, “Federalism in the European Union: Rhetoric and Reality,” 169.

eral system that combines the features of federation in addition to strong confederal traits.

The notion of hybridity which is used to explain the federal structure in the EU has been further supported by a host of authors. On the same position is Piotr Tosiek, who states that the ToL “does not change a hybrid character of the European Union. Secondly, intergovernmental practices still dominate in the EU system.”<sup>53</sup> Thus, the foremost role of the MS is visible in a multitude of features within the EU system including institutional structure, decision-making process, and even the limitation of the legal system as such. Moreover, due to the principle of subsidiarity, the EU will act beyond its exclusive competences only if the objectives of proposed actions cannot be sufficiently achieved by the MS. Therefore, the MS can decide to govern some policy areas by themselves without transferring them to the EU level, which clearly strengthens the role and influence of MS. Finally, according to the Protocol No. 2 on the principles of subsidiarity and proportionality,<sup>54</sup> the role of national parliaments has been further strengthened, thus adding another important aspect to the foremost role of the MS in the EU.

Although an academic analysis about the level of EU federalization has been significant in defining the nature of the EU, particularly important are the opinions of national and international courts. To that regard, the work of the German Court has provided valuable arguments in the last 25 years. Namely, this court in its judgment regarding the ratification of ToL has openly taken the position that the EU cannot be considered as the European Federation and that the role of the MS prevails. More precisely, the judgment *inter alia* states that:

*“The Treaty of Lisbon also decided against the concept of a European federal Constitution in which the European Parliament would become the focus as the representative body of a new federal people constituted by it. [...] The European Union also does not correspond to the federal level in a federal state. [...] It follows from the continuing sovereignty of the people which is anchored in the Member States and from the circumstance that the states remain*

53 According to Tosiek, “hybridity of the EU system can be characterized by seven elements: 1) the legal construction perceived as the “third” system; 2) legal nature of decisions, 3) decision-making procedures; 4) institutional system; 5) the powers of the Community/Union; 6) the competences of supranational bodies and 7) the possibility of self-conferral.” Piotr Tosiek, “The European Union after the Treaty of Lisbon – Still an Intergovernmental System”, (paper presented at the Fourth Pan-European Conference on EU politics at the University of Latvia, Riga, Latvia, September 25-27.2008). Accessed on May 13, 2015, <http://www.jhubc.it/ecpr-riga/virtualpaperroom/072.pdf>

54 Protocol no. 2 on the principles of subsidiarity and proportionality is an integral part of TFEU.

*the masters of the Treaties, that — in any case until the formal foundation of a European federal state and the change of the subject of democratic legitimation which must be explicitly effected with it — that the member states may not be deprived of the right to review compliance with the integration program.”<sup>55</sup>*

The German Court points out in its judgments that the EU has not become a European federation; it remains association of national states whose sovereign people would be able to create such a federation if they transfer such sovereignty to the EU level. Such argumentation is decisive and clear evidence that, despite the existence of strong federal elements, the EU must be considered as a hybrid federal system. Moreover, this court subtly states that the ultimate goal of the European integration process is the creation of a European federal state. Even though the previous experience of such integration provides a hope that the EU is on its way to become a federal state, the current political, social, and economic environment in Europe demonstrates the absence of political will to create such federal political system. This argument had been further elaborated by Joschka Fisher, a former foreign minister of Germany, in his infamous speech at Humboldt University. Namely, he clearly contended that the “concept of a federal European state replacing the old nation states and their democracies as the new sovereign power shows itself to be an artificial construct which ignores the established realities in Europe.”<sup>56</sup> More precisely, even though the European Communities and the EU have been experiencing extensive federalization of its legal and institutional structure, the strong role and importance of the MS clearly illustrate that the creation of a European Federation is not possible the present political, economic and social environment in Europe.

#### 4. CONCLUSION

The EU is a federal system. From the start of the European integration process six decades ago, the EU has made significant steps toward its permanent federalization. Thus, the topic of this paper was the analysis of the features of a typical federation in the

<sup>55</sup> German Federal Constitutional Court (Bundesverfassungsgericht – BVerfG), Judgment of the Second Senate of June 30, 2009, Cases 2 BvE 2/08, 2 BvE 5/08, 2 BvR 1010/08, 2BvR 1022/08, 2BvR 1259/08, 2BvR 182/09, Accessed on May 14, 2015, [http://www.bundesverfassungsgericht.de/entscheidungen/es20090630\\_2bve000208en.html](http://www.bundesverfassungsgericht.de/entscheidungen/es20090630_2bve000208en.html)

<sup>56</sup> Joschka Fisher “From Confederacy to Federation: Thoughts on the Finality of European Integration,” Speech at the Humboldt University in Berlin of May 12, 2000, Accessed May 15, 2015, [http://www.maclester.edu/courses/intl372/docs/joschka\\_fischer\\_en.pdf](http://www.maclester.edu/courses/intl372/docs/joschka_fischer_en.pdf)

EU and their contribution to a more federal Europe. Furthermore, counterarguments were also observed. Based on this analysis, the paper answered the following two-part question: What features of a federation does the EU possess and consequently, has the EU already become a federation?

The Court introduced federal principles of direct effect and supremacy, creating a legal system which significantly resembles those in typical federations. Therefore, its role was decisive in the early successes of the EU federalization process. Contrary to the legal system, the institutional structure was predominantly inter-governmental: a unanimity required in decision-making process together with the main role of the Council clearly proved that the MS have had crucial powers and roles in the EU. However, following the amendments to the Treaties and the introduction of majority voting in the Council, institutions of the EU implemented significant federal elements in its structure.

Despite the strong federal elements in the EU, its legal and institutional structures have been marked with a host of intergovernmental elements as a sign of the strong role of the MS. Therefore, as it has been presented in this paper, the EU has features of both federation and confederation and thus constitutes a hybrid federal system.

The hybridity of the EU has various aspects. From the Court's decisions whose acceptance depends on the will of the MS' courts; to direct effect of the EU provision which are subject to certain conditions; to ordinary legislative procedure not valid for the most important policies and consequently the existence of unanimity in the Council; and to institutional structure which resembles the one in traditional federations but whose composition and operation reveal truly confederate elements in it — all these strongly confirm that the EU has not evolved into a federation and is still a hybrid federal political system which combines both structural characteristics of traditional federations and confederations.

Considering the previous positive experience of European integration as well as the crisis that Europe still faces today, it may be expected that the EU will continue its development in the following years. Namely, it is obvious that the ToL is just a step toward the final framework of the EU. However, such a framework, as well as the development that the EU will experience, cannot be easily predicted. The characteristics of European nation-states, their history and existing differences may cause the creation of a new theoretical model for a federal state. Such a federal system could be a paradigm for other similar communities, as the US fed-

eration has been the model for other modern federations. Eventually, the expected evolution of the EU will be a starting point for the next generations of constitutional lawyers, political scientists, and students who will try to explain and analyze such a unique and hybrid federal political system.

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**Acknowledgments:** This paper is a partial and revised version of an LL.M. thesis defended at the Law School of the University of Belgrade. I express my gratitude to Professor Tanasije Marinkovic for crucial insights and clarifications about the analyzed topic. Many thanks to Christopher Barber an M.A. candidate at SAIS Europe who helped me with the proofreading and textual analysis of the content. Any errors in the paper are responsibility of the author.

## 3.2. Response

### to 3.1. Federalization of the European Union

Vivien Schmidt  
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The European Union is indeed in a process of federalization, and it certainly constitutes a “unique federal arrangement,” as a “hybrid” combining elements of traditional federations and confederations. But in order to grasp fully the uniqueness of the EU, I prefer to think of the EU as a “region-state.”<sup>1</sup> This adds to the political institutional dimensions further considerations of the EU as a state-like entity above the nation-state, characterized by differentiated integration in overlapping policy communities, and an emerging “democracy” that may have negative effects on its member states’ democracies.

My reasons for proposing a new concept for the European Union using the term “region-state,” rather than focusing primarily on its federalizing institutional features, are threefold. I want to emphasize above all the newness of the EU as the emergence of a new kind of international organizational form, never seen before, but nevertheless in a line of development from existing supranational entities organized by and above the nation-state. I deliberately chose the word “state” to highlight the EU’s supranational state-like qualities, and “region” to qualify the nature of its transnational scope. The EU is certainly not developing into what some founders of the EU had hoped: a federal state akin to a “United States of Europe.” However, it also should not be characterized in the terms used by some of today’s commentators. It is neither a postmodern version of an empire, whether of the “neo-medieval” past<sup>2</sup> or a “cosmopolitan” future,<sup>3</sup> nor is it a future “super-state.”<sup>4</sup> But it is not therefore unidentifiable or unclassifiable, or even like an elephant to blind men, which makes it too many different things to fit any one concept.<sup>5</sup>

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1 Vivien A. Schmidt *Democracy in Europe: The EU and National Politics* (Oxford: Oxford University Press, 2006).

2 Jan Zielonka, *Europe as Empire* (Oxford: Oxford University Press, 2006)

3 Ulrick Beck and Edgar Grande, *Cosmopolitan Europe*. (Cambridge: Polity Press, 2007)

4 Glen Morgan, *The Idea of a European Superstate* (Princeton: Princeton University Press, 2005)

5 Donald Puchala, “Of Blind Men, Elephants and International Integration,” *Journal of Common Market Studies*. 10(3) 1972: 267-285.

What the concept of the “region-state” offers for the EU is a new, readily understandable term capable of encompassing what it has become and what it is becoming. The EU’s “region-state” is a regional union of member-state nations, in which the creative tension between the supranational Union and its member states ensures both ever-increasing regional integration and ever-continuing national differentiation. Using the term “state” to define this supra-national regional form of organization — although perhaps objectionable to international relations specialists for whom a “state” is a “State” — calls attention to the state-like qualities of the EU’s supranational governance. At the same time, it recalls a history of adjectival modifiers, from the city-states of the past to the nation-states of the present and now the region-state of the EU — and why not other potential future regional unions of nation-states, like Unosur or the African Union?<sup>6</sup> This way of using the term “state” also reminds us that “stateness” is often much more a matter of degree than of absolutes.<sup>7</sup> This is particularly the case in a world subject to globalization.<sup>8</sup>

Using the term region-state also highlights the comparisons and contrasts between the EU and the nation-state, in order to grasp the EU’s scope and limits as a “state” and a “region.” States have long been assumed to have indivisible sovereignty, notionally fixed boundaries, established government, and, where present, cohesive and legitimate democracy. The EU is a supranational state-like entity in which sovereignty is pooled rather than indivisible, shared with its constituent nation-states that become member states, and contingent upon internal acceptance and external recognition, policy area by policy area.<sup>9</sup> Its boundaries are not as yet fixed with regard to geography — even if the geopolitical changes on the borders that mark an increasingly assertive Russia and a Turkey drifting away from Europe suggest that the EU has in fact stopped its eastward movement at least for the medium term, with the exception of the Balkans when they are ready.

The EU’s boundaries with regard to policy arenas, however, are highly variable — examples include the Eurozone, with 19 of the 28 member states; the Schengen border controls, with the UK and Ireland out, Iceland, Norway, and Switzerland in; and the Eu-

6 Schmidt *Democracy in Europe*; Vivien A. Schmidt, “Conceptualizing Europe as a ‘Region-State’ in *Conceptualizing Change in Comparative Politics: New Writings on Politics, Peoples and Markets*, eds., Tony Spanakos and Francisco Panizza (London: Routledge, forthcoming 2015).

7 J. P. Nettl, “The State as a Conceptual Variable” *World Politics* 20 (4) 1968: 559-592.

8 Peter Evans, “The Eclipse of the State? Reflections on Stateness in an Era of Globalization,” *World Politics* 50 (1) 1997: 62-87

9 Schmidt *Democracy in Europe*; Christopher J. Bickerton, *European Integration: From Nation-States to Member-States* (Oxford: Oxford University Press, 2012).

ropean Security and Defense Policy, where Denmark has an opt-out, and all other member-states can opt in or out of particular missions. Beyond this, enhanced cooperation (which allows nine or more member states to go forward on their own) ensures that the EU will only get more complicated as time goes on. This suggests that the EU may very well continue to look quasi-federal in its institutional structures but that its policymaking will increasingly be differentially integrated, and consist of overlapping policy communities containing different clusters of member states.<sup>10</sup> In consequence, rather than any kind of “hard core” Europe, as some member-state leaders have recently proposed as a way of deepening integration for some Eurozone members, the EU will consist of a “soft core” of a majority of member states.

The question this raises is: How to understand EU region-state governance in this context? EU governance is more highly compound than that of any nation-state, but not only because of the multi-level nature of its federalizing institutions.<sup>11</sup> That governance is also multi-centered as a result of the many different power centers in the EU,<sup>12</sup> multi-form as a result of its differentiated policy communities, and multiple in terms of its modes of governance, with at least three equally powerful modes predominating in different areas. The intergovernmentalism that favors member-state leaders’ powers to dominate the legislative agenda through Council decision-making has certainly increased since the Lisbon Treaty. But the co-decision processes of the Community Method remain alive and well in most everyday aspects of decision-making, in particular in the Single Market. Less noticed is that supranationalism — in which unelected officials with delegated powers in non-majoritarian institutions decide — has grown exponentially, in particular in the context of the Eurozone crisis. The ECB has gained vast powers of banking supervision and intervention while the European Commission now has the authority through the “European Semester” to, among other things, vet national governments’ budgets even before they present them for review by their national parliaments.

This multifaceted federalizing of the EU region-state has been beneficial in countless ways, most importantly by enabling the EU to address problems that its member states cannot resolve

10 Vivien A. Schmidt, “Re-Envisioning the European Union: Identity, Democracy, Economy,” *Journal of Common Market Studies* vol. 47 Annual Review (2009): 17-42

11 See Sergio Fabbrini, *Compound Democracies: Why the United States and Europe are becoming Similar* (New York: Oxford University Press, 2010)

12 Kalypso Nicolaidis and Robert Howse, eds. *The Federal Vision: Legitimacy and Levels of Governance in the US and the EU* (Oxford:Oxford University Press, 2001)

effectively on their own in an increasingly globalized world. But it has also had some unanticipated side effects for its member states' national democracies.

