**European Peripheries**

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# Preface

This volume has a long history. In 2004, the Jean Monnet European Centre of Excellence, University of Tampere applied, together with the respective units of the University of Tallinn, the University of Pécs, the University of Cantabria, the University of Joensuu and the National School of Political Science and Public Administration of Bucharest for resources from the Erasmus Intensive Programme in order to organize three summer schools on European peripheries. The underlying idea was to provide opportunity for PhD students, especially from the participating universities to attend both as discussants of and paper presenters at one or more than one such session of which the key lectures were to deliver by professors in an open and multidisciplinary atmosphere. Resources were provided in principle for all the three summer schools, but in fact only two of them received support from the EU. The first summer school was held in Tampere in 2005, the second one in Santander in 2006 and the third in Pécs in 2007. This last summer school was financed by the University of Tampere and the University of Pécs.

The project included, from the very beginning, the idea to produce a publication of papers selected from the contributions which were presented at the three summer school sessions. At the same time, the Summer School intended to provide an opportunity for all the participants to publish their contributions in the form of CD publications. Accordingly, the contributions to the Tampere Summer School and the Santander Summer School were published in this way. Such a CD publication was not prepared after the Pécs Summer School; instead, all the effort concerning publication was devoted to the final printed volume. However, it is never an easy task to bring either teachers or students to rewrite their former contributions and to select papers for a publication which ought to comprise a coherent volume. Therefore, the realization of the publication was postponed from time to time and was finally given up in its original form. Nevertheless, the idea survived: some teachers and PhD students got together at a Symposium on European Peripheries in Pécs in the summer of 2011 with a view to present contributions for the planned publication.

Basically all the teachers and PhD students who participated in the Symposium also participated in one summer school at least. The Symposium gave a chance to finalize texts which were already presented at the previous summer schools or to present something new and to integrate the texts for a more coherent volume. This publication is thus a result of the summer schools and of the Symposium held in 2011.

In launching the summer school project we had two goals to achieve. First, to have some 'peripheral' universities within the European educational space involved in cooperation and second, to raise the issue of European peripheries into the European development discourses. The summer schools partly filled the first goal; on the other hand, this book demonstrates the continuing cooperation at least between two universities in the network. We hope the book may contribute to the discussion on the specific contexts in which certain peripheries of the European Union find themselves.

Siuro and Pécs, October 2011

*The Editors*

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# Introduction

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## Then and Now – What Has Changed?

When we discuss the dichotomy of the centre and the periphery in the European context, it is good to remember that the subject is in no way a new one. In a historical perspective, since Ancient Greece there have always been core regions and peripheries in Europe. However, the locations of the core as well as the peripheries have changed. In this respect, the system has not been rigid. But in the late Middle Ages a region from Flanders to Northern Italy increased its weight in the European economy, and gradually power also concentrated in this region. The founders of the European integration process can be found in this region.

One important goal in the European integration process has been the elimination of the centre–periphery dichotomy within the community and even in the whole of Europe. In this respect, the integration aimed to increase equality within Europe. To what extent has the European integration succeeded in eliminating centre–periphery division line(s) in Europe in certain particular areas is the major question to be answered in this publication. Our answer is given from a perspective of the periphery, and it might be possible to give different answers depending on from where the observer looks at Europe.

The centre–periphery issue in the European context interested scholars in the late 1970s (Seers et al., 1979). At that time, a group of scholars applied the theories and methods of the so-called development studies in the European context. The project was carried out on the eve of the Southern enlargement of the European Community. The research team managed to demonstrate that in the 1970s Europe was divided in several different senses. The only division line in Europe was not the so-called Iron Curtain. In the study, the centre–periphery dichotomy was related to inequality and development, and it was not a geographical metaphor (Seers 1979a, XIII).

In his article (1979b), Seers presented several different Europes. Seers began his analysis by presenting the underdeveloped Europe, consisting of Portugal, Spain, Italy, Greece and Yugoslavia (Seers 1979b, 3). The underdeveloped Europe of the 1970s is basically the same as are the current EU financial problem countries. Already

in 1973 the debt services of those countries absorbed one quarter of their export earnings (Seers 1979b, 7), and in the 1970s the migration flow from these countries and from Turkey went into the Federal Republic of Germany (Seers 1979b, 4).

Another characteristic feature in the 1970s was that tourist flow went in a different direction. The underdeveloped part of Europe was the destination of mass tourism (Seers 1979b, 5), and the tourists came from the developed part of Europe: the Federal Republic of Germany, France, the Netherlands, Belgium, Switzerland, Austria, Denmark, Sweden and Norway (Seers 1979b, 9). For Seers, this core was relatively homogenous already in the 1970s and it was connected by dense networks of railways and highways (Seers 1979b, 9).

From today's perspective, it is interesting to take a closer look at Seer's classification of the European states on the dichotomy of centre and periphery axes (Seers 1979b, 17):

1. Core: France, Belgium, the Netherlands, Luxemburg and the Federal Republic of Germany, which all are the original six founders of the EEC. In addition to those five, Switzerland, Austria, Denmark, Norway and Sweden belonged to Seer's core. Although the core stretched beyond the founders of the integration process, it is possible to say that integration has been a core driven process (Seers 1979b, 29).

2. Semi-periphery: UK, Finland and Italy (Northern Italy). When we take this group and the non-founding fathers of the EEC from the core, we have with a few exceptions the countries of the first and fourth enlargement processes of the European integration. These rounds were basically non-problematic, and the reason is that most of those countries already were in the European core or in its semi-periphery. This also explains why the first enlargement did not change the EEC much (Seers 1979b, 29). The exceptions were Norway, which is still outside the EU, and Ireland, which was neither in the core, nor in the semi-periphery.

3. Periphery: Italy (Southern Italy), as one of the founders of the European integration, and Portugal, Spain and Greece, which joined the community in the Southern enlargement round (the second round) and Ireland, which joined in the first enlargement round, and finally Yugoslavia and Turkey, which are still waiting for membership. The integration of the first peripheral countries was expected to change the community (Seers 1979b, 29), and as we know now it has brought problems into the integration process. With the exception of Ireland, the periphery was the Mediterranean Europe.

In the periphery and in the semi-periphery, there were regions that were close to the core: Slovenia, Northern Italy, the Basque country, Catalonia, South-East UK, and Southwest Finland.

For the purpose of this book, it is good to summarise briefly how Seers characterises centres and peripheries. Centres are the concentrations of population (Seers 1979b, 23), which means that the centre is more urbanised than the periphery. Furthermore, this means that in the centre pollution has damaged the natural environment (Seers ibid). The modernisation of the cities of the core has also partially destroyed their characters, making the cities of the periphery more interesting (Seers ibid). This is one factor, in addition to space, that draws tourists into the periphery.

In the periphery, labour is normally less organised and cheaper than in the centre. Therefore, capital might have an interest to flow increasingly towards the periphery (Seers 1979b, 26). Already in the 1970s, the European periphery offered an export base that for some corporations seemed to be a better area for investments than areas further away (Seers 1979b, 26). But foreign investments made peripheral governments dependent on external actors, making peripheries lose some of the control over their own economy (Seers ibid).

According to Seers (1979b, 27), membership in the EEC was often presented as a solution for the peripheries. Just in this respect, the integration was supposed to be a major factor in equalising European economies and societies. But already in the 1970s it was possible to say that, for instance, Ireland and Southern Italy had not benefitted much from the membership (Seers 1979b, 28). In spite of being one of the founders of the EEC, Italy remained in the (semi-)periphery. Therefore, it is good to ask whether the countries of the fourth and fifth enlargement round are in any better positions than Ireland and Southern Italy were in the 1970s. Or do we find a new division line within the extended EU?

Outside the core region, the reality seemed to be that the further from the core, the poorer the region is and that more likely it is technologically dependent on the core. It is also likely to gather tourists and rely on the core to provide employment for its surplus labour (Seers 1979b, 19). So periphery is likely to be for leisure time and provides services as well as low price labour power for the core countries.

Seers also connected Eastern Europe to the problem of the further from the core the poorer. But at the same time, he found the core also in Eastern Europe and that core was not in Moscow. It was in the German Democratic Republic, which was closest to the European core (Seers 1979b, 20). In Seers' analysis, this meant that the further from the GDR, the worse the social conditions of the Eastern European countries were (Seers ibid). Around the GDR Czechoslovakia, Hungary and Poland were in the semi-periphery (Seers ibid), and in that respect they had the potential to climb up into the core. Bulgaria and Romania were in the periphery (Seers ibid).

Already in 1979, Seers also posed the question about where does the expansion of the community stop one day (Seers 1979b, 30). For him, Cyprus and Turkey

from the European periphery were obviously potential candidates for membership. But he also predicted that Eastern Europe might be co-opted in time (Seers ibid) and that time came in 2004.

Before I go further on in this introduction, I would still like to refer to Seers' study, which is a bit more than forty years old and still relevant. Seers described and presented the core of Europe as a broken egg (Seers 1979b, 21). See the map[1] below. The completion of the egg would bring Bohemia, Silesia, East Prussia, Estonia, Latvia and Lithuania into the core (Seers ibid).



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[1]  The basic map in the picture is freely available on the internet and I draw the egg to the map based on Seers' map

The current financial crises in the EU's Mediterranean region are evidence that integration in Europe has not lead to one Europe and equalisation. Joining the European Economic Community did not 'normalise' or Europeanise Southern Europe. The south still remained outside the core. In this respect, it might have been a bit too much from the Central-Eastern European countries to expect that joining the EU would bring them into the European core.

However, it is possible to say that the EU learned something from the Southern enlargement. The so-called Copenhagen criteria forced the candidate countries into the normalisation process already before they were in the community. The real European periphery was in a way alien and 'other' for the EU and its member states and, therefore, it had to be Europeanised before joining the community that was supposed to be somehow harmonious. Texts in this publication will demonstrate that the normalization process is still going on. In fact, some of the texts reveal that double standards are applied within the community in a sense that in various issues more is demanded from the CEEs than from the core states or old members. This is very much based on an assumption that the core is a model, and everything is in order in the core. In a historical sense, Europe has been always divided. It has been divided into the Greek civilization and the rest, the Roman Empire and the rest, Christian and pagan Europe, Catholic and Orthodox Europe, capitalist Western Europe and the socialist East. The study from 1979 presented a division line between the developed core and the less developed periphery. Even the enlargement of the EU has not eliminated division lines. Europe is still divided and we can find a couple of different Europes:

a) the 'old' core of the West (pre 2004 EU), and within that core we have
b) the old Southern periphery, where we have the current crisis states, and
c) the 'new' post 2004 member states, the CEE as the new periphery of the EU.

In this publication, our focus is on the CEE and how that part of the extended EU is a periphery within the EU. We approach the centre–periphery issue from Estonian and Hungarian perspectives. Although texts in this publication rely on the centre–periphery dichotomy, it could be possible to rely also on classical Marxist theory of imperialism or Galtung's structural theory of imperialism (Roll 2011, Galtung 1971). In Southern and Eastern enlargement processes, the core of Europe has expanded or penetrated into the less developed Europe. This penetration has advanced Europeanization or the development of a market economy and a parliamentarian democracy, but it has neither made the periphery equal to the core, nor transferred the periphery into the core. On the other hand, it has made possible the exploitation of the periphery.

The centre–periphery relation is present in various discourses relevant to many CEE countries. At the same time, those discourses are the issues of normalisation of the peripheries, although the same problems can be found in the centres. In this volume, the centre–periphery dichotomy is to be found in minority and environmental issues, as well as in the issue of economic liberalisation. It seems to be justified to say that the so-called Europeanization or normalisation process reproduces the centre–periphery dichotomy, rather than bringing the CEE countries into the centre.

In this volume, Saarts presents a theoretical approach to the centre–periphery dichotomy. He also poses the question of whether the periphery has potential to become the new centre. The question remains a hypothetical one. At least in this volume, various case studies do not provide any evidence about changing the centre in the EU, not even in a sense that the broken egg would be completed.

Environmental aspects are dealt with in Suvak's and Kiss' essays. These two articles give additional evidence to what Seers said already in 1979. The centre has more environmental problems than the periphery and, therefore, the periphery has space for recreation as well as for sustainable development. Urban metropolises make the rules for environmental policies, where the dominant economies can be found. Together with Deutsch's essay, Kiss also deals with economy in the centre–periphery context. These texts demonstrate how it is the economy of the centre that gives the model for economic development and penetrates the economy of the periphery.

Three essays in this volume deal with Estonian foreign policy. In Kirna's and my own text, the issue is very much about how to move from the periphery into the centre and how to establish oneself in the centre. However, it is a different thing whether joining the NATO and the EU has finally brought Estonia into the core. The third essay i.e. Lootus' paper analyses a border dispute between Estonia and Russia and compares it to the Cyprus border problem.

Three essays – Andrassy's, Nagy's and Vogl's – introduce the issue of historical minorities directly. Lootus' essay is also partly related to this kind of a minority problem. However, minority is not presented as periphery, as such. Rather the issue is that the European centre is inclined to make the rules for the treatment of minorities or persons belonging to them, but the same rules have not always applied to the centre. This traditional approach of the centre is confusing, since the issue is not about the power of the centre but about common values and common legal principles. The essays present how and to what extent this double-standard approach has been eliminated so far and to what extent the "periphery" is normalised.

Finally we have Jakobson's and Kalev's essay on transnational space. The construction of transnational spaces might have the potential to break the core–periphery dichotomy. At least in the EU context, the formation of transnational spaces has the potential to reconstruct the nation state dominated European space into a post nation state space.

The whole discourse on the construction of transnational spaces in Europe is interesting. While transnational spaces undermine nation state spaces, it might become easier to solve some minority issues, which mostly are developed in the context of the nation state construction. Furthermore, the formation of transnational spaces gives a chance to look at Europe beyond nation states and also beyond different division lines within Europe. In any case, from a civilizational perspective Europe is pretty much one entity in the same way as China or India. But even this does not necessarily eliminate the centre–periphery dichotomy in Europe.

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# Construction of Peripheries: Foucault vs. Lotman and the Potential Peripherisation of New Member States in the EU

## Abstract

The article compares two contradictory theoretical perspectives on the centre-periphery relationship developed by French post-structuralist Michel Foucault and Russian-Jewish semiotician Yuri Lotman. Both theorists see centres and peripheries primarily as culturally and discursively constructed, not as an objective reality. Foucault demonstrates how through discourses of truth the society marginalises some groups and pushes them to the periphery. This article demonstrates that in its essence Foucault's theory could be applied to geographical peripheries and their construction as well. Lotman argues that there is a remarkable potential hidden in the peripheries, and old peripheries could become the new centres in the future. The theoretical contributions of both authors are tested in empirical analysis, in which the discourse around the New Member States in Central and Eastern Europe (CEE) is analysed. The data for discourse analysis are drawn from the influential weekly magazine *The Economist*. Combining the theoretical perspectives by Lotman and Foucuault and the results of the empirical analysis, a new model is proposed that demonstrates how peripheries are discursively constructed and maintained. The model reveals that CEE countries in the enlarged EU have reached the critical bifurcation point, in which their efforts and decisions will make a crucial difference in whether they are able to lift their peripheral status or whether they remain totally peripherised.

**Keywords**: centre-peripheries relations, Foucault, Lotman, Central and Eastern Europe, European Union

## 1. Introduction

There are several theories about centre-peripheries relations (Galtung 1971; Wallerstein 1974, Rokkan 1975, Gunder Frank 1969), but a very comprehensive approach is still absent. Two prominent theorists: French post-structuralist Michel Foucault and Russian-Jewish semiotician Yuri Lotman have both analysed the phenomenon of peripheries. They haven't done it in a very explicit manner, but while employing some essential elements of their theories, we can enrich our understanding of how peripheries are constructed and what relations they have with the centre. Foucault has focused predominantly on social peripheries within the society, but Lotman explored peripheries through the prism of culture and studied relations between different cultures and sign systems. Both theorists have a very distinct intellectual background and, therefore, it seems even arbitrary to put them together, but their theories are clustered around one common element:

they were not speaking about peripheries in economic or geo-political terms like most prominent theorists of peripheries (e.g. Galtung, Wallerstein, Gunder Frank). Instead, they were arguing that peripheries are rather constructed in our minds – they are socially or culturally constructed phenomena.

Lotman demonstrates how new ideas from the cultural/geographical peripheries invade the centre and change and reorganise it. For him, peripheries are the main sources of new ideas and innovations. Lotman shows how and in what conditions it would be possible for peripheries to become the new centres. Foucault, on the other hand, indicates the power mechanisms in which some groups and discourses become marginal and others dominant in the society. He has mostly concentrated on the analysis of sexuality, insanity, etc. However, we can apply Foucault's ideas to the analysis of centres-peripheries relations, while demonstrating how these relations could be maintained and shaped through language and discursive practices. Therefore, we can argue, that Foucault is a theorist of peripherisation, while Lotman is rather a theorist of de-peripherisation.

The current essay is going to provide not only a theoretical contribution to the field, but also an empirical one. We will try to link the theories of Lotman and Foucault with the the empirical reality, while analysing the peripheral status of Central and Eastern European countries (CEE). There is a rising negative discourse towards the new member states of CEE among the EUs older democracies. Discourse that points out that new member states could not to be regarded as an opportunity for the EU, but rather a problem and a source of instability. This discourse has especially manifested in the influential weekly news magazine *The Economist* and, therefore, we will briefly introduce and analyse some examples of it.

Why care about CEE, its peripherisation and the negative discourse about the region? There is a tendency that local influential discourses could become gradually more and more powerful and finally fully dominant. At the end of the day, the utterly negative and discriminatory discourse towards CEE would threaten the integrity of the EU.

In the closing chapter of the paper, we will outline a new framework about the evolution of peripheries combining elements of the theories of Foucault and Lotman.

Hence, my essay has three objectives:

1. To introduce and compare the approaches of Foucault and Lotman concerning peripheries and centre-peripheries relations.
2. To demonstrate how it would be possible to prevent new EU members from becoming even more peripherised in the enlarged EU.
3. To sketch a new framework on peripheries, employing the various elements of the theories of Lotman and Foucault.

## 2. Foucault: discursively constructed social peripheries

Michel Foucault is considered to be one of the most influential thinkers and social theorists of the last 30 years (Smart 2002; Arac 1988). His ideas have had a big impact on sociology, political science, postmodern theory, feminism, etc.

As it was mentioned earlier, Foucault is not a theorist of peripheries. He does not even mention the concept 'peripheries' in his considerations. However, taking the major ideas of his theory we can clearly see that he is actually focused on peripheries in a very specific way: he is interested in how power is operating within the societies and he constructs marginalised groups and identities (insane people, homosexuals, etc.). In brief, Foucault is concerned with *social peripheries* and their construction through different power techniques.

Foucault was paying attention especially to sexuality, madness and prisoners – how these phenomena or groups were treated throughout history (*see* Foucault 1992, 1991, 1990). He argued that mad people had been treated with respect in the Middle Ages, and their messages were associated with a sacral form of knowledge (Foucault 1992). The approach changed totally in the 18th century with the Enlightment, when the importance of reason was stressed above all. Madness and insane people, now connected with unreason, were considered to be a threat to social order. In the 19th century, a new discourse emerged – medicine, which started to diagnose mental illnesses, to classify them, and consequently on a discursive level defined who was a normal person and who was not (*see* Foucault 2003). Insane people were now totally excluded from the society and pushed into the periphery.

In a similar way, Foucault (1998) analysed sexuality. Since the 18th century, science has been focused on sexuality (before the sphere of sexuality was rather regulated by the church). "The science of sex" was established, which started to classify different sexual practices and perversions. Sexuality was treated as a problematic thing: something that should be normalised. In the 19th century, psychology, pedagogy, and medicine – all these subjects started to deal with sexuality and tried to define what were normal practices and what were not. Once more, through (scientific) discourse some groups and identities were marginalised and pushed into the periphery of the society.

Foucault demonstrated that peripheries on the societal level were not born because some groups were behaving in an inappropriate way in real life, but a discourse was emerging that claimed that these groups were not "right" and there was a need for special treatment. If the negative discourse becomes dominant, the actual exclusion happens. Hence, peripheries are constructed predominantly on a discursive level: through classifications, borders and exclusions (*see* also Foucault 1998). The language determines what is periphery and what is centre (mainstream).

In fact, we can apply the above mentioned mechanisms of peripheries construction to geographical and economical peripheries as well: the centre constructs its own discourse on what is "normal", "good" and "successful". Accordingly some areas are defined as peripheries ("not yet so successful and normal"), and some become centres (representing mainstream values and discourses). Finally, the centre, basing on dominant discourses, tries to "normalise" peripheries. For example, Western Europe attempted to "normalise" CEE countries after 1989 through using the promise of membership in the EU as a stimulus. In fact, the basic mechanisms in this case were not very different from what Foucault was describing about the normalisation of homosexuals and madmen. Even special research institutions were created in the West for studying CEE countries, and a lot of scholarly effort was put into the "normalisation" of CEE countries. Special academic discourses were introduced indicating what could be "advanced" and "Western" and what was "backward", "Eastern" and "post-communist", and how the process of "Europeanisation" or "Westernisation" could correct all these deviancies of Eastern Europe.

In order to understand the mechanisms of peripherisation more profoundly, we should dig deeper into Foucault's theory. Firstly, what is a discourse? There are a lot of definitions of discourse (*see* Torfing 2004). Generally, we can define discourse as a *mode* – how we are speaking about the things surrounding us in our social reality (ibid.).

For Foucault, there is a vast field of spoken and written statements in the society. He calls them 'discursive events' (Foucault 2002). These statements, modes of statements and concepts and theoretical themes constitute a unity – they have something in common, they have mutual connections. That unity is called discourse according to Foucault. Therefore, in interpreting Foucault, we can argue that discourse consists of similar or connected statements, concepts and themes, which constitute the way we are talking about reality.[1]

According to Foucault, different discourses are circulating in the society and different discursive practices are presented (Foucault 2003). Discursive practices constitute the basis of a body of knowledge. To put it more clearly: there is no knowledge beyond discursive practices (Foucault 2002). Knowledge is interlinked with power, which means that the progress made in the sphere of knowledge enables to elaborate the mechanisms of power (Foucault 2003). In brief, power is utilising the knowledge to achieve its own ends (Foucault 1991). Knowledge constitutes what is considered to be "truth". Multiple but interlinked "true" discourses establish a "regime

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[1] This is the author's interpretation of Foucault, however, there are several other interpretations. For example, feminist Judith Butler defines discourses (referring to Foucault's approach) as "the limits of acceptable speech" *See* Butler 1999.

of truth" for a given society (Foucault 2005). Every society has its own "regime of truth". Societies are concerned with how truth is created and maintained, because it is extremely important to make a difference between false and true statements. Intellectuals play a vital role in the process, because they are the main producers of knowledge and, therefore, they can say what is the truth and what is false. They are introducing "discourses of truth" (alongside other social forces) and, therefore, the struggle over the truth among intellectuals is extremely important (Foucault 1980).

To conclude, we can outline the following causal schemata: different discourses are circulating in the society and constitute the body of knowledge → within the body of knowledge different discourses are fighting with each other in order to define "the truth" for a given society → discourses becoming dominant constitute the "regime of truth" in the end → because knowledge and power are interlinked, power uses discourses of truth in promoting its own specific interests.

Foucault's approach of power is very different from the Marxist or Weberian traditions (*see* Smart 2002; Best 2002). According to Foucault, power is not a property of a class or person, but it is rather a strategy. Power "circulates through the social body", it is everywhere. Circulation of power is connected with the circulation and production of "true discourses" (Foucault 1998). In other words, we can argue that power attempts to constitute and maintain the discourses of truth for legitimising its own actions. According to Foucault, power is predominantly a discursive phenomenon (*see* Foucault 1998, 1980). He has been interested in how power operates on the micro-level, in the capillaries of the society (Foucault 1998). He was focused on how power mechanisms operate in the context of everyday life. That was the reason why he was so carefully analysing sexuality, madness, etc., as more extreme manifestations of discursive power in every day life.

If we attempt to apply Foucault's approach to the construction of geographical peripheries, the mechanism would be as follows:

1. There are a lot of different discourses in the society that attempt to define what are the peripheries and what are not (and these discourses are changing all the time).
2. Groups of dominant intellectuals, political leaders, etc., provide their own discourse about the peripheries and their geographical location (they define the centre at first and, subsequently, the peripheries).
3. Gradually their discourse gains a dominant position, and most of the members of the society start to point to some specific regions as peripheries.
4. If the dominant discourse is changing, the locations of the peripheries will change as well.

Thus, values and beliefs play an essential role in defining what is a periphery and what is a centre. Values and beliefs are usually taken from dominant discourses. In the Western world progress, rationality, economic success and efficiency are the core values, therefore, peripheries are mostly defined according to economical parameters. But we can envisage the societies where the centre-periphery dichotomy is based, for example, on religion and the most important indicator is the density of important cult places. However, economic parameters are important in the West just because the dominant discourses in our society and the "regime of truth" are emphasising them, not because they are universal or the only possible options in the menu.

Thus, we can argue that peripheries are indeed discursively constructed. They are in our minds and we are reproducing them through language and discourses we use in our every day life.

## 3. Lotman: peripheries are becoming centres

Yuri Lotman had a very distinct intellectual background in comparison with Foucault. He was a leading figure of the Tartu-Moscow school of semiotics and a founder of a novel approach in semiotics – cultural semiotics. Lotman analysed a broad range of cultural phenomena: the opposition between Russia and the West, the symbolic construction of space, cinema, poetry, Russian literature, Russian nobility, etc. (*See* Lotman 1999, 2000, 2001, 2003, 2004, 2006b). The major subject of his research was meaning and the construction of meaning within cultural systems. According to Lotman, "the creation of meaning" is the essential focus for cultural semiotics (Lotman 1999, 2000, 2006a). One of the most innovative and well-known concepts in Lotman's works is the concept of "semiosphere". What is a semiosphere? According to Lotman, it is a sphere filled with semiotic objects – signs and languages that constitute the meaning for any given culture. In order to formulate his semiosphere approach, Lotman was studying Russian biologist V. Vernandski's theory on biospheres. A biosphere is the whole biomass of the Earth. A biosphere has a specific structure, and all elements within the biosphere are interconnected and dependent on each other. It's the same with the semiosphere: it is heterogeneous and filled with different texts and languages, but all texts and sign systems are interlinked – they cannot exist in isolation. In order to be functional, the texts are expected to refer to each other on a permanent basis. Every culture needs "the other", who interprets their texts in a different way, otherwise the culture is not viable and reflexive anymore. A semiosphere can be a big global entity, although different cultures can be treated as independent semiospheres themselves. In other words, there is a big global semiosphere within which we can find several smaller semiospheres (Lotman 1999, 2000).

The most prominent feature of the semiosphere is its border. On the other side of the border is a non-semiotic room – a sphere where other languages are spoken, different signs are used. It is an unorganised and strange world. Ancient Romans, for example, referred to the non-semiotic sphere as a barbaric world and its inhabitants were called as barbarians. Usually the non-semiotic sphere is just another distant culture (Lotman 1999, 2000, 2001).

On the borders of the semiosphere, there are translating mechanisms. They are translating foreign texts, brought in from other semiospheres or non-semiotic spheres, into the language that is understandable for the given semiosphere. In order to do so, the border regions are bilingual. However, border regions are still conceived of as *peripheries* of the semiosphere (Lotman 1999, 2000).

Peripheries are the most dynamic parts of the semiosphere, because they have contacts with other semiospheres on an everyday basis. Foreign texts are constantly flowing into border regions. Therefore, they are able to synthesise new original texts and introduce new innovative ideas that are foreign for the centre. These new ideas or texts could be the major catalysts for changes. Peripheries are constructing new meaning, new structures, new texts that are invading the centre and could reorganise it. The potential of cultural and social change is, therefore, more accentuated in the peripheries than in the centre, because structures in the peripheries are usually not as rigid as in the centre. It is even possible that new texts and structures originating from peripheries subordinate the centre and former peripheries could become new centres themselves (Lotman 1999, 2000). This was exactly what did happen with Western Europe (France, Germany, England), which was a peripheral region of the Roman Empire at once, but later became the centre of Western civilization itself.

Hence, according to Lotman there is a tremendous potential hidden in the peripheries – the former peripheries could be the new centres.

We can apply Lotman's approach to the geographical and economical peripheries as well – for example to CEE. We can imagine that Europe is an independent semiosphere, in the case the border of the semiosphere runs alongside the so-called Huntington line, which is the border of Western civilization and now roughly corresponds to the border of the enlarged EU (Huntington 1996). We can treat CEE countries (especially the Baltic States and Poland) as the border regions of the European semiosphere. In fact, these regions are bilingual and they are able to translate texts coming from the Russian-Orthodox semiosphere into a language that is understandable for Western Europe. Indeed, CEE countries like to emphasise that they have more expertise in Russian politics, society and culture than Western Europeans usually do.

Thus, applying Lotman's theory to the CEE case, we can even envisage that CEE countries (as a bridge between West and East) could become more powerful in the EU and gradually transform the values and structures in the EU itself. In that case, it is even possible that new dynamic CEE countries will gradually become the new centres (at least in some respect). They are more open to new ideas and free from old-fashioned and rigid structures dominating in Western Europe, etc. Of course, this is merely a hypothesis drawn from Lotman's theory. How realistic the scenario could be is another story. However, according to Lotman's approach, CEE has a remarkable potential on its own, especially in case Russia gains more prominence in today's world politics and economy.

## 4. Negative discourse towards the new member states

There is rising skepticism towards further enlargement to Eastern Europe in "Old Europe". Several concerns and fears were connected with the previous enlargement in 2004 as well (*See* Grabbe 2004; Barysch 2006 a; *The Economist* 2006, 15th December–22th December). Western Europeans were mostly concerned with the economic issues and labour market. They were afraid that Western companies would relocate their production to the East and, thereby, unemployment would increase in Old Europe. Additionally, they feared that cheap labor from Eastern Europe would invade Western Europe and threaten the jobs of Western Europeans. There was concern in some countries (Germany, Denmark, Netherlands) that enlargement would become too expensive for the tax-payers (Grabbe 2004; Barysch 2006a). Barysch (2006b), an analyst of the Centre for European Reform, condensed the typical fears of Western Europeans as follows: "Cheap Polish plumbers and Latvian builders come and steal jobs from Western Europe". Failures of the French and Dutch referendums on the Constitutional Treaty in 2005 were also widely interpreted as manifestations of anti-enlargement sentiments.

Curiously none of the above mentioned fears became true: there wasn't a mass immigration from the East to the West, unemployment in Western Europe did not increase because of the enlargement, etc. (*see* Barysch 2006a). However, negative prejudices towards CEE countries were probably entrenched and deepened even more in the old member states because of the enlargement and the dominant discourses related to it.

In order to analyse the emerging negative discourse towards the new member states, I would like to carry out a discourse analysis based on the international weekly journal *The Economist*. Why *The Economist*? It is a quite influential journal among the decision makers in Europe (among the business elite and in some parts of the political elite). To some extent, it shapes the "climate of opinion" among the

prominent opinion leaders in Europe. In that respect, it could be argued that *The Economist* is much more influential than, for example, academic journals devoted to EU affairs. Employing the therminology of Foucault, we can claim that *The Economist* is an influential producer of knowledge and the "discourse of truth". It has *some* impact on dominating discourses circulating in the societies of Western Europe, at least on the elite level. However, we should emphasise the phrase "*some* impact" – it is obvious that we cannot overestimate the influence of one journal. However, there is no doubt, that *The Economist* is somewhat influencial and, therefore, quite suitable for analysing the discourses dealing with new member states. In all respects, *The Economist* can provide at least some prominent examples of the discourse concerned.

It should be noted that this discourse analysis is a very preliminary one. It will not pretend to grasp the whole discourse about the new member states, because only one publication was selected. For example, in the academic writings the negative discourse towards the "New Europe" is not that accentuated at all. Moreover, the current discourse analysis is rather preliminary and technically not very elaborated – more profound content analysis or systematic discourse analysis is needed to draw more prominent conclusions. However, we expect that our preliminary analysis will point out some significant tendencies, and it could be useful for our theory-building efforts presented  in the closing section of the paper.

In 1997-1999, *The Economist* was not paying very much attention to the enlargement. This came to change after 2000-2003, when more articles were published on the subject. In general, *The Economist* greeted the enlargement and reported about the readiness of accession in the region. The journal even briefly introduced the new member states one by one and reported how the negotiation process of the EU accession was going (see: *The Economist* 1997, 17th–24th July; 1998, 5th–12th November; 2002, 26th October–1th November). Only from time-to-time some doubts were expressed whether the EU would be able to absorb 10 new member states all together (e.g. *The Economist* 2001, 17th May–24th May). In 2003, while the enlargement process was already in its concluding phase, *The Economist* paid quite a lot of attention to the EU referendums in new member states (e.g. *The Economist* 2003, 17th– 23th April; 15th June–22nd June). The journal greeted the enlargment especially in 2004. Articles like: "Fanfare for larger Europe" (*The Economist* 2004, 1st–7th May), "The joys of enlargement" (*The Economist*, 2004, 10th–16th April), etc., turned out to be very exemplary for the period. The positive side of the enlargement for *The Economist* was that trade barriers were going to disappear, the new markets were opened up for Western companies, the new (more liberal) member states would stimulate the "old Europeans" to reform their economies, etc.

In 2004-2005, the overall discourse towards the new members was generally positive and optimistic. *The Economist* especially praised the quick economic growth and friendly business climate in the new member states (e.g. *The Economist* 2004, 17th–23th July; 2004, 11th–17th September; 2005, 26th–2nd December).

But the positive tone changed in the middle of 2006. An article was published by Edward Lucas (the Central and Eastern Europe correspondent of *The Economist*), in which he criticised Poland in a very rigorous manner. According to him, the new government of Poland was populist, the country was politically unstable, the public administration ineffective and corrupt, the decision-making undemocratic, the pace of reforms had slowed down, etc. (*The Economist* 2006, 13th–19th May). Several similar articles were published thereafter, in which not only Poland, but all other new member states were blamed (*The Economist* 2006, 22nd–28th July; 1st–7th December; 15th–22nd December). The articles argued that new member states in CEE were bad advertisement for enlargement: the region was stagnating and going backwards, strategic reforms were halted, governments were unstable (Lithuania, Czech Republic), or populist (Poland), people were rioting on the streets (Hungary), public administration was ineffective, corrupt and politicised, etc[2]. But on the other hand, *The Economist* continued to praise the rapid economic growth and business friendly environment in the New Europe (*see The Economist* 2006, 15th–22nd April). Nevertheless, the journal suggested that the economic growth in the region was not based on high-tech science-based production – only a negligible amount of money was devoted to research, and universities were not competitive in the Western European sense (*The Economist* 2006, 15th–22nd April; *The Economist* 2006, 22nd–28th July).

We can find rather negative sentiments and comments on enlargement and new member states not only on the pages of *The Economist*. The citizens of the older member states have become also more skeptical towards enlargement during recent years and feel more and more that their country has not benefited from being a member of the enlarged EU (*See The Economist* 2006, 15th–22nd December; Barysch 2006a). While *The Economist* was writing about the accession of Romania and Bulgaria at the end of 2006, the message delivered was quite discouraging: these countries were very poor and corrupt (*The Economist* 2006, 30th September– 7th October 2006).

The economic and financial crisis of 2008-2009 strengthened the negative and critical discourse towards the New Member States. *The Economist* paid special

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[2]  It should be mentioned that mainly the Visegrad countries were harshly criticised, but at the same time Latvia, Estonia and Slovenia were not. However, such rigorous criticism towards the biggest countries in the region cast a shadow on the smaller ones as well.

attention to the financial and economical troubles in Latvia and Hungary (e.g. *The Economist* 2008 13th–18th December; *The Economist* 2008, 22nd–28th March). The economic policies of the governments in the respective countries were heavily criticised. Concerns were expressed about economic hardship spreading even further East and, thus, New Member states were declared again to be the most problematic part of the EU, regarded almost as failed states – at least Hungary and Latvia (*The Economist* 2008, 11th–17th October; *The Economist* 2008, 18th–24th October; *The Economist* 2009, 21st–27th February). The whole CEE was reported to be almost on the brink of economic disaster in 2008-2009. However, at the same time *The Economist* appreciated the economic growth and stability of Poland and Slovakia, which indicated that not all countries were approached in the same manner (*The Economist* 2009, 18th–24th April).

The differentiated outlook towards the New Member States was more pronounced in 2010-2011, when it came out that financial and economical problems haunt Southern European countries more than CEE. Indeed, in 2010-2011 the mild  discursive shift was evident on the pages of *The Economist*. First, CEE countries were not treated as a single solid block anymore. *The Economist* started to emphasise that there is little in common between the failed countries in the region (e.g. Hungary), on the one hand, and the success stories on the other hand (Estonia, Slovenia, Poland, Slovakia) (*The Economist* 2010, 20th–26th March). As *The Economist* puts it: the label "Eastern Europe" is irrelevant and obsolete – we can see a diverse variety of countries in the East, with different fates and trajectories, both in economical and political terms (*The Economist* 2010, 2nd–8th January). Second, the New Member States proved to be more efficient and responsible in managing their economies, fiscal matters, and the budget in comparison with Southern European countries, particularly Greece. CEE countries were argued to be more eager to carry out unpopular reforms and to make cuts in their public budgets, while Southern European politicians were just giving promises and were able to do nothing in combating the structural and financial problems in their countries.

Although *The Economist* has started to consider CEE countries to be more differentiated and less problematic, the mild positive shift in the discourse took place not because CEE countries were regarded to be much more potent in their own right or less peripheral in the European economy and in the EU in general, but because the unexpected shock that the Old Member States (particularly in Southern Europe) could be terribly mismanaged and could be going in the wrong direction. The negative prejudices towards the East have been challenged to some extent, but not enough for the region's peripheral status to be lifted. Furthermore, the positive and more nuanced discourse towards CEE is quite a new one and

connected with extraordinary conditions (a big financial crisis in CEE); therefore, we should be cautious in making predictions that are too far-reaching about whether the discursive change described is going to be a permanent one.

To conclude the previous preliminary analysis, we can suggest that the positive image of new member states was based *only* on their remarkable economic growth and recently on their better management skills in comparison with South Europe. Beyond that the region was considered to have a relatively low profile and potential. Several countries were regarded to be rather troublesome, haunted by several political and economic problems (e.g. Latvia, Hungary, Romania, Bulgaria). Generally, the new members states were not regarded as an opportunity for Western Europe, but rather as a growing burden and a PROBLEM! The discourse changed to some extent in 2010-2011 – but only because the financial collapse of the Southern European countries, which challenged some widespread negative stereotypes of the East, but it did so in a rather limited way. Besides, it is too early to say whether that positive discursive change is going to stay or whether it will be just a temporary shift.

As it was mentioned above, the current analysis was preliminary and based on rather limited empirical evidence. However, it seems that attitudes towards the new member states have changed indeed and not always in a positive direction. Only recent trends have been more or less encouraging.

But now we are going to link the CEE case with the theories of Foucault and Lotman. "Political instability, corruption, and backwardness" – this is typical discourse that is used for constructing or maintaining the peripheries. As it was demonstrated earlier, the prevailing attitudes were quite different before the accession, while discourse around the new member states was more optimistic. Have CEE countries really changed so rapidly in such a short time period? Was this region politically more stable prior to 2006? Was their public sector more efficient and less corrupt before 2006? Were their economies more science-based and innovative before 2006? And finally, has the region been remarkably better off in 2010-2011 than it was 4-5 years before? The answer is "no". Therefore, the discourse propagated by *The Economist* demonstrates very well the major point of Foucault's theory: there are no peripheries in the objective sense, peripheries are primarily constructed discursively. It was not an objective change that happened with CEE, it was purely a discursive shift, which was evident both in a negative (2006-2009) and in a more or less positive direction (2010-2011).

Therefore, the key challenge for CEE is to reverse the emerging negative discourse. Of course, CEE countries are expected to continue several economical and political reforms in order to improve their living standards, competitiveness and administration, but at same time they are supposed to work on their image

as well. Indeed, a mild but encouraging shift in the discourse took place in 2010-2011, but the CEE countries ought to work more on it, in order to ensure that the alteration in discourse would turn out to be not just a short-term trend, but that it would lead to a more profound transformation.

There is an alternative discourse, widespread in the academic community, which asserts that enlargement was a good thing for Western Europe, because it made the whole continent better prepared for globalisation and more competitive with China and India (*see* Barysch 2006a). The enlargement has been rather a success story in which both sides (East and West) benefited (*see* Barysch 2006a; Barysch 2006b). Thus, the new member states have to promote the above-mentioned positive discourses, alongside with the narrative that they were able to cope with the recent economic and financial crisis more skillfully than several Old Member States. These would be the key factors for preventing the further peripherisation of the region. Discourses matter as much as real political or economic issues.

In Lotman's terms, the major problem of CEE is that the region is not corresponding to the standards of a dynamic periphery. Or at least it hasn't yet created an image of itself as a dynamic periphery. It will be a big challenge for CEE countries in the future to work on this issue. The priority should be to invest more in a science-based economy in order to promote an innovative image of the region. Perhaps it is also reasonable to be more proactive towards Russia and to become a true mediator between the two regional superpowers in Europe (Russia and the EU). It will be an especially important task if Russia's share in the world economy grows.

Therefore, the most important challenge for the new member states is to construct a new positive discourse about the region. A discourse that emphasises that CEE is a dynamic and innovative part of Europe that delivers new quality for the whole EU. Perhaps the economic and financial crisis of 2008-2011 and some CEE countries' notably better management skills in the crisis will provide new opportunities for them to reverse the negative discourse and lift the peripheral status of CEE to some extent. The key question is whether the New Member States are really able to meet the challenge or not.

If they will not, there is a serious threat that the big powers in Western Europe are going to establish a so-called "core Europe" (*see* Grabbe 2004) and CEE countries (or most of them) will be excluded from the club and become a total periphery.

## 5. A new approach on peripheries

In the current essay, we focused on the process of peripherisation and centre-peripheries relations in a way in which two prominent scholars – Foucault and

Lotman, analysed the phenomenon. Despite the fact that both theorists were quite different regarding their intellectual background and orientation, their ideas could be treated as complementary ones: Foucault has concentrated on the discursive and social construction of peripheries, on the one hand, while Lotman has been more interested in general cultural processes constituting centre-periphery relations on the other. Foucault reveals the major mechanisms behind the process of peripherisation, Lotman demonstrates how the opposite process (deperipherisation) could take root.

Applying the contributions made by both theorists and referring back to the case of CEE, a new approach to peripheries and peripherisation will be proposed, in which we can distinguish between four distinct phases in the discursive construction of peripheries (*see* Figure 1.):

I. *Construction/discovery.* It is the period in which peripheries are emerging in sight at first. Foucault described how in the 17th and 18th century new discourses were emerging about the madmen and homosexuals and, therefore, these groups were "discovered" in a discursive sense and they became the new peripheries of the society. In 1989, Western Europe also "rediscovered" Central and Eastern Europe as a new periphery.

II. *Attempts at normalisation.* The centre attempts to impose their own values and norms on newly "discovered" peripheries. The major goal is to make them "normal". There is usually great enthusiasm associated with such kind of "normalisation". For example, in the 19th century doctors really hoped that it is possible to cure insane or perverted individuals. Politicians and scholars in Western Europe also expected that EU accession would make CEE countries more democratic, stable, less corrupt, more efficient and protect them against authoritarian temptations (*see* Sadurski 2004). Different measures were used to make CEE countries more like "normal Europe". For example, Copenhagen Criteria and other requirements for candidate states were introduced for achieving these goals in different spheres. The period of "normalisation" lasted from 1997 to 2005. In its essence, the process of "normalisation" of Eastern Europeans wasn't very different of the process of "curing" perverted individuals or madmen described by Foucault. For Western Europeans, Eastern Europeans were also semi-Europeans, who needed for some kind of special treatment and "normalisation".

III. *Disappointment.* This is a phase in which it appears that attempts at normalisation have failed. By the end of the 19th century it was quite clear that it is impossible to cure either homosexuals or madmen. Our previous analysis indicated that since 2006 there has been growing disappointment towards new member states

in Western Europe – it became evident that Eastern Europe is not going to be like "normal Europe".

IV. *Bifurcation point.* After the phase of disappointment, two different scenarios could be possible:

a. *The peripheries are able to use their potential*, they reverse negative discourses and, thus, they prevent total peripherisation. They are maybe capable of introducing new innovative ideas for the centre, and in this way changing dominating ideas and discourses in the centre, making them more favorable for peripheries. Referring back to Foucault, this was the case with homosexuals in Western culture. Since the 1960's they have managed to change very hostile attitudes towards gays and lesbians that were predominant in Western cultures before. Employing the influential gay celebrities and opinion leaders, they just invaded the centre of Western value systems and introduced new, more liberal attitudes there. Now liberal ideas about sexuality have become rather dominant in Western Europe. Of course, we cannot compare homosexuals and their story with geographical peripheries like CEE, but the essential mechanisms behind the deperipherisation are not tremendously different.

b. *Total peripherisation.* In this case, the peripheries are not able to reverse the negative discourse, and they are not going to use their potential. Therefore, their destiny is to become *totally peripherised*.

*Figure 1. Phases of the discursive construction of peripheries.*
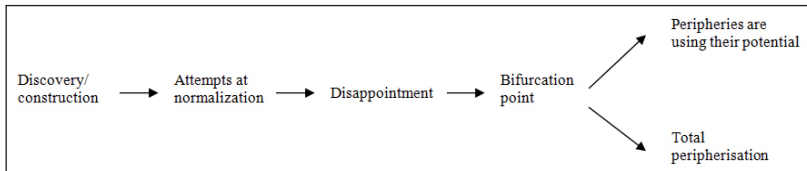


New member states of the EU are also at the bifurcation point. The question is whether they are able to use their potential and to reverse emerging negative discourses, or will they just fail and become totally peripherised in an enlarged Europe.

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# Blue Economy principles for Peripheries[1]

## Abstract

Peripheral countries in our global economic systems automatically follow the development path of the countries in the centre, whilst the system itself is forced to follow globalisation processes. However, a new development path is needed – one which assumes a new way of thinking and a healthy environment with a high level of biodiversity. A nature-driven development path is needed, such as that laid out in the 'Blue Economy' theory. In following the traditional development path, there is a danger that peripheries lose their significant competitive advantage – a relatively healthy natural environment. This is indispensable in implementing the 'Blue Economy' form of development and can also be the basis of their future welfare. 'Blue Economy' innovations are methods which can harmonise with Nature and, at the same time, be competitive. A new definition of competitiveness is also given in order to direct countries on peripheries to a more competitive path. Also given is an analysis which shows that people in such regions are willing to follow an environmentally conscious path.

**Keywords**: sustainable development, Blue Economy, Nature-driven economy, sustainable communities, regional competitiveness, cluster analysis

## 1. Introduction

Notions of sustainability are constantly changing. Starting at the time of its emergence in the 1980s, there have appeared different approaches to an understanding of the concept. There is, however, one factor which seems essential: In the 21st century, solid and coherent strategy cannot be assessed without taking sustainability into account. The 'Green Technologies' currently in use are often said to be sustainable also, but they differ little from existing technological solutions. A paradigm change is needed where a *Nature-driven economy and society* can develop in order to restore harmony with the natural environment much more deeply. The application of 'Blue Economy' principles is an appropriate and competitive way to achieve this goal. What is needed is a different mind-set – to give birth to a new perception of competitiveness (which itself creates the possibility of a truly sustainable life and long-lasting competitiveness).

The 'Blue Economy' principles follow Nature's processes. They 'cascade' nutrients and energy in the same way as do eco-systems. This 'cascading' process flows with the

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force of gravity. Nutrients and energy flow between biological kingdoms: "absorbed minerals feed micro-organisms; micro-organisms feed plants; plants feed other species, with the waste from one becoming the nourishment of another." (Pauli, 2009). Such forms of technology applied within an economy leads to such a sustainable economy, which will reduce or even eliminate inputs and unwanted waste, including pollution. The 'Blue Economy' principles are explained in detail in Pauli (2010a).

Countries on the periphery generally wish to be as fully developed as the leading countries of the continent – as those in the centre, since countries in the centre are generally considered to be developed countries. However, the term "developed" is a matter of definition. The traditional measurement tools of GDP and the unemployment rate have proved only partly effective and current economic development methods – represented by leading countries – destroy Nature and human connections, and produce a still-wider gap between rich and poor[2]. Pursuing this traditional path, current problems could simply expand and lead ultimately to the collapse of civilisation as a whole.

There is a strong tendency for peripheral countries and regions to follow those traditional paths of development – indicated, or even dictated, by leading ideologies, international organisations, governments and multinational companies in developed consumer societies. It would, however, be much more rational to follow a genuinely sustainable way than simply to follow leading countries unthinkingly. Peripheries often have a much better potential to follow Blue Economy principles and so real dangers do exist of losing, possibly significant, competitive advantages.

Countries following a sustainable path also need to focus on competitiveness, since the current economic environment will most certainly search out unprofitable institutions and companies. For this reason a new form of competitiveness should be developed which satisfies the traditional tools for measuring profitability, efficiency, and so on – as well as meeting the criteria of sustainability.

The needs of Nature are fully understood by local people who live on one particular piece of land, and indigenous people should be enabled to manage their local economy and community. In parallel, central government should allow (even encourage) them to do so. Additionally, competitive and efficient methods should be made available for local people and environmentally conscious communities to survive this era when the global economy forces economies to use inefficient and ill-designed equipment (Mészáros, 1994), destroying both Nature and small communities.

An experiment had been run in one specific area in Hungary. This location, known locally as the 'Green Valley', has a strong competitive advantage in having

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[2]  There is a wide range of references; one of the earliest being Lorenz, 1973.

reserves of a good natural carrying capacity. Our analysis provides a clearer picture of the community living in this area.

## 2. Paradigm of efforts to reconcile economy and ecology

There are two divergent paradigms which are well documented: the ecology and economy paradigm (Walck, 2004, p.171). The ecology paradigm is, of course, ecology centric and deals with natural processes – the interconnectedness of earth-bound species. The economy paradigm deals with the money- and/or market-oriented economic subsystem, focusing on the transformation of natural resources into products appropriate for human consumption from a profit oriented perspective. Although the economy is an obvious subsystem of Nature, it behaves as does the main system.

There are attempts to reconcile the two paradigms (ecology and economy). Sustainable development is the most well-known as it attempts to alleviate the burden on the biosphere. The borders of current sustainable development notions are set by the economy paradigm, as we argue below, and so it will not displace the economic subsystem back to its original position as a subsystem of the Earth. However, these sustainable development practices are essential, since they induce a type of thinking which emphasises Nature's importance as one that provides the living conditions for the human race and for other species. A real solution, however, could give the guidance back to Nature until the time comes when people have sufficient knowledge to operate their subsystem in accordance with Nature.

Current economic processes are far from this concept. The money-driven economy evaluates core activities on a monetary basis. Money is a man-made tool and is obviously imperfect from an ecological point of view. Finally, if mankind had time to perfect money-driven procedures and behaved according to ecological processes, then the economy and companies working in (near-) complete harmony with Nature would enjoy a competitive advantage due to the fact that changes in ecological processes would produce inefficiencies in monetary terms also. Due to the current imperfection of money-driven procedures, firms working in harmony with Nature are often at a disadvantage, since money benefits companies working in harmony with this imperfect (money-driven) system. One example of this is that those companies benefit who use more natural resources. An electricity company which sells more electricity, rather than satisfies the same need with fewer resources, makes more profit.

Sustainable development practices are bounded and determined by the money-driven evaluation system. Many efforts are made to preserve natural resources by advising companies to use less or use them more efficiently (e.g. Weizsäcker et al,

1997) but they are still within the traditional economy paradigm, since the main driver of the economy is still money. A paradigm shift should, therefore, bring about a new mind-set which regards money and market as means and not as ends – whilst Nature would be the main system. Such a shift would require a level of change which could only be achieved over a long time-span so that benefits would outweigh any possible damage. The concept of sustainable development can be viewed as a starting point for this process.

It is essential to elaborate development forms which help local people and communities to live or survive and to progress in life in a healthy natural environment. Porter and Linde (1995) describe a logical way of being both green and competitive at the same time: the authors prove the advantages of (natural) resource efficiency, using fewer natural resources – with a consequent reduction in cost, and – inevitably – more profit. These practices are worth following since better technologies help to slow down the consumption of resources. However, the direction of the expected development path does not change and, due to people's limitless consumption, these resources will – one day – be exhausted. Although these methods might be good, they are not sufficient. In their place "harmonious and competitive" methods should be elaborated.

The next chapters will discuss the traditional meanings of competitiveness and economic growth, their deficiencies and a new definition of long-term competitiveness.

## 3. Traditional competitiveness and economic growth

The traditional interpretation of competitiveness, generally accepted by developed countries, suggests that the prosperity of a region (country, continent) is determined by the increase in its GDP, growth and the diminishing rate of unemployment. The definite goal of Western civilisation is to dominate the way of thinking of all people of the world and to form it to its own taste. To attain this, the industrialised world possesses advanced and sophisticated instruments (money, power and marketing tools) that are often irresistible for those exposed to them. Seemingly, the method is working and many developing countries enter upon the development path appointed by western civilisation. China should be mentioned here as being in first place. Their growth-oriented development path has an enormous demand for resources. The concept of two additional 'Planet Earths' being needed to support this kind of development (Wackernagel, Rees 1996) might eventually become an optimistic scenario.

The general interpretation of competitiveness suggests that a region is competitive, if it achieves a high growth rate, an increase in the amount of artefacts (physical

goods) produced, if the GDP per capita rate is high and if, in order to ensure all this, the largest possible proportion of the population is employed (Buday-Sántha, 2004). An OECD definition says that "competitiveness is the degree to which a nation can, under free trade and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of its people over the long-term." (Simon Lee in Jones, 2001). Human and natural factors as well as the region's incremental value-retaining capability are sometimes also taken into account (Enyedi in Buday-Sántha, 2004, p. 30). There is another comprehensive concept that names seven factors to measure competitiveness (Roessner at al, 2000), but, with these alterations, the definition is only refined and the core approach is not affected. The concept of sustainable growth is also favoured here, but only meaning that a certain level of *growth* should always be maintained. The danger here is that, due to phrasal similarities, it can easily be mistaken for sustainable *development*, which has a totally different meaning.

The inappropriateness of the GDP-oriented approach is clearly shown in Cobb and Cobb (1994), where the GDP and the ISEW (International Standard of Economic Welfare) are compared. ISEW is calculated by deducting those activities from the GDP that are executed to correct the effect of some kind of distraction (e.g. activities that recover landfills). The GDP is continuously increasing, while the ISEW remains practically constant in a USA example. The Genuine Progress Indicator, GPI results in a graph similar to Norgard's (2001). It is certainly not proved that all products produced can, in effect, satisfy people's needs, and so the real pattern of development may be much below the ISEW curve, according to social scientists, such as Korten (2001).

From the perspective of basic needs, this insistence on the quantitative approach is inadequate. Let us examine the most sensitive products - that is food. Since it is not the quantity of food products that is insufficient (total food production exceeds total basic demand), but their allocation and distribution which are inappropriate. A large amount of natural resources is used to satisfy the self-generating needs for non-necessity articles of the consumer-societies. Wackernagel and Rees (1996) revealed how intolerable the situation is with help of the concept and measure of the ecological footprint. They pointed out that the total land needed for balanced resource production and waste processing already exceeds the amount of land which could be available for such purposes on the whole Earth. It should be noted that the more precise are the calculations, the larger our footprint becomes. It should also be added that the theory counts with a constant structure and composition of needs, which allows only a static approach. In reality, needs change over time. If we view the situation with a dynamic approach, we can either reach a more favourable

conclusion or even a highly depressing one. Consider, for example, the emerging trend towards the environmentally conscious and, by contrast, the huge growth rate in China and India.

It follows that the definition of competitiveness should also refer to effective and optimal accommodation to limited resources (Perman et al., 2011). To assess such a definition, we first need to study the core concepts of sustainable development and the ecological principles of a Nature-driven economy – a Blue Economy.

## 4. From sustainable development to a Blue Economy

The Brundtland Committee gave the most general definition of sustainable development: 'Development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (Brundtland, 1987). This gave a start for many initiatives that aimed to make human processes less damaging for Nature (e.g. the measures of Agenda 21, formulated at the Earth Summit in Johannesburg (Faragó, 2002)). Applying to the concept of sustainable development, our production methods are becoming ecologically sounder and the resource-productivity higher. 'Factor four' efficiency, i.e., producing twice as much value from half the amount of resources, and similar initiatives are also quite common (Weizsäcker et. al, 1997). Natural capital is becoming a critical issue in serious works of (economic) theory (Hawken et al., 2000). Ecological economics has a massive intellectual background (Daly, Farley, 2004, Krishnan, 1995). Although these efforts are important, they are not sufficient as long as the demand side remains infinite – it only delays the problem and does not solve it.

It follows from this that the mainstream of sustainable development only aims to derive benefits from Nature (as a means) in an eternally maintainable way. Logically it is still incorrect: a subsystem cannot operate the main system (Hajnal, 2008) and it cannot subordinate the main system for its own purposes for an arbitrarily long time - not even with the most comprehensive knowledge of the main system. Additionally, the present state of our understanding of Nature is extremely weak. In the name of sustainable development, many processes, with unknown effects, are still forced (e.g. genetically manipulated food production (Magretta, 1997)). This is why – instead – harmony and co-existence with Nature should be targeted, promoted and gradually realised. One way to attain this objective is the establishment of a Blue Economy, which follows the principles of Nature, exists in harmony with Nature, admits it as the main system, accepting Nature's pre-eminence at this development phase of humanity. Within this concept, human activity follows Nature's processes; it can serve as a direction for (and guiding

principle of) the various interpretations of sustainable development (Kiss, 2005). It is very difficult to develop the appropriate legal, economic and social instruments that could assure appropriate rights for Nature (Tóth, 2005), although we already have specific experience and data.