The build up of a federalized EU region-state has served to hollow out national democracy, as more and more decisions have moved up to the EU level, to be decided in an apolitical or technocratic manner, while politics remains national. This has made for “politics without policy” at the national level and “policy without politics” at the EU level — however “political” (or politically charged) the policies may actually be.<sup>13</sup> And even as national electorates clamor for more domestic input into the decisions that affect their lives, member-state governments are torn between “responsiveness” to their electorates and their “responsibility” to implement the EU’s collectively agreed rules and decisions.<sup>14</sup>

As the EU confronts crisis after crisis, including most recently the Eurozone crisis and the refugee crisis, citizens’ perceptions of the EU as more and more remote (read: technocratic) and national governments as less and less responsive has translated into ever more volatile national politics, with the growth of populism. Member-state democracies as a result confront dual challenges: from populism at the national level and from technocracy at the EU level. The question for the EU today is therefore how to reinvigorate national democracy while continuing to federalize at the EU level.

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<sup>13</sup> Schmidt, *Democracy in Europe*.

<sup>14</sup> Peter Mair, “Smaghi vs. the Parties: Representative Government and Institutional Constraints” in *Politics in the Age of Austerity*, eds. Armin Schäfer and Wolfgang Streeck (Cambridge: Polity, 2013).

## 4.1. A Study of the Determinants of Labor-Market Outcomes for Immigrants in OECD Countries

SUBMITTED BY

Kira Gartzou-Katsouyanni

### ABSTRACT

This paper views uses regression analysis to attempt to explain the differences in labor-market outcomes for the foreign-born population in OECD countries in the year 2008, and makes EU-focused policy recommendations based on this analysis. The first part of the paper explores quantitatively the factors that determine the variation in the unemployment rates of foreign-born populations relative to those of native-born populations in OECD countries, and concludes that the level of unemployment benefits in the host country, the host country's per capita GDP, and the skill set of individual immigrant communities all affect this variation. The second part of the paper discusses these findings and emphasizes the importance of strengthening labor market integration policies and ensuring that immigrants can eventually progress to middle-skill jobs in order to secure the viability of European welfare states. It also recommends the adoption of an extensive legal framework for the admission of immigrants in low-skill sectors at the European periphery, especially through temporary worker programs. Finally, in agreement with the European Agenda on Migration, the paper argues that the adoption of more skilled foreign workers ought to be a priority of EU immigration policy.

*Key words: immigration, integration policy, labor markets, temporary worker programs, European Agenda on Migration*

## 1. INTRODUCTION

In an article analyzing the 2005 urban riots in France, Jonathan Laurence and Justin Vaisse argued that “the young men and teenagers from the *banlieues* are rioting and burning cars largely because they have little hope of upward social mobility.”<sup>1</sup> If Laurence, Vaisse, and other, similarly minded commentators are right, the integration of the immigrant population in their host society’s labor market is key for the avoidance of the vicious circle of social marginalization and radicalization among immigrant communities, and hostility toward immigrants among the natives. My paper will focus on unemployment as one aspect of the problem of labor market integration for immigrants and will attempt to explain the variation in the unemployment rates of foreign-born communities relative to those of native-born communities among OECD countries.

High unemployment rates among immigrants have adverse effects both on immigrant households and on host states. In a study on the income situation of different immigrant communities, Ann Morrisens concluded that unemployment was one of the most potent causes for poverty among immigrants, that the presence of one earner in an immigrant household resulted in “a significant poverty decrease,” and that “for dual-earner households, poverty was almost eradicated.”<sup>2</sup> Furthermore, unemployment can perpetuate the social marginalization of immigrant communities both because labor markets are places where immigrants and natives meet and interact, and due to the social stigma attached to unemployment, which often fuels the xenophobic attitudes of host societies. In its 2013 “International Migration Outlook” the OECD also revealed that “employment is the single most important determinant of migrants’ net fiscal contribution” to their host communities’ welfare states, showing that reducing the immigrants’ unemployment rate would yield fiscal benefits to OECD countries.<sup>3</sup>

For all these reasons, reducing unemployment among immigrants should be a major focus of the OECD countries’ integration policies. This paper aims to make a contribution to the development of such policies by studying the reasons why the unemployment rates of the foreign-born in comparison to those of the native-born are higher in some OECD countries and lower

<sup>1</sup> Jonathan Laurence and Justin Vaisse. *Understanding Urban Riots in France*. Brookings Institution, 2005.

<sup>2</sup> Ann Morrisens. “Immigrants, Unemployment, and Europe’s Varying Welfare Regimes.” *Immigration and the Transformation of Europe*. Cambridge: Cambridge University Press, 2006, pp. 194-195.

<sup>3</sup> OECD. *International Migration Outlook 2013*. OECD Publishing, 2013, p. 12.

in others. The analysis is based on a quantitative study of the determinants of the variation of the unemployment rate of the foreign-born relative to that of the native-born in OECD countries, the design and results of which are discussed in sections 2 and 3 respectively. This is followed by a presentation of three policy recommendations based on the model's results in section 4, and some concluding remarks in section 5.

## 2. THE MODEL AND THEORETICAL EXPECTATIONS

The model on the determinants of labor market outcomes for immigrants in OECD countries that is used on this paper can be summarized by the general equation:

$$Y = \alpha + (\beta_1 * X_1) + (\beta_2 * X_2) + (\beta_3 * X_3) \quad (1)$$

The dependent or explained variable  $Y$  of the regression model is the ratio of the unemployment rate of the foreign-born population over that of the native-born population for OECD country countries ( $U_F/U_N$  ratio).<sup>4</sup> This variable shows how high the unemployment rates of the foreign-born are in comparison with those of the native-born, and was chosen in order to reflect how well immigrants are integrated in the labor market relative to natives, not at an absolute level. As the  $U_F/U_N$  ratio rises, the unemployment rate of the foreign-born increases relative to that of the native-born, signifying deteriorating labor market outcomes and weaker labor market integration for immigrants.

The model's independent or explanatory variables were chosen so as to capture effects related to both certain economic and institutional differences in countries of residence, and to differences in the characteristics of the immigrant communities. Starting with the former, the first independent variable used in the model reflects the generosity of the welfare system of each host country towards the unemployed. This effect is measured through each host country's net replacement rate, which is a measure of the size of unemployment benefits, and is defined as the percentage of household income replaced by unemployment benefits for a person earning the average production worker wage over the first five-year period following unemployment.<sup>5</sup>

<sup>4</sup> Please refer to Appendix A for the source of my data for the dependent and independent variables.

<sup>5</sup> I obtained the data on net replacement rates from the OECD's Benefits and Wages statistics, and I used the measure of net replacement rates that included unemployment benefits and unemployment assistance. A limitation of this data is that it does not reflect the extent to which foreign-born communities have access to welfare benefits in different OECD countries, which is a function of the host countries' legal framework and

At first glance it seems that a rise in the net replacement rate should cause an increase in the unemployment rate for both the foreign-born and the natives, and thus not have an effect on the  $U_F/U_N$  ratio. On the other hand, there are at least two reasons why such a rise might affect the foreign-born disproportionately. The first reason is that immigrants often do not have other safety nets to fall back on in the event of unemployment, whereas the natives may be able to rely on their families or other networks that they developed growing up in the host country. Such networks might make it possible for a native-born worker to refuse to take up a low-skilled job even in the absence of generous unemployment assistance, when under the same circumstances, an immigrant would be forced to accept the low-skilled job as a matter of ensuring the fulfillment of her and her family's basic needs. The second reason why the net replacement rate might affect immigrants disproportionately is that immigrants often earn lower wages than the native-born, and as the replacement rates rise for the average wage, they might rise proportionally even more for low-income workers.<sup>6</sup> This would be the case, for example, if people who became unemployed were entitled to a lump-sum benefit regardless of the size of their former wage, plus some percentage of their former wage. If these two conditions hold, we might observe that countries with higher levels of unemployment benefits also have relatively higher unemployment rates for immigrants in comparison to the native-born (i.e. higher  $U_F/U_N$  ratios).

The model's second independent variable is the per capita income of the host country.<sup>7</sup> From a theoretical standpoint, it is not clear whether a higher GDP per capita should lead to a higher or a lower  $U_F/U_N$  ratio. In general, holding other factors like technology and capital endowments constant, since a higher GDP per capita reflects a higher amount of output produced per worker, we expect higher-income countries to have lower unemployment rates. However, this does not say anything about the relative magnitude of the unemployment rates of foreign- and native-born workers. On the one hand, we might expect high-income countries to be able to invest more on the

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the share of irregular immigrants among each country's foreign-born population. Nevertheless, due to the lack of a better alternative, this data is used under the assumption that foreign-born populations have better access to benefits in countries with more generous welfare systems.

- 6 Based on OECD statistics on the net replacement rate by income level, the net replacement rate does indeed seem to be substantially larger for lower incomes. These statistics are available at: <http://www.oecd.org/els/benefitsandwagesstatistics.htm>
- 7 I obtained the data on GDP per capita from the OECD Stats database. The measure I used was "GDP per head, US \$, constant prices, reference year 2005".

integration of their foreign-born labor force, while native-born workers of high-income countries might be unwilling to do low-skill jobs, freeing up these types of occupations for immigrants. Under these circumstances, we would expect the relative unemployment rate of the foreign-born in comparison with the native-born to fall as per capita income rises. On the other hand, high-income countries typically produce more high-value-added goods and services than low-income countries, and therefore require more skilled labor. If the foreign-born population is relatively less skilled, or if the qualifications and experience of immigrants acquired abroad are to some degree discounted in the host country's labor market, we would expect the  $U_F/U_N$  ratio to rise as per capita income rises. Which of these rationales would prevail is a matter for empirical observation.

A factor that might influence the impact of the host country's income level and welfare generosity on the  $U_F/U_N$  ratio is the immigrant community's skill level. The model's third independent variable, which measures the share of the foreign-born who were occupied as professionals in the host country as a percentage of the total employed foreign-born population, aims to capture precisely this effect. The OECD report *A Profile of Immigrant Populations in the 21st Century*, from which the data for this variable was obtained, classified the occupations of the foreign-born in three categories, "professionals," "technicians," and "operators and laborers," broadly corresponding to the required level of skills.<sup>8</sup> It is assumed here that a high share of professionals among the employed foreign-born indicates a relatively high level of skills among the foreign-born population as a whole.

In general, the higher the skill level of an immigrant community at the time of arrival and the more the skills acquired by the foreign-born during their residence in the host country, the lower the expected relative unemployment rate of the foreign-born population. This is because highly skilled immigrants have a broader choice of occupations, particularly in countries with high-value-added production chains. The Canadian Points

8 OECD 2008, *A Profile of Immigrant Populations in the 21st Century*, pp. 141-142. Occupations were classified on the basis of the International Standard Classification of Occupations (ISCO), published by the International Labor Organization (ILO). The category "professionals" consisted of ISCO classes 1 and 2, including health, teaching, business, IT, or legal professionals as well as managers. The "technicians" category consisted of ISCO classes 3 and 4, including associate professionals, IT technicians, and clerical support workers. The "operators" group included ISCO categories 5 to 9, including service and sales workers, agricultural, forestry, and fishery workers, craft workers, plant and machine operators, and other "elementary occupations", such as cleaners and helpers. For more details please refer to the *Resolution Concerning Updating the International Standard Classification of Occupations*, available at <http://www.ilo.org/public/english/bureau/stat/isco/docs/resolo8.pdf>.

System, which since its introduction in 1967 has aimed to find ways to maximize the number of skilled immigrants entering the country,<sup>9</sup> is set up under the expectation that skilled immigrants will have better labor market outcomes and a more beneficial overall economic impact in the host country.

Other explanatory variables that were considered in this study were the age structure of the immigrant population, measured by the share of people over 65 years old among the foreign-born population aged 15 and older; the share of the foreign-born population as a percentage of the host country's population; and the average duration of stay of the immigrant community in each host country.<sup>10</sup>

For the quantitative analysis of this paper, I applied multiple regression analysis on equation (1) using different combinations of the explanatory variables mentioned above. This technique aims to capture the effect of a change in each explanatory variable on the variable that we wish to explain, which is, in this case, the unemployment rate of immigrants in comparison with that of the native-born ( $U_F/U_N$  ratio), holding all other factors constant. I used data from 2008 for the  $U_F/U_N$  ratio, the size of the unemployment benefits, and for per capita income. I chose 2008 because it was the last year before a major economic crisis in many OECD countries, and the crisis could have affected the results. The same analysis was also conducted using 2000 and 2011 data for those variables to test the robustness of the model. One limitation in the data used in this paper was that the most recent available OECD statistics on the characteristics of immigrant communities (occupation and age structure, percentage of foreign-born, duration of stay) are based on the 2000 censuses and are not from 2008. It is assumed here that these characteristics of immigrant communities stay relatively stable over time, for example due to the establishment of networks among immigrant communities that attract more immigrants with similar characteristics, and that the data from 2000 is indicative of patterns still existent in 2008.

Furthermore, I conducted separate regression analyses by gender, using data for males and females on the  $U_F/U_N$  ratio and all variables that had to do with the characteristics of the immigrant communities.

9 Alan G. Green. "A Comparison of Canadian and US Immigration Policy in the Twentieth Century." *Diminishing Returns: The Economics of Canada's Recent Immigration Policy*. Ed. Don J. DeVoretz. Toronto: C.D. Howe Institute, 1995, p. 39.

10 These variables are all available at OECD 2008, *A Profile of Immigrant Populations in the 21st Century*.

### 3. RESULTS AND DISCUSSION

Having tried a few different models using some of the independent variables mentioned above in groups of three in equation 1, the model that explained the greatest part of the variation of the  $U_F/U_N$  ratio can be summarized by the following equation:

$$U_F/U_N = \alpha + (\beta_1 * UB) + (\beta_2 * Y^C) + (\beta_3 * P), \quad (2)$$

where  $U_F/U_N$  stands for the ratio of the unemployment rate of the foreign-born population over that of the native-born population, UB stands for the level of unemployment benefits as measured by the net replacement rate,  $Y^C$  stands for GDP per capita, and P stands for the percentage of professionals among the employed foreign-born population.

The beta coefficients and t-stats for each of these independent variables are shown at the table below. The overall R-squared for the model was 0.54.

**Table 1: Results for model specified by equation 2 (2008 data, both genders)**

Independent Variable	Beta Coefficient	T-stat	$P >  t $
Unemployment benefits (UB) (net replacement rate)	0.0214	2.99	0.007
GDP per capita ( $Y^C$ ) (US \$, divided by 1000)	0.0230	2.65	0.015
Share of professionals among employed foreign-born population (P)	-0.0261	-2.09	0.049

The table shows that the influence of all three independent variables on the  $U_F/U_N$  ratio was statistically significant at the 5% level. In light of these results, equation 2 can be rewritten in the following form:

$$U_F/U_N = 0.681 + (0.0214 * UB) + (0.0230 * Y^C) - (0.0261 * P), \quad (3)$$

This equation shows that a 1% rise in the level of unemployment benefits in the host country while the other variables remain constant increases the  $U_F/U_N$  ratio on average by 0.0214; a \$1000 rise in the per capita income of the host country increas-

es the  $U_F/U_N$  ratio on average by 0.0230, holding other factors constant;<sup>11</sup> and a 1% rise in the share of professionals among the employed foreign-born population decreases the  $U_F/U_N$  ratio on average by 0.0261, holding other facts constant. The  $U_F/U_N$  ratio ranged between 0.71 for the Slovak Republic and 2.58 for the Netherlands.