There are two main elements which are missing from current sustainability notions but which need to be addressed: participation and ecological processes. *Participation* means that people should handle Nature as a place where they are participants and not outsiders. Protecting the environment often means for us a second concern such taking care of a car or a pen. However, if somebody takes care of his/her family, where she/he is a member, the perspective is different, since it is now personal. A family member cannot be changed easily in the case of any failure – as a car or a pen. We are situated in Nature in the same way as a family member within a family. Nature cannot be changed to another form and we are always participants and never outsiders. Here *ecological processes* mean that there is no waste: all outputs are, at the same time, inputs[3]. Industrial ecology (Lowe and Garner, 1995) attempts to build up the current infrastructure processes according to their principle. Figure 1 illustrates the elements which behave in an ecological way, and those which do not.

*Figure 1. Inputs and outputs of industrial processes*
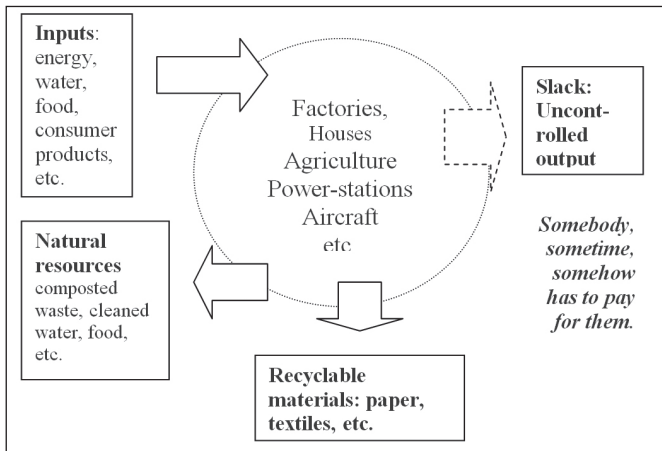


*Source: author's own concept*

The elements, for which composting and recycling requirements are not fulfilled, go back to the Nature as entities that do not fit into the system. Nature

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[3]  *See* significant efforts for zero emission technologies in the web page of the Zero Emissions Research and Initiatives, http://www.zeri.org/ZERI/Home.html (27 10 2011).

can work with these types of element for many millions of years. However, there are uncontrolled outputs, the 'slack', due to our imperfect technological system and which should have been taken back to Nature somehow, sometime. The pure existence of the slack foresees that an organisation working with this type of technology cannot be competitive in the long run.

## 5. Redefining competitiveness

The current popular definition of competitiveness also denotes the fact that growth and quantitative approaches are overemphasised in our modern world, strengthening and extending the reach of the market economy. With profit and money being the dominant manipulating motives, the manifestations of *scarcity* (an inevitable attribute of any finite system as well as of the Earth) are being suppressed. Human comprehension is too narrow to define or even to estimate the boundaries of the capacities of Nature. Therefore, a better definition of long term competitiveness is given, which is equally valid for economic and social organisations: *[Regional] competitiveness is the best possible accommodation to natural processes, in which humans develop their capabilities through developing Nature's capabilities.*

Comparing this with the traditional definition, the differences are obvious. There is no high rate of growth, as Nature's life is cyclical, so is that of the community based on it – as long as their activities need natural physical resources. Per capita GDP is not high, but sufficient for basic needs. The employment rate depends on the work, necessary for satisfying the inhabitants' basic needs, plus that work necessary for the spiritual development of communities. (However, this does not mean employment at any cost, such as producing unnecessary gadgets.) That part of the traditional definition which talks of meeting the test of international markets may be true, but only for a much narrower range of goods, once local stability in food and energy supply is achieved. For maintaining and expanding local income: money is useless in itself. Therefore, having an increased amount of money does not guarantee anything *per se.* Please note the difference between well-being and development. Well-being is a human-centric (subjective) approach, while development is more objective. One example would be of children who, having everything without effort, are handicapped. Although their well-being is seemingly maximised, they do not have an opportunity to develop their skills.

However, how can we take such a definition seriously in a world of metropolises, consumer society and all-powerful money – which does not appear to be at all compatible with the above concept? Fortunately certain elements of the Nature-driven concept can also be comprehensible and plausible for the traditional way of

thinking. Two such elements are: the relation of a subsystem to the main system (Nature being the main system and human societies only subsystems), and the fact that Nature is perfect for us in itself and surpasses any human-made system in effectiveness, organisation, planning and efficiency (Benyus, 2002).

## 6. The transition to a Blue Economy

In the course of the transition a significant stage can be the renewed application of certain alternative forms of the operation of societal organisations, primarily sustainable communities that can evolve in a close relationship with Nature. Establishing communities, viable in the long run, is also important if we are to be able to answer the challenges of the present, highly competitive economic system. Effectiveness and optimality are key factors of sustainability, and, in developing effective systems, Nature can serve as the starting point, since we could hardly find any system working more effectively than Nature does. Examples of nature-driven solutions are described in Pauli's book (2010), where 100 innovations help communities in this process. Several other books describe numerous methods for this, such as Biomimicry (Benyus, 2002), Natural Capitalism (Hawken et al., 2000). Promising experiments are going to develop, such as Las Gaviotas (Pauli 2010b) and Bhutan (Pauli, 2010c).

A sudden global change would necessarily cause catastrophes due to interlinked economic relationships. Our way of thinking should change to initiate harmonious solutions. The complex world needs complex solutions, and it is vital to start at the bottom, creating viable and healthy cells – sustainable communities.

### 6.1. Gradual transition

A smooth transformation needs to be gradual. The introduction of a Nature-driven economy can only be executed gradually. This is important for several reasons. Imagine an abrupt stop in the utilisation of fossil fuels: Everyday operations of life would probably collapse. Likewise, a general shut-down of nuclear plants would result in enormous damage in the energy sector. To ensure the continuity of our everyday life, gradual steps should be taken in the right direction. Designating the right way needs the transformation of our mind-set.

### 6.2. Way of thinking – Innovation

The idealistic 'back to Nature' approach reminds many people of the Stone Age: the flint axe, the cave and the uncertainty of existence. In fact, life and progress go on

in Nature-driven economies also in a new way: innovation, scientific achievements are all being developed and realised; it is only the approach that is different. It may be that examining the flying technique of the dragon-fly would long ago have led us to a faster, more efficient and more fuel-sparing way of travel, if we had insisted on that such equipment should have a near-zero output, applying the ecological circle principle. Utilising alternative energy sources could be much more efficient and clean today if we long had abandoned fossil fuels and searched for alternatives that directly reveal how much we use our resources. Biomass, as an energy source is superb compared to other alternative energy sources, in the sense that it physically shows what and how we use: the source of biomass is produced within our own territory in visible and measurable quantities. We could live in a much healthier environment today if we had kept away from artificial, unnatural chemicals. By now there is no hope of getting rid of them. Many of today's innovations could not have been foreseen 200 years ago, and, likewise, we cannot estimate how far we could have gone with a direct and determined Nature-driven approach, where technological development follows Nature's processes, and includes all four stages of ecological creation: 'From the revolutions of the natural sciences and industry until the end of the 20th century, the progress of natural sciences and technology has been characterised by the fact that only the producer and consumer structures and functions were transferred to this environment from the human system and consciousness, whereas the *reducer* and *recuperator* structures and functions were not**.'** (Mészáros, 1994). We might not have had electricity – and certainly not nuclear energy. Innovation promoting local community life could have come to the fore. Probably we would possess a fully different set of means governed much more by Nature and spirituality than by materiality.

## 6.3. Complexity

To achieve an appropriate form of organisation, the simultaneous change of multiple factors is needed. For example, establishing and maintaining a sustainable community is difficult because of the external impacts. Consider the consequences of closing elementary schools due to some regulatory inadequacy. To avoid such problems, a large amount of legislation, rules and operational methods need to be modified. Unfortunately, the possibility of creating integrated regulations with a Nature-driven focus is quite weak (Boda, 2004), and so it is essential to promote local initiatives that can provide experience and data for higher-level decision-making.

*6.4. Moving towards sustainable communities*

Western civilisation enforces its own philosophy and perceptions on traditional communities, destroys their viability by abolishing the, often lastingly sustainable, operational structures (Johannes, 2004). The dissolving of local culture is still considered to be a sustainable solution by many progressive thinkers (Prahalad, Hart, 2002). Authors emphasise the importance of preserving local cultures, but designed processes are in fact against them. Eco-village experiments face the same problem. Institutional systems, globalised processes and existing cultural attitudes make the creation of long-lasting sustainable communities very difficult. It is therefore critical that sustainability is accompanied by a level of efficiency that can ensure viability even under current circumstances. Traditional means, common in business can be utilised to measure efficiency (Reinhardt, 1999) and to evaluate these communities. Sustainable settlements or regions can be established by continuous trial and error methods and so constant efforts should be devoted to promote such experiments and to share accumulated experience in order to develop better and more successful communities.

## 7. Sustainable methods – examples

In considering transitional steps, as discussed above, only partial solutions are applied. However, all of our examples are characterised by a 'one step at a time' approach. Initially, methods where community interests are prioritised will be discussed. Impacts on natural environment are either ignored or proved to be neutral or negative in these cases. Secondly, we shall discuss methods actually in harmony with Nature.

*7.1. Eradicating poverty through profit*

This is the subtitle of Prahalad's book, 'The future at the bottom of the pyramid' (2005). One of the main messages is that a single modification to current products is not enough for selling them to the worlds' poor. Products that target the top of the pyramid (currently effective demand) do not satisfy the needs of those living at the bottom. Forcing the sales of such products is a recipe for failure, and so the development of radically new products is necessary for success in the BOP (those at the Bottom of the Pyramid, Prahalad, 2005, p.48) Casas Bahia (Prahalad, 2005, pp. 117-146) is a Brazilian retailer who elaborated a retailing method for poor people with an irregular income. They worked out a new credit analysis and risk management system and they sell top-quality brands through which poor

people can realise their dream of having a product from Sony, Toshiba, etc. Cemex (Prahalad, 2005, pp. 147-168) is the world's largest cement manufacturer who again worked out a special method for the poor to build or extend their homes much faster and more safely with the help of their method. This comprises an element of savings guarding against emergencies together with continuous loan repayment. Interestingly the bad debt ratio in the BOP sector is much better than in wealthier areas.

Hindustan Lever Limited (Prahalad, 2005, pp. 207-240) sells health: they produce soap, and with a good marketing campaign in schools and poor villages they can protect health (via better hygiene) and – in parallel – they generate profit.

In some poor countries (such as India) an innovation was to introduce mini-package goods, including a mixture of products in one package. They realised that people in developed countries can pay for products (such as shampoo, tea, coffee), packaged in bulk. However, poor people cannot pay for these packages due to a lack of financial resources. They have no regular income, since they frequently earn money only on a day-work basis. This small packaging method is a huge success in these countries (Prahalad, 2005, p. 57.) and results in significant profit for both the innovators and multinationals. In India alone 13 billion mini-packs per year are sold (Prahalad, 2005, p. 57.). It is important to note, however, that this is not appropriate from the sustainability point of view since the package itself is plastic and cause huge problems in areas where waste-management is not so developed and the inhabitants are accustomed to throwing away waste (Prahalad, 2005, p. 57.).

A final example is the Bank of Madura which has followed three principles: they allowed the poor people to save money (micro-saving) before taking a loan (micro-lending); people were actively involved in solving their problems and building up a certain level of self-confidence; they selected from among the poorer classes leaders who could command the whole credit process. Promoters in villages choose women with managerial skills and founded self-help groups. These groups take the responsibility for the operation – which they manage together with the Bank. These women learn the basics of transaction governance, capacity, transparency, access and the importance of contracts (Prahalad, 2005, p. 72-73.). These self-help groups operate as the Bank's extended arms – very effectively – and are proving to be a huge help for poor people.

*7.2. Small farm associations*

There are examples trying to set up organisations countering global agricultural processes. In Japan, women experienced the negative effect of cheap food imports

on their home farms and laid down cooperation between local farmers and the local communities. These cooperative communities are called 'Teiki'. This concept went to the USA via Europe where it is known as *Community Supported Agriculture* (CSA). At the beginning of each year community members purchase a financial share, paying a certain amount of money to local farmers, who – in return – provide fresh agricultural produce (e.g., fruit and vegetables) throughout the year. In this way costs and risk are shared also. CSA has resulted in an economically stable supportive relationship (Wright, 2005).

In England the Geography Department at University College London started a project on the status of *family farming* in the UK. They began in the 1980s, covering more than 500 farms (Munton, 2006). They wanted to prove that these small farms have a future even in this globalised and – from their viewpoint – hostile environment. This is realistic due to the fact that small farms are able to produce unique products – of higher value than traditional agricultural products. Additionally, they are more flexible in terms of production. However, financially, they are very sensitive: standard regulations are generally against their interests; in the USA, for example, larger farms receive greater support both in relative and absolute terms (Hassebrook, 1999). A current development is the elaboration of a progressive monetary scheme (Single Farms Payment Scheme) which can be the response to the GATT/WTO negative funding mechanism and might help small farms in their financial stabilisation (Munton, 2006).

## 7.3. Harmonious and competitive

Sustainable communities provide most examples of potential harmonious development tools. The first step is to take the decision to work and live in a truly sustainable way, and the area might pronounce itself as an ecological region thereafter. One example of an ecological region is Cotacachi in Ecuador. In Cotacachi (Oliver, 2003) there are strict environmental rules such as banning the production of genetically modified products, mining and logging around watercourses. They refused an offer from a Japanese company in relation to a mining project and established a co-operative of bio-farms with 300 members. Eco- tourism is important in Cotacachi.

Within real eco-regions there are specific tasks for community design (Corbett & Corbett, 2000), such as to determine an ideal size of a settlement (Moles et al., 2000). Perma-culture (Mollison, 1977) is one of the basic elements of several eco-villages. The word is a contraction of 'permanent' and (agri)culture'. The concept starts with observing the dynamics of natural ecosystems – locally. Later, constructed ecosystems

are planned which can serve human needs without degrading Nature. This process integrates the main actors of ecological processes: plants, animals, landscape, structure, humans into symbolic systems, where elements serve each other[4]. Nature in this process cares for the earth, people and the future. A community's own goals, values and intentions derive from this concept. Permaculture, therefore, satisfies the conditions for working in harmony with Nature in a sustainable way.

## 8. The 'Green Valley' – an analysis of future development possibilities

It is mainly eco-villages who use permaculture – such as Máriahalom[5], Aldina Arts (Oliver, 2003), Findhorn[6], Crystal Waters[7]. However, eco-villages and regions are not very common. Settlements or villages on peripheries are often faced with the decision of whether to follow a money-driven or a nature-driven path. The former forces them to connect to the global economy, which, despite stricter environmental rules, works against harmony with Nature. These settlements are mainly poor in terms of a skilled workforce but frequently rich in resources. The sale of resources is the most obvious solution (cement factory, stone quarry), but these resources are under-evaluated (Korten, 2001); externalities (e.g. pollution) are not compensated (or perhaps only in part, *see* e.g. $CO_2$-trading) by entrepreneurs. The local population and governments have to pay. This type of growth-oriented development is ultimately disadvantageous for the whole region and for local people; few benefit from investment. In line with our reasoning, we examine those settlements where natural resources are in abundance and there is a lack of financial resources. People are, nonetheless, expected to follow the media as they present the current value set of industrialised countries. This is very nearly equivalent to the traditional, money-driven economy.

In order to preserve these existing resources for future generations, people should work according to a sustainable development concept - green and competitive or possibly "harmonious and competitive". *The question then arises: are people living in these areas willing or able to work and live in accordance with those methods against the mainstream?* An examination of the human side was conducted to survey people's

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[4] Cruz, Sandy, Osentowski, Jerome: Permaculture – Sustainable Farming, Ranching, Living by Designing *Ecosystems that Imitate Nature* http://www.crmpi.org/What_is_Permaculture_files/ permarticle.pdf, 5 August 2009

[5] *Élőtér Biofalu – Máriahalom,* www.biofalu.hu, 5 August 2009

[6] *Ecovillage Findhorn, http://www.ecovillagefindhorn.com/;* http://www.geocities.com/cmhensch/ resource/evr-ecov.html#ecov-ecov , 5 August 2009

[7] *Crystal Waters Village,* http://www.ecologicalsolutions.com.au/crystalwaters/overview/overview.html, 5 August 2009

attitudes, well-being and intentions in these areas (Suvák, Pótó, 2006)[8]. These (villages) are in the Green Valley in Baranya County in Hungary. They determined that people like to live in such places. The natural environment itself (in direct terms) does not feature in the most significant elements of the reasons given as main factors in their well being, but health is one of the most important. The authors also stated that people like things that they prepared for themselves, and, consequently, there is an inner need for self-sufficiency. In order to know people's intentions, the authors asked questions about their relationship to the environment and self-sufficiency. The development-related question was: "What would you prefer in the development of the village/area: environmental protection or jobs to be prioritised?" This question asked about the relationship with the environment, whether they wished to develop (get a job) at any price (value 1), or whether the environment had a definite priority (value 5). These values are, of course, extreme, but respondents frequently wanted both – quite obviously. The frequency table (Table 1) is shown below:

*Table 1. Frequency table of preferences of the environmental friendly development*

**What ways would one prefer in the development of the village/area: environment-protection, or employment/jobs are prior?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 1 | 9 | 5.8 | 6.6 | 6.6 |
| | 2 | 12 | 7.7 | 8.8 | 15.3 |
| | 3 | 31 | 20.0 | 22.6 | 38.0 |
| | 4 | 33 | 21.3 | 24.1 | 62.0 |
| | 5 | 52 | 33.5 | 38.0 | 100.0 |
| | Total | 137 | 88.4 | 100.0 | |
| Missing | System | 18 | 11.6 | | |
| Total | | 155 | 100.0 | | |

As stated earlier, five (5) [in the first column – values] means environment-protected development; one (1) means the priority of jobs. The number of people disregarding the environment (values of 1 & 2 in the frequency column) is 21, which is 15.3% of the 137 valid cases. An additional 22.6% is uncertain (value 3), and for others (62%) environment-protection has some degree of priority. This is a good result for an environmentally-friendly development.

The second question was: 'What ways would you prefer in the development of the village/area: self-sustaining or relying on external resources?'. Five means mainly self-sustaining behaviour, while 1 means trust in the globalised world and outside companies. The results are in Table 2:

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[8] The experiment is acceptable as a pilot study, indicating further research on this field.

*Table 2. Frequency table of preferences for the self-sustaining development*

**What ways would one prefer in the development of the village/area: self-sustaining, or external resources?**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 1 | 14 | 9.0 | 10.7 | 10.7 |
| | 2 | 29 | 18.7 | 22.1 | 32.8 |
| | 3 | 43 | 27.7 | 32.8 | 65.6 |
| | 4 | 18 | 11.6 | 13.7 | 79.4 |
| | 5 | 27 | 17.4 | 20.6 | 100.0 |
| | Total | 131 | 84.5 | 100.0 | |
| Missing | System | 24 | 15.5 | | |
| Total | | 155 | 100.0 | | |

Percentages of values 1 and 2, 3, and 4 and 5 are equally about 33%. Population, as a whole, neither rejects nor accepts self-sufficiency.

In order to have a clearer picture of the population, a k-means cluster analysis was run on the database. A K-means clustering method can be used when somebody wants to create well- differentiated groups, where not only variables, but also cases are used for grouping purposes. Groups in this case are formulated by certain types of people (cases) who have different characteristics. In the case of one variable (age), two groups can be the young and the old people, or – in the case of three groups – young, middle-aged and old people. Most important questions were included and tested. The analysis of variance showed at each step the variables that can efficiently formulate groups from the population surveyed. Finally, together with the development questions (variables) discussed above (sustainability – LocExt in the tables, and Environmental – EnvJob in the tables) four variables remained together with the income category (IncomCT) and age (AgeC). In the income category (how much do you earn?) 1 means well below the average, and 5 means well above the average. In the age variable (how old are you?) 1 means below 35 years and 4 (the highest value) means over 56. According to these variable values, five groups were created. The next table depicts the cluster means of these groups - in two ways. In the first part, values are shown, whilst; in the second part of the table, letters show the level of the value. Their meanings are: H – high, M – medium, L – low, VH – very high, VL – very low, MH – medium-high. The number of valid cases processed is 117 (*see* Table 3 for details).

*Table 3. K-means clustering results: a summary table*

```
                        Final Cluster Centres

  Cluster   CASES     LOCEXT      ENVJOB      INCOMCT     AGEC

        1    30.0     4.6000      4.8000      2.0667      2.7333
        2    24.0     2.9583      2.7083      1.3750      1.4583
        3    25.0     2.6800      4.0400      3.3600      1.4800
        4    13.0     4.0000      2.5385      2.8462      3.4615
        5    25.0     1.7200      4.2400      1.9600      3.4000

        1    30.0     VH          VH          L           M
        2    24.0     M           M           VL          VL
        3    25.0     M           H           MH          L
        4    13.0     H           M           M           MH
        5    25.0     L           H           L           MH
```

The first group (the largest) contains 30 cases: self-sufficiency efforts and environmental protection values are very high and incomes are low at ages 48-53. The second group contains 24 cases, with medium self-sufficiency efforts and environment-protection, and even lower incomes, but for the youngest population (below 40). The third group contains 23 people, medium sustainability efforts but high environment-consciousness, highest group incomes and also very young – as the previous group. The fourth is the smallest group with 13 people. They strive to be self-sustaining, but the environment is not so important for them (medium valuation), and they are older. The last group contains 25 people with no sustainability efforts, but high environment-consciousness. Incomes are low, and they are as old as the previous group. The situation is, therefore, not so favourable in respect of self-sufficiency.

About 26 percent (the first group) are willing to deal with both self-sufficiency and environment-protection at the same time; about 20 percent (the second group) are seriously concerned neither with sustainability nor with the environment (medium importance for both questions). Other groups are mixed: the third and the fifth are practically the same, with the only difference being the level of self-sufficiency. The last group totally ignores the issue.

In consequence, we can state that 80 percent of people (everyone apart from group 2) are willing to move, either in an environmentally conscious or in a self-sustaining direction. Less than one third are not really conscious about the environment, and so there is a well-based hope for following an environmentally-conscious model in the Green Valley.

## 9. Conclusion

The main aim of this paper was to show that countries on peripheries should find it worth following a Nature-driven, sustainable way according to Blue Economy

principles in order to have long-term competitive advantage. A new definition of competitiveness was also given. In consequence, we can state that peripheries do have the possibility to follow different paths. The traditional way is "catching up with" developed countries in terms of GDP, wages, productivity etc. This direction, however, is not sustainable and so another, a durable form of competitiveness is elaborated, where the measurement tool is the level of harmony with Nature. In this way we have a choice of formulating a sustainable method. Additionally, following these methods, countries can also be more effective and efficient in the traditional sense. Therefore, during the course of the transition to a sustainable form, the profitability of regions, villages (and, maybe, towns also) will become continue to increase.

Some efficient economic procedures and enterprises were discussed, some of them proving to be sustainable. Non-sustainable forms also contain good innovations to follow a sustainable path, but it is necessary to collect more and more procedures which prove to be efficient somewhere and which could be good examples to follow.

Finally, an analysis of the questionnaire data proved that people living on peripheries are still close to environmentally conscious behaviour, and so there is hope that globalisation processes can be re-directed, if sustainable and efficient subsistence forms are available.

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## The Effects of Liberalisation in Former Regulated Sectors in the European Union – The Case of Power and Financial Industries

### Abstract

In the past decades, a number of industries have deregulated or are still in the process of deregulating in the European Union. The intent in deregulating capital-intensive industries such as telecommunication, banking, and transport is to allow competition to enter the market. Even though the structure of the electricity industries like other network industries may differ technically, economically and institutionally from the banking sector, the process and consequences of deregulation are the same. The electricity and financial services sectors have been officially liberalized but real competition has been slow to take root. While many new companies enter these markets initially, the ultimate result is often an industry that moves from a monopoly to an oligopoly. In this paper, the authors attempt to identify the state of liberalization and market openness of these sectors in the EU Member States and the corporate strategies of dominant actors.

**Keywords**: liberalisation, financial sector, power sector, M&A, diversification

### 1. Introduction – Corporate diversification as a response to market liberalization

In recent decades, affecting all industries have become the elements of globalization, deregulation and liberalization trend. As a result, strategic groups, corporate giants have emerged, which became the focus for the operation of the increased risk reducing diversification. The strategic management literature has traditionally relies on four main strategies of diversification, as Ansoff (1957) outlined: horizontal, vertical, concentric and conglomerate diversification strategies.

Horizontal integration can be defined as ownership or increased control over competitors' (David 1989). In most cases, this strategy is characterized by the merger or acquisition of the competitor. This position is concentrated as the existing products, markets, or both increases the level of corporate activities is included. In case of large firms, this strategy has limitations that may violate the Competition Act. The horizontal growth strategies can be defined as a strategy, which is not related, and unrelated products sold to existing customers. David (1989) differentiates horizontal integration, which includes the acquisition of a competitor, and one that the introduction of new products and services means. This second

category does not include the acquisition or establishment of new units, but fully integrated into the existing company structure.

Vertical integration is defined as the company's business scale expansion, incorporating the activities of suppliers and customers. There are two types of vertical diversification. The first is a backward integration, which entails the acquisition or ownership of the company increased control over supply. The other type, the forward integration, means the control over distributors and resellers. This may involve the purchase of a distribution system, or to set up such a system internally. The main disadvantage of vertical integration is that the supplier is bounded to a single business, even though there may be cheaper producers in the market as well. Technological change also means that the vertical integration brings with it the risk of attachment to outdated technology. Finally, by changing needs, in vertically integrated units coordination difficulties may occur (Hill-Jones 1989). Despite of all this, the cost savings, cost avoidance in the market, quality control and applied technology can be the potential benefits of the strategy.

The concentric diversification means that we give something new, but related product to the company's existing product line (David 1989). The new product technology and marketing aspects are in synergical position with the company's current products. It can be seen that this group has many similarities to the horizontal integration (new but related products are not introduced), as well as vertical integration – regarding the inputs as new related products.

The conglomerate diversification strategies include a category for which there are no obvious technological or marketing synergies, or cross-selling opportunities. This strategy of the 1960s became well known, and is still often arisen in the literature (Porter 1985). Hill and Jones (1989), however, argued that unrelated diversification can bring greater benefit than the related, as the latter increases the organizing difficulties. The diversification strategy is a tool for mergers and acquisitions initiative. Figure 1. shows the driving forces of the application of mergers and acquisitions.

The main driving forces – economies of scale, choice, access to economic resources and efforts – can be completed by the following factors, which in themselves are not turning up the merger-acquisition activity, however, help to create a favorable environment:
• market deregulation and liberalization
• move the customers' preferences for large service providers (search for quality)
• increase in stock prices and low interest rates
• eroded capital base.

Figure 1. Forces of M&As

| Deregulation and liberalization | Pursuit of quality | Share price increases and low interest rates | Capital base |

Economies    of    Economies of scope    Better access to capital, human resources and
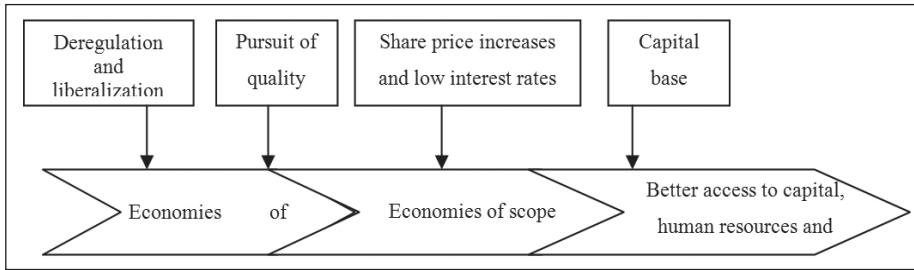
Source: DIBC (2003)

When company executives announced a new merger or acquisition is their intention, the most commonly cited reason is that the newly created business unit, economies of scale provided by the realization of cost synergies will be able to. The reason is that the larger units can be more efficient for smaller ones. This is due to the fact that many of the cost of operation do not increase proportionally with the size of the company. Obvious examples are the brand and support structure, a highly specialized product development, information technology system to establish and maintain the distribution network and asset management. Typically, larger companies seem easier to attract adequate employee, equity capital and external funding. The larger companies re-configure more easily their business portfolio, ceasing product lines and activities that are making losses and are not part of the group's strategic thinking. In addition to economies of scale lead to the consolidation of the organizational profile of economy development as well. This may result from the fact that the combined business units are also able to continue to become a party goes beyond the individual profile. If the mergers and acquisitions are successful, – the efficiency increases – then the product or service mix improving, and have better access to customers, and all the shareholder value and return on equity increases (Welborn 2004). Furthermore, when a group diversifies the risks of diversified business lines, it usually reduces the volatility of profits, and thus the capital cost. In addition, if the groups are showing an intensive financial strength, this means they take a lot of advantage. They will be able to share capital, and obtaining other external sources for lower cost, to carry out easier investments and divestments.

Arising equity markets and low interest rates generate favorably environment for mergers and acquisitions. The recovery of stock markets blow up the capital base of undervalued companies is particularly favorable target for the expanding groups. Mergers and acquisitions integrate the know-how in one organization, but it can also cause major problems of integration. Any alternative costs occurring in acquisition,

it should be compared with the costs that are occurring in the case of new entry. In many cases, new entry provides more flexibility in planning new services, and in shaping and developing the specific distribution form to the energetic environment.

## 2. Market liberalization in the European Power and Banking Sectors

There is no successful banking system reform without macroeconomic stability, corporate sector restructuring, and regulatory reform (Szapary 2001). The deregulation of financial markets and the liberalization of international capital flows are important in respect of the structural changes in the European Union banking sector. The banks from the EU are looking for new profitable markets in the new EU member and candidate countries and liberalization policies enable banks the entry in the transition countries of Central, Eastern and South-Eastern Europe (CESEE). Due to the expansion of foreign banks (from EU member states) in CESEE countries began a significant growth with an intensive M&A activity. The opportunity of high profitability in CESEE countries is very attractive for EU banking sector, and due to the structural and legal changes it is a good basis for the expansion into the region. An another reason for the expansion is the interest gap between CESEE countries and EU members, what causes high capital flows between EU member countries and their subsidiaries in CESEE countries. In statistical point of view we highlight the data of Hungary in comparison with EU members and peripheries in Balkan as Croatia, Serbia and Bosnia and Herzegovina. There are some similarities in the development of Hungarian transition and the above mentioned peripheral countries. The liberalization and privatization process was the beginning of the transition process and the presence of foreign banks has been multiplied from 2000 to 2009. The share of state-owned banks declined to less than 15% in every country as in Hungary. (Cetkovic 2011)

The deregulation and liberalization process in the Euro Area banking sector is also evident, as total banking assets have been rising in relation to GDP during the period 1997-2008 (RMF 2010: 38). Another driving force of the expansion can be the high profitability potential in Balkan countries. We use as measures of the profitability two ratios: return on assets (ROA) and return on equity (ROE). It can be seen that as EU member country, Hungary has high ROE and ROA values, and the presence of foreign owned banks is very high, more than 95%. This tendency is likely to achieve in Balkan countries, in respect of the values of ROE and ROA in Croatia and Serbia.

*Table 1. ROA and ROE in the banking sector in %*

|  |  | 2000 | 2004 | 2009 |
|---|---|---|---|---|
| Bosnia and Herzegovina |  |  |  |  |
|  | *ROA* | -1,8 | 0,7 | 0,1 |
|  | *ROE* | -7,0 | 5,8 | 0,8 |
| Croatia |  |  |  |  |
|  | *ROA* | 1,3 | 1,7 | 1,1 |
|  | *ROE* | 10,4 | 16,1 | 6,4 |
| Serbia |  |  |  |  |
|  | *ROA* | - | -1,1 | 1,0 |
|  | *ROE* | - | -5,4 | 4,6 |
| Hungary |  |  |  |  |
|  | *ROA* | 2,56 | 1,9 | 0,6 |
|  | *ROE* | 1,4 | 15,5 | 8,3 |
| EU banks (all domestic banks) |  |  |  |  |
|  | *ROA* | 2,4 | 0,5 | 0,01 |
|  | *ROE* | 9,8 | 12,21 | 0,5 |

*Source: Csillik (2006); MNB (2010); CBBH (Selected FSIs for banking sector), CNB (Banking sector, Standard presentation format), NBS (2010, 2009), IMF (Financial Soundness Indicators - FSIs, Global Financial Stability Report, various editions) in Cetkovic (2011); ECB (2005, 2010)*

*Table 2. Transition indicators in selected countries*

|  | Bosnia and Herzegovina | Croatia | Serbia | Hungary |
|---|---|---|---|---|
| Enterprises |  |  |  |  |
| Large-scale privatisation | 3 | 3+ | 3- | 4 |
| Small-scale privatisation | 3 | 4+ | 4- | 4+ |
| Governance and enterprise restructuring | 2 | 3 | 2+ | 4- |
| Financial Institution |  |  |  |  |
| Banking reform and interest rate liberalisation | 3 | 4 | 3 | 4- |
| Securities markets and non-bank financial institutions | 2- | 3 | 2 | 4 |
| Infrastructure | 3- | 3 | 2+ | 4- |

*Source: EBRD (2010)*

To complete the financial indicators we collected some transition indicators to show a general aspect of the analysed countries. The Transition Reports (EBRD 2010) provide a set of indicators that show where countries stand on the transition path. The scores for each indicator range from 1 to 4+, where 1 means little or no

progress in transition, 4+ is equivalent to advanced market economy. The scores help to place the countries in the transition process, and to compare with neighbouring states. We can highlight the comparative advantages, where to invest, and growth.

*Table 3. Sector transition indicators*

|  | Bosnia and Herzegovina | Croatia | Serbia | Hungary |
|---|---|---|---|---|
| Energy |  |  |  |  |
| Natural resources | 2 | 4- | 2 | 4 |
| Sustainable energy | 2 | 3- | 2 | 3 |
| Electric power | 2+ | 3 | 2+ | 4- |
| Financial sectors |  |  |  |  |
| Banking | 3- | 3+ | 3- | 3+ |
| Insurance and other financial services | 2+ | 3+ | 3 | 4- |
| MSME finance | 2+ | 3- | 3- | 3 |
| Private equity | 1 | 3- | 2- | 3 |
| Capital markets | 2- | 3 | 3- | 3+ |

*Source: EBRD (2010)*

We cannot ignore the impact of South-Slavonic war, but as we can see all CESEE county started to develop dynamic. Bosnia and Herzegovina is the less developed, but the transition process is the youngest there. Croatia and Serbia have started the transition more years before, what the indicators shows us spectacularly. They have a lot of resources to manage their needs, and these countries are preferable destinations for tourism, investments, capital flows and take a bridge between east and west. These countries have an optimal infrastructural development process, except of Serbia. Price liberalisation and trade and foreign exchange system are well operating, but competition policy needs more attention. Comparing with Hungary, regarding to the Hungarian transition, it can be an exact example for CESEE countries, and the basis of a closer cooperation.

Until the 1990's power sector was characterized with the prevalence of vertically integrated utilities and the strong impacts of national governments. The main motives, which were always based on the aspects of infrastructural investments, can be summarized as follows (Chao et al 2005: 30.):

• Power is a public good which is essential for economic development, serves basic social needs, and can not be or hardly substituted. In order to guarantee the safe, efficient and reliable supply governments must play active role in the sector.
• Transmission and distribution activities are natural monopolies, their duplication must be avoided, except where it improves grid security or service reliability.

- Economies of scale: natural monopoly must be extended to generation, because of the large size and capital intensive nature of power units.
- Economies of scope: tight control between different activities in the supply chain provides such gains like that standards, technology, information systems, and skills used for one activity are applicable to other kinds.
- Economies of transaction costs: Investments are irreversible, have long lead time, physical assets can not be used for other purposes. As the contracts between the different stages of the supply chain are not able to cover all the non-expected facts, they represent high risks, vertical integration and government regulation is necessary.
- Electricity can not be stored in large quantities and the balance between supply and demand can only be guaranteed by governmental intervention.

In the last decades the electric sector has undergone a major structural change all over the world. Although liberalization, deregulation and disintegration processes are different, the economic logic is the same: instead of treating vertically integrated utilities and natural monopolies as the basic elements of the system, the competition in production and retail markets can create the possibility of free choice, support the diffusion of different generation technologies and supply structures, and to decrease the price of power. The development of generation and infocommunication technologies, the reduction of the networks' asset-specification, and the effort of government to withdraw from infrastructural industries and to separate social, economic, political and industrial regulations also contribute to this trend.

In the European Union, the process of liberalization started with the introduction of the first (96/92/EC) power directive. The aim of the directive was to create the single European power market by introducing market mechanism and common regulations regarding power production, transmission, distribution, and retail activities. In 2003, with the second power directive (2003/54/EC) the EU sets number of objectives to be achieved for the Member States. These include the creation of an independent sector regulator, Transmission and Distribution System Operators (TSO, DSO) had to be set up, the minimal degree and dead-line of market opening, the legal unbundling of transmission and distribution businesses from competitive generation, free access to the grid, free enty to the generation and retail business, markets, and the promotion of renewable generation.

Theoretical and empirical surveys (e.g. Finon – Glachant 1999; Genoud – Finger 2004; Correljé – De Vries 2008) stress that interpretation and implementation of the directives and guidelines of the EU are differ in the Member states with respects to their commitments, strategic concerns and institutional backgrounds. In order

to illustrate the differences regarding the degree of liberalization of the electricity sectors in the Member states, six aspects – degree of market openness, ownership structure, market concentration, TSO and DSO unbundling, and end-user price regulation – have to be investigated. It is traditionally argued that a liberal system requires a fairly decentralized and dominantly privately owned industry, provide full market access to all customers, and there should be a complete split between monopolistic and market-exposed functions.

*Figure 2. Degree of liberalization of the European electricity markets*
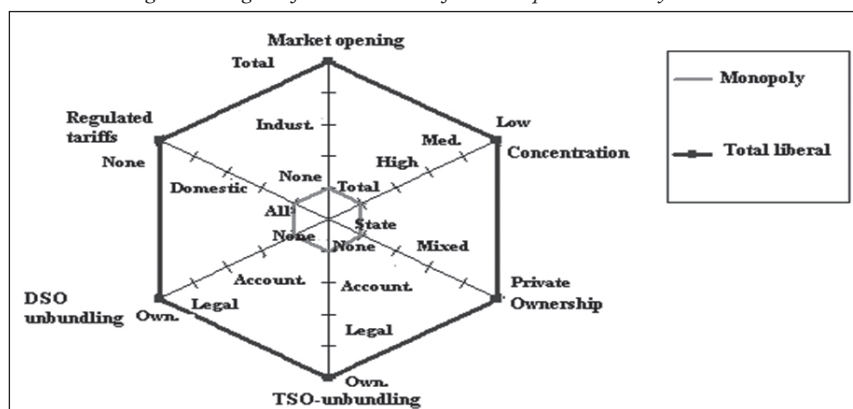


*Source: own model based on Midttun (1996: 283)*

As Figure 2. shows, the closer a country's score on all dimensions to the origo, the more regulated it is. On the contrary, in the case of fully liberalized markets, the score on all dimensions are close to the periphery (Midttun 1996). Based on EC (2009) we created the figures of the EU Member States and of SEE countries (*See* Appendix A). The nature of ownership (ratio of private and state ownership) and the degree of market concentration (using $Cr_{(1)}$ to the market share of the largest company) were determined to the electricity production activities. The degree of market opening reflects the electricity consumed by customers given the choice of their electricity supplier as percentage of total electricity consumption. The unbundling of regulated and liberalized activities were determined by the type of unbundling (acconting, legal, ownership-based) in the respect of the transmission (TSO) and distribution (DSO) operators. Finally, price regulation represents the utilization of regulated tariffs (none, for households, for all participants) in the given country.

According to the figures of the Member States, three categories of countries can be distinguished. In the *first group* of countries (Malta, Latvia, France, Cyprus, Greece, Estonia, Slovenia, Ireland) electricity markets are characterized with

high market concentration, monopole or quasi-monopole position of actors, low unbundling and the use of regulated tariffs for all consumers. The *second group* contains those countries where the electricity market is quasi fully opened, and moderately concentrated. The unbundling of network activities are different among the countries, and regulated tariffs are utilized at least for the households (with the exception of the Netherlands and Czech Republic). Ex-socialist countries, which previously highly depended on Russian energy markets (Hungary, Czech Republic, Poland, Lithuania, Slovakia), and western European countries, where several companies dominated the national market before the waves of liberalization, fall to this category. These countries reflect some regional specifications too (e.g. southern region: Italy, Spain, Portugal; north-western region: Austria, the Netherlands, and Belgium). Electricity markets of Great-Britain, Norway, Sweden, Finland and Denmark are the most liberal, but DSO unbundling in this *third group of countries* still has to be waited for. *The SEE electricity markets* have been given a clear reform model from the EU, have access to large amounts of technical assistance. In most of the SEE countries there is only one dominant, state-owned generator, the market is very close to a monopoly. Distribution and supply are typically also dominated by one company, although there might be some small distributors. Albania, Croatia, FYR of Macedonia, Serbia and UNMIK have legally unbundled TSOs. Bosnia and Herzegovina has ownership unbundled ISO and TRANSCO, while Montenegro has a functionally unbundled TSO. In Croatia, there is a separate market operator, but the transmission operation is part of the national champion, the HEP utility. The unbundling between generation and distribution has not reached as far. In Albania KESH Distribution is unbundled, and privatized. In FYR of Macedonia the distributor is owned by EVN, but ELEM, is required to sell at regulated prices. Among the remaining countries generation, distribution and supply are legally unbundled.

## 3. Corporate strategies of the dominant players in the Power Sector

In monopoly conditions markets were relative stable, tariffs were set by the governments, and several countries these vertically integrated utilities were state-owned. Companies have fix product-market combinations (they provide homogeneous products to their service areas), their development and investment decisions limited to their assets. Tactical plans concentrated to the solution of technical problems, and to the optimalization of their production, transmission and distribution capacities. On the contrary, in liberalized circumstances companies have to rethink the role of corporate strategy and tactical planning (Woerd–

Lise–Becker 2004). In response to the effects of globalization, the regulatory and structural challenges of the industry, the growing pressure from financial markets and corporate shareholders, the convergence between gas and electricity sectors, the increasing bargaining power of new entrances and previously captured consumers utilities of large market share concentrating their efforts to protect and enhance their positions. In such a capital-intensive sector, the value of annual depreciation is high enough to provide high cash-flows to the firms (with even lower profits), which can be the base of expanding their activities. In the recent decade, electricity companies with high market share have utilized their sources to finance the enhancement of vertical integration, their size and position, and – thanks mainly to the convergence between gas and power industries, – related diversification.

*In order to illustrate the growth strategies of dominant power companies, the method of strategic grouping can be used.* Strategic groups are organizations within an industry with similar strategic characteristics, following similar strategies or competing on similar bases (Garinaldi 2008). Strategic group maps help understand the similarities and differences in the strategic characteristics of firms. Strategic characteristics can be the degree of vertical integration, variety, geographical coverage, product quality, technology-base, market segments, or organizational size, etc., any aspect which is especially relevant to the history and the forces at work in the environment of a given sector. It also helps to identify the most direct competitors of a given organization, the strategic gaps where companies can move, and the potential opportunities and threats to an organization (Ilosvai 2008).

Figure 3 represents the strategic group map of the major power companies in the EU in terms of *vertical integration*[1] *and diversification*[2]. The analysis extends to the 16 energy firms with the highest market share in the European electricity market (EDF, Enel, E-ON, GDF-Suez, Forum, Vattenfall, Verbund, RWE, Iberdrola, CEZ, Statkarft, Dong, GasNatural-Unión Fenosa, PPC, EVN and EDP), and the calculations are based on the annual reports of the companies in 2001[3] and 2008.

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[1]  In order to calculate the vertical integration of a given firm we determine the rate of power production and retail activities, considering the quantities of the firm's own production and the sales to end-customers. The company is vertically integrated if the rate (y) is 1, if 0,5≤y<1,5 the company's own production is higher than its retail activity. If y<0,5, the company concentrates on the power production function, if y>1,5 the company follows a retail-oriented strategy.

[2]  We calculate the horizontal integration of the companies according to the Herfindhal Index ($D = 1 - \sum_{i=1,N} p_i^2$) by determining the contribution of the revenues of the different divisions (business units) to the firm's total revenue. If TD≤0,2 the company concentrates only to one business unit (Acar – Sanakaran 1999).

[3]  In the case of Iberdola and Statkraft instead of 2001 we use 2004, in the case of GasNatural - Unión Fenosa and GDF-Suez only the position in 2008 was determined. Regarding Dong it should be noted that the company's position in 2001 represents the firm's integration in the gas industry.

Six strategic groups of companies can be distinguished in terms of vertical and horizontal integration:

- The first group which includes four companies (namely E.ON (6), RWE (13), GDF-Suez (9), and Dong (2*)) is characterized with high degree of vertical and horizontal integration. (It should be noted that Dong which was originally a dominant player of the European gas industry utilized the combination of internal and external development to enhance its position in the power sector, and GDF-Suez was the result of a merger of a dominant power and a major gas company).
- The group of vertically integrated and moderately diversificated companies includes Iberdrola (11), ENEL (5), EDF (3), Vattenfall (15) and Fortum (8).
- The third strategic group contains CEZ (1) and PPC (12), the vertically integrated national champions operate only in the electricity industry.
- Stratkraft (14), Verbund (16) and EDP (4) represents the strategic group specialized to electricity production.
- The merger of Gas Natural and Unión Fenosa (10*) creates the fifth strategic group with high diversification and mainly power production focus.
- EVN (7) is the only company in the survey which follows an intensive non-related diversification strategy and regarding the power sector it concentrates on the retail activities.

*Figure 3. Strategic group map of the dominant players
in terms of vertical and horizontal integration in 2001 and 2008*
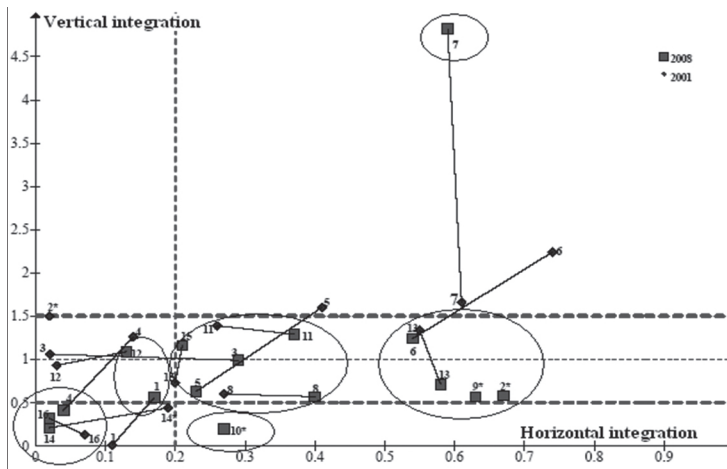


*Source: own calculation based on the annual reports of the companies*

Figure 3 also represents the companies' position in 2001; therefore the map gives an indication of how these firms moved in the period under survey. As a reaction

to the challenges and liberalization efforts of the last decades the companies in the first five strategic groups increased their vertical integration. These companies made significant efforts to enhance the integration between production and retail activities. In order to nurse their intensive growth strategy related to their position in the electricity market, and to protect their credit-classification after the financial crisis in 2008, most of the companies previously characterized with high degree of diversification made these efforts at the expense of their presence in other, non-related industries or sectors. However, as the map shows, the opposite can be said to the companies with less diversificated operation (e.g. EDF, CEZ, Fortum or Iberdola), and although EVN, PPC, Vattenfall and CEZ expanded their production capacities, they took more important steps to increase their share in the power retail market.

*Empirical surveys also highlight that because of the limited potentials of internal development* – programs aiming to increase efficiency have only small cost-saving results, growth rate of electricity demand losing its speed in Western Europe (rate of about 2,1%), lead time and return time of investments are too long (10-30 years) - *dominant firms utilize the tool of M&As and strategic alliances[4]. External development makes them possible to capture missing skills and competencies, and at the same time capacity and market share enhancement can be realized quasi immediately.*

The survey of Codognet et al (2002) shows that between 1998 and 2002, in order to protect their position in their home countries, leading power companies preferred the in-border M&As, which resulted in the consolidation of the national markets. According to PwC (2009) although after 2002 national M&As still have been significant, since 2005 the numbers and the values of cross-border M&As have doubled annually, which supports the nationalization of gas and power industries. In 2008, 41 out of 325 transaction moves by European bidders were for targets outside Europe, from which 24% were power investments in the Russian Federation (with the leading role of Fortum and RWE) (PwC, 2009)[5]. Regarding the in-sectoral and cross-sectoral M&As, we can state that since 2000 the rate of cross-sectoral M&As has been growing, in 2003 and 2004 it reached the 75% of the total transactions (Verde 2008). Verde (2008) stresses that two main trend can be drawn from these data. Firstly, there is a tendency towards the creation of Pan-European players and national champions, and secondly dominant players try to gain important weight at European level before liberalization is fully implemented. If the markets become completely liberalized, and the infrastructural investments allow the creation of the European single market, benefits from high geographical

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[4]  Several vertically integrated companies have created alliances with leading regional distribution firms
[5]  Asian markets, – because of the expected higher demand growth rate – are the main target of the companies following intensive expansion. (PwC 2009).

coverage and diversified operation can guarantee the protection of market position and the realization of learning effects, and it can lower the risks of being taken over by competitors. However, companies can expand their activities by M&As only if it contributes to the value creation and reinforcing the firm's financial position.

## 4. Conclusion

The intent in deregulating capital-intensive industries such as telecommunication, banking, and transport now is to allow competition to enter the market in almost all European Country. Even though the structure of the electricity industries like other network industries may differ technically, economically and institutionally from the banking sector, the process and consequences of deregulation are the same. The electricity and financial services sectors have been officially liberalized but real competition has been slow to take root especially in SEE countries. As these markets become really opened for competition thanks to the growth strategies of dominant European utilities, ultimate result will be definitely an industry that moves from a monopoly to an oligopoly.

## Appendix A

*Degree of liberalization - Group 1.*
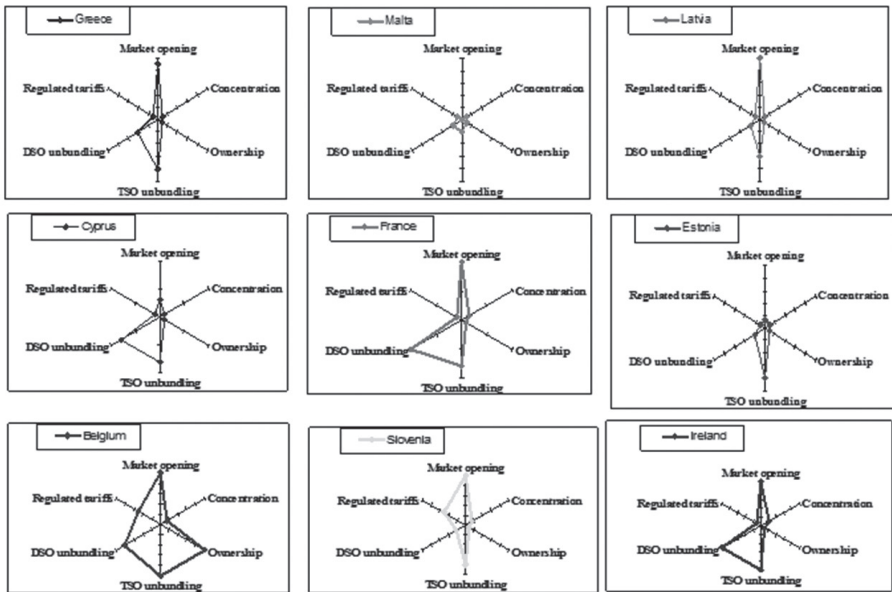
*Degree of liberalization - Group 2.*
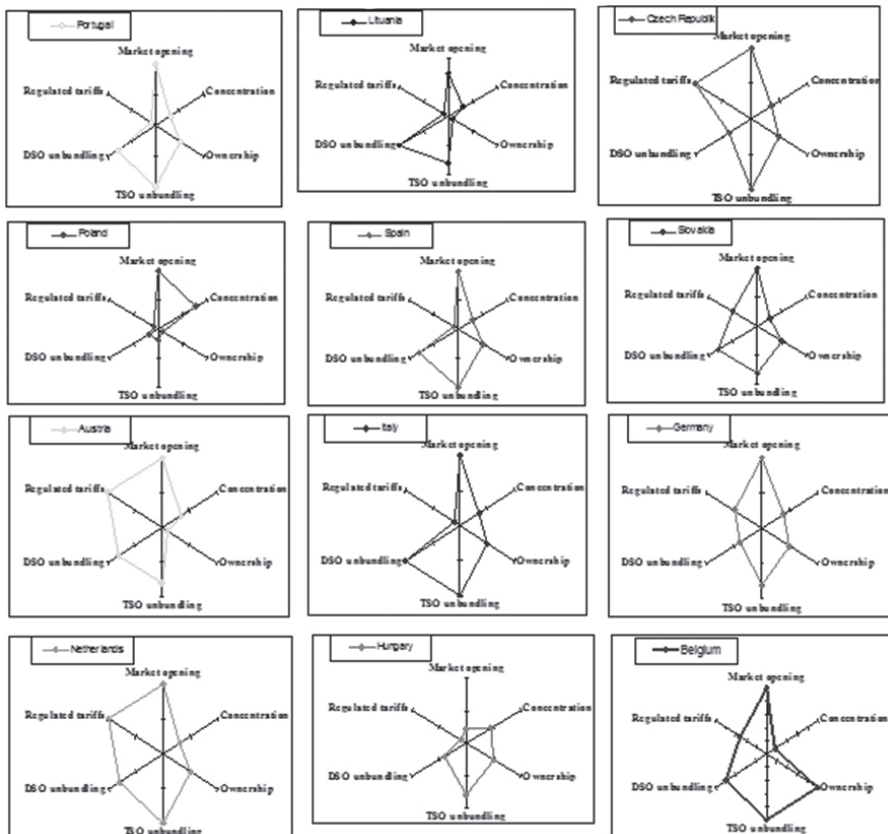
*Degree of liberalization- Group 3.*
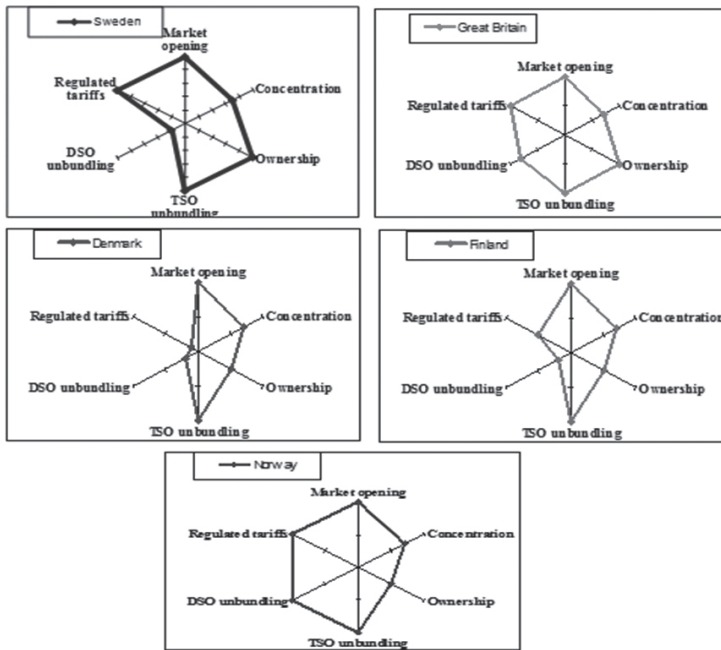


*Degree of liberalization- Group 4.*
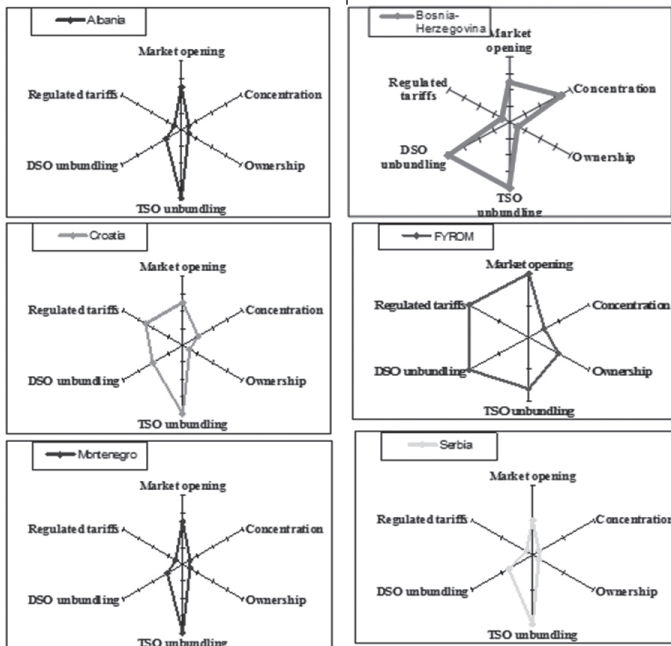
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# Environmental Sustainability: Viable Quality of Life Factor for Medium Sized Cities on European Functional Peripheries?[1]

## Abstract

What is the future of small and medium sized cities (SMC) in the age of metropolitanisation? What can be the new breakout points that can insure a meaningful function for SMCs in the new metropole-focused division of labour? The concept of high quality of urban environment and amenities, more specifically urban natural environment as a part of the amenity-mix is receiving increasing attention. Urban environmental quality is becoming a location factor for firms that employ highly educated, innovative workforce. Steps are made in cities to build upon this factor and use it in the pay of their competitiveness. The paper investigates what role a strategic focus on urban natural environment can play in the adaptation to global patterns of location factor development and in endogenous economic development.