The model proved to be robust when 2000 and 2011 data were used for the  $U_F/U_N$  ratio, the GDP per capita, and the net replacement rate.<sup>12</sup> The coefficients had the same signs in both cases as in equation 3, while the results were statistically significant at the 5% level for 2011 and at the 10% level for 2000.

Table 1 shows that the variable that had the most statistically significant effect on the  $U_F/U_N$  ratio using 2008 data was the level of unemployment benefits measured by the net replacement rate, and that a rise in the generosity of unemployment assistance resulted in an increase in the unemployment rate of the foreign-born in comparison with that of the native-born for the same levels of host country per capita GDP and immigrant community skill level. This observation probably had to do with the reasons stated under section 2, i.e. that immigrants generally have no alternative networks of support other than the state, and that low-income earners are affected disproportionately by increases in the net replacement rate. The fact that access to unemployment benefits indicates that foreign-born communities are integrated into society at least in some level in countries with generous welfare states means that we must interpret this result with great caution, and refrain from prescribing a limitation of immigrants' access to benefits as a solution to the problem of low labor market integration. This point will be elaborated further in section 4.

The OECD countries may be classified into two broad categories according to where they stand in a scatter plot of the size of unemployment benefits against the relative unemployment rates of immigrants and native-born. The first category includes countries with unemployment benefit levels and  $U_F/U_N$  ratios above the mean (i.e. above 36% for the net replacement rates and above 1.5 for the  $U_F/U_N$  ratio). Most of these countries have welfare-state regimes that would be characterized by Esping-Andersen as "social democratic" or "corporatist," which offer relatively high benefits that are either distributed universally or are given to people with a strong employment record respective-

11 I divided GDP per capita by \$1000 to mitigate for the large numbers associated with GDP per capita.

12 I used data from 2001 for the net replacement rate because there was no available data for 2000.

ly. The Scandinavian countries fall under the “social democratic” type, while Germany, Austria, and France under the “corporatist” type.<sup>13</sup> Net replacement rates are indeed substantially higher for low-income workers in these countries.<sup>14</sup>

At the other end of the spectrum are countries with levels of unemployment benefits and  $U_F/U_N$  ratios below the mean, including the countries whose welfare-state regimes could be characterized as “liberal,” such as the United States, Canada, and Australia, where benefits awarded are typically relatively low and means-tested.<sup>15</sup> The Mediterranean countries are also part of this group, and Georg Menz describes their model of welfare state as follows:

*The southern model of welfare is a curious blend of elements of liberal minimalism colored by conservatism. Transfer payments provided are generally only minimal, individuals rely on support from kin and private charities, often related to the Catholic Church. At the same time, just as in the Bismarckian system, pension and healthcare systems are generally linked to participation in the labor market.*<sup>16</sup>

In such an environment where unemployed immigrants would be likely to fall through all the cracks of social safety nets, it is not surprising that the foreign-born accept even the most menial types of jobs in order to secure a minimum level of income. The main exception to this trend was Portugal, which had a relatively high net replacement rate (54%), coupled with a relatively low  $U_F/U_N$  ratio (1.2). This disparity might be at least partly explained by the immigrants’ lack of access to benefits in Portugal, which has to do with the irregular nature of a large part of Portuguese immigration.<sup>17</sup>

Moving on to GDP per capita, a rise in per capita income puts an upward pressure on the unemployment rate of the

13 Gøsta Esping-Andersen. *The three worlds of welfare capitalism*. Princeton, NJ: Princeton University Press, 1990, pp. 26-28.

14 For example, the net replacement rate for a one-earner married couple with two children in Sweden would be 69% for someone earning 67% of the average wage; 49% for someone earning the average wage; and 38% for someone earning 150% of the average wage. Data obtained from the OECD benefits and wages statistics, available at: <http://www.oecd.org/els/benefitsandwagesstatistics.htm>.

15 Esping-Andersen, *The three worlds of welfare capitalism*, pp. 26-28.

16 Georg Menz. ““Useful” Gastarbeiter, Burdensome Asylum-Seekers, and the Second Wave of Welfare Retrenchment: Exploring the Nexus between Migration and the Welfare State.” *Immigration and the Transformation of Europe*. Eds. Craig A. Parsons and Timothy M. Smeeding. Cambridge: Cambridge University Press, 2006, p. 410.

17 OECD. *Jobs for Immigrants: Volume 2: Labour Market Integration in Belgium, France, the Netherlands and Portugal*. OECD Publishing, 2008, p. 292.

foreign-born in comparison to that of the native-born, holding the levels of host country welfare generosity and immigrant skill level constant, and this effect is statistically significant at the 2% level. Thus, the empirical results indicate that the theoretical considerations that predicted a rise in the  $U_F/U_N$  ratio with per capita income predominated, and that the relative unemployment rate of immigrants is on average higher in richer OECD countries, even after controlling for differences in the generosity of welfare systems.

A possible explanation for this observation is that lower-income countries typically produce lower-value-added goods that are more labor-intensive in their production relative to goods produced in higher income countries. Immigrants can fulfill the demand for low-skilled jobs in lower-income countries, whether they are low-skilled themselves or not. For example, migrants in Greece provide almost one-third of the total labor expended in intensive cultivation such as sultana grapes.<sup>18</sup>

Indeed, looking at the overqualification rates of the foreign-born relative to the overqualification rates of the native-born reveals that the Mediterranean countries often also employed immigrants with relatively high levels of educational attainment as low-skill workers. Indeed, Greece, Spain, and Italy had three of the four most overqualified foreign-born employed populations relative to the overqualified native-born populations in the OECD.<sup>19</sup> Thus, the employment of highly qualified people in low-skilled jobs in countries with relatively low GDP per capita can both go some way toward explaining why these countries had relatively low  $U_F/U_N$  ratios, and reveal a different type of failure of integration in the labor market than high unemployment rates.

Among relatively high-income countries, Canada, the UK, and Australia had relatively low  $U_F/U_N$  ratios (1.2, 1.2, and 1.1 respectively), while Germany, Austria, and Sweden had relatively high  $U_F/U_N$  ratios (1.9, 2.4, and 2.3 respectively). The skill composition of these countries' immigrant communities might explain some of this variation. While 29%, 34%, and 31% of the foreign-born populations of the first three countries respectively are employed as professionals, the corresponding percentages are 10%, 11%, and 13% respectively for the second group of countries.

<sup>18</sup> Charalambos Kasimis. *Migrants in the Rural Economies of Greece and Southern Europe*. Migration Policy Institute, 2005.

<sup>19</sup> OECD 2008, *A Profile of Immigrant Populations*, p. 139.

Indeed, the results presented in Table 1 reveal that if we control for the level of GDP per capita and the generosity of the host country's welfare system, a rise in the share of professionals among the employed immigrant population has a statistically significant negative effect on the  $U_F/U_N$  ratio on average. This observation can be attributed to the fact that highly skilled workers can choose among a greater variety of occupations in the developed economies of OECD countries. It must also have to do something with the fact that countries with relatively high shares of professionals in their foreign-born populations such as Canada, Australia, New Zealand, and the UK, also have selective immigration policies, and are therefore likely to choose which immigrants to admit based on the suitability of their skill sets to the host country's labor market. In contrast, the Scandinavian countries, which have lower shares of professional immigrants, also have relatively large shares of refugees who might face special challenges in integrating in their host country's labor market arising from their status as refugees, such as sudden migration, no official certification of their education level, uncertainty as to the length of their stay, and others.<sup>20</sup>

Tables 2 and 3 show the beta coefficients and t-stats for the three independent variables of the model when the analysis is carried out by gender. With an R-squared of 0.66 the model explains a higher percentage of the variability of the  $U_F/U_N$  ratio for men than for both genders, but it loses some explanatory value for women as the R-squared drops to 0.39.

The difference is starkest when it comes to the per capita income variable, which has a t-stat of 4.50 in the model for men, but loses its statistical significance in the model for women. This is consistent with the analysis of the impact of the host country's income level on the  $U_F/U_N$  ratio given above, since men are far more likely than women to engage in the low-skilled occupations that are abundant in lower-income countries, such as agriculture and construction. On the other hand, the fact that higher unemployment benefits also have a statistically significant positive effect on the  $U_F/U_N$  ratio of women reflects the fact that in many countries such as Belgium, second earners in couples with a low income enjoy some of the highest net replacement rates in the labor force.<sup>21</sup> Additionally, the fact that the model works less well for women may have something to do with the fact that the labor force participation of women may vary across immigrant

20 OECD 2008, *A Profile of Immigrant Populations*, p. 140.

21 OECD 2008, *Jobs for Immigrants*, p. 16.

communities also for cultural reasons that are not captured by any of the independent variables used in this model.

**Table 2: Results for model specified by equation 2 (2008 data, men)**

Independent Variable	Beta Coefficient	T-stat	P >  t
Unemployment benefits (UB) (net replacement rate)	0.0208	2.90	0.009
GDP per capita ( $Y^c$ ) (US \$, divided by 1000)	0.0390	4.50	0.000
Share of professionals among employed foreign-born population (P)	-0.0259	-2.17	0.042

**Table 3: Results for model specified by equation 2 (2008 data, women)**

Independent Variable	Beta Coefficient	T-stat	P >  t
Unemployment benefits (UB) (net replacement rate)	0.0222	2.73	0.013
GDP per capita ( $Y^c$ ) (US \$, divided by 1000)	0.0108	1.09	0.289
Share of professionals among employed foreign-born population (P)	-0.0226	-1.60	0.124

## 4. POLICY RECOMMENDATIONS FOR EU COUNTRIES

### 4.1. Immigrant employment and welfare generosity:

The observation that higher unemployment benefits result, on average, in higher unemployment rates for immigrants relative to the native-born, is not necessarily negative and must be interpreted cautiously, because it signifies that in countries with generous welfare systems, immigrant communities are at least integrated in the host country's social safety net, even if they are not well integrated into the labor market. Therefore, quickly prescribing a limitation of immigrants' access to unemployment benefits as a solution to the challenge of integrating foreign-born communities into the labor market would be wrong

not only due to considerations of equity, but also because such a measure would lead to a situation where foreign-born communities are left without any support or mechanism of social integration during the transition time that precedes their integration into the labor market. For this reason, a more positive approach emphasizing the need to rapidly equip immigrants with the skills necessary to succeed in the host country's labor market would be more appropriate.

Indeed, this study shows that devising a more effective approach to utilize and further develop the labor-market skills of foreign-born communities has become an urgent need in the developed world. Disproportionately high unemployment rates for foreign-born communities in countries with generous welfare systems is clearly a cause for concern, particularly for social democratic welfare-state regimes, which according to Esping-Andersen “are entirely dependent” on the attainment of full employment for their financial sustainability.<sup>22</sup> If European countries want to avoid making substantial changes in welfare-state provisions for all citizens to mitigate this challenge, and if we discount the possibility of stripping immigrants of their rights to welfare benefits, then the European countries with the more generous welfare states must consider other policies to incentivize the integration of immigrants into the labor market.

Successful policies to foster the integration of immigrants in the labor markets of developed countries would have to be based on the close cooperation of the public sector, whose role would be to provide information, guidance, and access to retraining programs for immigrants, and the private sector, whose participation in the retraining schemes is also crucial, not least due to the fiscal problems that the governments of developed countries currently face and the scale of the challenges ahead. Governments should ensure that there are departments in their public employment services that specialize in the counseling of foreign-born workers, something that will necessitate retraining counselors to be able to meet “the challenge of advising a diverse and mobile population with distinct needs.”<sup>23</sup> Retraining programs for immigrants should also become more targeted and include innovative elements such as occupation-specific, rather than generic, language instruction from an early stage. At the same time, the closer involvement of the private sector in the la-

<sup>22</sup> Esping-Andersen, *The three worlds of welfare capitalism*, pp. 26-28.

<sup>23</sup> Meghan Benton, et al. *Aiming Higher: Policies to Get Immigrants into Middle-Skilled Work in Europe*. Washington DC: Migration Policy Institute and International Labor Office, 2014, p. 2.

bor-market integration of foreign-born workers is crucial, since “even seemingly well-designed programs may be overly costly in terms of time and money if employers are not willing or able to promote participants into more-skilled jobs after they gain new skills.”<sup>24</sup> Wage subsidies and reductions in social security contributions for low-wage earners,<sup>25</sup> as well as state-funded partnerships between employers and training institutions,<sup>26</sup> are some possible ways to involve the private sector in labor market integration policies.

It is worth noting that in order to successfully attract immigrants into the labor market and to maximize their beneficial impact on the host country’s economy, public employment agencies and labor-market integration policies should aim to equip foreign-born workers not only with the skills that are necessary to find the lowest-paid jobs, but also with those that will allow them to utilize to the fullest possible extent their previous training and experience and to gradually progress upwards in their careers towards middle-skilled jobs. As was seen in section 3, excessively high overqualification rates among foreign-born workers are a problem in all EU countries, and they are a particularly big challenge in the Mediterranean, where the social safety nets are low and labor markets tend to be highly segmented between markets for temporary, unprotected work and permanent, protected employment.<sup>27</sup> The usual tacit assumption of employment policies that once foreign-born workers get a low-paid job they are integrated is often false, since “employment may be precarious, and language barriers or skills gaps may prevent progression into stable, well-paying work, rendering immigrants more vulnerable to long-term poverty.”<sup>28</sup> Unfortunately, according to the Migration Policy Institute, “very few [governments] have made securing newcomers’ upward mobility out of the lowest-skilled, most precarious work an integration priority.”<sup>29</sup>

#### 4.2. Immigrant employment and host country per capita income

The policy implication of attributing the relatively low levels of the  $U_F/U_N$  ratio in lower-income OECD countries to

24 Benton, *Aiming Higher*, p. 2.

25 OECD 2008, *Jobs for Immigrants*, p. 94.

26 Benton, *Aiming Higher*, p. 25.

27 Raúl Ramos. *Turning a corner? How Spain can help immigrants find middle-skilled work*. Washington, DC and Geneva: Migration Policy Institute and International Labour Office, 2014, p. 5-7.

28 Benton, *Aiming Higher*, p. 24-25.

29 Benton, *Aiming Higher*, p. 1.

the relative abundance of low-skilled jobs that immigrants have undertaken is that those countries, including the Mediterranean countries, should allow low-skilled migrants to enter and occupy these low-skilled jobs legally.

Most EU member states and the European Union itself do not currently have an adequate legislative framework to allow the entry of foreign-born low-skilled workers to work in sectors such as agriculture and construction in Southern Europe, and yet it seems that there is both a demand for and a supply of low-skill workers to do such jobs. Instead, immigrants who come to Southern European countries in response to those economic forces often enter irregularly and work under clandestine conditions, receiving hardly any protection from the host state and perpetuating the large Mediterranean informal economies. For example, according to the Migration Policy Institute, irregular migration was a “defining characteristic of Spain’s economic boom leading up to the 2007-08 financial crisis,” since “the high demand for low-skilled workers at the time (and the unwillingness of the native born to fill certain jobs),” particularly in the construction, real estate, domestic services, and hospitality sectors, attracted migrants to the country despite restrictive regulation.<sup>30</sup> This situation carries intolerable costs for both the foreign-born workers and the host governments, and designing an effective response is of paramount importance.

While the European Agenda on Migration, which was published in May 2015 by the European Commission and aims to outline the elements of a “coherent and comprehensive approach to reap the benefits and address the challenges deriving from migration,”<sup>31</sup> stresses the importance of establishing a “clear and well implemented framework for legal pathways to entrance in the EU,”<sup>32</sup> the emphasis is mainly placed on attracting skilled workers to Europe, and next to nothing is said about the necessity of creating a legal framework also for the employment of low-skilled migrants, particularly in the European periphery. Given the comparative advantage that labor-intensive sectors could gain in Southern Europe from well-functioning temporary worker programs, as well as the opportunities for employment that such a program could offer to workers from the crisis-ridden regions of North Africa and the Middle East, it is hard to understand why European countries are not taking more

30 Raúl Ramos. *Turning a corner? How Spain can help immigrants find middle-skilled work*. Washington, DC and Geneva: Migration Policy Institute and International Labour Office, 2014, p.1-4.

31 European Commission. *A European Agenda on Migration*. Brussels, 2015.

32 A European Agenda on Migration, p. 6.

active steps towards establishing such a program.

In designing its policy response to this challenge, the European Union should learn from the design of best-practice temporary worker programs such as Canada's Seasonal Agricultural Workers Program (SAWP), which brings 20,000 foreign workers a year in Canadian farms to work between six and eight months. SAWP is successful not least because it achieves remarkably high return rates due to the incentives built in to the system, such as the requirement for workers to present a sealed evaluation of their performance to the Mexican authorities in order to preserve eligibility for repeat employment the next year. In addition, SAWP is attractive for foreign workers, since it offers better working conditions than they would find if they worked irregularly in Canada or any other country, including the same pay as Canadians would get for the same job, as well as covered housing and transport costs. SAWP also works well for employers, who have been able to expand production due to the assured supply of cheap labor, and who can train and use repeatedly the same labor.<sup>33</sup> Within the EU, Spain's *Contingente de Trabajadores Extranjeros* offers a framework for seasonal migration that has several positive aspects, including effective incentives to encourage circularity and some pilot projects to encourage seasonal workers to invest in their communities through agricultural enterprises and other initiatives upon their return.<sup>34</sup>

In setting up programs for legal foreign worker programs, the European Union should also take into consideration the pro-cyclicality of some low-skill sectors such as construction. Even though the Mediterranean countries had among the lowest UF/UN ratios in 2008, they also experienced above-average increases in those ratios by 2011, with the Greek ratio rising by 0.28 compared with an average increase of 0.06 across the OECD. This indicates that the foreign-born workers, often occupied in sectors that were crushed during the crisis such as construction, were the hardest hit by the economic crisis. This result is confirmed by numerous other studies, such as the OECD's *A New Profile of Migrants in the Aftermath of the Recent Economic Crisis*, which also mentions that migrants from Africa have faced disproportionately large increases in unemployment rates in Europe. For example, Moroccan migrants in Spain suffered an increase in their unemployment rate from 19% to 56% between

33 Kathleen Newland, Dovelyn Rannveig Agunias, and Aaron Terrazas. *Learning by Doing: Experiences of Circular Migration*. Washington DC: Migration Policy Institute, 2008, p. 6-7.

34 Newland et al., *Learning by Doing*, p. 7-8.

2005–6 and 2010–11, reversing the positive trend in terms of labor market outcomes for Moroccan migrants during the boom of the early 2000s.<sup>35</sup> Any successful policy for the legal entry of low-skilled seasonal workers would therefore have to be particularly flexible and able to respond to the fluctuations of economic conditions.

### 4.3. Immigrant employment and the skill levels of the foreign-born:

The fact that immigrant groups with larger shares of skilled workers enjoy relatively low unemployment rates shows that selective immigration policies such as those implemented in Canada through the Points System do have a beneficial effect on labor market outcomes for immigrants.

The necessity of attracting more skilled immigrants to foster innovation in Europe and meet the targets of the Horizon 2020 program is something that is fully recognized by the European Agenda on Migration, which argues that in the context of the expected increase in the share of jobs employing hither-educated labor and the decline of Europe’s working population, “migration will increasingly be an important way to enhance the sustainability of our welfare system and to ensure sustainable growth of the EU economy.”<sup>36</sup> This paper fully endorses the aim of the Agenda on Migration to promote the admission of an increasing number of skilled workers in European countries. The role of the EU in the context of this aim must be to provide information about the sectors and regions that require additional workers and to establish how potential workers’ foreign qualifications compare to European qualifications in order to facilitate national efforts to increase the inflow of skilled immigrants, as well as to create a larger EU-wide scheme for admission of skilled workers through the expansion of the Blue Card Directive.

When it is inappropriate to implement selective migration policies, as in the case of refugees, host countries should place an emphasis on providing their foreign-born communities with the skills required to succeed in the labor market, including through the range of policies discussed in section 4i, as well as by encouraging the early entry of immigrants in the labor market

35 Cansin Arslan, et al. *A New Profile of Migrants in the Aftermath of the Recent Economic Crisis*. OECD Social, Employment and Migration Working Papers No. 160 Vol. Paris: OECD Publishing, 2014, p. 32-34.

36 *A European Agenda on Migration*, p. 14.

and by incorporating vocational elements in language courses for immigrants.<sup>37</sup>

## 5. SUGGESTIONS FOR FUTURE RESEARCH

In order to increase the number of explanatory variables that can be incorporated in models of the determinants of labor-market outcomes for immigrants, future studies will have to be based on a larger number of observations than this study was based on. This could be done by going beyond the data that is currently available by the OECD for foreign-born populations as a whole at the country level, and by considering data at the regional level or at the level of individual immigrant communities, organized by country of origin.

As regards the characteristics of host states, an interesting additional variable to consider would be an indicator of the host country's labor-market rigidity, including features such as employment protection legislation and the minimum wage. In the same way that such features retard the integration of young people into the labor market, they could also hinder the rapid labor-market integration of immigrants. In addition, it would be good to include a variable capturing whether the host country is an "old" or a "new" immigration country, by considering either how long immigrant communities have been resident in the host country or the size of the foreign-born population in the host country.

As regards the characteristics of immigrant communities, it would be interesting to isolate and capture the effect of the country of origin on labor-market outcomes. Several ongoing studies emphasize the necessity of studying "integration as a three-way process" and understanding "the role of origin countries and societies" in the integration of immigrant communities in host societies.<sup>38</sup> Furthermore, it would be interesting to look into the variation in labor-force participation of women among immigrant communities and ask whether the participation rate differs by country of origin or cultural background. In addition, it could be fruitful to estimate the effect of the age of immigrants at the time of arrival on labor-market outcomes. This cannot be done by considering the percentage of immigrants over the age of 65 because this variable also reflects for how long the for-

<sup>37</sup> OECD 2008, *Jobs for Immigrants*, p. 21.

<sup>38</sup> Lorenzo Gabrielli. *Corridor Report on France: The Case of Turkish and Tunisian Immigrants*. INTERACT RR 2015/14 Vol. Florence: Migration Policy Centre, 2015.

eign-born communities have been resident in host states. Future studies could therefore compare the unemployment rates of immigrants who arrive at their host societies roughly at the same time, but at different ages.

Finally, a complete study of labor-market outcomes for immigrants would consider not only unemployment rates, but also overqualification rates of the foreign-born relative to the native-born as well as wage differentials among the foreign-born and the native-born. In the model of such a study, the explained variable could be a complex labor-market integration index incorporating indicators about the employment rates, the unemployment rates, the activity rates, and the overqualification rates of the foreign- and native-born workers, which is the approach that Gabrielli uses in the context of the Migration Policy Centre's INTERACT project.<sup>39</sup>

**Bio:** Kira Gartzou-Katsouyanni holds an MA in International Relations and International Economics from Johns Hopkins SAIS, and a BA in History and Politics from New College, Oxford University.

**Acknowledgments:** I am grateful to Professor Tamara Woroby for the guidance and inestimable support she provided to me while I completed this study. All errors are mine alone.

<sup>39</sup> Gabrielli, *Corridor Report on France*, p. 28.

## 4.2. Response

to 4.1. A Study of the Determinants of Labor-Market Outcomes for Immigrants in OECD Countries

Georg Fischer

2015–16 European Union Fellow at Yale

The study by Kira Gartzou-Katsouyanni presents interesting and in some respect new research on the labor market situation of migrant populations in advanced economies and relevant policy lessons for the European Union and the member states.

The starting point of the analysis is the ratio of the unemployment rates of native-born and foreign-born populations as an indicator for the gap between the labor market situation of native- and foreign-born populations. The paper finds that the level of economic development of the host country, generosity of the unemployment benefit system and human capital endowment are relevant variables that contribute to explaining this gap. I concentrate on the evidence and policy conclusions concerning Europe and comment first on labor market outcomes, then on the variables and finally on the policy recommendations.

Labor market outcomes of migrant (sub)populations differ widely within the EU. Typically one looks at migrant workers in the EU in three groups; those who originate from the “old” EU (EU15), those who come from those Central/Eastern European member states that joined the EU in 2004 (EU10) and those who originate in non-EU countries (Third Country Nationals in EU language, TCN). In between there is the group of migrants from countries that joined later than 2004 (Romania, Bulgaria and Croatia — EU3). Activity rates for workers from the EU10 and EU15 are on average higher than those of native-born workers, while those of TCN are far lower. The gaps in employment rates between the EU10 or EU15 and workers from outside the EU is over 10 percentage points. The picture for unemployment rates is less extreme but in average those of the EU15 (8.1) and EU 10 (8.2) are lower than natives (9.6) and far lower than those of the EU3 (18.3) and TCN (17). My recommendation for future analy-

sis would be to complement the overall analysis with looking at the subgroups separately.

The study suggests (p. 104) that the sectoral concentration of male migrant workers leads to higher employment in countries with lower GDP per capita. One can also put this result differently: Male migrant workers are concentrated in industries that decline as societies get richer and economies more productive. Perhaps one should not concentrate on the job of first entry — one has to find a first entry in the local labor market. Migrant workers are changing jobs easier than others, and the issue is whether higher mobility allows them to move into growing parts of the EU economies. The paper presents in this context an interesting difference between women and men and it might be worth elaborating on the policy implications. Women work often in growing sectors but in low-paid jobs. One question could be, what kind of support migrant women need to do better in those sectors?

Skills and education are a relevant factor and research suggests that the groups of migrants that perform better show relatively high levels of medium-level skills — in particular for workers coming from the EU10. This can be a comparative advantage when looking for jobs at the lower skill end. This might also explain why EU10 workers do comparatively well once in employment. To move to other sectors they need to acquire new skills, hence training close to labor market needs is a good strategy. One should, however, not overlook that foreign-born workers often lack basic competencies (literacy and numeracy). The 2012 OECD PIAAC survey shows that foreign-born adults perform less well in terms of literacy and numeracy than comparable natives (see *Employment and Social Development Review in Europe 2014*, p. 121/122 and chapter 8 (Bonfanti S., Xenogiani T.) in *Matching Economic Migration with Labour Market Needs*, OECD 2014). The gap in literacy points to the need for improved language training. The numeracy gap might have something to do with the concentration in lower-skilled jobs that demand less the application of numeracy achieved earlier (unused skills get often lost). In any case there is a twofold policy challenge — providing specific skills and reinforcing basic competences.

All this is most relevant for young people for whom, as the author stresses rightly, Europe needs to do far better for many reasons — to ensure a high quality labor force in the future but also to avoid, as the author puts it: “avoidance of the vicious circle of social marginalization and radicalization among immigrant communities.” (p. 96)

Turning to the analysis on unemployment benefit system results should be interpreted with care. When comparing the proportion of natives and foreign-born population receiving unemployment benefits, the foreign-born seem to do so over-proportionally (they rely more on unemployment benefits, p. 98 in the study). It is important to see the limitations of such an analysis as the personal characteristics of the populations might differ greatly. Controlling for such characteristics (education, sector, age, gender etc.) shows that foreign-born populations receive often less than comparable benefits than native populations. IZA Research Report 43 by Zimmermann et al. summarizes: “Once the socio-demographics of the three groups (natives, EU and non-EU migrants) have been controlled for, migrants have actually lower predicted probabilities of receiving unemployment benefits.” This relativizes the results concerning the importance of unemployment benefits but gives additional weight to an important argument in the paper: well-designed unemployment benefits can reinforce labor market attachment. Research shows that those who receive unemployment benefits find themselves faster in jobs than comparable unemployed individuals without benefits. One of the reasons might be that employment services and labor market policies are more easily available to the first group.

A related question is how to provide labor market policies and services to migrant populations. The simplest answer in my view is: integration into (improved) mainstream services wherever possible combined with special support where necessary, including improving literacy and numeracy.

There is a second line of thinking why functioning unemployment benefit systems can be beneficial for labor market integration of migrant workers, and the author refers to this in her issues for future research. Countries with well-functioning and adequate unemployment benefit systems combined with labor market services, policies, and training have created pre-conditions for less segmented and more open labor markets. Without such services and adequate income support, established workers are compelled to stick to their jobs and demand strong protection, as they are largely on their own when they lose them. Better-developed labor market policies help both — those that are called insiders and those called outsiders — a group to which migrant workers typically belong.