**Keywords**: medium sized cities, urban planning, environmental sustainability, quality of life, urban functions

## 1. Changing economy – changing spatial patterns

The interplay of economic development and spatial structure has resulted in changing patterns of urban forms, land use and urban-rural relationships. The industrial revolution in the 19th century gave the start for urban growth, the first manifestation of which was a heavy concentration of population and economic activity to the core areas. Technological modernisation gave new horizons to industrial production and at the same time saved labour in the agriculture sector that could be employed in factories that were first built in cities. The accelerating urbanisation in Europe has been followed by an ever-increasing extension to the fringe areas. In the background there are two factors that constantly affect and shape spatial manifestation of economic growth: the first is the increasing value of land in the central areas, only affordable for the economic sector and less for households, the second is the persistent desire of people to live and work in more

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pleasant areas (Howard, 1898). The latter one was especially important in the time of very pollutant industry. Sprawl has been assisted by the rapid development of transport infrastructure and automobility (Van den Berg et al. 1982; Cheshire 1995; Antrop 2004).

The tendency of sprawling urban growth both in terms of population and economy seemed to turn back in the 1970s, and the revival of urban centres in most European countries has been reported (HallHay 1980, Pichler-Milanovic 2008). However, the impact of suburbanisation has been permanent, spreading the urban lifestyle and creating very mixed landscapes with much land occupied by built in areas and their accessory infrastructure.

Economic liberalization, the declining role of the nation state and the nature of the post-industrial, knowledge based economy raised regions, and even more, cities to the scene of global flows. Cities are much more self-dependent than they were at the time of the great restructuring after the Second World War, and with their autonomy to attract business to their territories they have became stakeholders in global processes. The resulting regional competition and specialisation led to new opportunities for economies of scale, best to be utilized in urban centres, causing and feeding upon large concentrations. (Newman–Thornley 1996; Amin 2002; Healey 2007; Somlyódyné 2008; Szijártó 2010; van den Berg et al. 1998).

The development of the global economy created worldwide networks of economic activity, with fragmented production processes and control functions often spatially divided from production and commercial functions. It is more rare than often that a place is not involved in this worldwide economic network. The importance and the position of cities in this flux depend on the *functions* they fulfil. The new spatial gravity points of the economic flux are the global metropoles. They not only attract workforce and inhabitants from the less centered territories, but due to their level of concentration supply functions that smaller cities are not able to provide any more. (A BBSR study on European metropoles distinguished five functions: politics, economy, science, transport, culture.) Metropoles are also a formative element of the morphological structure – metropoles are agglomerations that concentrate people, infrastructure and public institutions (BBSR 2011). Across Europe, these concentration areas are located in a "bunch", most commonly named the "blue banana" (Figure 1.). On the other side of the coin, there is an abundance of urban landscapes with no global economic functions, and with shrinking local significance. Europe's map of "important places" has become a highly fragmented one, with only few places being of global importance, and many, even of a considerable size that are "economically irrelevant", virtually "off the map".

*Figure 1. Blue Banana – concentration of economic activity in Europe*
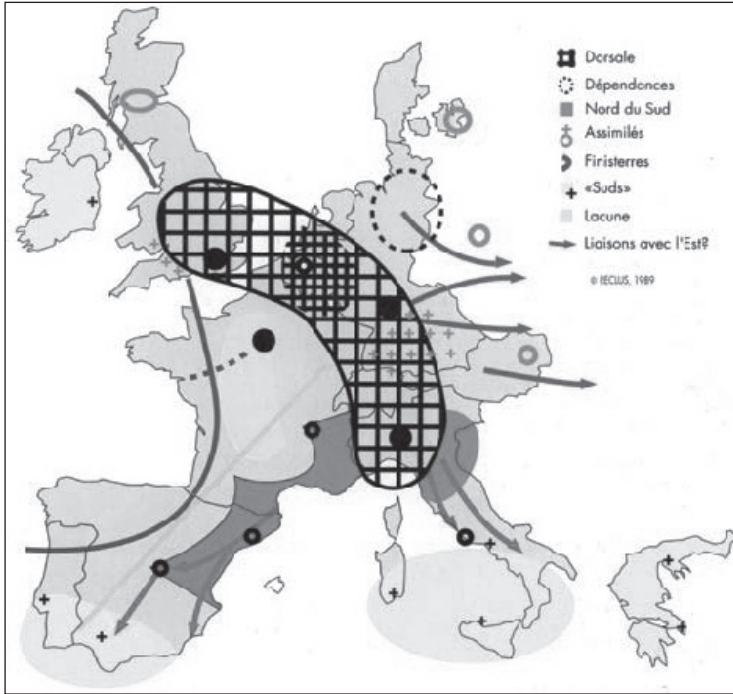


*Source: BBSR 2011*

## 2. Impacts on spatial planning – polycentric development

Economic and spatial processes impacted on paradigms of spatial planning. Previously regional policy was used as a balancing power, concentrating on lagging behind, backward, peripheral areas – both on the level of national as well as European Union level. In the past two decades the focus is shifting towards the dynamically developing regions, and the balancing role is replaced by the concern for competitiveness. Metropolitan areas are increasingly viewed as motors of development in which economic growth, innovation and development is given birth and then cascaded downwards on the urban hierarchy towards smaller and less developed places. Meanwhile economic processes take place within flexible and unsteady networks. The spatial planning concept that is based upon this logic is called polycentric development concept, and has been fostered on EU level since the publication of the European Spatial Development Perspective in 1999.

   This new logic requires and builds upon new forms of spatial co-operation, new government structures and new analytical approaches. Instead of fixed, rigid

structures the spatial frame of activities is a flexible territoriality, the frontiers of which are ever-changing depending on the content they have (Csák 2011). This flexibility and dependence on the content was met when a function based aspect replaced indicators such as population or economic performance as bases for territorial analyses and thus for any kind of governmental, service provision or development intervention. The function based distinction is primarily used in the case of metropoles which is justified by the fact that metropoles are not placed at the highest rank of the urban hierarchy solely because of the extent of their sphere of attraction or the size of their economy or population, but the functions they fulfil in the global economy (BBSR). However, the logic that has been initiated by the need to have a distinctive regard on metropolitan regions has also been applied on the lower levels of the urban hierarchy. As a common result of both the spatial patterns of urban growth (suburbanisation, agglomeration), the emerging polycentric concept and metropolitanization, flexibly frontiered *city-regions* are becoming the basic unit of spatial planning.

The logic that recognises metropolitan regions as motors of economic development and that renders priority to the prosperity of these territories implies that territories on the lower ranks of urban hierarchy are subordinate, and that the logic of development (namely polycentric development) suitable for metropolitan regions will be applied for minor places too. Small and medium sized cities are viewed through the glass of metropolitan development approaches and their reason d'étre will be decided either according to their centrality functions or according to the "support functions" they might be able to provide for the "higher class" territories. An inherent view of policentricity is that a net of smaller cities can take the function of one large metropole. However, it is questioned whether a set of small or medium sized cities can act as a large city regarding the very functions that make a metropolis a metropolis (Meijers 2008).

However, a great variety can be seen in the realisation and goals of polycentric development in different countries. An effort towards viability of smaller towns can be seen in the Scandinavian territories where the aim of polycentric development is to serve the strengthening of small and medium sized cities in rarely populated areas. In Germany its aim is to strengthen an already polycentric settlement structure. In France the goal has been to strengthen second rank cities to balance the overwhelming power of Paris (BBSR).

## 3. Small and medium sized towns in focus

How can a small or medium sized city define itself in the metropoles-led urban network? On one hand if the city regards itself from "above", the rules of the game are seen from the level of the metropoles. Considering the functional variety that metropoles have and with which smaller cities are not competitive, they will have to look for "niche" functions less available in metropolitan regions to be compatible with the system. At the same time they can focus on the functions they can supply for their surroundings. However, if the main concern is to be competitive within the global economy defined urban hierarchy, it will require connection points, facilities and functions that the smaller city can provide in the network, and it will require sacrifices, since all activities and functions that are of little use for the higher levels will have no priority and are not going to be fostered. Certainly, this necrosis does not apply for the smaller scale services that the city might provide for its surrounding and for the infrastructural and public services (provided by state level) of which the city might be a service-hub. Thus, conforming to the metropolis-led order can result in a spatial pattern with functionally highly diverse metropoles surrounded by functionally monocultural small and medium sized cities. This monocultural pattern is affirmed by the BBSR study on metropolitan regions, according to which the main "accessory" functions are transport, science or culture. Indeed, there are several metrolpoles that are themselves highly specialised for one or a couple of functions.

On the other hand SMCs can contest or disregard the fact that they are embedded in an urban hierarchy and can concentrate on the most efficient allocation and employment of their resources, coupled with the resources and needs of the surrounding areas. A development based on this perspective will involve a functional diversity, albeit of a much smaller scale than metropolitan areas have. New waves of local economic development concepts, local food production and short food supply chain visions support this perspective. However, contesting the overwhelming power of centripetal forces of metropolitan areas and combating state level redistributive functions that force local organising powers into rigid frames is a great challenge for cities. In the former, efficiency is measured along metropolitan functions, and spatial structures are defined along the needs of metropolitan operation. In the latter the main aim is to provide the same level of public services for all citizens in a way that is most efficient for the service provider and least demanding for citizens in terms of accessibility. The suitable spatial frame of organisation for these redistributed goods is the administratively bound, rigid

grid of units that fill out the whole area and that does not tolerate any overlaps. Both aspects enforce a logic different from that of bottom-up organisation forms.

## 4. Relations with environmental sustainability

As the majority of European (as well as the world's) population lives in urban areas, the organisation and operation of these territories is crucial for environmental sustainability. The importance of environmental sustainability is not discussed in this article, it is accepted as an ultimate good.

Environmental sustainability is manifest in the above mentioned two SMC strategies in different forms. In the second strategy, with local aspect and independent development motives it can be supported by cost saving concerns coupled with an integrated view of local development that considers energy supply and resource management. A large diversity of literature deals with the possible connection of local development and environmental sustainability. This paper will in the followings focus on the relation of environmental sustainability with the No. 1. strategy described above, namely adaptation to the urban hierarchy that is defined by the spatial manifestation of global economic processes.

The starting point for this inquiry is that a substantial niche for SMCs to compete and complete the functions of metropoles is liveability or quality of life, a factor that has contributed much to people's flows both in the United States and Europe in the recent decades (Chen-Rosenthal 2008). Quality of life is a compound of several further elements. Special services, cultural environment, liveable city structure, favourable climate and environmental excellence are most frequently mentioned (Bonaiuto et al 2006). Natural environment (closeness to nature, urban green areas, environmentally smart city infrastructure) is a factor thought to have a value of its own and to attract residents and businesses (Rusche et al. 2010). Quality of life factors are thought to have especially great value for highly educated, creative people and ensuring an outstanding quality of life would attract people from the "creative class". The following section investigates whether small or medium sized cities are in better environmental conditions than great metropoles and whether environmental sustainability is a determining element of the quality of life mix.

Three databases are used for the analysis. The first is Urban Audit that provides comprehensive data for almost all European cities. The second is processed data gained from the Smart Cities project carried out in 2007 (Centre for Regional Science 2007). The third is the database of the BBSR publication on European metropolitan areas formerly mentioned.

The smart cities index uses 74 indicators grouped under six characteristics to rank a total of 70 European cities. The six characteristic are: smart economy, smart governance, smart environment, smart people, smart mobility and smart living. The 70 cities are ranked according to all the six characteristics, and an overall smart city rank is also calculated. Comparing the ranks of the individual characteristics (with Spearman's correlation analysis) an interesting picture is gained. Smart living was the factor that contributed to the overall rank in the highest volume (corr coefficient: 0.923). All the characteristics showed significant and strong correlation with each other, excluding the smart environment characteristic. (Smart environment included factors regarding the attractiveness of the natural conditions, pollution, environmental protection and sustainable resource management.) The rank for smart environment showed no relation with ranks of the other five characteristic. Smart environment was the characteristic that contributed the least to the overall rank of cities (corr coefficient: 0.377). Table 1. shows the strength of correlation for some of the characteristics.

*Table 1. Spearman correlation of city ranks for the six smart characteristics*

| Spearman: | Smart economy | Smart people | Smart governance | Smart mobility | Smart environment | Smart living |
|---|---|---|---|---|---|---|
| Smart people | 0,47 | x | 0,7 | 0,64 | not sig | 0,67 |
| Smart governance | 0,66 | | | | | |
| Smart mobility | 0,59 | | | | | |
| Smart environment | not sig (high) | not sig (low) | 0,36 | not sig (low) | x | not sig (low) |
| Smart living | 0,66 | | | | | |
| City rank | 0,74 | 0,78 | 0,91 | 0,85 | 0,38 | 0,92 |

At the same time, comparing the smart city ranks with the BBSR metropolitan rank (18 cities out of the 70 are listed on the metropolitan rank) the result is that smart city rank is in connection with metropolitan rank[2] (corr coefficient 0.516 on 0.01 significance level). This implies that the smartness of cities, in which liveability is a determining factor, is rather linked to metropolitan than to smaller cities.

Urban audit data allows to investigate the environmental state of chosen cities. A total of 229 cities fell into the category of a population 100.000-500.000. Indicators were chosen to describe the state of their natural environment (a benchmark for urban environmental assessment was provided by the Sustainable Cities Index (Forum for the Future 2008)). Since in some of the factors the data were scarce in

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[2]  The lowest rank that a smart city achieved in the metropolitan rank was 125. Those cities that were not listed on the metropolitan rank were given a rank of 300 for the sake of the correlation analysis.

Urban Audit, the following factors were examined: number of days ozone exceeds 120μg/m3; number of days PM10 concentrations exceed 50 μg/m3; amount of solid waste collected (domestic and commercial) – tonnes per capita per annum; percentage of solid waste processed by landfill. The data for 100.000-500.000 cities were compared with the 20 largest European metropoles on the BBSR rank. The variation and relative variation are both too large in the case of all cities. It is surprising, however, that the values of smaller cities are not significantly better than that of large metropoles. The values for metropoles exceed the values for smaller cities in the case of air pollution. However, inhabitants of smaller cities seem to produce more waste than people in metropoles. The low proportion of landfilled waste in metropoles signals that more advanced waste treatment techniques (e.g. incineration, re-use) are of a larger proportion. This is due to the economies of scale: a larger concentration of people can make mass-dependent services more efficient. Table 2. shows the comparison of means for some environmental quality factors.

*Table 2. Environmental quality and waste management in European metropoles and smaller cities*

| | Summer Smog: Number of days that ozone (O3) concentrations exceed 120 μg/ m3 | Number of days per year that particulate matter (PM10) concentrations exceed 50 μg/m3 | Amount of collected solid waste per capita per annum (tonnes) | Proportion of solid waste arising within the boundary processed by landfill |
|---|---|---|---|---|
| Cities with a population of 100.000-500.000 (mean) | 14,79 | 30,81 | 0,61 | 54,05 |
| 20 largest European metropoles (mean) | 18,47 | 33,50 | 0,52 | 0,25 |

## 5. Conclusion

Choosing the adaptation strategy for a SMC and using quality of life as a distinguishing factor, environmental sustainability plays a minor role. It cannot be hoped that environmental sustainability alone will be enough and will be pursued if a city is willing to be more attractive within the urban hierarchy. What is more, in the case of mass dependent environmental management services metropoles are logically in a better position than smaller cities due to their concentration. As about the state of the environment (albeit the data for evaluation is very narrow) smaller cities are not much better than larger ones. Due to the more extensively built-in areas and the traffic generated, suburbanisation and the fact that smaller cities rely

on large metropoles in several aspects (that generate traffic) the spatial structure itself is environmentally harmful.

Improving the environmental performance within the present urban structure requires a different logic that places SMCs in the focus and concentrates on the management and organisation of economy and services on the flexible level of local city-region.

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# Talking Estonia into the World: President Lennart Meri's Narratives about Estonia's Place in the World

## Abstract

This essay undertakes the creation of a construct of Meri's imagination about Estonia's place in the international and European system after regaining independence. The analysis is based on discourse analysis, and the topic is related to the problem of the periphery because as a new member of the European and international system, Estonia was not just in the geographical periphery of Europe, but also in the political periphery. As a small state, Estonia was also in the periphery of meaningful international and European actors.

According to the Estonian constitution, the president does not have real political power although he represents the state. This essay is not necessarily about Estonia's practical external policy after regaining independence. It is more about how a highly respected person wanted to see Estonia in the international community. This essay also tries to understand how president Meri understood the international system; what kind of a theoretical approach can be constructed on the basis of Meri's visions about Estonia in Europe and in the world.

**Keywords**: Estonia, small state, foreign policy, security, integration

## 1. Introduction

This essay aims to construct Lennart Meri's vision about the world and Estonia's place in that world in the early post-Cold War years after Estonia had restored its independence in 1991. The construction is based on Meri's public speeches in 1992-1995, the first three years of his two-term presidency.

Meri never presented a holistic vision about how he understood Estonian foreign policy. However, in many of his public speeches he touched on various aspects of Estonian foreign policy and gave ideas about what kind of a world it was in which Estonia had to define its place. Methodologically this means that Meri's speeches have been taken as his discourse about Estonia and the Estonian foreign policy. This discourse was then deconstructed and relevant fragments have been further reconstructed into my narrative about Meri's vision about Estonia in the world.

In this essay, the idea has been to understand the material as one coherent story. A period of three years is short enough in a sense that there is no need to try to find out how Meri's vision of the world and Estonian foreign policy may have changed

in the changing international context. In three years, the issue is still very much about Estonian orientation after it regained its independence.

It is important to emphasise here that the essay is really about President Meri's constructed vision about the world, and in this respect the essay is its author's narrative. Another important aspect is that the essay is not about Estonian foreign policy after the country regained its independence. This argument has to be made because according to the Estonian constitution the President does not have any real power and does not have any formal position in Estonian foreign policy. However, in the first years after Estonia regained independence president Meri was one of the few Estonians who had some experience in foreign policy, and he was one of the architects of the newly won independence.

Although the essay is about how Meri placed Estonia into the world in the early 1990s, it is also connected to the problem of periphery. In the Soviet Empire, Estonia was in the periphery in many different senses. Within the Soviet Union, Estonia was in the periphery in decision-making. The role of Estonia in the Soviet Union was defined in Moscow. Estonia was in the periphery also in the geographic sense, as seen from the centre of the Empire. However, as presented in the introduction in Seers' Europe, Estonia was closer to the European centre than most of the Soviet Union.

From the perspective of the world system analysis approach, Estonia was even further in the periphery. In the context of the world system analysis, the Soviet Union did not represent any alternative world order, but it was in the periphery of the capitalist world order (Chase-Dunn 1982). This interpretation means that Estonia was in the periphery of the periphery of the world system. The regained independence and the collapse of the Soviet Union gave Estonia the chance to get out of a peripheral position into the centre or at least closer to the centre.

However, after Estonia regained independence it did not belong anywhere. It had to gain its place and, in this respect, it is possible to say that Meri tried to visualise a place and a role where Estonia could give its own impact in constructing the post-Cold War Europe and the wider international order. The issue was how to get out of a new peripheral position on the Eastern frontier of Europe as a small developing capitalist or market economy and as a democratic state. Or, as indicated in the introductory chapter, Estonia had a chance to complete the broken egg.

## 2. Story of the past[1]

After regaining independence in 1991, it was important for Estonia to turn its back on the post-Second World War history. However, that history was one of the factors that defined the orientation of the foreign and security policies in newly independent Estonia. This is also a visible aspect in President Lennart Meri's public speeches. For Meri as well as for ethnic Estonians, Estonia was an occupied state since 1940. The occupation meant the violation of human rights in the country, whereas the violation was comparable to the Nazi system. This way Meri placed the whole Soviet system into the same category with the Nazi regime in Germany and German occupied European territories. However, the Soviet brutality was dressed into a nice mission about a better world.

For Meri, the Soviet Union was bad since it was constructed on the basis of Marxist ideas. In this respect, Meri did not differentiate between the theory and how it was implemented in the case of the Soviet Union. The Soviet system expressed its brutality in killing its own children and in polluting its own natural environment. Here Meri implicitly refers to the elimination of all kinds of opposition of the communist regime and economic development on the basis of brutal exploitation of the environment.

When Meri talks about the Soviet historical crime, he refers to it in two different senses:
1. the Soviet occupation of Estonia on the basis of the Stalin-Hitler pact; and
2. the Colonisation of Estonia.

This means that occupation led to the colonisation of Estonia and for Meri the Soviet intermezzo in Estonian history was a colonial period. Both of these aspects have a role in Meri's discourses about Estonia's place in the world. Because its historical experience and how it was interpreted, Estonia could associate itself with other occupied and colonised states. For instance, while talking at the UN General Assembly Meri connected Estonia to colonised states. In this respect, Estonia shared the same history with the majority of the UN member states. In fact, colonial history connected Estonia with the majority of world states and Estonia was not alone in the world as a small state.

Another aspect in Meri's historical narrative was to contrast the dark Soviet period in the Estonian history to a glorious past before the Soviet occupation. For Meri, Estonia was not just a part of Europe, but for centuries Estonia was the

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[1]  This chapter is based on speeches from 25.11.1992; 26.11.1992; 24.2.1993; 30.9.1993; 31.10.1993; 24.2.1994 and 11.9.1995

Eastern frontier of the European legal system. This way Meri made Estonia a kind of a guardian of Western virtues against a negative East. Estonians were also presented as indigenous European people who have continuously lived in the same place. Therefore, the Estonian traditions are the oldest ones in Europe. Estonians have defended their traditions, maintaining their culture has kept Estonia in Europe, and Estonia has been able to give flavour to European culture.

An interesting aspect in Meri's historical narrative is the notion of indigenous peoples that justifies associating Estonians with the indigenous people of the world[2]. Meri also made Estonia a defender of European values and an actor that has contributed to European culture. Therefore, history justifies Estonia's place in Europe as a state that has regained its independence after 50 years of occupation.

Two more historical aspects can be found in Meri's narrative about the Estonian past. Both of them connect Estonia with the West. Meri talks about the glorious days of Hansa[3]. Meri also presents the Swedish time in the Estonian history as a golden time for the Estonian culture and education. In an economic sense, the Hansa period was good time for Estonia (Mauro 1990: 256-258). However, in the historical reality the Hansa period meant German hegemony in the whole Baltic region. Also, the Swedish time meant continuous wars on the Estonian territory and it was a time of occupation as well.

From this historical narrative, it is possible to make two different but connected conclusions. Regained independence made it possible for Estonia to return to Europe, to the West, and leave behind the period when Estonia was forced to be a part of the East.

## 3. Story about Russia[4]

Already in Meri's historical narrative, the Soviet Union and Russia are presented as a negative 'other' to which the newly reborn Estonia wanted to turn its back. Soviet/Russian forces in the country were a threat to Estonian independence and sovereignty. This is a factor Meri refers to on several different occasions, until those forces finally left the country in 1994. Also, the size of Russia compared to small Estonia is a factor that worries Meri.

Meri did not see Russia as a state, but rather as a continent where there were and are several different minorities. As neighbours of Russia, for Finland and Estonia it

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[2]  Meri's reference to indigenous people might be explained by his background as a scholar who studied the cultures of small Fenno-Ugric nations in the Soviet Union.

[3]  Hansa refers to Hanseatic Merchant Empire in the Baltic Sea region basically in the 14th and 15th centuries.

[4]  This chapter is based on speeches from: 25.11.1992; 26.11.1992; 24.2.1993; 11.9.1993; 10.8.1995

was important to see how Russia treats its minorities. In this respect, Meri referred to Finno-Ugrian small nations in Russia. His worry can be understood from the perspective that most of Meri's academic work had been done in the field of the ethnology of small Finno-Ugric nations in Russia.

The third factor Meri was worried about in the early 1990s was the Estonian energy dependence on Russia as a heritage from the Soviet period. Therefore, an important task was to reduce Estonian dependency on Russia. One option for achieving that was connecting the Baltic energy networks. This underlines the need for the co-operation of small states in general in reducing the influence of a great neighbouring power.

On the other hand, it is important to understand that Meri never wanted to isolate Estonia totally from Russia. It was important for Estonia to have friendly and fruitful relations with Russia. However, the condition for good relations was to build them on a European model. Implicitly, this means that Russia has to change and become a European state sharing European values before Estonia can have good relations with it.

In Meri's Estonian security discourse, Russia has a central position, but this brief story about Russia is enough to demonstrate that for Meri not just the Soviet Union but also Russia represented the 'other' from which Estonia wanted to distance itself. This also indicates that only a different kind of Russia, a Europeanised Russia can be good and acceptable, but at the same time one has to live with the existing Russia.

## 4. The story about where Estonia belongs

### 4.1. Estonia as a Western value state[5]

In the narratives above, Meri has already distanced from the East (Russia) and placed Estonia in the West. Estonia's place in the Western international society is justified by the fact that the newly reborn Estonia represents Western values. Estonia respects human rights as they are written in the international conventions of the UN and the Council of Europe. Estonian society respects the rights of everyone in the spirit of international agreements. Estonia is fully committed to international agreements.

In emphasising Estonia as a Western value society, Meri wanted to send a message in two different directions. The message to Russia was that Estonia will treat its Russian minority properly and respect international conventions, unlike

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5   This sub-chapter is based on speeches from: 6.10.1992 and 9.10.1992

Russia. The message to the West was that there will not be any minority problems in Estonia and, in this respect, Estonia should be accepted as a member in the Western community.

## 4.2. Estonia as a small state[6]

A small state approach is strongly present in Lennart Meri's narrative about Estonia in the world. Smallness is a factor that explains different choices and orientations as indicated above. Already in the European context, Estonia is among the smallest states of Europe. For a small state in the international community, international law is important. It has to be the basis for relations between small and large states. Here Meri argues against the role of power in international relations although elsewhere he often refers to political realism.

For a small state, the United Nations is an important forum. For Meri, it is a place where a small state can share the responsibility of creating a better world on an equal basis with great powers. This kind of an argument means that the existing world order is not necessarily the best one for a small state. Therefore, the international order should be redefined for better serving the interests of small states, and the place to change the rules is at the UN.

One aspect to be changed for the benefit of a small state was improving the coordination of the work of international organisations. For a small state with limited resources, it is a burden to participate in all possible international organisations. Indirectly, this means that what more regimes there will be for the global governance that better changes the large states have to dominate international politics. Small states simply do not have resources to participate and as a consequence they are marginalised.

Therefore, the democratic world cannot be a department store where states are valued according to their weight. Small states have to have their word in international governance. In fact, according to Meri small states can be strong if they act together. As an example of the strength of small states, Meri emphasises how the small Baltic States caused the collapse of the Soviet Union. Certainly there were other important factors behind the collapse of the Soviet system, but the three Baltic States began the disintegration of the Soviet empire.

Although Meri was convinced about the potential of small states in reshaping the international system, he felt that in the existing international order small states had a security deficit. For instance, he associated Estonia with Kuwait, which shares the same experience of occupation by a big neighbour. No small country with that

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[6]  This sub-chapter is based on speeches from: 25.11.1992; 30.9.1993; 5.12.1993; 25.2.1994; 23.9.1994; 21.3.1995; 25.4.1995; 17.5.1995 and 10.8.1995

kind of an experience can feel secure without friends. Small states have to rely on security offered by stronger partners. In the Finnish case, as Meri understood it was the EU that indirectly offered security.

As a small state, Estonia needs friends. For Meri, the fact was that Estonia does not have a future outside the union of states. So Estonia had to integrate into the community of states that share the same values. In this kind of a community, small states would provide added value. Cultural differences would be the basis for creativity; therefore, the world needs small states.

An interesting aspect in Meri's narrative about small states is the dichotomy of idealism and realism. The current international system is not necessarily beneficial for small states, and in order to survive they have to lean on stronger states. But the world needs small states and, therefore, the international system ought to be changed so that it can accommodate small states better.

## 4.3. Circles of Western integration[7]

As already indicated, history had an important role in Lennart Meri's discourses about Estonia in the world. In this respect, the historical Hanseatic trading empire was in a central position. Estonia belongs to the historic Hanseatic community. For historical reasons, Baltic cooperation was the first circle in the Estonian integration process. However, Baltic cooperation was just a precondition for Northern European stability, and it was difficult to imagine the Baltic region without the Nordic context. The Baltic region for Meri was an inseparable part of Europe's Nordic region and that, in turn, was an inseparable part of Europe.

Northern Europe was important partner for Estonia on the road to joining the European Union since the Nordic states were supposed to be in the EU already in the near future. An interesting aspect of the association between Estonia and Nordic states was how for Meri a common sense of humour connected Finland and Estonia to the Nordic community. In the context of a Baltic dimension, Meri also referred to the idea of a Stockholm-Helsinki-Tallinn triangle. All in all, Meri clearly identified Estonia as a Nordic/Baltic and further as a European democratic state.