The study goes one step further and draws attention to a situation in which foreign-born workers are forced to accept “the most menial jobs” exactly because of the absence of either

income support or access to employment services. Creating conditions where migrant workers can exercise labor rights on an equal basis with natives is not just good for them but for all workers and for most of industry. With increasing immigration this issue has moved to the forefront of the policy debate. The new European Commission President Jean-Claude Juncker emphasizes specifically the importance of equal rights for all workers as an assurance for the majority of workers that immigration does not undermine standards: “At the same time, I am taking concerns about potential cases of abuse and risks of social dumping very seriously. As I said in my Political Guidelines, in our Union, the same work at the same place should be remunerated in the same manner.” (Oct. 6, 2015).

It is impossible to give credit to all the interesting points made. One is the need for Europe to develop particular selective labor migration measures which I fully endorse. Most migrants arrive for other reasons than economic migration including the big number of refugees from the Middle East. The policy conclusions in this paper are relevant for most of those workers. The study is a timely and valuable contribution to an important debate in the European Union.

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## 5.1 A Case for the European Citizens' Initiative amidst the Perceived Democratic Deficit of the EU

SUBMITTED BY

Mary Anne Mendoza

### ABSTRACT

The European Union is no stranger to being the subject of what many critics have termed a “democratic deficit.” Yet a consensus on the theoretical meaning of this term, and its empirical consequences, seem to miss one another in the literature. This article grapples with several considerations of a democratic deficit as well as how to situate the occurrences in Europe within larger global and democratic trends. In order to address the democratic deficit, regardless of how it is defined, this article argues that the EU should further utilize existing opportunities within it, such as the European Citizens' Initiative, to its full potential first rather than creating new bodies and programs as the goals of the ECI address the problems of the democratic deficit and also link to other improvements that are crucial for the well-being of citizens within the EU.

*Keywords:* democratic deficit, European Citizens' Initiative, ECI, political participation, and digital democracy.

## 1. INTRODUCTION

The European Union's commitment to democracy must be evident in not only its stated objectives, but also within the practices of its institutions. Despite numerous strides in furthering integration and reforming its structure over the past few decades, the EU has not been immune to the call of critics claiming that not enough has been done to safeguard democracy. Such shortcomings have been referred to as indicative of a growing series of categories that expose a democratic deficit within the EU. Consensus on whether or not a democratic deficit exists in the EU must come after a consensus on how to define it, yet defining this concept has proven to be less uniform than the debate about its existence. Some advocates of the European project have sought solutions to address the issue while others have tried to deny its existence entirely by situating this deficit within indicators of other contemporary liberal democracies and a general decline in political participation, suggesting that there is less cause for alarm about this democratic deficit than currently warranted. Regardless of which side of the debate individuals choose to support, voting in elections for the European Parliament has indeed declined.

The existence of the European Citizens' Initiative (ECI) serves as an opportunity for EU citizens to influence the decision-making process at the European level. It serves as a unique participatory opportunity that utilizes the collection of e-signatures to grant citizens the ability to exhibit powers similar to one of the main bodies within the EU. However, all of this potential that has been lauded in theory has yet to be fully harnessed in reality. The current status of the ECI is one in which greater technological infrastructure and public awareness is necessary in order to actualize the goals for which it was created. Individuals who would rather do away with the process entirely are prematurely judging its success, for the ECI is still a nascent opportunity that many EU citizens have yet to discover.

Symbolically, the ECI serves as a powerful opportunity for EU citizens to exercise direct democracy. In a context in which the democratic deficit is characterized by distance and a lack of legitimacy, among other things, the existence of the ECI serves as an acknowledgement that accountability and representation are valued within the EU. The ECI can also serve as a more direct link between citizens and representatives that is not constrained by the timing of elections or detoured by indirect institutions of

control. Therefore, it is crucial that such an opportunity to influence the democratic process not only be maintained, but also harnessed to its full potential.

The ECI can serve an even better role than merely being a symbolic nod towards the ideals of democratic governance. Increased awareness of the process and purpose of the ECI can help serve to increase its success rate. The current ratio of rejected to approved initiatives is disproportionately negative, but this may also stem from the fact that citizens do not know enough about the ECI to participate or use it properly. Increasing efforts to publicize its existence can serve as a welcome boost in understanding that the EU does indeed care about the voices of its citizens, even at the highest levels of the democratic chain of command. The effort to improve the process of the ECI does not occur in a vacuum, but incorporates improvement in other sectors, as well.

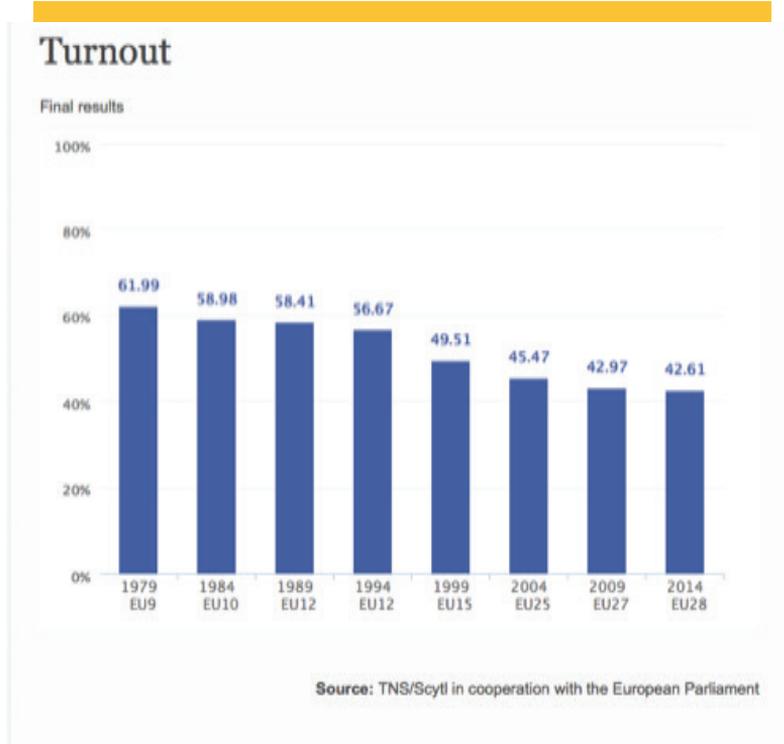
Several arguments in the debate regarding a democratic deficit in the EU miss a larger point: EU citizens perceive something amiss and are acting in kind. Declining levels of trust in European institutions and declining voter turnout in European-level elections highlight an increasing gap between citizens and the European level of government. Such a gap cannot easily be rectified, but there are places to start. Rather than arguing away factors that indicate its existence, lamenting the onset of a perceived democratic deficit within the EU, or creating new bodies and institutions aimed at addressing it, the EU would benefit more from fully utilizing opportunities already in place. The ECI is only one of these opportunities, but it serves as a powerful link for citizens and the democratic process in a manner that overlaps with enhancing other facets of life.

## 2. ASSESSING DECLINE IN POLITICAL PARTICIPATION

Despite continued integration within various sectors, the European project has struggled to fully incorporate its citizens. Concerns regarding a common European identity became stronger as economic integration flourished. Yet citizens have not consistently engaged with political institutions at the European level. One way that scholars gauge citizen satisfaction with democracy is through political participation. Voter turnout has been characterized as a simpler and more accessible means

of participation than other political activities.<sup>12</sup> Declining rates of political participation within the EU have been used by some scholars as indicative of a democratic deficit. Voter turnout in elections for the European Parliament has been on a decline since the first election in 1979 (Figure 1).<sup>3</sup>

**Figure 1: Voter Turnout in EP Elections**



However, relying on voter turnout as indicative of a democratic deficit in Europe is problematic for several reasons. Opting out of political participation does not necessarily imply that individuals no longer support or are satisfied with democracy. Franklin, among others, suggests that voters consider executive elections important, but are less motivated to participate in elections for other offices.<sup>4</sup> EP elections involve 751 members of the

- 1 Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community*, (New York: Simon and Schuster), 2000.
- 2 Sidney Verba, Key Lehman Schlozman, and Henry Brady, *Voice and Equality: Civic Voluntarism in American Politics*, (Harvard University Press), 1995.
- 3 “Election Results of the 2014 European Elections,” *Europarl*, 2014 <http://www.europarl.europa.eu/elections2014-results/en/turnout.html>.
- 4 Franklin, Mark N., “The Dynamics of Electoral Participation”, in LeDuc, Lawrence, Niemi, Richard G., Norris, Pippa, eds., *Comparing Democracies 2: New Challenges in the Study of Elections and Voting* (Thousand Oaks ;

European Parliament (MEPs) who are elected for five-year terms. This is the only institution within the EU that is directly elected since the EU's other institutions, particularly its executive, consist of officials holding their respective positions by winning national elections, through appointment, or indirect election.<sup>5</sup>

The decline of voter turnout in European Parliament elections may be indicative of citizen dissatisfaction with the democratic process and their representatives, or it may simply fit into research concluding that most elections do not motivate voter turnout. There may be a democratic deficit at work, or it may simply be the same causal forces that betray many democratic states working within the confines of the democratic structure of the EU. Should the latter be the case, arguments bemoaning the existence of a democratic deficit within Europe may simply be noting a trend common to all democracies that should not tarnish its quality. Zweifel notes that this may be the case.<sup>6</sup>

Decline in political participation may also be linked to forces outside of the democratic structure. Putnam argues that increased diversity within communities may result in a decline in interpersonal trust that then causes individuals to participate less in society.<sup>7</sup> Social and political withdrawal could be potential consequences of increased exposure to different ethnic groups. Increased immigration coupled with EU policy of the free movement of persons enhances the likelihood that different ethnic groups will come in contact with one another. In 2000, there were 19 million foreign citizens living in the EU. Of this total, 6 million were EU citizens who were nationals of a member state different from the one in which they worked. In 2009, this had increased to 31.9 million foreign nationals working in the EU with nearly 11.9 million of this total who were citizens of another member state.<sup>8</sup> Part of this increase is due to the expansion of EU membership and the opening up of the policy for the free movement of persons to countries whose rights to this were previously excluded, such as Bulgaria and Romania.

Despite increased migration occurring within Europe, not all of it has been received with open arms as national governments have struggled to find a means to cope with the resources needed to address increased numbers. France, for example,

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London : Sage, 2002), 221.

5 "European Parliament," *Europa*, 2015.

6 Thomas D. Zweifel, "...Who is Without Sin Cast the First Stone: the EU's Democratic Deficit in Comparison," *Journal of European Public Policy* no. 5 (2011): 812-840.

7 Robert Putnam, "E Pluribus Unum: Diversity and Community in the Twenty-First Century – The 2006 Johan Skytte Prize Lecture," *Nordic Political Science Association*, 2007.

8 Ian Traynor, "Roma Deportations by France a Disgrace, Says EU," *The Guardian*, 14 Sep 2010.

deported thousands of Roma people in 2010 and was revealed to have specifically targeted Gypsies from Romania and Bulgaria in its pursuit of shutting down immigrant encampments, despite being in breach of EU stipulations against ethnic discrimination and the free movement of persons.<sup>9</sup> All of this suggests that contact with increasingly diverse groups of people has not necessarily resulted in solidifying the bonds of European identity. In some cases, it may only serve to further stretch its limits and make the prioritization of national identities all too apparent. The devotion back to national identity may also potentially explain why citizens are not keen towards participating at the European level.

Additionally, it is important to consider whether the decline in support for democracy or political participation is unique to Europe or part of a larger trend. In Huntington's work on the third wave of democracy, he notes that each of the two previous waves of democratization were followed by periods of "reverse waves" in which many newly democratized countries reverted back to authoritarianism.<sup>10</sup> The actions of Prime Minister Orbán in Hungary or the declining rates of political participation in European elections may not necessarily be indicative of a growing democratic deficit within Europe, but rather a reiteration of a cycle that has historically plagued democratized countries. The decline in political participation may not necessarily reflect that citizens do not care.

Another dimension of the democratic deficit involves citizen support for democracy. Support for democracy within the EU has declined in many of the new EU countries by 10% since the economic crisis. The 2011 Transition Report by the European Bank for Reconstruction and Development suggests that it is because individuals more affected by the economic crises were more likely to reject the institutions that they had in place. Thus, individuals who lived in freer societies grew less supportive of democracies while individuals who lived in state-dominated societies grew less supportive of autocracies.<sup>11,12</sup> Given that decreasing support was found in both democratic and authoritarian

<sup>9</sup> *Ibid.*

<sup>10</sup> Samuel P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century*, (Norman: University of Oklahoma Press, 1991).

<sup>11</sup> Erik Berglof, "Transition Report 2011. Crisis and Transition: The People's Perspective," European Bank for Reconstruction and Development, 2011.

<sup>12</sup> The 2011 Transition Report concluded that support for democracy in many of the new EU countries declined by at least 10% while support for democracy in the Commonwealth of Independent States, non-EU member countries, increased by at least 6%. These findings still may not necessarily support the infallible claim that a democratic deficit is occurring in Europe as many of the authoritarian regimes, which the report also cited as being rejected, are located in the CIS region.

regimes, this suggests that perhaps it is more a dissatisfaction with the existing regime that is triggered by the economic crisis rather than dissatisfaction with democracy itself. In a manner akin to voters often blaming the party in power for hardship, the EU may be increasing a trend in which voters are beginning to blame the regime in power. In this case, the EU should go to greater lengths to address dissatisfaction with its existence as a regime. Regardless of the causes of decreased participation or anti-democratic attitudes, individuals should not grow complacent that solvency will beget itself. Instead, officials within the EU should work toward improving existing structures to further facilitate a return to increased democratic participation.

### 3. DEFINING AND ASSESSING THE EXISTENCE OF A DEMOCRATIC DEFICIT

Despite trends that can potentially provide a more accurate explanation for declining political participation in Europe, the debate concerning a democratic deficit has been abundant. Yet few agree on what, exactly, it is. The concept of a democratic deficit must first be theoretically defined prior to contending whether it empirically exists. Afterwards, it becomes possible to prescribe solutions to match the malady. Norris characterizes a democratic deficit as a gap between public support for democracy and “satisfaction with the performance of democracy”<sup>13</sup> while Lenard and Simeon characterize it as a gap between the reality of democratic life and the aspirations of its citizens.<sup>14</sup> Thus, while individuals may emphasize the importance of living in a democratic state, many may remain unhappy with how they perceive its progress to be in reality.<sup>15</sup> Both definitions focus on the importance of citizen perception, a component to which I shall return to after contextualizing these assessments within Europe.

The characterization of a democratic deficit within the confines of Europe differs from these definitions on several fronts.<sup>16</sup>

13 Pippa Norris, *Democratic Deficit: Critical Citizens Revisited*, (Cambridge: Cambridge University Press, 2011), 242.

14 Patti Tamara Lenard and Richard Simeon, “Introduction,” in *Imperfect Democracies: Democratic Deficit in Canada and the United States* (Canada: UCB Press, 2012).

15 Norris and other scholars find that older democracies have stronger support for democracy while autocratic regimes tended to exhibit greater

16 There are some considerations of the democratic deficit which, for the sake of brevity and relevance, I do not include in the main text of this article, such as a lack of consensus in order for certain decisions to pass or a lack of distribution in which the removal of national barriers reduces the likelihood of national redistribution of wealth. Weiler provides considerable coverage regarding the lack of consensus in “Problems of Legitimacy in Post 1992 Europe,” *Aussenwirtschaft* no. 46 (1991): 411-37 and “To be a European Citizen- Eros and Civilization,” *Journal of European Public Policy* no. 4 (1997): 495-519. David Vogel provides a coverage of the lack of distribution in *Trading Up: Consumer and Environmental Regulation in a Global Economy*, Cambridge, MA: Harvard

Zweifel<sup>17</sup> provides a fitting characterization of the various facets of the democratic deficit to which I now turn, but with a few adjustments and altered emphases to account for additional literature.

Several arguments indicate that distance plagues the EU's performance.<sup>18</sup> The institutional distance<sup>19</sup> in which citizens do not directly elect a majority of their European officials serves as a foundation for arguments noting the *lack of legitimacy* within the EU.<sup>20</sup> Such practices also highlight the institutional distance that citizens might feel from their European officials, particularly as additional layers of government further remove decision-making processes from their grasp.<sup>21</sup> The power of the EU Council, for example, involves the passage of legislation, finalization of the budget, and signing of binding agreements<sup>22</sup> yet these officials are not directly elected, while members of the European Parliament are directly elected, but do not wield as much power. This additional layer of government may also dilute accessibility and accountability as officials at the EU level are the farthest from voters while local officials may be more likely to be accessible to the citizens who voted for them. Fenno, for example, notes that fostering trust and receiving feedback is far easier when elected officials are closer to the citizens whom they represent.<sup>23</sup>

Other arguments point towards a psychological distance underlying a *lack of accountability* in which citizens feel that they are unable to influence European officials who do not represent the attitudes or issues of voters.<sup>24,25</sup> This concern is magnified by

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University Press as do Philipp Genschel and Thomas Plümpert in "Regulatory Competition and Inter-National Co-operation," *Journal of European Public Policy* no. 4 (1997): 626-42.

17 Zweifel, 2011.

18 See Kübra Dilek Azman, "The Problem of 'Democratic Deficit' in the European Union," *International Journal of Humanities and Social Science* 1 no. 5 (2011): 242:250 in which Azman characterizes the dimensions as institutional and socio-psychological.

19 The institutional application matches some of Norris' original findings, namely that most people have a procedural understanding of democracy and are more prone to associate it with certain practices and institutions. Should this be the case, the solution may be to provide for the features common to the public understanding of democracy. Dahl's procedural definitions of democracy, often applied to states, may be worth consideration. See Robert Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1973).

20 Majone, in particular, cites the non-majoritarian perception citizens may have of the EU. See Giandomenico Majone, "Europe's 'Democratic Deficit': The Question of Standards," *European Law Journal* no. 1 (1998): 5-28.

21 Joseph H.H. Weiler, Ulrich Haltern, and Franz Mayer, "European Democracy and its Critique," *West European Politics*, 18(3): 4-39.

22 "Council of the European Union," *Europa.*, 2015 [http://europa.eu/about-eu/institutions-bodies/council-eu/index\\_en.htm](http://europa.eu/about-eu/institutions-bodies/council-eu/index_en.htm)

23 Richard F. Fenno Jr., *Homestyle: House Members in Their Districts* (Boston and Toronto: Little Brown and Co., 1978).

24 Volker Eichener, "Die Rückwirkungen der europäischen Integration auf nationale Politikmuster," in Markus Jachtenfuchs and Beate Kohler-Koch (eds), *Europäische Integration*, Opladen: Leske & Budrich, 1995.

25 Martin Shapiro, "The Problems of Independent Agencies in the United States and the European Union," *Journal of European Public Policy* no. 2: 643-64.

the existence of non-elected officials who influence policy-making yet may remain outside of the scope of influence or awareness of voters. The geographic distance of Brussels, a city beyond the national borders for many voters, may also complicate the fostering of trust in the institutions of the EU housed there.

The argument concerning weak accountability is often coupled with a *lack of transparency* in which there is not much record for citizens to access or assess their officials. Several scholars note the secretive nature of some meetings, such as those amongst the Council of Ministers,<sup>26,27</sup> while Franklin notes the likelihood that such arrangements could allow for the concentration of influence from special interests.<sup>28</sup>

Among the debates that focus on defining Europe's democratic deficit is a discussion of how to measure it. It is within these circles that the uniqueness of the EU project becomes a point of contention regarding the extent to which it can be compared to existing polities. Moravcsik provides a sweeping response against the existence of the democratic deficit by suggesting that practices of delegation and isolation at the European level are similar to practices of delegation and isolation within member states.<sup>29</sup> Indeed, Zweifel goes to great pains to amass democratic indicators from several different databases measuring democracy to contextualize the standing of the EU. Despite being unable to find a consensus,<sup>30</sup> Zweifel concludes that the EU does not suffer from a democratic deficit that is significantly greater than other liberal democracies. Neither scholar has a problem comparing the EU to existing polities.

Some, on the other hand, do. Decker, for example, would object to such comparisons, as the EU is far too unique to be held to the standards of existing systems of government.<sup>31</sup> Majone not only defends "the *sui generis* character of the European Community," but also addresses Decker's concern by arguing

26 Alberta M. Sbragia, *Euro-Politics: Institutions and Policy-Making in the New European Community*, Washington, DC: Brookings Institution.

27 Fiona Hayes-Renshaw and Helen Wallace, "Executive Power in the European Union: The Functions and Limits of the Council of Ministers," *Journal of European Public Policy* 2(4): 559-82.

28 Mark Franklin, Cees van der Eijk, and Michael Marsh, "Conclusions: The Electoral Connection and the Democratic Deficit," in Cees van der Eijk and Mark Franklin (eds), *Choosing Europe? The European Electorate and National Politics in the Face of Union*, Ann Arbor, MI: University of Michigan Press.

29 Andrew Moravcsik, "In Defence of the 'Democratic Deficit': Reassessing Legitimacy in the European Union," *Journal of Common Market Studies* no. 4 (2002): 603-24.

30 Based on multiple databases, Zweifel finds evidence to suggest that the EU's democratic performance is on par with the United States and Switzerland, slightly better than the United States, or slightly less democratic than Switzerland and the United States.

31 See Frank Decker, "Governance Beyond the Nation-State. Reflections on the Democratic Deficit in the European Union," *Journal of European Public Policy* no. 9 (2002): 256-272, 2002 for his consideration of why the EU should not be held to the same democratic standards of parliamentary democracies.

for the resetting of the standards by which the democratic deficit is assessed in the first place.<sup>32</sup> One problem in assessing the European institutions by their national counterparts lends one to the conclusion that the European Parliament should be independent in wielding legislative initiative powers since national parliaments enjoy this luxury.<sup>33</sup> Yet such analogies do not also take into account additional dynamics within the EU that render the EU incomparable and perhaps even admissible despite national standards that would deem it remiss. Assessments to the contrary that assert the EU's uniqueness make it difficult to judge whether or not the democratic deficit exists or is a problem.

Moravcsik goes so far as to suggest that the reason arguments about a democratic deficit persist, despite arguments to the contrary, are due to national officials who do not wish to lose power to Brussels.<sup>34</sup> Yet such arguments do not address Follesdal and Hix's criticism that there is a dearth of political contestation at the European level.<sup>35</sup> Scholars who defend the permissibility of a potential democratic deficit in the EU as a result of its uniqueness<sup>36</sup> miss the mark, for there is indeed little political contestation unlike other democratic systems of government. The uniqueness of the EU as a political system that is neither nation nor state is a moot point in this case, for what matters more is the reality perceived by European citizens who choose action or inaction based on their subjective reality.

Political participation and democratic aspirations often go together, with some scholars arguing aspirations are a prerequisite for people to participate<sup>37</sup> while others argue that there must first be opportunities for political participation in order to cultivate greater support for democracy. Yet the EU is not devoid of opportunities for individuals to participate in nor is there a shortage of individuals who support democracy. One means of doing so is turning to existing bodies and institutions within it. Despite the many obstacles that currently exist before the ECI, reforms should be undertaken to utilize its full potential and actualize many of its goals that are consistent with addressing the different perceptions of a democratic deficit.

32 Giandomenico Majone, "Europe's 'Democratic Deficit': The Question of Standards," *European Law Journal* (4): 1, 1998: 6.

33 *Ibid.*

34 Moravcsik, 2002.

35 Andreas Follesdal and Simon Hix, "Why There is a Democratic Deficit in the EU: A Response to Majone and Moravcsik," *Journal of Common Market Studies* no. 3 (2006): 533-62.

36 Decker, 2002.

37 Moravcsik does not think increased opportunity to participate in European affairs would be successful as most salient issues are relevant to the national level, not the European level.

## 4. UNDERSTANDING THE ECI

The ECI finds its roots as early as 1991 through proposals and other efforts such as eurotopia, the *Initiative and Referendum Institute (IRI Europe)*, Mehr Demokratie e.V, and the Constitutional Convention on the Future of Europe<sup>38</sup> prior to being included as part of the Draft Constitutional Treaty and Treaty of Lisbon in 2009.<sup>39</sup> The purpose of the ECI is to allow citizens the opportunity to influence the legislative agenda of the EU by inviting the European Commission to propose a law on the initiative's relevant issue.<sup>40</sup> Article 11.4 of the Treaty of Lisbon is cited as what provided a legal basis for the right to have an ECI. In order for an initiative to successfully pass and become an invitation to the European Commission to propose legislation on a certain topic, at least one million citizens from EU member states from at least seven of the 28 members must show their support in the form of a signature. The issue must be within an area of EU competence. One of the main problems with initiatives being rejected is linked to many proposals being outside of the scope of the relevant EU competences.<sup>41</sup> However, this is not necessarily indicative that the ECI is not worth maintaining as such issues can be addressed by improving awareness of the process and cultivating legal counsel.

After citizens have decided upon the goal of their proposed initiative, they must form a "citizens' committee" with at least seven EU citizens who are residents of seven different member states. Each member must be a citizen of the EU who is of voting age<sup>42</sup> for elections of the European Parliament, dependent upon their national government's criterion. While organizations are allotted the ability to express support for an initiative, they are not allowed to be in charge of initiatives. A citizens' committee must first register their initiative on the ECI website before having one year to collect signatures in support of the initiative.<sup>43</sup>

Any EU citizen who is old enough to vote in European Parliamentary elections is also eligible to sign active initiatives through a statement of support form that can be done either in

38 "What is the ECI?" *The ECI Campaign*, 2004 <http://www.citizens-initiative.eu/eci/what-is-the-eci/>

39 Bruno Kaufmann, "The European Citizens' Initiative Pocket Guide," Initiative and Referendum Institute Europe and the Green European Foundation, (Belgium: 2012).

40 "European Citizens' Initiative," Democracy International, 2015, <https://www.democracy-international.org/european-citizens-initiative-reform>

41 "Overview of First Two Years," *The ECI Campaign*, 2004 <http://www.citizens-initiative.eu/eci/stats/>

42 Based on current rules, a citizen need not be registered to vote but merely only enough to register.

43 "The Procedure Step-by-Step," *Europa*, 5 Nov 2015 <http://ec.europa.eu/citizens-initiative/public/how-it-works>

person or online. Upon successful collection of the necessary number and scope of signatures within the year, representatives from the Commission will meet with initiative organizers, the organizers present the initiative at a European Parliament scheduled public hearing, and the Commission provides a formal response with reasoning. One key caveat that critics find problematic is that the Commission is not obligated to propose legislation based on an initiative. Additionally, the initiative's minimal influence extends only so far as to suggesting that the Commission make the proposal. Once a proposal is made, the normal process of deliberation and adoption into law between the Commission, European Parliament, and Council comes into effect.<sup>44</sup>

However, the ECI allows citizens to have access to a power that is normally only exercised by the European Commission: proposal of legislation. In this regard, the ECI is one of the only tools that directly allows citizens to be part of the policy cycle that occurs at the EU level.<sup>45</sup> The first stage, agenda setting, involves the identification of a problem within society that necessitates the intervention of the state.<sup>46</sup> The general actors involved in this stage of the process consist of public officials, bureaucracy, mass media, and interest groups.<sup>47</sup> Thus, the ECI also provides an opportunity for citizens to become a relevant actor in a process where they may not always be considered as such.

The ECI serves as a means to directly link citizens to EU-level institutions but is unique in its capacity to serve as an initiative tool and collection of individual statements via online forms. The transnational and digital nature of a process that enhances participation in a direct democracy is what advocates consider unique. It most closely mirrors the power of the EP and the member states that comprise it to “invite” the Commission to begin the legislative process on the topic of the initiative. Thus, while the ECI does not secure a public referendum, in which the end result of deliberation would be subject to a member-wide popular vote, the existence and proper implementation of the ECI successfully allows citizens to exercise a power akin to that of one of the existing institutions within the EU.

44 Ibid.

45 The policy cycle consists of five stages: agenda-setting, policy formulation, decision-making, policy implementation, and monitoring and evaluation.

46 Christoph Knill and Jale Tosun, “Policy-Making,” in *Comparative Politics*, Ed. by Daniele Caramani (Oxford: Oxford University Press, 2008).

47 Larry N. Gerston, *Public Policy Making: Process and Principles* Armonk (New York: M.E.. Sharpe Inc, 2004).

## 5. HOW THE ECI CAN ADDRESS SOME PROBLEMS OF DEMOCRATIC DEFICIT

Lenard and Simeon suggest that some of the attitudes that result in a democratic deficit arise out of individuals seeking more responsiveness from their democratic institutions or from feeling that they are not capable of exercising control over these institutions.<sup>48</sup> Both are indicative of problems in the ability of citizens to have an influence up the democratic chain of command. The ECI and its goals address not only these attitudes for responsiveness and control but also address the different definitions of the democratic deficit by providing a direct link to officials that can enhance the performance of democratic structures and also create further legitimacy to institutions within the EU.