## 4.4. Common experiences connect[8]

Above it already has been indicated that Meri, in addition to smallness, associated Estonia with countries that had similar experiences with Estonia. During a visit to

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7   This sub-chapter is based on speeches from: 25.11.1992; 30.9.1993; 25.2.1994; 23.9.1994 and 12.9.1995
8   This sub-chapter is based on speeches from: 5.12.1993 and 9.5.1994

Kuwait, Meri connected Estonia to Kuwait since both countries shared the experience of an occupation. Both countries also lived through difficulties in defending its sovereignty on its own. Similarly, Meri stressed close Estonian-Polish relations. Both countries were the reborn children of the Munich, Teheran and Yalta conferences. Also a state like Kazakhstan needed Estonia that had left behind the Soviet past.

## 5. Where Estonia belongs

### 5.1. Europe as the context[9]

The historical narrative already expressed that the Soviet occupation was an exception in the Estonian history. It cut Estonia off from the West, to which Estonia had always belonged. One factor that Meri thought it supported this argument was that Estonia had historical academic ties with the West. After regaining independence, Estonia once again had a chance to be a member among equals in Europe. New trade relations underlined the new reality. In foreign trade, Estonia turned from the East to the West and particularly to the EU member states.

In Meri's historical imagination, Estonia had connected the East and the West, the South and the North. Estonia still had the same connecting role geopolitically. For Meri, Estonia is located at the crossing point of North-South and East-West gas pipeline networks. This could be understood as an advantage for Estonia. Therefore, Meri could say that Estonia was ready for Europe. But then the question was whether Europe was ready for Estonia.

While defining Estonia's place in the post-Cold War European system, Meri emphasised what is the Europe to which Estonia belongs. Meri understood Europe as an expanding entity. Revolutions of the 1980s expanded Europe Eastwards. Europeanisation or normalisation of the post-socialist states was the factor that enlarged Europe. For Meri, this widening of Europe was important for the whole of Europe in the sense that it brought freshness and innovations into the Union.

In the post-Cold War European architecture, Meri did not want to see any in-between states; i.e. between the EU/NATO and Russia. Therefore, both of the Western organisations had to expand and Meri was clearly concerned about Central and Eastern Europe. For him, for instance, Ukraine was an integrated part of Europe and should be a member in the Council of Europe. Moldova shared the same position in Meri's story about Europe.

In Eastern Europe, Russia was clearly apart from Meri's Europe. For instance, it could not be a member of the Council of Europe, at least as long as it does not

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9   This sub-chapter is based on speeches from: 23.9.1994; 12.10.1994; 3.11.1994 and 25.4.1995

honour human rights. For Meri, Yugoslavia (Serbia) was also outside his Europe. In fact, Yugoslavia represented the pariah of the world community. All in all in the early 1990s, Meri's Europe was still divided and Estonia was in the Western value community.

## 5.2. Story about NATO[10]

In the narrative of a small state, Meri argued that a small state has to rely on stronger partners. For Meri, this strong partner was first of all NATO. It is easy to say that for Meri NATO was even more important than the EU. During the Cold War, NATO was a kind of zone of shared Western values. Therefore, it was important not only for Estonian security, but its enlargement was an imperative for the whole Western civilisation.

In spite of its wider responsibilities, NATO was needed at least in the Baltics. In the early 1990s, this was important due to the fact that Russian forces were still present in the region and, therefore, Russia presented a real military threat. From Lennart Meri's perspective, NATO's reactions would be too late if something were to happen. Therefore, NATO had to expand to the Baltic States.

## 5.3. Estonia in the wider context[11]

One paradox in Meri's imagination seems to be that Europe was still divided. But at the same time he understood the world as one undivided unit. This can be explained through the fact that for Meri there still were conflicting elements in the world, but at the same time the entire world formed one security complex. Everyone's security was dependent on every other actor's security.

In this complex international community, Estonia had already established its place. But internally it was not just a blessing for Estonia, since many people were still hungry. However, that did not mean that the Estonian newly independent regime had failed. It was possible to blame the past Soviet regime. Meri presented poverty in Estonia as an inheritance from the Soviet period. In spite of poverty, Meri saw Estonia as the most European out of all Eastern European states. Estonian foreign policy was supposed to be open to all states that share common democratic values. Here it is again possible to see the aspect of a divided world where the whole community is not democratic yet. But for Estonia an open foreign policy and cooperation with Europe is a guarantee of sovereignty and security.

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[10] This sub-chapter is based on the speeches from: 25.11.1992; 24.2.1993; 3.11.1994 and 25.4.1995
[11] This sub-chapter is based on speeches from: 30.9.1993 and 31.12.1994

## 6. Story about the Russian threat and Estonian security

### 6.1. Narrative of the threat[12]

The above analysis has already made it clear that for Meri the only real threat to Estonia was Russia. Related to that, the second worry was that Estonia would be left on its own. Therefore, Meri regularly warned especially the Western world about developments in Russia. In fact, Russia as such was not necessarily the threat. But it was the possibility of the extreme nationalist Russian foreign policy that Meri was concerned about. Therefore, in the name of European values Estonia needed a secure eastern border.

In the early 1990s, there were (and there still are) Russian parties that wanted to restore the Soviet Union, regarding its ideology, frontiers and zones of influence. In this respect, the threat of re-establishing the Russian borders of 1989 was a reality. However, Meri carefully tried to avoid connecting these futile interests with the Russian government.

Another factor of the Russian threat was the Estonian Russian minority. It was plausible to expect that Russia would use other measures than diplomacy in solving the problem of Russians in neighbouring countries including Estonia. Meri indicated that Russia might be willing to protect its compatriots abroad by force. Therefore, Estonian internal security required effective border control.

As long as Russian troops were still in the country, the threat of Russia using force in Estonia was real. Therefore, Meri saw Russian troops leaving Estonia as a potential turning point in Estonian and Russian relations. But it did not eliminate the threat totally. Russia did not and has not accepted the Tartu peace treaty as a valid international agreement. Russia also has not agreed that the occupation of Estonia ever happened. In this respect, Russia has territorial claims that Estonia does not have; therefore, Estonia cannot feel secure as long as there is no valid border treaty between Estonia and Russia.

### 6.2. Security narrative[13]

As already presented above, Meri understood Russia as a potential threat to Estonia. Russia was at least a factor that made Estonia feel pressure; therefore, Estonia needed something in order to counter the pressure. However, for Meri it was not

[12] This sub-chapter is based on speeches from: 24.2.1993; 24.2.1994; 25.2.1994; 23.9.1994; 22.4.1995 and 12.9.1995

[13] This sub-chapter is based on speeches from: 9.10.1992; 25.11.1992; 9.10.1993; 5.12.1994; 22.4.1995 and 17.5.1995

meant against Russia. Another way to look at the same problem was through the apparition of a security vacuum that had to be filled with friendly relations. Imagining the Estonian security problem this way made it possible to understand integration into Europe as an issue about security.

As indicated already in Meri's small state narrative, Estonian security needed international guarantees. In this respect, Meri presented Estonia as the first Central European state that was getting Europe agreement. But that was not going to be enough. Estonia had to go further towards the West. Estonian security depended on integration with the transatlantic structures. In addition to that, relations with Moscow had to be normalised.

Because Meri understood Estonia as a small state, according to him its security depends on the actions of others as much as on its own performance. Theoretically, this indicates that Meri saw Estonia as a part of a wider security complex, and in this complex Estonia had a security deficit. Therefore, according to Meri it could not be as lukewarm towards NATO as Finland was in the early 1990s and still is.

Meri never saw neutrality as an option for Estonia or for any Baltic state. Meri presented NATO as the only stable and safe guarantee for European security. This way there was a demand for the continuity of NATO's existence. NATO was for Meri the protector of democracy and freedom. Therefore, NATO's expansion was more important for Baltic security than changing the first C of the CSCE's into an O.

In this connection, it is also important to realise that NATO's essential role was not the only factor making Estonia safe in the early post-Cold War world. According to Meri's imagination, good Russian and Estonian relations were also needed. But that was not possible as long as there was no mutual respect of international norms and practices. This implied that Estonia was ready for good relations with Russia, but Russia was not Western enough to make good relations possible and, therefore, Estonia had to rely on NATO.

Here it is also interesting to see how Meri made the president a central figure expressing the interests of people and the state. Governments will come and go but the state, its people and the interests of national security will remain. The president represents people and the state and, therefore, talks for the people. This aspect is interesting in the sense that according to the Estonian constitution, the president does not have any formal power.

## 7. The narrative about where to go

### 7.1. To the West[14]

On the basis of the above narratives, there is no doubt that for Meri Estonia's place was in the West. There were no other alternatives to be considered. According to Meri, people had chosen the path to Europe of which Estonia had been a part for eight centuries. The European democratic road was the Estonia's destiny and the state was on the way to joining the EU. Estonia had a chance to become the kind of state it wanted to be through integrating into Europe. This indicates that it is difficult to be oneself outside the community of those who are alike.

Still in the early 1990s integration into Europe was supposed to advance in circles. Baltic integration was supposed to be the first step on the road to Europe. The first circle was the Baltic States, the second the Baltic Sea region, and finally the whole European Union as the third circle. But for Meri there were no independent small steps in integration. The integrating circles had to be understood in the wider context of European integration.

While presenting the idea of integrating circles, Meri was aware that there were serious problems in the Baltic cooperation. For instance, it was difficult to build the so-called Via Baltica, which would have connected all the three Baltic States. But in spite of the problems, Baltic cooperation had to have top priority in the Estonian integration policy. Meri saw a united Baltic region as something that would hinder history from repeating.

Baltic Sea cooperation was for Meri a factor that connects Estonia with the rest of Europe. In this respect, Meri relied on the idea of a New Europe of regions. In addition, besides having a place in the Baltic Sea region, Estonia was also interested in the peaceful, secure and friendly North. Meri associated Estonia with two different Northern European regions. An interesting aspect in Meri's regional imagination was the way he understood the history of the Baltic Sea region. For Meri, this region has historically been united as one village, ages before McLuhan's vision of the universal village. One could imagine that in Meri's vision the Baltic Sea region could even be a model for the globalising world.

Estonia had a crucial position in Western integration. Meri presented Estonia as the key to the Baltic as well as to Russian markets. In this same spirit, Estonia had to be concerned about the whole Central Eastern Europe that should be strongly anchored in the West. In doing this, the Central Eastern Europe could function as

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[14] This sub-chapter is based on speeches from: 6.10.1992; 9.10.1992; 25.11.1992; 31.12.1992; 11.9.1993; 9.10.1993; 24.2.1994; 25.2.1994; 12.4.1994; 17.5.1994 and 22.4.1995

a bridge between the East and the West in democratising Russia. Also for security reasons, Estonia wanted to avoid the creation of a so-called waiting room. Meri did not want to see any kind of a grey zone between Western Europe and Russia. This was one more factor why the EU and NATO had to enlarge as soon as possible.

## 7.2. What about the East – Russia?[15]

It is obvious on the basis of previous analysis that Meri never considered Russia as any kind of an option for Estonia. Estonia was supposed to turn to the West and regain its place in the Western international community. But at least for Meri this did not mean turning back to Russia and more precisely to democratic Russia. Once again we come across the idea that the Russian direction will become a relevant option for Estonia only after Russia is westernised. And another condition for friendly relations with Russia was that Russian troops have to leave Estonia.

Fruitful and friendly relations with Russia were a future option. In any case, it was important to establish relations with Russia that would serve the national interests of both states. It was in principle important for Estonia to live in confident peace with its next-door neighbours, including Russia, as well as with more distant partners. In this respect, the integration of Russia with Europe was an essential issue. Meri also wanted to stress that, for instance, close Estonian-Polish cooperation is not against Russia but for the future Europe.

## 7.3. Some general aspects[16]

The reconstruction of Meri's speeches makes it clear that Estonia's vital concern was first and foremost with Europe. But he also emphasised that Estonia is ready to take on global responsibilities. On the global level, Estonia was supposed to support preventive diplomacy, peace building and peace keeping. This is meant to be seen as a small state approach. It is in a stabile and peaceful international order that a small state can feel secure.

Estonia also supports the principles of democracy, the inviolability of borders, and the non-interference in the internal affairs of other countries. Again, these are principles that support the position of a small state. But at the same time at least the last principle was on the way to be overturned by the international community due to new humanitarian responsibilities.

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[15] This sub-chapter is based on speeches from 6.10.1992; 9.10.1992; 25.11.1992; 23.6.1993; 9.5.1994; 13.5.1994 and 24.5.1994

[16] This sub-chapter is based on speeches from: 30.9.1993 and 17.5.1994

According to Meri, Estonia was also ready to take on responsibilities and to participate in international peacekeeping operations according to its capabilities. By emphasising this option, Meri wanted to open the gates to NATO. Estonia had no intentions to be a free rider in NATO and it wanted to make its own contribution. This was important in the sense that from Meri's perspective NATO had been a guarantor of peace in Europe for 40 years and this would also be the case in the future.

A small interesting aspect in Meri's general vision about the role of Estonia in the world was that he presented Estonia as a defender of all indigenous people. This way Estonia also associated itself with the indigenous people of the world. Earlier in the analysis, it has been argued that for Meri Estonians were the indigenous people of Europe.

## 8. Meri's vision about the Estonian identity[17]

According to Meri, Estonians have had the will to be independent for centuries. After regaining independence, that will was realised once again. This meant that Russia could not define the Estonian development anymore. From now on, Estonia could stand on its own two feet as Meri expressed the situation.

An independent state was needed for the survival of the nation, language and culture. Here Meri relies on the idea of the nation-state. For him, culture and especially national culture was politics. The national identity becomes apparent in culture, but the issue was not just the national culture. In Meri's imagination, a strong Estonian culture makes the world stronger. In this respect, even a small nation can make its contribution to constructing the international society. This represents the idea of cultural pluralism.

National culture forms the core of national existence. It can be understood as the spirit of the nation. In the Estonian case, the defence of the country and its independence rely on the Estonian spirit. However, Estonia could not be totally independent as long as Russian troops were deployed on the Estonian soil. In Meri's imagination, this soil was a holy soil that Meri connected with the territory and the nation.

Furthermore, Meri characterised Estonians as republicans and Protestants[18]. This was one way to connect Estonians to North-Western Europe. For Meri, Estonians were also the champions of democracy and human rights, which connects Estonia

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[17] This sub chapter is based on the speeches from: 6.10.1992; 25.11.1992; 31.12.1992; 29.6.1993; 11.9.1993; 24.2.1994; 12.4.1994; 31.12.1994 and 21.3.1995

[18] Meri's reference to Protestantism is a bit strange because Estonia is one of the most secular countries in Europe.

with the wider Western world. Elections were one important factor that told the story that Estonia belongs to the community of democracies. All in all, Estonia is a democratic, law-based state that respects human and civil rights.

## 9. Meri's theoretical context

In Meri's speeches, it is possible to find explicit references[19] to two different approaches. Meri directly refers to classics such as Sun Zu, Clausewitz and Morgenthau in political realism. From these classics, Meri borrows the idea of eternal aggression. Aggression has been in the international system since the prehistoric times and it is still there. This clearly explains why Meri understood the position of the small state as one that is threatened, and why there was the need for support from a strong partner in surviving in the world of aggression.

Based on the classics of political realism, it was clear for Meri that the unbroken chain of wars will continue. The reason for this was the violent redistribution of the economic product. Therefore, for a small state the best place was among states that share the same values and contribute to the economic welfare through cooperation. Cooperation was also the means to avoid falling into the periphery of the system.

Although the so-called realistic approach is strongly present in Meri's imagination of the international community, there was also an aspect of idealism. In a way, an ideal world would be the best alternative for a small state and in the case of Meri it is Kantian idealism or the idea of democratic peace. In the Kantian spirit, Meri understood that wars violate the redistribution of wealth. Therefore, the advancement of democratic regimes was important. Meri believed Kant's thesis that democratic states do not go to war with other democracies; however, unlike Kant Meri closed non-democratic states to the outside of the community (*see* MacMillan 2006).

Implicitly, it is possible to find at least two additional theoretical approaches in Meri's speeches. The more important of these two is the small state approach. On several occasions, Meri refers to the smallness factor in explaining what Estonian interests are in its foreign and security policy. The second approach is interdependency. This does not just refer to the position of small states. In the globalising world, all states depend on each other, and there is just one universal international system what still was divided.

Based on the arguments presented above, it should be possible to say that Meri's narrative about the international system was controversial. It had elements from two conflicting approaches or schools of theories of international politics. However, it is possible to accommodate these contradictory elements if we associate Meri

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[19] The explicit references are in speeches from: 16.12.1993; 22.4.1995; 25.4.1995 and 17.5.1995

with the English school. This school makes it possible to understand that the international system can have the elements of three different kinds of systems and different international actors can imagine the international society in different ways and also act accordingly (*see* Wight 1991).

## 10. Conclusions

In constructing the narrative about Meri's vision of Estonia in the world, it is possible to find several aspects that justify connecting this essay with the problem of periphery. Meri associated Estonia with former colonies and with the indigenous people of the world. In the world system analysis as well as in the dependency theories, the decolonised and the so-called developing countries were the periphery of the international system. Additionally, indigenous people have been marginalised objects in national and international policies (*see* Wilmer 1993). It is basically only since the 1980s that indigenous people have tried to gain the position of a subject in politics in general.

Furthermore, Meri's small state narrative sets Estonia in the periphery. In political realism and in the small state approach, small states can hardly be meaningful actors in international politics. The choice of a small state is either to accommodate itself with the conditions constructed by bigger states or to ally with strong actors (*see* Käkönen 1981). In Meri's story, smallness also marginalises in the sense that a small state does not have the resources to be involved in decentralised global decision-making. In principle, small states have the voice, but it cannot be used since they do not have the resources to be present in all existing regimes in global governance. The periphery aspect in Meri's narrative represents the factual situation of Estonia in the changing post-Cold War international system. In this respect, the basic message in Meri's narrative is how to become a real actor in international politics and how to get out of the periphery. First of all, according to Meri small states have equal rights in the world although they need big powers in building their national security. Furthermore, being a member of the UN gives a chance for a small state to avoid a peripheral position in the international system.

As a UN member, Estonia was already in a wider community. But for Meri belonging somewhere also meant making your own contribution. Therefore, Meri wanted to see Estonia be an active partner in the global community. Active partnership is a means to avoid falling into a peripheral position.

For Meri, it was also important that the small states work together in order to be strong in the world of big powers. This assumption is related to Galtung's theory of structural imperialism and dependency (Galtung 1971). According to

that theory, peripheral states have to cooperate horizontally in order to avoid being marginalised, and they have to oppose the feudal structure of the international system. In this respect, it is possible to refer to an Estonian phenomenon and say that Meri was searching for a choir for Estonia where it could sing in order to be heard in the world.

In all, for Meri it was important to bring Estonia into the Western value community. He was not worried that in a wider community Estonia would fall into a peripheral position. On several occasions, he referred to the past. Once upon a golden time, Estonia was a member of the Hanseatic Merchant Empire, and that time meant economic and social development for Estonia. Integration into the West once again could give a strong boost for Estonian development.

In addition, for security reasons Estonia had to integrate with the West. Being left alone in the frontier of a wider community would make Estonia feel insecure and threatened by the other on the opposite side of the frontier. Therefore, it was important for a small state to be a full member of a wider community and to avoid the possible threat of falling into the periphery.

In connecting Meri's vision about Estonia in the world to the introduction of this volume, it is possible to say that the Estonian integration into the West aimed at the completion of the egg in Seer's dichotomy of the centre and periphery in Europe. The normalisation or Europeanisation of Estonia after the Soviet occupation made it possible to bring Estonia from the periphery into the centre. But as a small state it does not belong to the chambers of power.

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# Estonia's Choice: Who are our Foreign Policy Friends in the 21st Century?

## Abstract

Estonia is a small country in the European periphery. Its foreign policy is not active and they do not have any official visions for the future. In the past Estonia has made important decisions so why not anymore? Foreign policy making theory explains how the change in political elite, change in general discourse and lack of need has made Estonia unwilling to make foreign policy decisions. Still, there are two interesting options that have risen from the political elite that could be Estonia's foreign policy future – Baltic Sea co-operation and Eastern co-operation. Both options have their positive and negative aspects and it is determined by changes in political elite whether these options will become policy decisions.

**Keywords**: small states, foreign policy, Estonia, periphery, co-operation

## 1. Introduction

Estonia is a small country on the edge of the European Union. One can discuss what constitutes as a periphery in Europe and where it starts, but it is clear that the Eastern edge is quite certainly not in the centre. Some can argue that being the edge of the EU makes a state important and its decisions relevant, but this has not been the case. Because of this or for some other reasons, Estonia also has a vague foreign policy with no clear direction or documentation. It has not always been like this, in the past Estonia has made important decisions and achieved results, but things have since changed and it could be asked why that is. Estonia is a good example of a small state in a somewhat difficult position; it was quite significant about two decades ago, but has now settled into relative comfort and anonymity. Therefore, it would be easy to remain quite comfortable and anonymous in foreign policy as well – to support human rights and take care of your own security. There are other options as well, however, focusing more on certain issues and trying to figure out which one of them would be the best is a difficult task. One of the main questions has been for quite some time: who are our friends? In this paper, I will explore two answers to this question, both connected to foreign policy options. The two groups of friends both need a lot of work and offer different rewards: first, Estonia

as a leading country in the Baltic Sea co-operation; and second, Estonia as the "big brother" or "gateway to the West" for other Eastern European countries like Georgia or Ukraine.

Those two choices are not the only ones – there are other issues such as lobby work in the European Union, the never-ending Russia debate (what will become of Russia, should Estonia be afraid of it, etc.), the United States and their friendship, etc. Still, for the purposes of this paper I shall look closely at the aforementioned two interesting topics in foreign policy and try to find our best friends in Eastern Europe. One can argue that all those things could be achieved or at least focused on, but the current lack of resources (downsizing, bad economic climate) along with Estonia's size in general leaves very few possibilities to achieve a lot. Setting goals also has to be realistic, for example, can a peripheral small country really lobby the EU in relation to Russia and do it in a way that leads to results or should the goals be realistic: more Baltic Sea co-operation and influence and more Eastern co-operation? The latest parliament elections in 2011 saw almost all leading parties mention at least once the need to focus more on Baltic Sea co-operation, and the Eastern European issue is raised every time something happens in Ukraine, Belarus, Georgia or a similar country.

The choice of issues comes from media outbursts and political documents. There has been a cry for Baltic Sea co-operation, and every time something happens in Eastern Europe, Estonia is torn on whether to take a stand and what stand would it be. The two choices, of course, have to be defined if not in general, then at least for this paper. I will discuss the following two foreign policy options: first, Baltic Sea co-operation, focusing on it, influencing neighbours, using resources for it, etc.; second, taking a stand regarding certain Eastern countries, focusing on helping them, lobbying for them on a larger scale, and becoming their "big brother." Both of these options have been publicised; they are somewhat contradictory (especially when looking at the lack of resources), but at least one of them could be achieved.

The choice regarding the two options has not been made, and very little progress has been made on either issue. I aim to find out why that is and whether these options are viable at all. Looking back at history, Estonia has had this discussion before with other countries, and it seemed the decision was already made. In the early nineties, Estonia chose the West as opposed to the East or Russia. Now that the West means many things and many different visions, it would be wise to choose one. In this paper, I will look at the two options, but before that I will try to explain the two issues that need to be clarified in order to understand our foreign policy problems. At first, I will try to explain Estonia's situation as a small state in a pretty comfortable situation, then explain previous choices (the big choice between

East and West in the early 90s), and move on to current foreign policy options. I will try to give some theoretical background and then look at politicians and their views on the issues. The politicians' views will be based on the coalition agreement, party platforms and articles published in the Estonian foreign policy newspaper *Diplomaatia*. The end results will be in two parts: explaining whether one of the discussed options is better than the other and how; and whether we can expect a result anytime soon based on history. This paper is an introduction to the topic, as it will be researched further in the future.

## 2. Estonia – a typical small state

The foreign policy options of states are often pre-determined by many things: geography, the current international order and the general situation within and outside the country (economic crisis would be the best example here). Small states tend to have different options when compared to big nations. There is the lack of resources aspect: few people, few natural resources. There is also the freedom to do as one pleases as very few are paying attention. Still, a geographically small state may be more important than a bigger one, it is all relative; Canada is one of the biggest countries in the world, and their foreign policy is irrelevant compared to any Middle-Eastern nation. In order to determine Estonia's foreign policy options, it must be determined what Estonia is. Clearly a small country by size and population, a periphery of Europe (situated on the edge, underdeveloped compared to the centre), and has some small neutral neighbour and one big one that is not neutral. All those things affect the possibilities Estonia has.

The first thing that must be looked at is foreign policy making in general. According to Hudson (Hudson 2007), there are many things that affect foreign policy making. Among them, the more prominent are the individual and group decision makers, culture and identity, domestic politics and the international system (other countries). All these things have some affect on all countries. There are sublevels to these issues, for example, the decision makers, groups or individuals, are affected themselves by various things like perception and cognition (Hudson 2007: 40-41) that can alter facts and their significance in our heads; emotions, biases and other traits that come with being a person. Culture and identity affect decisions through the decision makers, but they also predetermine our actions. So foreign policy does not stand alone – it is affected by many things independent of the country itself. Still, there are certain characteristics that are predominantly visible in small states.

Many publications have emerged that look at small state foreign policy and try to find out how and why it is as it is – what are its influences. The general consensus regarding the overview of small state policy seems to be what I have already elaborated on – there are fewer choices, especially after the Cold War (Hey 2003: 1-2). There are many theorists who explain small state foreign policy, and Hey states the following among other things: small countries are more neutral, worried about security (leaning on bigger states on these matters), usually deal with a very narrow field, more diplomatic (as opposed to war), like co-operation, and so on. A lack of options is common in small state foreign policy, but the lack of influence even more. There are few who claim that small states do make a difference (like influence the EU), but they tend to see this as a special event under special conditions (Nasra 2011). So, in general, the views on small state foreign policy are not very positive. Still, as to what affects this foreign policy, I will point out two things that some authors have used that can be applied to this paper: a lack of precedent and the influence of bigger international entities. Aaltola (2011: 258) concludes that during crisis small state foreign policies tend to be more irrational because of the lack of precedent. Besides that, the other major issue that affects small state foreign policy seems to be big countries/organisations or even in some cases a whole region (Jourde 2007). Obviously there are more issues affecting small state foreign policy, but these two look interesting especially when they both somewhat apply to our case in hand – Estonia.

Before explaining the options, we must look at what exactly is the case of Estonia. The country has made many important choices in the past and has managed to deal with difficult situations. Some claim (Hey 2003: 1-2) that small states have had an especially difficult time forming their foreign policy since the end of the Cold War. It probably is true when looking at many countries that had an easy choice before but had to choose from a different set of friends in the 90s. Estonia is somewhat similar but significantly late – we had a seemingly easy choice in the 90s and have reached a difficult one now. The country had to make a choice between the East (Russia, CIS) and the West (the EU, NATO) and made it quite easily, however, now the West is divided and there are more choices. Another problem: all of Estonia's dreams have been fulfilled and goals met – now what? These have led to, among other things, a very interesting situation – there is no foreign policy in Estonia.

Estonia's smaller neighbours either have a very low-key foreign policy that talks of human rights, the protection of citizens, helping the EU and the general world peace that they will contribute to (Latvia, Finland), or all the aforementioned with some smaller ambitions regarding helping specific countries, influencing the EU or something more specific in the same vein (Lithuania, Sweden). This has usually

been dealt with in various foreign policy documents. Interestingly, Estonia does not have an official foreign policy document, only 5 general wishes with some elaboration. Those wishes are somewhat similar to friends: protecting one's citizens, democracy, a good reputation, but also protecting the liberal economy model. Still, what is more interesting is that the first issue that is also the most elaborated one is connected to security, and it states that the United States and the European Union are important partners for Estonia. In that sense, Estonia is a typical small state – it has a fairly neutral foreign policy, vague and driven by soft-values.

## 3. The past as a point of comparison

Before exploring the two talking points regarding the current choices a look at the past is warranted. How has Estonia dealt with difficult choices in the past and how have these been made? Estonia's foreign policy has always been driven by our relationship with Russia. The past before the 1990s was a problematic one to say the least and, therefore, the first major decision was a choice between Russia and the West. For many reasons, it was decided that the West was the best and somewhat the only option; the West meaning everything other than Russia. The reasons behind the decision are varied, but three major issues can be focused on: the politicians' background, Russia's behaviour and general narrative. Looking back now, the decision seemed to be very easy, and compared to the current situation, there was very little debate. There was also no debate on whether the decision needed to be made at all. It was clear that the two sides were mutually exclusive and Estonia had to choose. In a way, when comparing this to the previously referenced idea from Hey regarding foreign policy becoming more difficult after the end of the Cold War, in Estonia's case the war ended a little later.