The mere existence of an ECI process is indicative of the potential for a greater commitment to democratic ideals such as legitimacy, accountability, and transparency on a tangible level. While the ECI does not adjust for direct election, it provides a closer approximation toward legitimacy, as it is a closer link between citizens and officials. Political contestation is often over the stances of officials or their policy goals. The ECI may not elect candidates, but it is a process that enhances accountability as it aims directly toward issues, often the heart of why voters support one candidate over another. Actualizing the process of the ECI to provide adequate reasoning behind all of its rulings, particularly during rejections, also places greater emphasis on transparency when defending its procedure. Utilizing the ECI to its full potential is not a panacea for the perceived democratic maladies of the EU, but it does provide some respite.

Although often cited as ineffective in the status quo, the ECI serves as a symbolic acceptance that such democratic ideals are important, at the very least. However, the proper implementation of the ECI in the manner that it was intended expands such symbolism in providing one means of addressing, although not solving entirely, the democratic deficit in the EU, regardless of how scholars choose to define it. Part of the obstacle hindering increased success is that the implementation of the ECI has yet to be fully realized. One of the greatest challenges for the ECI being utilized is that few know it exists. In spring of 2012, Eurobarometer polls reported that only 4% of citizens in the EU were “very likely” to use the ECI. Additionally, only 1 in 5 found it an appealing option to having their voice heard. These results

<sup>48</sup> Lenard and Simeon, 2012.

did not change since the last time that this question was asked in 2007. Even more indicative was that 66% of respondents were not aware of its existence.<sup>49</sup> These statistics suggest that its performance is not to be judged as a failure of the process itself, but rather that a lack of awareness has rendered it ineffective. The latter has an easier remedy.

For states, the capacity to accurately represent its population is a difficult task. Majority rule is often pursued in liberal democracies, yet this may prove to be only a marginal majority, as seen in the case of hung parliaments or coalition governments. Even in instances of a clear majority in government, there exists a minority within each state that is not represented as a result of democratic majority rule. This is a practical consequence of democratic ideals in practice. However, the nature of the EU lends itself to a much more nuanced consideration.

Consideration of the EU as a political and economic union between its twenty-eight states along with a series of decision-making bodies melds both intergovernmental and supranational perspectives of its scope of influence. Both of these perspectives complicate the nature of what is considered adequate representation within the EU. If states harbor issues with representation, then a larger political body must go to even greater lengths to mediate these concerns.<sup>50</sup> The Council of the European Union may wield executive powers,<sup>51</sup> but such executive powers do not exist over the citizens of just one state, but span across the citizens of all 28 member states with various political, social, and economic climates and preferences. These member states consist of national governments that are accustomed to controlling the agenda and policies of their administration to best serve their interests or represent their constituents. The European level of governance and existence of competences beyond those shared almost necessitate that there will be citizens who do not feel represented or able to influence EU officials and policies. The institutional distance may perhaps enhance this probability greatly.

The nature of majorities and minorities changes in such a dynamic. The minority within one member state may be a sizeable number of citizens or it may represent a small number

49 "European Citizenship – Standard Eurobarometer 77," European Commission, 2012 [http://ec.europa.eu/public\\_opinion/archives/eb/eb75/eb75\\_publ\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb75/eb75_publ_en.pdf)

50 One need not look any farther than the United States which is comprised of fifty states and their state-level governance that exists along with the federal governance of the national

51 "Council of the European Union," *Europa*, 2015 [http://europa.eu/about-eu/institutions-bodies/council-eu/index\\_en.htm](http://europa.eu/about-eu/institutions-bodies/council-eu/index_en.htm)

of citizens. In either case, but particularly the former, the aggregation of unrepresented minorities within each member state can still make up a significant minority within the EU as a whole. Since the institutions of the EU are meant to represent the interests of citizens within the member states that comprise it, EU institutions have a responsibility to heed the voice of the combined minority that may span across member states. In order to do so, however, these citizens must have a means to have their opinion reach the EU directly, which is less likely if they are minorities in their home countries and national governments currently dominate entry points to European institutions. The ECI provides not only a venue for significant minorities to try to reach institutions at the EU level, but also necessitates an opportunity for collaboration among citizens in different member-states. However, such collaboration can also not be realized without the services of existing institutions, such as the Committee of Regions.

Aside from the countless debates regarding the democratic deficit within the EU are also debates regarding the construction of a European identity and delineating an answer to the question, "What is Europe?" The existence of the ECI provides an opportunity to enhance this identity and provide a greater understanding of answers to this question. Minority groups on the periphery of their national governments may have ties beyond national borders. The procedure of a successful ECI can serve to not only unite groups across national lines, but also increase the capacity of the EU to represent more of its citizens and reduces the likelihood of minorities within a nation being ignored.<sup>52</sup>

Additionally, because initiatives require a minimum number of signatures from a threshold of seven member states and a minimum number of signatories from each member state,<sup>53</sup> a successful initiative must harbor enough relevance and support to span across the EU. It becomes an additional means to foster a European identity when individuals must learn to collaborate and amass support for addressing issues beyond their national borders. Such a process can also help unify different national identities as citizens come in contact with other citizens who are similar to them in the problems they perceive or the experiences that they harbor for a budding initiative. At a time when Euroscepticism and xenophobic parties are on the rise, it becomes all the more important for efforts to prove that

52 Concerns regarding increased representation for extremists such as the rise of right-wing parties in the EP can still be mediated by existing procedures within the EU that serve as a check on powers of the Commission.

53 "Minimum number of signatories per member state," European Citizens Initiative, 5 Nov 2015, <http://ec.europa.eu/citizens-initiative/public/signatories>

common values and experiences exist across the member states of the EU.

The ECI also provides an opportunity for individuals within a state to increase outside, international pressure on their national governments with less costs. National governments may not always be responsive to the will of the people nor faithful to the ideals of liberal democracy. One need not look any further than Hungarian Prime Minister Viktor Orbán's proclamation of an agenda to pursue an illiberal state<sup>54</sup> and reforms to media, elections laws, or party constitutions<sup>55</sup> to see that the will of the people and democratic governance may not always be as secure as it ought to be, even in places within the confines of the EU. The might of the "autocrat inside the EU,"<sup>56</sup> who has considered passing laws to support the return of the death penalty in Hungary,<sup>57</sup> is not one that many citizens may want to incur, for example. The existence of autocratic leaders within the EU necessitates an opportunity for citizens to influence the EU agenda to not only acknowledge, but also work toward holding national governments accountable when its own officials do not. The ECI provides an opportunity to do so in what some of its advocates characterize as its capacity to serve as a brake pedal for individuals who wish to abolish an existing law or introduce a ban.<sup>58</sup> Even in instances where the EU is unable to provide solvency for an issue such as democratic mismanagement within one of its own members in light of a proposed initiative, increased visibility provides a greater opportunity for the international community to weigh in on the issue.

## 6. THE RIPPLE EFFECT OF ENHANCEMENT

The ECI is not perfect, neither in its current capacity nor if fully actualized. However, it is worth maintaining and utilizing to its full potential for both symbolic purposes and for sectors related to its success. The enhancement of areas related to its success has greater benefits for EU citizens beyond just the

54 Csaba Tóth, "ull text of Viktor Orbán's speech at Băile Tușnad (Tusnádfürdő) of 26 July 2014," *Budapest Beacon*, 29 July 2014.

55 Amy Brouillette, "Hungary Elections: How the Media Failed the People," *Al Jazeera*, 9 April 2014 <http://aje.me/1lPoo4j>

56 Amy Brouillette, "The Autocrat Inside the EU: How Hungarian Prime Minister Viktor Orban transformed from a dissident compatriot of Vaclav Havel to a would-be Vladimir Putin," *Foreign Policy*, 21 Aug 2014 <http://foreignpolicy.com/2014/08/21/the-autocrat-inside-the-eu/>

57 Marton Dunai and Adrian Croft, "Hungary's Orban climbs down on death penalty amid EU uproar," *Reuters*, 30 April 2015 <http://reut.rs/1Pacdc1>

58 Kaufmann, 2012.

ECI. Spreading awareness of its existence and procedure would increase its potential for usage and success. Collaboration within existing institutions and services, particularly at the local level, of the EU is crucial for ensuring the success of the ECI along with further enhancing the EU to address perceptions of a democratic deficit.

Among these are the offices of the Committee of Regions, which is comprised of local and regional officials living in the areas they represent.<sup>59</sup> Because the EU aims for inclusion through its official and regional languages,<sup>60</sup> an institutional capacity already exists to aid in efforts for both awareness and assistance in the ECI process. The EU currently employs a myriad of translators so that its citizens have access to materials in their native language. With increased coordination with the CoR, which already communicates at the local level, the ECI has the possibility of gaining increased traction among minorities.

Another common obstacle for successful initiatives was due to difficulties in the verification of the identity of signatories and the collection of in-person signatures. This can also be addressed by the CoR, which can incorporate verification services or signature forms in their local offices. The scope of the EU necessitates that more opportunities for democratic governance must be pursued, utilized, and improved upon. For example, there is still much to be done to enhance the capacity of the CoR to act, to make elections and the EP more representative, and to increase accessibility for citizens.

Aside from interpersonal coordination, another key tool for the success of the ECI is dependent upon the Internet. It is far easier for individuals to collaborate across member states through electronic communication, something that becomes more important under a time constraint to mobilize and collect enough signatures. In 2012, an estimated 24% of the EU's total population was reported to have never used the Internet. In particular, low-income households exhibited lower Internet usage. This represents at least 120 million EU citizens<sup>61</sup> of which 1/12 would be sufficient enough to fulfill the threshold for the minimum number of signatures needed for the ECI. Additionally, the expansion of Internet service could also help to further compel infrastructural changes to the ECI website in order to better

59 "Key Facts," *Europa*, 2015 <http://cor.europa.eu/en/about/Pages/key-facts.aspx>

60 "Official Languages of the EU," *Europa*, 6 April 2015 [http://ec.europa.eu/languages/policy/linguistic-diversity/official-languages-eu\\_en.htm](http://ec.europa.eu/languages/policy/linguistic-diversity/official-languages-eu_en.htm)

61 "Digital Agenda Scoreboard 2012," *Europa*, 2012 [https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/scoreboard\\_life\\_online.pdf](https://ec.europa.eu/digital-agenda/sites/digital-agenda/files/scoreboard_life_online.pdf)

accommodate users, provide updated information, and allow for secure e-signature collection. This becomes more crucial as a majority of statements of support collected for two of the most successful campaigns were collected online.<sup>62</sup> Pursuing methods toward making the ECI more accessible can also further enhance the technological infrastructure and quality of social life within the EU. The expansion of Internet access along with awareness campaigns suggests that the ECI's traction has yet to reach full potential.

Even through rejection, the process of the ECI can increase citizen awareness of other EU services. Individuals interested in proposing legislation through the ECI process are more likely to weigh their chances of relevance within EU competences and EU treaties during the initial phase of mobilization. This provides a greater opportunity for individuals to come in contact with the competences through research. But even in the event that individuals persist in proposing legislation outside of the scope of EU competences, the rejection of the initiative on these grounds provides yet another opportunity for individuals to learn about EU competences. Rejection also increases the likelihood that citizens will be directed toward or come across additional venues for them to influence democratic governance in Europe through additional opportunities that already exist.<sup>63,64</sup> These alternatives to the ECI are not the only ones that exist, but their existence exemplifies both the uniqueness of the ECI and the vast array of options that citizens can utilize within the EU. Increased awareness of the ECI process can also push outside groups to provide services that aid in its success. While the EU can certainly provide additional legal counsel to ensure initiatives fall within the proper competence, the likelihood of third parties being involved in the process increases as the process becomes more popularized. Therein lies the catch: in order for the ECI to succeed, awareness must increase; yet increased rates of success would increase the popularity of the ECI.

Skeptics may suggest that with declining rates of political participation in elections, the opportunity to submit an initiative on narrow competences may not do much. There still exist strong social, political, and economic factors that have

62 European Commission, "Report from the Commission of the European Parliament to the Council: Report on the Application of Regulation (EU) No 211/2011 on the citizens' initiative," <http://data.consilium.europa.eu/doc/document/ST-7737-2015-INIT/en/pdf>

63 Kaufmann, 2012.

64 Some of these alternatives consist of launching a complaint to the European Ombudsman, utilizing SOLVIT, contacting the European Consumer Service Network, participating in EU-wide Debate via the Commission, and petitioning the European Parliament among other methods.

driven citizens away from European elections. Indeed, no process is perfect and it will take greater efforts to alleviate inaction. The ECI alone cannot cure any of these factors to suddenly increase political participation. Some scholars oppose the idea that increased opportunities for participation will be utilized without the existence of salient issues,<sup>65</sup> yet there are a myriad of reasons that can explain why political participation in the form of voter turnout has declined, as previously discussed. The digital component of the ECI also makes it a different method of political participation that may be less hindered than voting. Furthermore, the ECI brings greater benefits when maintained and utilized than with being done away because it provides an unprecedented opening toward a direct link between citizens and officials while also providing a means to combat the lack of political contestation at the European level.

## 7. CONCLUSION

Amidst the many different definitions, measurements, and variants of democracy exists a common theme of consideration for the people. Battison characterizes it as the only system in which all people are valued as individuals.<sup>66</sup> The existence of the ECI allows for an enhanced valuing of individuals in a manner that is currently not matched in the EU. Its requirement of transnational participation makes the entirety of the EU a potential electorate for a similar issue. While it is not political contestation for office, it does provide a means for the European citizenry to weigh in on the issues that leaders address.

After its inclusion in 2012, nearly six million citizens have expressed support for at least one initiative. The Commission has received 51 requests for registration of proposed initiatives and 31 of them were registered.<sup>67</sup> Many opponents of the ECI consider these numbers too low to be considered a useful tool and that ECI is not worth the time or resource investment. On one hand, one must consider the importance of the mere existence of the ECI as it provides a cross-national, direct link to EU-level officials. Six million individuals being involved in an undertaking is impressive. The additional of transnational collaboration increases the scope of this feat. However, the level

<sup>65</sup> Moravcsik, 2002.

<sup>66</sup> Robert Battison, "The 'Democratic Recession' has turned into a modern zeitgeist of democratic reform," *Open Democracy*, 21 Dec 2011.

<sup>67</sup> European Commission, "Report from the Commission of the European Parliament to the Council: Report on the Application of Regulation (EU) No 211/2011 on the citizens' initiative."

of difficulty that others note is also important to consider since the potential of the ECI has yet to be fully realized. Increased efforts to spread awareness about the ECI as a viable option and improve underlying structural needs can be beneficial in increasing both the number of registered initiatives and also the process of supporting them.

The ECI is not perfect, nor is it the secret solution to the problem of the democratic deficit within the EU that is often thrown about in debates. It also may not wield the same clout as existing bodies in the EU. But the existence of the ECI serves as a symbolic nod toward the importance of democratic governance and accountability. Beyond this minimal fulfillment, the proper implementation of the ECI provides an opportunity for citizens to influence EU-level officials directly. Spanning across different member states, the process of pursuing a successful initiative humanizes the issues found relevant by proposers and increases the likelihood of collaboration and shared understandings among citizens in different member states. The nascent nature of the ECI provides much room for improvement and malleability, particularly as it grows along with related advancements in areas such as economic well-being and access to the Internet. Discussion<sup>68</sup> of obstacles to the ECI and ways to alleviate them must continue in order to fully actualize this unique tool that melds transnational mobilization, participatory democracy, and digital cooperation. In the end, the EU can continue its role as a pioneer of regional integration and interdependence, but it must continue to do so without incurring the cost of losing a link to its citizens.

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**Acknowledgments:** Many thanks to the offices of MEP Beatriz Becerra Basterrechea and her staff who provided additional resources for the research in this work. All errors are mine alone.

68 A conference concerning "The European Citizens' Initiative and the Promise of Participatory Democracy" was held in June 2015. For brief coverage of the event, see Jerome Unterhuber, "Conference on the European Citizens' Initiative Brings New Impetus to Participatory Democracy in the EU," June 16 2015 <http://www.consilium.europa.eu/en/press/press-releases/2015/06/16-european-citizens/>

## 5.2. Response

### to 5.1. A Case for the European Citizens' Initiative amidst the Perceived Democratic Deficit of the EU

Jose Martinez Sierra  
*Professor at Harvard University*

Mary Anne Mendoza's article analyzes a number of democratic limitations to the European Union, rightly pointing out, with pertinent references to recent literature, some of the factors that might explain this democratic deficit and some of the problems associated with it. Two particular concerns are growing dissatisfaction with the democratic system and a decline in political participation. Mendoza also looks at the European Citizen Initiative, an interesting EU-wide direct democracy mechanism that may help to reverse these trends, analyzing both the ECI's potential and limitations.

With regard to Mendoza's analysis of the democratic deficit, she outlines a variety of explanations and viewpoints. Naturally, this issue cannot be explained from a single viewpoint and she rightly highlights different perspectives, thus demonstrating her familiarity with relevant sources. As regards her analysis of the ECI, the author advances convincing arguments regarding its positive benefits in improving the EU's democratic credentials.

That said, while I wish to underline the high quality of Mendoza's work, I would also like to raise a number of points which aim to provide additional arguments to those Mendoza proposes. I also feel it necessary to offer certain criticisms relating mainly to the lack of contextualization of her work in historical terms, an ever-present requirement, both in established thinking in this field and also in the sociopolitical context.

As the author notes, a decline in political participation does not necessarily represent a decrease in the degree of democratic satisfaction, as the former may be due to other factors. Similarly, it cannot be argued that a downward trend in democratic satisfaction is necessarily representative of a growing aversion among citizens to the system. That is to say, although there may

be little confidence in public institutions, insufficient capacity for citizens to exert influence, a high degree of political disaffection, and pronounced anti-party sentiment, democracy is still considered preferable to any other form of government, as indeed is the case, for example, in Spain. The participation / satisfaction relationship should therefore be analyzed, as dissatisfaction with democracy leaves the door open to the rise of far-right movements (not only in Hungary, but also in many other EU countries), a point Mendoza makes. However, she fails to mention that such dissatisfaction has also led to the appearance of movements seeking to further entrench the democratic system, a point which is well worth repeating.

Such dissatisfaction is not only confined to the European Union, but is common in all liberal democracies, as Mendoza rightly notes, as do Dalton and Watterberg<sup>1</sup> in their work. However, the widespread nature of the problem should not be used as an argument to exonerate the European Union, but to highlight the inherent limits to liberal democracy and the contradictions that occur between democracy and liberalism. Furthermore, addressing the issue of political disaffection offers us the chance to engage in a detailed search for improvements in democratic institutions, among which we might make specific mention of political parties, or as Katz and Mair<sup>2</sup> have termed them, “cartel parties.”

One of the factors that specifically affects the EU is the relationship between the democratic deficit and the institutional design of the EU itself. Although Mendoza refers to this issue in various sections of her article and demonstrates a good understanding of the EU’s institutional architecture, clearer development of the specific institutional dimension would be helpful, particularly with regard to the role of the European Commission in decision-making. This would enable better understanding of the inherent limitations of the ECI, resulting not only from its own configuration but also that of the EU itself. This may be linked with the public perception of the ECI as a mechanism destined to get lost in an institutional maze with a major democratic deficit. Thus, research should be done not only into the Commission’s role in its approval and subsequent decision making regarding the ECI, but also as to whether the need for the Com-

1 Dalton, Russel y Watterberg, Martin. 2000. *Parties without partisans*. Political change in advanced industrial societies. Oxford: Oxford University Press.

2 Katz, Richard, and Mair, Peter. 1995. “Changing models of party organization and party democracy: The Cartel Party”, *Party Politics*, numb. 1, pp. 1-28.

mission's prior consent results in the ECI having less impact.

Mendoza also highlights the interesting relationship between democratic satisfaction and the economic crisis. Here, her arguments need to be supplemented by statistical data on the relationship between economic situation and political situation. For example, in many countries on the European periphery, political representatives may or may not be blamed, depending on living conditions and future expectations. For example, during the period 1995 to 2005, a time of economic growth, political representatives in Spain were perceived positively. However, since the beginning of the economic crisis in 2008, this perception has become progressively more negative.

In my view, some of Mendoza's claims need to be backed up by further evidence and analysis: 1) "The devolution back to national identity may also potentially explain why citizens are not keen towards participating at the European level;" 2) and that "the geographic distance of Brussels, a city beyond the national borders for many voters, may also complicate the fostering of trust in the institutions of the EU housed there."

1. Based on Putnam arguments, the author provides, as a possible factor behind the participation decline in the European Parliament elections, the increasing diversity within the political community. She points out that the increasing diversity entails a decline in confidence among people and, consequently, a participation decline. After, she details the flow of immigrants who have entered the EU as well as the migration within the EU itself (pointing specifically the Romanian and Bulgarian cases) and the negative reception of these new citizens by various governments of the member states. Hence, she suggests that these migratory movements, and the subsequent cultural diversity, have not helped to consolidate the European identity. On the contrary, it has produced a defensive reaction promoting national identity values and rejecting the idea of Europe.
2. The author understands that the existing public perception about the lack of accountability is because people feel they can not influence the decisions of the EU officials, many of which have a lot of power in key decision-making processes and are not elected by the citizens. She adds as an argument to justify the lack of trust in EU institutions the existing physical distance from Brussels to other parts of the EU. This argument is not properly justified in the text and I think it is not correct. Does the same argument works for Wash-

ington, Moscow, or Buenos Aires?

In her study of the ECI, Mendoza demonstrates a sound knowledge of the mechanism, having studied its workings in detail. She also puts forward very persuasive arguments regarding the ECI's positive effects in improving the EU's democratic credentials, as well as mentioning some of its failures in implementation. However, there should perhaps be greater emphasis on the ECI's historical development, design flaws, and limitations. Some authors suggest that the ECI was not created by popular demand, but rather a concession to the aims of lobbyists who viewed the ECI as an instrument to pursue their own claims in the legislative process.

Mendoza is pro-European and a committed democrat, and as such, presents very valid arguments in support of the ECI. However, she fails to undertake the necessary analysis of its possible limitations, even at a modest comparative or referential multilevel. For example, she states on two occasions that the ECI is one of the existing mechanisms of direct participation in the EU, but does not mention what the other participatory mechanisms are. This information would be useful to know so as to gain a more general perspective. Nor does she analyze other popular initiatives and referendums that exist throughout the EU and other countries in the same sphere of influence: a direct legislative initiative in Switzerland is not the same as a People's Legislative Initiative in Spain, the latter being more similar to a European Citizens' Initiative. Thus, reference should be made, to three issues: a) the problem of whether state aid is needed to carry out the initiative; b) necessary prior approval by the European Commission, which is under no obligation to promote the initiative even when signatures have been gathered and the initiative presented; c) the possibility that should an ECI be accepted, it cannot be undermined, or if it is, then the proposal may be withdrawn by its sponsors.

Finally, in relation to the previous point but of much more contemporary relevance, the article should make specific reference to the crucial link between European political movements and social movements in favor of radical democracy, both in member states and in the EU. A paradigmatic political movement is the Spanish political party, Podemos (We can). There is a twofold purpose in giving due importance to such movements in the study: firstly, to establish the connection between the lack of real democracy and social injustice; and secondly, to recommend the use of cutting-edge technological tools to facilitate

mass participatory democracy that overcome traditional Sieyès'<sup>3</sup> theory of political representation constraints: e-voting (Agora voting), crowdfunding, crowdsourcing (Reddit, Appgree), big data analytics, etc.

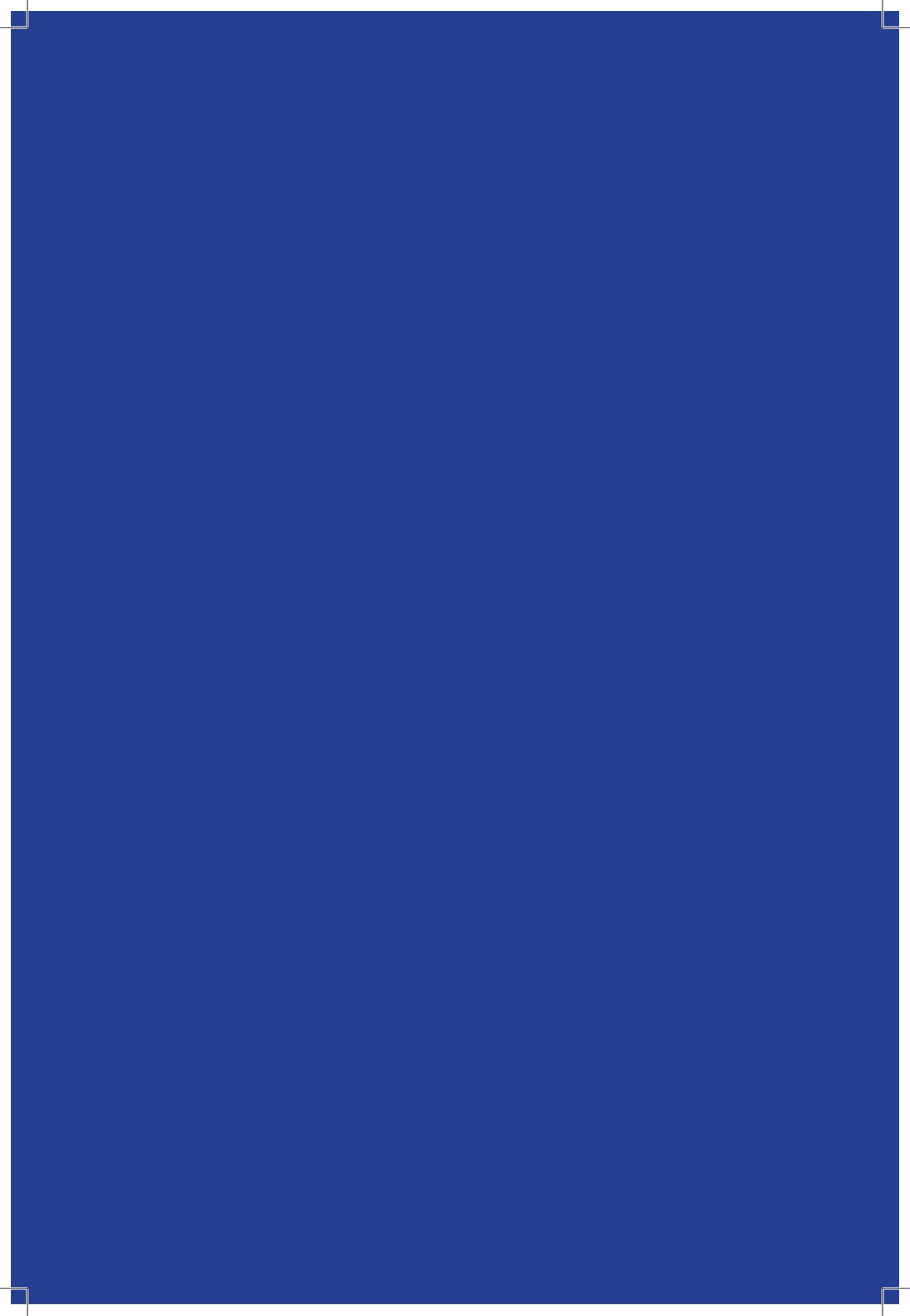
Moreover, it would be useful if the author were to review the ECI's work to date, analyzing the kind of proposals that have been accepted and rejected. Beyond noting the relationship between the numbers of approvals and rejections, which the author does provide, it would be interesting if she were to draw distinctions between them. A quick glance at the European Commission's website (<http://ec.europa.eu/citizens-initiative/public/initiatives/non-registered>) may suffice to observe how many of the ECIs rejected by the Commission have a clear progressive agenda and a significant impact on the lives of citizens (e.g. initiatives against the Transatlantic Trade and Investment Partnership (TTIP), in favor of a more social Europe, against poverty, in favor of a basic minimum wage, etc.).

In short, the article benefits greatly from Mendoza's ability to condense and synthesize arguments surrounding two issues: the democratic deficit in the EU, and the ECI. This may require a much more extensive article or even two separate papers, given the importance of both issues. One recommendation, should the author wish to focus on the ECI, would be to devote more attention to the ECI itself, and to analyze it in greater detail, noting legal aspects, and elaborating further on criticisms that have been made. The author needs to analyze how the ECI has worked in practice, and not simply refer to approved initiatives, but also to those that have been rejected and the reasons given. The author might also propose an improved mechanism (for which she could use as examples other existing mechanisms of direct participation in different member states), which would not only focus on logistical aspects (such as the problem she rightly identifies concerning Internet use), or European citizens' general lack of awareness of such mechanisms, but also on the inherent limitations of these systems, as discussed previously. In conclusion, there is a need to continue to delve further into the process of deconstruction-construction that the author has rightly begun. Mary Anne, finally and connecting with my title, so far democratic deficit is concerned, I would advise you rather listen to the Beatles than read Michael Ende.

3 Sieyès, Emmanuel, 2003. Political writings. Indianapolis: Hackett Publishing Company.

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Response Paper | GEORG FISCHER

A Case for the European Citizens' Initiative amidst the Perceived  
Democratic Deficit of the EU  
Response Paper | JOSE MARTINEZ SIERRA