The road to Europe was a long one, even joining the EU took 8 years (from application to accession), and this was closely followed by joining NATO, other Western organisations and now, in 2011, the Eurozone. The decision was not a difficult one, it seems, many similar states did the same (mostly Eastern European ones like Slovakia, Hungary, the rest of the Baltics, etc.), and the general public backed the decision. One of the main reasons for backing this move was PR. Good promotion from the politicians and bad from Russia. The Eastern neighbour behaved badly; there were the problems regarding the border agreement and the Russian troops. This meant that for some the West was the only option. Kadri Liik, an Estonian journalist and an expert on Russian issues, has written that one of the main problems with the border agreement was Estonia's own stubbornness, but as the issue with the troops was a bigger problem, it made sense to leave the border

issue alone, and it has remained a problem (Liik 2005). Russia was not interested in letting go of either the disputed land or their military presence in Estonia. Adding to this the ending of a 50-year occupation, it is understandable why the people of Estonia were not interested in Russia anymore. Of course, the politicians did not make it any better.

When looking at the foreign policy debates today, politicians have very little to say, however, occasional disputes about goals do occur, which happened rarely in the early 90s. The politicians might have argued about internal issues, but foreign policy on the choice issue remained untouched. It is easy to see why both side were not represented in the Parliament. The first parliamentary elections in 1992 brought strange parties to the parliament (for example, a semi-joke party supporting the idea of an Estonian kingdom), but there were very few left-wingers and almost no Russians or Russian-leaning politicians. The first presidential elections were a four-way race that in the end became a choice between two candidates: the former leader of Soviet Estonia, who had seemed to support the less radical departure (Arnold Rüütel), and the more radical, Western candidate (Lennart Meri). As the latter one and the government were right-wing and West-leaning, the decision was made. One interesting thing is that throughout the whole affair the Russian threat was played out, one can even claim played up. The popularity of the concept has remained, but not as much as in the early 90s when it was clear according to the politicians' speeches (Riim 1999: 30) that the threat was eminent. Based on all those things, it is easy to see why the decision was made so easily back then. To give an overview on what were the important factors in the 90s:

*Table 1. by author*

| Helpful for decision making in the 90s |
|:---:|
| Consensus among politicians |
| General public consensus |
| Real need for a decision |

The above table is also connected to Hudson's view of what affects foreign policy – the decision makers' aspect is present, as well as the national identity and international system, as there was a need in the new world to make this decision. The international aspect is also present in Russia's behaviour that pushed and influenced the decision in its own way.

The Western course has remained and proven to be at least somewhat successful. All Western dreams have come true and Estonia has been accepted to the West. Those who at first turned back to Russia have also changed their minds. Examples of that can be seen around Russia's neighbours: Georgia is hoping to join the EU,

Ukraine had a (now failed) Revolution, Moldova is aiming for the EU and, to some extent, so are Armenia and Azerbaijan. The only one left very close to Russia is Belarus, though the issues between those two countries are a lot more complex. Of course, there have been setbacks, for example, Estonian-Russian relations have been difficult, entailing mostly economical problems (closing the Russian market for Estonian goods in the 90s, transit closure after the Bronze soldier removal in 2007, etc.), there have been accusations regarding the Russian minority (discrimination), and one-off issues like the removal of the Bronze soldier in 2007. The soldier was a symbol of victory for the local Russian minority and the moving (to a different location) caused riots and damaged the relations between the two countries.

The decision in the 90s seems easy and clear. The current situation regarding foreign policy choices is not. Still, the call for foreign policy was a topic during the recent parliament elections and is, in general, a popular issue in academic circles. Is it possible that this kind of change will come about? If we wanted Estonia to make a serious foreign policy decision today, it seems none of the requirements seem to be present.

*Table 2. by author*

| 90s | 2011 |
|---|---|
| Need for a decision | No direct need for decision |
| Politicians agree on choices | Politicians rarely discuss the issues |
| General public backing | Not a topic, general public not that interested |

Right now the situation has changed in all foreign policy option aspects. The international system does not need Estonia's decisions, as a part of Europe it is set and as a periphery it is not important, Russia's behaviour is no longer that aggressive, politicians are not interested in foreign policy decision making and neither is the nation. Every aspect that influences foreign policy making has changed; therefore, the possibility of a foreign policy decision is not that likely. Still, if the situation were to change, what would be our best option as a priority?

## 4. Baltic vs. Eastern co-operation

This paper will examine two foreign policy options: Baltic Sea and Eastern co-operation. Neither option is mainstream, nor are they in the centre; at least in the year 2011 the two regions are peripheries. The Baltic Sea region is a part of Europe, but decisions are not made there. The Eastern countries in this paper all desire to be part of Europe but are not included in most decision-making. This is a case of

a small country choosing between co-operating with other small countries in the peripheries.

Looking at the current foreign policy debate and focusing on two issues, it is clear that very few decisions are made, and very little has been done. In order to better understand the situation and the reasons behind it, the issue has to be approached from two different angles: first, the theoretical side – would either of these options make sense and why, and would there even be a necessity for this kind of co-operation; and second, the empirical side – politicians and their views on the issue. As already mentioned, the politicians' views will be based on party documents and articles in the newspaper *Diplomaatia*. The choice of publication comes from the need to somewhat censor or peer review the opinion articles, as daily newspapers tend to publish everything, including very shallow and uninformative outbursts by young politicians (Youth party members), and it would be difficult for me to determine without spending a lot of this paper on explaining which politicians influence Estonian foreign policy and which do not. I shall use *Diplomaatia* as a reference for our foreign policy thinkers and party platforms as a reflection of parties in general.

## 4.1. Theoretical – Baltic Sea or Eastern friends

On a theoretical level, there are two ways of explaining the situation. One is looking at the necessity and the other at the possibility of co-operation. First, let us look at the Baltic Sea co-operation side. Does Estonia, in fact, need foreign policy co-operation with the Baltic Sea states and would it be possible? The necessity is quite easily clarified: if not anything else, the Baltic Sea needs help as it is polluted and in a difficult situation. It is directly surrounded by nine countries and around 90 million people, and one of the main problems is too much algae, which disturbs the ecosystem in the water (whereas the algae itself is the result of a disturbed ecosystem). The pollution comes from human activity, and much of the waste stays in the sea, as the connection to the ocean is narrow. The need for co-operation was already acknowledged in 1974 when the first Helsinki commission was created. Ecological improvement needs co-operation, so even if regional needs for cultural or economical co-operation can be debated, the region definitely needs environmental co-operation.

The other issue is whether this co-operation would actually work based on theory. There are many theories that could deal with this issue, but let us focus on regionalism for this paper as it fits both cases equally well. According to this, the Baltic Sea area could be a good case for regionalism, since many forms of

regionalism are present here. For example, the countries are more similar than not, all are interested in at least some sort of co-operation, and all are more or less connected to the European Union, the flagship of regional co-operation. Sweden, Finland and Denmark share a similar and connected history and to some extent have a similar language and understanding of the world. Estonia, Latvia and Lithuania have a similar recent history and share their common problem – Russia. Russia itself is a member of the area, being together with Germany, and to some extent Poland, a big country that has more than one issue on the table. Estonia and Finland share a lot, as do Lithuania-Poland and Poland-Germany. All parties are connected but still quite different. Even if co-operation is wise, the parties are different: some countries belong to the EU, some to NATO, some have issues with their neighbours and others in the area, and some are friendly to everyone. There are many possibilities for co-operation, and there are quite a few co-operation organisations as well.

Strangely enough, a similar result can come from looking at the Eastern co-operation option. In order to understand the theoretical background a little better, let us clarify which countries we are looking at. For the purpose of this paper, the focus is on Georgia, Ukraine and Moldova. There is potential there as certain criteria have been fulfilled: countries have similar issues, for example, the pursuit of democracy and a fear of Russia to name just two; the countries have a similar history, once again Russia; and finally, there is some cultural overlap (through Russia). Geographically they are far from Estonia and even far from each other (Georgia to the others), economically different, culturally different, and also different from Estonia. So the overlap is somewhat smaller compared to the Baltic Sea states. So, theoretically, the co-operation might not work as well, but if there is a desire to make it work, it could be done.

A similarly difficult situation comes from the necessity aspect. There are certain claims that this sort of thing would be useful or is even needed, but Estonia has very little to gain from helping Eastern neighbours. It is clear that Georgia, Moldova and Ukraine have very little to offer Estonia, and even if the joint pursuit of Western acceptance and democracy is successful, it would take much more than Estonia's vision and help to make it work. The only issues regarding necessity have to do with Russia, that is saving countries from Russia's grip and Estonia's own foreign policy credits. It would be nice if Estonia had a foreign policy and such a noble goal would suit it well. Unfortunately, history has shown that supporting certain countries might be a problem regarding public relations. The Georgian-Russian war in 2008 showed Estonia supporting Georgia right away, but the general consensus was later that it was not that simple.

Theoretically, both options are viable, but the Baltic Sea co-operation idea seems to work better. Regionalist aspects are clearer: countries are more similar and have a common goal. There is also a clear necessity to make it work, as there are eminent ecological problems in the Baltic Sea.

### 4.2. Empirical – what do politicians think?

When looking at politicians and how they think, it is always wise to keep in mind that what politicians say does not always end in related actions. As was discussed earlier, little has been done to improve Baltic Sea co-operation, so we will not focus on that right now. Instead we shall look at some documents and articles from *Diplomaatia* (2007-2011).

In the first part of the paper, I described Estonia's official foreign policy document (or website). It said very little in general and nothing about the topic in hand. So in order to get a better view on the issues, I shall look at the coalition agreement and party platforms of the two big opposition parties. The platforms were created for the parliament elections in 2011 and the coalition agreement signed in March the same year. When looking at the current coalition agreement, we see a similar pattern with one notable exception: Baltic Sea co-operation is mentioned. It is only two points under the "neighbours" headline, but it is there. So at least on paper the current government will try to do something about it. As governments do not always last, other parties should be looked at as well. The Social Democrats would like to enhance Baltic Sea co-operation as well (and "ensure Estonia's position as a driving development force in the region"), but they also mention the need to support Georgia, Moldova and Ukraine in their reform and struggle towards democracy and Western support. The Central party, the biggest in opposition, does not mention Eastern neighbours, but it does call for focusing more on Baltic Sea co-operation. So all significant players want Baltic Sea co-operation and, therefore, it could be argued that success is eminent. Still, it must also be mentioned that many other things are called for, among them better relations with Russia, the rise of Estonia's importance in Europe, etc. Baltic Sea co-operation is important, but it is clearly not the most important part of our politicians' foreign policy ideas. So the conclusion from the party documents is that Estonian politicians do see Baltic Sea co-operation as an option and a somewhat important one.

Now, when looking at some articles issued by Estonian politicians, most foreign policy articles are published in the newspaper *Diplomaatia*, therefore, I will focus on that in this paragraph. As the newspaper mostly focuses on one topic per issue, both Moldova and Baltic Sea co-operation get a mention between 2007 and 2011.

But other issues pop up as well, and it is strange to see a difference in politicians' approaches to different foreign policy issues. I shall start with the Eastern prospective first.

Let us first look at Moldova. The Romanian neighbour has a friend in Estonia – Marianne Mikko, a parliament member and a former member of the European Parliament (Social Democrats). Among other things, she has also been the editor in chief of *Diplomaatia* until the early 2000s. She has written articles on the issue in 2010, where she states that Moldova is in crisis, its people have not been able to elect their president or parliament properly, the country is in political turmoil, and the EU is clueless. She does not specifically call for Estonia's actions, more for actions by the European Union (Mikko 2010). What is unusual is that among other analytical aspects on the matter (half of the issue was dedicated to Moldova), another politician adds his thoughts. It is Andres Herkel (Pro Patria and Res Publica Union) and he focuses more on facts and his own connection to the country. He had visited Moldova some time before and, therefore, writes about that experience at length. He creates the connection with Estonia, but does not call for action. It seems Moldova is topical but not an active policy issue.

Ukraine and Georgia are both mentioned and written about in the 4,5 years of *Diplomaatia* I am focusing on. None of these articles are written by politicians, but like Moldova, both of these countries have a friend in Estonian political circles. The case of Ukraine is easier, its leading friend is also a friend of the Belarusian democratic forces, and he has been involved in various activities in all those countries. Silver Meikar (Reform Party) is now a former member of the parliament, but while he was holding office, he visited various elections in the East, including the Orange revolution in Ukraine in 2004. To illustrate his commitment to various Eastern issues, he has written multiple articles on Belarus (2008 and 2011), the latter describing his experiences in Minsk during the elections and his thoughts on the matter (Meikar 2011), and the former about president Lukashenka's changes and reforms (Meikar 2011). He has also previously written about Ukraine and published a book of photos and comments based on his experiences in Ukraine during the Orange revolution.

Georgia has been in Estonian news mostly due to conflicts of different sorts and, therefore, 2008 was a high time. It was also extensively covered by *Diplomaatia*, and some of those who were writing were influential politicians. One was Sven Mikser (Social Democrats), former defence minister and a foreign policy specialist in general. His article covered the volatile nature of international affairs, hot and cold wars going on around the world. He also covered the Georgian war in reference to Russia's ambition to regain territory. He did not specifically call for Estonia to

act, but in general suggested the direction of caution (Mikser 2008). Mart Laar, former prime minister and historian, was much more emotional and somewhat one-sided in his piece on the same issue. His article painted a picture of "poor-old-Georgia", who was brutally abused and helped by the Western forces. It ends with a "call to arms" or at least a call to stop Russia from showing his muscles like in 1968 (Laar 2008). This piece is interesting as it embodies the spirit of the Georgian (and Eastern European neighbours' in general) issue in Estonia. The crusade in favour of Georgia is led by one man, Mart Laar, and it is quite biased. Georgia can do no wrong. Similarly, as you can see from the articles compared to official policy documents, Eastern Europe like Georgia is in the hearts and minds of political thinkers, but not in the documents. Official policies do not exist.

There is also one slightly different view of Baltic Sea co-operation that almost never makes the news and almost always is more official than emotional. The topic has been covered in *Diplomaatia*, but the only politician who has written about it in the last few years has been Toomas Hendrik Ilves, the President of Estonia. He has talked about the issue before and has written about it as well. His latest piece was in 2009 and it was a reaction to the Baltic Sea Strategy. He supports it in his piece and mainly focuses on the differences between the Baltic Sea countries, and how these differences should be eliminated (Ilves 2009). In general, though, the topic of Baltic Sea co-operation does not get much analytical publishing. Strangely enough it is the exact opposite of the situation of the Eastern issue. The Baltic Sea co-operation issue is not very emotional, yet it is making its way into the official agenda.

## 5. Conclusions: What is our choice and will it be made?

From the previous pages of this paper, two conclusions can be drawn: 1) the Eastern issue and Baltic co-operation are somewhat popular and relevant, as they should be; and 2) that it was possibly easier to make foreign policy decisions in the 1990s. According to what foreign policy analysis determines, the important aspects that affect decision-making have changed, and it is highly unlikely that a proper foreign policy will be formed unless something changes again. Still, when looking at the rising importance of foreign policy and the international system changing again, the options discussed in this paper might become a reality within the next couple of years.

Moving on to the two choices discussed earlier, an interesting conclusion emerges. On the one hand, the similarities between the Baltic Sea states seem to be smaller than between Estonia and the Eastern countries that "need help". Estonia has very little to gain from the co-operation, but the foreign policy specialist politicians still like to talk about it. It seems that there are fans of each Eastern country (Laar-

Georgia, Mikko-Moldova, Meikar-Ukraine/Belarus), but this does not seem to get into the policy part of party politics. Similarity with neighbours and possible gain from Baltic Sea co-operation seems to be present in the policy documents (and even the coalition agreement), and the emotional side is left behind. It could be argued that this is the best way to make foreign policy.

The final conclusions will be made in the future. It remains to be seen if Estonia's lack of foreign policy goals will keep the country as a periphery or will the system change enough to bring it to the centre. At the same time, whether either of those policy options makes Estonia more central and connects the selected region to the centre is also a question. All the possibilities are there, now it is up to Estonia to make up its mind and determine what and how it wants to achieve.

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# The Cyprus Problem and the Estonian-Russian Border Dispute in the Context of European Union Accession

## Abstract

Just as divided Cyprus was accepted as a member state of the European Union with all its unsolved problems, Estonia as another peripheral European country as well joined the EU without its eastern border dispute with the Russian Federation being legally solved. The present paper aims to give a comparative approach to how the two countries have handled their political-territorial disputes in general and in the context of EU accession in particular. It focuses on the main similarities and differences of both cases (the Estonian eastern border dispute, and the Cyprus problem), as well as the key issues of development and attempts to resolve the problem, particularly in the context of the EU accession process. Furthermore, it raises and attempts to answer the following questions – why did the European Union in both cases compromise its rather basic principle that no unresolved conflicts, controversies or debates whatsoever should be "imported" to the EU by / with new member states? What was the formal and substantial justification for doing so, and in what respect was the context similar or different in these two cases?

**Keywords**: EU accession, Cyprus, Estonia, territorial / border disputes / conflicts

## 1. Introduction

Estonia and Cyprus both joined the European Union in 2004. Among much else, both countries have in common some territorial disputes or even open conflicts with neighbouring countries. About 37% of the legitimate territory of Cyprus and 5% of Estonia is under the control of their big neighbour (Turkey and Russia, respectively), and consequently out of national jurisdiction in practical terms. As long as the eastern border of Estonia and the territorial integrity of Cyprus are not settled, these areas can be classified as "provisional periphery" in the context of these countries as well as the entire European Union. Such classification (*peripherie toujours provisoire*) originates from the famous French geographer and geopolitician Jacques Ancel (discussed by Parker 2000) and refers to diffuse and non-stable borders that change hand in hand with altering relationships in power (Berg and Oras 2003: 49). Thus, in addition to the fact that Estonia and Cyprus are both peripheral countries in the EU as well as the whole Europe, this issue is directly

linked to the concept of periphery (specifically "provisional periphery") in a wider geopolitical sense as well.

The debate surrounding the Estonian eastern border, particularly regarding the possibility and necessity to legalise the existing *de facto* demarcation line between Estonia and Russia (*see* below for details), has been held both by the politicians and the public (including the media) over the entire period of restored independence (since 1991). One of the main arguments of the supporters of the so-called pragmatic approach – to legalise the existing and functioning demarcation line as a legal border – has been the necessity to be acceptable or "fit" for the European Union and NATO. Without a legalised eastern border and with so-called "territorial claims" towards the eastern neighbour, these organisations, as some claimed, did not want to see Estonia (and other countries in a similar situation, e.g. Latvia) among their members. Despite that, Estonia was finally accepted as an EU member state without a legal border settlement with Russia. At the same time, Cyprus joined the European Union in 2004 as it stands as well, still divided, without bringing the political problem to a solution – i.e. without corresponding to these requirements: territorial integrity, solved controversies, and a lack of territorial, political and other disputes with neighbouring countries. In this case, the question should be asked – why did the European Union in both of these cases compromise its rather basic principle that no unresolved conflicts, controversies or debates whatsoever should be "imported" to the EU by / with new member states? And as it still did – what was the formal and substantial justification for doing so, and was the context similar or different in these two cases?

There are indeed several similarities (as well as differences) between the situations of Cyprus and Estonia, particularly in the context of international law. Analysis of these similarities and differences would have provided substantial food for thought for Estonian (as well as other countries') policy makers and social scientists in the context of both evaluation of the history and formulation of strategies for the future. Some possible conclusions shall be presented in the final part of the present paper. At the same time, it is also a certain matter of thinking regarding the functioning of the EU and its behaviour towards candidate and acceding countries.

## 2. The Estonian-Russian border dispute

Independence of the Republic of Estonia was first declared in February 1918, but the country was fully established as an independent and sovereign state in February 1920, after German occupation and the subsequent intensive war with Soviet Russia, according to the principles of the Tartu Peace Treaty between the latter and Estonia. The two countries recognised each other and agreed, among

many other provisions regulating mutual relations, also on the exact situation of the border between them. This treaty regulated mutual relations between Estonia and the Soviet Union (the successor state of the Soviet Russia) until 1940, when the latter occupied and annexed the sovereign and independent Republic of Estonia and turned it into its province called the Estonian Soviet Socialist Republic (SSR). However, the administrative border (in fact only a virtual demarcation line that did not exist in reality) between two administrative units of the Soviet Union, the Estonian SSR and the Russian Soviet Federative Socialist Republic (SFSR), was continuously based on the border established by the Tartu Peace Treaty until 1944. In 1944-45, after re-occupation of the country by the Soviet Union, following a brief occupation by Nazi-Germany during the Second World War, a new administrative border was established between the Estonian SSR and the Russian SFSR, which situated some 20-30 km westwards. In other words, some territories were cut off from Estonia and added to Russia – although these countries did not exist as independent subjects of international law, but merely as administrative units of the Soviet Union. At that time, the border was merely a formal line of administrative division (as said already, in fact only a virtual demarcation line that did not exist in reality), and it did not interfere much with the everyday life of the people. In total, 2334 square km or ca 5% of the territory of the former Republic of Estonia was thus added to the Russian SFSR. (Mälksoo 2005a, 2005b)

In August 1991, subsequent to the unsuccessful coup in Moscow (and, thus, already before the final dissolution of the Soviet Union), the independent and sovereign Republic of Estonia was restored on the principle of *restitutio in integrum*. According to this principle, no new state was established in 1991, but the Republic of Estonia, having been occupied and annexed by the USSR in 1940, was restored in virtue of political and legal continuity. (Berg and Oras 2002: 68 ff; Berg and Oras 2003: 46-48) This meant, *inter alia*, that the international borders of the Republic of Estonia should have also been based on the international treaties in force until 1940, which in the case of the eastern border (between Estonia and Russia) meant the Tartu Peace Treaty (*ibid*). The Russian Federation was among the first countries to recognise the independence of Estonia. However, as the latter course of events clearly indicated, Russia did not recognise Estonia as a legal and political successor of the Republic of Estonia, which existed until 1940, but as a newly established country, such as all other former Soviet republics (Liik 2005). Thus, the border (in a legal sense a demarcation line) between Estonia and Russia was actually settled upon according to the administrative border between the Estonian SSR and the Russian SFSR, as it was set in 1944-45 (Jääts 2000: 656). In 1994, the Russian Federation started a unilateral demarcation of the Soviet-time

administrative line as the state border, and this line has functioned as the *de facto* border between the countries (and since 2004 also between EU and Russia) to this day. However, so far no new treaty has been signed between Estonia and Russia establishing the legal (in a sense of international law) border between the countries.

A good overview of the legal status of the Tartu Peace Treaty and, accordingly, the Estonian eastern border issue above all in the context of international law, is given e.g. by Lauri Mälksoo (2005a, 2005b), in addition to numerous other discussions and reflections in the Estonian and international media. Shortly summing up: from the standpoint of international law, the occupation and annexation of Estonia by the Soviet Union in 1939-40 was illegal and, thus, legally null and void. The same is valid for changes regarding the administrative border between the Estonian SSR and the Russian SFSR made during 1944-45. Thus, in legal terms the situation in 1991 meant that only 95% of the legitimate Republic of Estonia restored its independence, while 5% remained under the control of the Russian Federation, the successor state of the former Soviet Union. In the context of international law, strictly speaking, this situation means continuous occupation and annexation of a smaller part of the legitimate territory of the Republic of Estonia (*ibid*) – at least until no new treaty has been signed, by which Estonia would also legally resign these territories in favour of the Russian Federation.

Over the course of some years after the restoration of independence, a substantial change in the political discourse about the Estonian eastern border took place (Berg and Oras 2002: 102-121; Berg and Oras 2003: 50-54; Liik 2005). Shortly summing up: in 1991-94 Estonian foreign policy strictly stuck to the principle of *restitutio in integrum*, attempting among else the restoration of the eastern border as established by the Tartu Peace Treaty as the only available alternative, and excluding all possible compromises in this question. However, since late 1994 the politicians started speaking about the "new eastern politics" and a "détente" in relations with Russia, at least regarding the border issue (but not about the Tartu Peace Treaty as a legal basis for relations between Estonia and Russia in a wider sense). In practice, this meant resigning all the former attempts to restore the border as established by the Tartu Peace Treaty, and instead taking the existing Soviet-time border as a basis for negotiations. (Berg and Oras 2002: 102–114; Arnswald 2000: 136-139) Briefly, during 1992-94 Estonian foreign policy rigidly followed the principle "all or nothing", but since the end of 1994 Estonia resigned all "territorial claims" towards Russia and was ready to accept the *status quo*, provided that it would be possible to establish the status quo politically and legally on a contractual basis with Russia – hoping that Russia would reply by recognising the Tartu Peace Treaty as the legal basis for relations between the two countries (although that did not happen).

Evaluation of this step is a rather political and to some extent a sensitive issue up to today. However, most discussants point out that, if at all, there was perhaps some realistic chance to reach a compromise solution with Russia regarding the border (the line that would run between the current track and the track established by the Tartu Peace Treaty) in 1991-92 and hardly after that (cf Liik 2005). This chance, if it ever existed, was not realised since Estonia only claimed the border running along the Tartu Peace Treaty line and nothing less. There are several references to attempts by prominent individual politicians to reach some compromise agreement with some prominent Russian politicians, e.g. a personal approach by President (then the Chairman of the Presidium of the Supreme Soviet of Estonia) Arnold Rüütel towards the Russian President Boris Yeltsin (Berg and Oras 2002: 100-103; Berg and Oras 2003: 59-60), or to lobby the eastern border and particularly the Seto minority issue on the international arena and its organisations (Hint 2005). All these attempts were eventually unsuccessful as well. The "new eastern politics" was eventually realised in a new draft border agreement initialled in March 1999 in St. Petersburg (Berg and Oras 2002: 122–125; Arnswald 2000: 135). However, Russia continuously found new pretexts for not signing or ratifying the agreement. It was finally signed in 2005, but has not been ratified by the Russian Parliament to this day.

## 3. The Cyprus problem

In the context of the current paper, the situation referred to in international politics as the so-called 'Cyprus problem' is under consideration in the case of Cyprus. There are an enormous amount of analyses, discussions and reflections written about the Cyprus problem. For a more thorough overview of the substance and history of the Cyprus problem, *see* e.g. Mallinson (2005), here only a short summary. In the focal centre of the Cyprus problem is the division of the island between its two principal communities (Greek and Turkish Cypriots) into two parts that are separated by the buffer zone (the so-called Green Line) guarded by the UN peacekeeping troops. The Green Line is not a state border in the sense of international law, but *de facto* functions as such between the territories of the two communities. The Turkish Cypriot community (ca 20% of the total population of the island) inhabits the northern and the Greek Cypriot community (ca 80% of the total population of the island) the southern part. This situation has been in force since 1974, when Turkey invaded and subsequently occupied the northern part of the island, in response to a coup engineered by the Greek military junta then in power in Athens, aimed at uniting Cyprus with Greece (the so-called '*enosis*'). These events were preceded

by more than ten years of intercommunal hostilities and violence. The roots of this conflict, though, go far into the history. Turkish invasion and occupation of the Northern Cyprus was accompanied by a violent population exchange between the two parts of the island. Virtually all Greek Cypriots were forced to leave the Turkish-controlled northern part of the island and settle down in the southern part, while a majority of Turkish Cypriots left the Greek Cypriot-controlled southern part and moved to the North. (cf e.g. Mallinson 2005: 8-86)

Almost all countries (apart from Turkey itself) recognise the Greek Cypriot community living in the southern part of the island as the legal successor of the Republic of Cyprus that existed until 1974, and its administration and government as the sole legitimate representative of the whole island of Cyprus. Turkey, on the other hand, recognises the 'Turkish Republic of Northern Cyprus' proclaimed by the Turkish Cypriot community in the northern part of the island, and refers to the government of the Republic of Cyprus as the "Greek Cypriot administration of Southern Cyprus". There are several reasons behind the international community's recognition of the Greek Cypriot government as the sole legitimate representative of the whole island of Cyprus. Turkey, at least in the initial phase of the 1974 conflict, acted in accordance with international law – the treaties that established the Republic in Cyprus in 1960 (particularly the Treaty of Guarantee) that provided for an option of military interference of one or more "guarantor powers" (incl. Turkey), should the independence of Cyprus put in danger. However, Turkey's subsequent actions, in particular, the further advancement of Turkish forces in August 1974 (when the coup had already failed and the legitimate government of the Republic restored), and later the refusal to withdraw its military from Northern Cyprus, can be qualified as violations of international legal norms. Additionally, the role of the successful diplomacy of the Greek Cypriots should not be underestimated. Also, Turkish Cypriots have tried to achieve international recognition (at least as a formally equal part to the Greek Cypriots in the negotiations between the two communities) during all subsequent years, however, with no success. In 1983, the Turkish Republic of Northern Cyprus (TRNC) was proclaimed in the Turkish-controlled northern part of the island, but so far this state has not been recognised by any country in the world, other than Turkey itself (plus some non-states such as e.g. Nakhichevan, an autonomous part of Azerbaijan). Greek Cypriots have been successful in orchestrating an international boycott in respect of the TRNC. As a result, the TRNC is economically as well as politically highly dependent on Turkey, and all communications between the TRNC and the outside world go via Turkey. At the same time, a large number of Turkish military is situated in Northern Cyprus. (cf e.g. Mallinson 2005: 124-140)

Until the end of the 1980s, the Cyprus problem was characterised as being in a quite static state, without any substantial developments in any directions – despite the fact that numerous rounds of negotiations had been held over the years, with no principal success. The situation began to change after the end of the Cold War – from one side due to a decrease of the importance of NATO (and Turkey as one of its most important member states at the organisations' southern flank); from the other side due to the continuous strengthening of the European Union. For the Republic of Cyprus, this meant an increasing desire to join the European Union and hopefully – with help of the latter – to obtain additional measures to solve the political conflict, or at least some "soft" indirect security guarantees (Nugent 2000: 136).

## 4. Relations with the EU and beginning of the accession negotiations

Much and thoroughly has been written about the relationships between Cyprus and the European Union (e.g. Brewin 2000; Nugent 2000, 2004; Green, Collins 2003; Mallinson 2005). An association agreement between Cyprus and the European Union was signed already in 1972. In July 1990, the government of the Republic of Cyprus submitted an official application to join the EU. Three years later the European Commission gave a positive recommendation in its opinion about Cyprus as a candidate country. Departing from this opinion and recommendation, the European Council decided in June 1994 to include Cyprus into the next round of accession. (Cameron 1999: 11–14)

Both Fraser Cameron (*ibid*, 21) and Neill Nugent (2000: 133–134) stress that among all candidate countries of the 2004 enlargement round, Cyprus obviously had the least problems with fulfilling the so-called 'normal' accession obligations (Copenhagen criteria). At the same time, there was a real threat that the political problem would emerge as an insuperable obstacle. Indeed, this has been the central and the most important question during the whole EU accession process for Cyprus, leaving all other issues to the background. Thereby, a division of the island was by far not the only problem. There were also questions such as the exclusion of the Turkish Cypriot community from the accession negotiations and forthcoming privileges of the membership, relations between the EU and Turkey, as well as the security situation in the Eastern Mediterranean region in a wider sense, which were important issues tightly connected to the Cyprus problem and Cyprus' EU accession process. (Nugent 2000: 137–139)

The situation changed radically in March 1995, when the Council of the European Union decided to start accession negotiations with Cyprus. This principal

decision has drawn particular attention of many scholars and analysts. Christopher Brewin (2000: 16–30) even dedicates a separate chapter in his book to this issue. Without currently analysing this decision and all of its background in more detail, some important aspects should be highlighted, though. Before this decision, two principally different attitudes prevailed in the EU. According to one, it was not possible to grant Cyprus membership status before the political conflict has been solved and division of the island brought to an end. According to the other, on the contrary, a delay in solving the conflict should not cause any delay in Cyprus' EU accession, as this would set conditions dictated by Turkey and Northern Cyprus as preconditions to the EU enlargement in general, and, in fact, would grant the latter *de facto* veto right over Cyprus' EU accession (Green, Collins 2003: 9–13; Nugent 2000: 139). The last attitude finally prevailed and solving the political problem and ending the island's division was not set as a precondition to Cyprus' EU accession.

The evolution of relations between Estonia and the European Union has been quite thoroughly discussed e.g. by Sven Arnswald (2000), with a focus on the Estonian-Russian border conflict e.g. by Viktorova (2006). The association agreement between Estonia and the EU was signed in 1995; at the end of the same year, Estonia also submitted an official application to join the EU. The European Council decided in 1997 in Luxembourg to also include Estonia into the first round of accession and start accession negotiations. This decision as well was based on the Commission's opinion and recommendation, which in turn was based on a survey conducted among the Central and Eastern European candidate countries in 1996. The opinion towards Estonia was relatively positive. Some limited criticism was mainly found about the situation of the Russian-speaking minority. The report also expressed some scepticism about Estonia's ability to transpose and implement the EU common legislation (*Acquis Communautaire*), in particular in the environment sector. The border issue was practically not touched – neither in political, nor in technical terms. (Opinion on Estonia's Application for Membership of the EU 1997) In general, the remarkably low profile of the eastern border issue in the entire EU accession process should be emphasised. Also, the next EU documents and opinions about Estonia – Accession Partnerships, Progress Reports, etc. – mainly focused on technical aspects and issues connected with the border: the situation of border guarding and control, the border crossing regime, etc. Political issues connected with the border were almost not dealt with at all. (Accession Partnership for Estonia 1998 / 1999 / 2002; Commission Progress Reports and Regular Reports on Estonia 1998 – 2003)

## 5. Under international pressure?

Undoubtedly, one of the biggest uncertainties regarding the Estonian eastern border issue in the context of the EU accession process was connected with the question of whether and how much the EU put pressure on Estonia to resign the attempts to restore the Tartu Peace Treaty border and to make an agreement with Russia about legitimising the factual existing one. To evaluate it afterwards is difficult, though not impossible. There are some references in relevant Estonian (Berg and Oras 2002: 109–111; Berg and Oras 2003: 56, 60-61) and international (O'Brennan 2006: 127; Arnswald 2000: 135) literature about such pressure having been existed, however, these references are usually rather general, without pointing directly to any concrete source. Siim Kallas, Minister of Foreign Affairs of Estonia in 1995-96, expressed himself in a radio interview on August 20th, 2011, in rather similar way, without mentioning any concrete names:

"Some important and influential people among else in the EU have told me, and probably told some others as well, including Lennart Meri[1], that the [missing] border treaty is an obstacle in your way to the European Union. But in case you do everything from your side for this border treaty to come, then this is not an obstacle anymore. Nobody can demand from you that Russia should sign the treaty, but you have to do everything from your side ..." (Kallas 2011).

This is also fully understandable, as possible "recommendations" to reach an agreement with Russia (with terms dictated by the latter, of course) were probably made during informal and/or personal meetings and discussions between high rank Estonian and EU politicians, and these were neither documented nor recorded. Relevant written documents, if at all and as far as such existed, may have been labelled as confidential and, thus, are not available for more thorough analysis.

There is no doubt, however, about at least some such pressure, although its intensity may have been variable in space and time. This conclusion can indirectly be drawn from the fact that similar pressure clearly existed towards Cyprus (Nugent 2000: 134), therefore, there is no reason to believe that Estonia (or Latvia, which was in a very similar situation) could have escaped it. In the case of Estonia (and Latvia), the most important aspect for the EU was the fact that the Estonian-Russian (and Latvian-Russian) border was to become the EU's external border in the future, after the Estonian (and Latvian) accession into the EU, and in a more distant future also the external border of the Schengen area. Thus, the EU did not readily accept the legally vague and indefinite status of the Estonian-Russian border (and even less possible political tensions and, in worst case, conflicts arising from this status), take

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[1] The then president of the Republic of Estonia.

even into account the sole technical aspects of guarding, controlling and securing the border. In geopolitical terms, the EU was at least in principle not ready to accept the "provisional periphery" in terms of Ancel (as cited above) at its future outer borders.

At the same time, the majority of sources share the common opinion that this pressure was above all indirect and so-called rhetoric (Arnswald, *op cit*), as border issues lay in the competence of the member states and not the European Union – they are solved between the member states or member states and the third countries, without direct EU interference. The interest of the EU was mainly political – not to import an unsolved conflict into the European Union. This is particularly true for Cyprus. The references about Cyprus' EU accession process confirm that the pressure towards Cyprus was at least initially much stronger than towards Estonia and Latvia. For the European Union, eastern enlargement was a priority without readiness to make any compromises. Including Cyprus into the process was an issue of clearly secondary importance, and according to Christopher Brewin (2000: 5 ff) there was initially a total lack of interest on the part of the EU to do that. Furthermore, the Cyprus problem posed a much bigger security risk and a more complex set of political problems for the EU (Nugent 2000: 137–139) than whatever other problems connected with eastern enlargement, including Estonian and Latvian eastern border issues.

Still, eventually both Cyprus and Estonia (as well as Latvia) were accepted as EU member states, without their territorial-political disputes being resolved, at least not legally. While Estonia and Latvia gave up all "territorial claims" towards the eastern neighbour and showed good will (that was not met by Russia) to conclude border agreements respecting the *de facto* situation, Cyprus, on the contrary, kept rigidly and decisively to its positions and was not ready to make any concessions to the opposite party (Turkish Cypriots, backed by Turkey). It has been claimed that Estonian accession into EU was only possible because of compromise politics towards Russia since 1994 (Berg and Oras 2003: 61; Liik 2005), however, the Cyprus case does not seem to support that argument. First, it indicates certain double standards of the EU in relation to the Estonian border issue from one side, and the Cyprus problem from another. Second, it points to some objective differences that Cyprus had in comparison to Estonia and Latvia, both internationally in general and in relations with the EU in particular. These aspects will be considered in more detailed discussion below.

Obviously, holding a rigid stand in handling such conflicting issues presupposes, apart from political will, solid allies and successful diplomacy. Regarding the allies, Cyprus definitely had a clear advantage compared to the Baltic countries – the

"motherland" Greece. Regarding diplomacy, one has to acknowledge the success of Cyprus both before and during the accession process. At the same time, there are no indications or references whatsoever about Estonia's possible diplomatic efforts to find international allies to support its positions in the eastern border dispute. Joining the EU (and NATO, if possible) was the top priority of Estonia's foreign policy since the mid-1990s (Liik 2005), thus, "retreating" in the border dispute was obviously a small enough price for the Estonian political elite to pay for achieving the mentioned targets as soon and definitely as possible.

Evaluation of possible pressure from the European Union as the factor influencing the change of paradigm of the eastern border dispute has to take into account the time dimension as well. It cannot be forgotten that "new eastern politics" was born already in 1994, when relations between Estonia and the EU were not yet institutionalised. The Free Trade Agreement had been signed, but the association agreement was signed and membership application submitted only a year later (1995). Thus, if pressure from the EU was the main factor stressing Estonia to change the attitude towards the eastern border and accept the *de facto* functioning border (as claimed by several Estonian politicians), such pressure in that period should have been very indirect and informal. At least Andres Tarand, Prime Minister of Estonia in 1994-95 and initiator of the "new eastern politics", has said that there was no pressure whatsoever from the EU side at that time (in 1994) (Tarand 2011).

Last but not least, Viktorova (2006) has pointed out that the reasons behind the change of the paradigm of the eastern border dispute were wider and more complex than just EU pressure as such. These included both internal and external aspects, and from the latter she highlights a lack of support of all Western democracies, not just the EU. She also points out that the "rationalisation of Estonia's foreign policy towards Russia was rather a result of EU's enabling impact [than direct pressure – H.L.], as the practical approach to the border negotiations was informed by the construction of Estonia's interests as a prospective member state". (*ibid*: 12)

## 6. If Estonia had not "retreated"

All possible hypotheses about how history would have gone in case of some different assumptions or decisions understandably remain highly speculative. The aim of the current essay is not to construct such speculations in any way either. We shall never know, how the Estonian EU accession process would have progressed and ended, if Estonia had not resigned its claims to restore the legitimate eastern border, or at least agree on a more justified and reasonable compromise option. On the basis

of the Cyprus case, however, some hypotheses can be constructed. It is definitely not possible to apply full analogy, as there are too many differences between the two cases. However, these differences could be taken into account to the necessary extent. As already mentioned above, Cyprus had a clear and strong advantage having one dedicated ally in the EU, the "motherland" Greece. The "Greek factor" has been evaluated differently, yet most sources evaluate it as strong or very strong. As has been emphasised repeatedly, Greece had threatened to veto the entire eastern enlargement process if Cyprus was not included in that process. At the same time, it is not possible to evaluate afterwards how serious that threat really was, as Greece and the EU in reality never reached a situation that extreme.

Neill Nugent (2000: 141-146) presented four possible EU enlargement scenarios, depending on solving or not solving the Cyprus problem before the enlargement, and behaviour of the member states in this respect. He did not consider it as very realistic that (a) the accession of divided Cyprus will be excluded by the member states, and Greece in response will block the whole eastern enlargement process; neither that (b) the accession of divided Cyprus will be excluded by the member states, but Greece will not implement its threat to veto the accession of other candidate countries except Cyprus, so the others accede. He considered the most unlikely scenario to be that the Cyprus problem will be solved before the accession. The most likely scenario, according to him, was that the most sceptical member states towards Cyprus would soften their attitude and permit the still divided Cyprus to join the EU – above all to save the eastern enlargement process, politically extremely important for the European Union. As we know today, this was exactly what happened.

By way of analogue, one may try to evaluate how likely one or another above-mentioned scenario would have been, if Estonia had not "retreated" with the border issue in 1994-96, and at the same time still had applied for the EU membership. Above all, the first scenario (some 'old' member state putting a veto on the whole enlargement process in favour of Estonia) would have been excluded – because the country definitely did not have such a dedicated ally among the 'old' member states, as Greece in the case of Cyprus, who would have been ready for such a radical step. Equally, the next scenario, in which case the Estonian border dispute had been solved before the country's accession in 2004, cannot be considered as very probable. At the same time, one cannot entirely exclude the option that – in case of sufficient political will to accept Estonia and Latvia along with the other candidate countries – the European Union would have been able to exert at least some pressure upon Russia to achieve a certain compromise regarding the Estonian-Russian border (particularly if the possibly agreed border would have been situated somewhere between the current *de facto* and the desirable Tartu Peace Treaty

border track). The interest of the EU in this question would have been, above all, to stabilise and legalise the Estonian eastern border as its further outer border. The likelihood of such pressure is not very high, however, as the EU principally lacks the instruments to exert such pressure on Russia. Unlike Turkey, Russia is not an EU candidate country and even has no aspirations to become one in a visible future, nor are the relations with Russia institutionalised in such a way that there would be any option, apart from political rhetoric, to achieve any effective influence.

Equally, one cannot consider as very realistic the third scenario – to exclude Estonia and Latvia from the eastern enlargement and accept all other candidate countries as member states. First of all, looking from Brussels (or elsewhere from central Europe), the three Baltic countries form more or less unitary whole – despite the fact that during the accession negotiations some differentiated attitudes towards them were temporarily applied. Lithuania has and had no unsolved border disputes with its neighbours, thus, leaving Lithuania out of the eastern enlargement "in one set" with Estonia and Latvia would have been unimaginable. Just as it was very difficult to leave out Cyprus, because its situation (apart from the political problem) in the context of accession (fulfilling the Copenhagen criteria) was much better than that of any other candidate country (Nugent 2004: 35–36), it would have been very difficult to leave apart Estonia, whose position in terms of the technical requirements of accession (fulfilling the Copenhagen criteria) was in the mid-90s substantially better than that of several other candidate countries. Apart from Latvia, Estonia was almost always advancing Lithuania, in several aspects also Slovakia and Poland, let alone Bulgaria and Romania. In addition, Estonia and Latvia also had some strong supporters in the EU accession process, e.g. Sweden, Denmark and (particularly in case of Estonia) Finland. Although it is highly unlikely that any of these countries – particularly Finland – would have supported Estonian and Latvian demands for the border, it is yet rather likely that these countries had supported Estonian and Latvian EU accession *per se*, probably also when the latter had not resigned their aspirations for a legitimate eastern border. This support would have by far not necessarily meant threatening of vetoing the enlargement process (as in case of Greece and Cyprus), but perhaps a range of other political means. Last but not least, Estonia and Latvia would also have had in hand the Cyprus case as an argument: "Why are we left out, if the country in a much more complicated and disputable situation is taken in?"

Taking all the above into account, one has to consider as most likely the fourth scenario, analogous to Cyprus: despite an unsolved border dispute, Estonia and Latvia would have been accepted as full EU member states in 2004. The likelihood of this scenario is further confirmed by the fact that Estonia and Latvia indeed

joined the EU, despite the absence of signed and ratified border treaties with Russia (although they had made all possible and necessary attempts from their side for these treaties to be born). Thus, the lack of a legal solution to the border dispute(s) was no obstacle for Estonia's and Latvia's EU accession, just as an unresolved political problem was eventually not an obstacle for Cyprus. The political decision and, above all, political will by the European Union had the final word in this matter.

## 7. Conclusions: the Cyprus case as argument

Taking the case of Cyprus into consideration, it could be questioned whether the so-called "pragmatic eastern politics" initiated by Estonian politicians during 1994-95 and resulting later in a draft border agreement with Russia (not ratified yet so far) was reasonable and perhaps necessary at all. Particularly, if we consider that Estonia is an EU member state already for the 8th year, but the border with Russia is still not legally established and just *de facto* functioning on the basis of the former administrative border between the Estonian SSR and the Russian SFSR. Rather, one can claim that Estonia had a realistic option not to make any concessions regarding the positions on the eastern border issue, at least not taking into account the EU accession perspectives. The Estonian political elite still decided not to take any unnecessary risks and to focus on one primary target. Clearly, the lost "eastern territories" were not such a political priority and question of national pride, as reunification and territorial integrity were for Cyprus. In the Estonian case, the priority was to safeguard legal continuity (recognising of the Tartu Peace Treaty by Russia as a basis of interstate relations) as a legal concept and not a practical situation regarding the border. On the other hand, sticking to legal continuity and attempts to restore the Tartu Peace Treaty border would have given little (if any) practical use for Estonia and the Estonians, as the chance to get some territories back from Russia, except perhaps in the immediate aftermath of restoration of independence (1991-92), has been practically non-existent. The main motivation of doing so would have been sticking to legal continuity and avoiding jeopardising it by some latter legal agreement establishing the 'new' border. This may be (but equally may not be) some kind of an argument in possible new negotiations with Russia (or hypothetically with some of its successor states) in a very distant future.

The cases of both Cyprus and Estonia also indicate the inconsistency of the position of the EU towards its accession and acceding countries, regarding the "import" of unresolved conflicts. While the EU has repeatedly spoken with a loud voice and expressed that whatever country wishing to join the club has to settle down all conflicts first, the reality has been different. The EU has eventually not

demanded solving the conflict as precondition for accession from Cyprus, in a similar way Estonia and Latvia acceded without the eastern border issue legally settled. At the same time, there has been clear evidence of the pressure from the EU side towards Estonia and likely also Latvia, while Cyprus was finally welcomed to the EU without any substantial attempts to solve the conflict. Even the two principal communities of the island were not treated in a fair and just way by the EU. Rather the contrary – in the April 2004 referendum about the Annan Plan, the Greek Cypriots voted overwhelmingly NO to the reunification, but were awarded the EU membership, while the Turkish Cypriots who voted YES were punished by being left out of the EU (Asmussen 2004). All this indicates that the EU positions and policies are too often not solid, consistent and fair, particularly towards the peripheral areas, as the "new" member states (EU-12 or those acceded in 2004 and 2007) tend to be. Even though this biased attitude is not always disadvantageous to the target country, as in the present cases.

It is also important to remember and recall, if and when necessary, the experience of Cyprus in the case of some former "fellow sufferers" of Estonia in the Soviet Union – the former Soviet republics that until now have been plagued by the 'frozen conflicts' similar to Cyprus. For example, both Georgia (the cases of Abkhazia and South Ossetia) and Moldova (the case of Transnistria) still have hard times with their close or more distant neighbour's (i.e. Russia's) attempts to raise and maintain territorial, political and/or ethnic conflicts, in order to prevent these countries from leaving its 'sphere of influence' and from integrating with Western organisations. The situation in these countries is thereby much more analogous with the case of Cyprus than the issue of the Estonian eastern border. In all these cases, the question is, if not about direct military occupation, then at least about ethnical or political conflict instigated by a foreign power, followed by *de facto* separation from the country of origin with military and/or economic support from the same instigating foreign power. Even if these separatist entities have not been internationally recognised by no (or almost no) other states, the countries in question (Georgia and Moldova) still do not exercise full control over their legitimate (internationally recognised) territory. As it has been heard (again mostly in private conversations) from the politicians of the European Union and NATO, this situation may become problematic, if not fatal, for these countries in their attempts to join the mentioned organisations. In this context, Estonia (as well as other member states) would have an excellent possibility to become advocate(s) for these countries in both mentioned (and, if necessary, some other) organisations, bringing along the argument of comparison with Cyprus, who was accepted as an EU member state without the political problem being solved and territorial integrity restored.

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# Institutionalisation of Linguistic Diversity and the Emergence of Linguistic Freedom: How European Peripheries Matter?

## Abstract

Institutionalisation of linguistic diversity in Europe is in progress and seems taking place in different ways for various reasons on all levels of government. The issue is closely related to and embedded in a wider process of institutionalisation of cultural diversity, which, on European level, may prove to be decisive for the future of the European Union. This paper limits its scope to the language question, in particular, to the concept and forms of linguistic institutionalisation, the impact of this institutionalisation to language rights, asymmetrical historical experiences of the centre and the peripheries, and the symmetric dimension of institutionalisation of languages in the European Union. The author finally points out that in the process of institutionalisation of linguistic diversity freedom of language also emerges and that freedom of language as a universal human right ought to be recognized.

**Keywords**: institutionalisation of languages, equal or non-equal treatment of persons in relation to languages, minority language rights, linguistic human rights, freedom of language as a fundamental human right

## 1. Institutionalisation of languages and language rights

According to estimations 4-7000 languages are spoken in the world today; the exact number of them may have been 6909 some years ago (Lewis 2009). Considering that the number of states is approx. 200 at present, there is hardly any country in which one and only language is spoken. Therefore, it is often an issue to decide upon, which language(s) ought to be used in various trans-frontier relationships and within the individual countries.

Sometimes it is possible to use all the languages concerned, sometimes it is not, sometimes one language is selected to be used, sometimes more than one. Such a selection of a language may be spontaneous and occasional, e.g. in everyday life, but it may be deliberate and long-term, e.g. in religious practices or public life. In any case, to choose a language in this way means to distinguish this language from the rest of the languages concerned and to give a distinct, special status to it. Thus, such a designation of a language necessarily implies a distinct, special status for the designated language. And if a language has such a distinct, such a special status,

that language can be considered institutionalised. So, whenever a language has a special, a distinct status, I will consider it an institutionalised language.

In this paper I will focus on fundamental and stable forms of institutionalisation. This is almost always the case when special status of a language is given by the law. Such an institutionalisation of a language may be the result of a so-called language planning policy or, more precisely, status-planning. Although forms of institutionalisation vary even in this narrower legal sense, these divergent versions can be, and in fact are put into some basic and wide-spread categories of legal institutionalisation of languages in all over the world. These basic legal forms comprise a special kind of hierarchy.

The highest legal status of a language is the official language status or, to put it in other words, the highest level of institutionalisation of a language is when it is selected to be an official language. Legal institution of official language may be established on local/regional, national/federal and international level. On national level this highest legal institution of a language is sometimes called and defined as state language or national language.

A lower level of institutionalisation of a language is its recognition as a protected minority or regional language. There are several forms of such a legal status with varying governing rules of language use, at the same time, the gist is usually to provide opportunity for the use of the language in question in some official contacts and to recognise its use in non-official contexts.

A third level of institutionalisation of a language is that its use is recognised as the enjoyment of the right to freedom of opinion and expression, the right to privacy, the right to linguistic freedom, or, the right to non-discrimination on the ground of language. Explicit recognition of linguistic freedom is still an exception: there have been only some countries in Europe which recognise freedom of language explicitly. The lowest level of institutionalisation of a language is that its use is, in a way or another, forbidden. This kind of institutionalisation can be called negative institutionalisation. These main forms and levels of institutionalisation of languages indicate that languages are not treated equally. Languages that are selected to be official languages are treated favourably to protected minority or regional languages, protected minority or regional languages are treated favourably to the rest of languages which are recognised merely by the right to privacy etc; however, these latter languages are treated favourably to prohibited languages.

If languages are not treated equally, their speakers are not treated equally, either. Treatment of speakers of a particular language is defined by the treatment of the language in question, be this language an official language, a protected minority language, a prohibited language or a language being somewhere in between the last

two. On national level languages and their speakers that fall in these different legal categories of treatment can usually be identified as follows:

The majority language is designated to be official language in most countries; therefore, the linguistic or the national majority almost always enjoys the highest legal status of its language.

Minority languages may be historical minority languages, i.e. languages of historical minorities, or they may be non-historical minority languages, i.e. languages of non-historical minorities, or new migrants, in the main.[1]

(Some) historical minority languages are selected to be official languages in some countries, thus (some) historical minorities in such countries also enjoy the highest legal status of their languages. In most cases however, historical minority languages are not selected to be official languages, but they are given special status as protected minority/regional languages. Thus, historical minorities are usually provided, by special legal status of their languages, a lower language status than the linguistic or the national majority.

Non-historical minority languages, in most countries, are neither official nor protected minority/regional languages; their use, in opposition to official and protected minority languages, is not specified by distinct provisions of the law. Instead, legal status of non-historical languages is usually recognised and defined by the right to freedom of opinion and expression or the right to privacy. Consequently, non-historical minorities or new migrants are provided, by special legal status of their languages, a lower language status than most historical minorities.

Differential treatment of languages and their speakers naturally results in different language rights, or in other words, unequal legal statuses of languages and the corresponding unequal statuses of speakers of the languages in question inevitably have an impact on language rights.

In particular, special language rights can be derived from each and every different legal status of languages and that of their speakers. If these special language rights are not derived and specified by the law itself, we can call these rights implicit language rights.[2]

First and foremost, legal institution of official language implies the right of some to use their own language as the official language of the state. Those 'some' who have this special language right are whose own language is identical with

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[1] On the concept, definition, classification and characterisation of the term 'minority' there have been debates. Moreover, 'national', 'ethnic' , 'linguistic', 'voluntary' etc. minorities or minority groups are conceived also differently. For a good outline *see* Fábián, Ötvös 2003: 8-15.

[2] These rights are reflected in various spheres of private and public life. For a good example in the field of geographical names *see* Vogl in this volume 175–192. For more details on implicit language rights *see* Andrássy 1998: 31-48 and Andrássy 2003: 119-124.

the official language of the state. Now, due to the fact that the language of the linguistic or national majority is almost always is designated to be official language, persons belonging to a linguistic or national majority almost always enjoy the right to use their own language as the official language of the state.

Similarly, depending on whether the language of a historical national or ethnic minority is an official language or a protected minority language in a given country, persons belonging to this historical national or ethnic minority have either the right to use their own language as an official language of the state, or, they have the right to use their own language as a protected minority or regional language in the state.[3]

Thirdly, persons belonging to a non-historical ethnic minority have merely the right to use their own language within the limits of the right to privacy, freedom of expression or the principle of non-discrimination.

Finally, persons whose language is forbidden in a given country have the right to use their own language within the limits of privacy or they may not have any right to use their own language.

Thus, in a given country there are some who have the right to use their own language as the official language of the state and there are others who do not have this right. Moreover, there are usually some who do not have the right to use their own language as the official language of the state but they have the right to use their own language as a protected minority or regional language. Thirdly, there are some, who do not have the right to use their own language either as the official language of the state or as a protected minority or regional language, but they have the right to use their own language within the limits of the right of privacy, freedom of expression or the principle of non-discrimination. Finally, there may be some who do not have the right to use their own language in any way described above, or they may have merely the right to use their own language within the limits of the right to privacy.

This composition of special legal language rights derived from or specified by special legal statuses of languages and their speakers may be even more complicated, if we take into account that a language that is not an official language on national level, may be official language on regional level, or that a language is official language both on national and regional levels, but it is not an official language in all the regions of the country, etc.

In the light of what has been said we must come to the conclusion that different forms of legal institutionalisation of languages result in differential treatment of

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[3]  The right to use these languages often includes not only direct but certain indirect forms of usage as well, such as e.g. the right to public topographical indications in the given language. For more details *see* Vogl in this volume 175–192.

languages and their speakers, and that differential treatment of languages and their speakers results in unequal language rights of persons. Thus, the usual legal forms of institutionalisation of languages imply legal inequalities in language rights. Whether or not, or to what extent these legal inequalities are justifiable is an essential question for theory to answer. Although this issue will not be analysed in this paper, it will be touched upon in several contexts below.

## 2. International minority protection – the League of Nations and the UN

Institutionalisation of languages took place mainly on country level for a long time. In many European countries Latin was used for official purposes for centuries; then Latin was gradually changed to national languages. In Hungary the process began with the attempt of Habsburg King Joseph II to change Latin to German in 1784. This attempt failed but it contributed to the gradual introduction of Hungarian as the official language of the country that took place in 1844 in many respects but was completed only after 1867. This time historical minority languages were also institutionalised, even Hungarian banknotes were printed and issued in six or more languages (Vilaro 2002: 33-37.).

After World War I the victorious great powers decided on unprecedented territorial changes, they practically redrew the political map of a large part of Europe and the Middle East. The Austro-Hungarian Empire dismembered, defeated countries lost great territories, new states, Czechoslovakia and Yugoslavia came into existence, Poland and the Baltic states regained their independence, several countries enlarged. Thus, the territorial and political changes brought in losses on the one hand and gains on the other. In the case of Hungary the result was dramatic: Hungary's territory, in accordance with the Trianon Treaty of Peace, shrank from 282,000 square km to 93,000 square km, i.e. the country lost more than 67 per cent of its traditional territory. This territorial amputation entailed similar loss in the population of the country.

The territorial decisions of the victorious powers were based on the principle of national self-determination, i.e. the vision was to make political borders identical with national, ethnic or linguistic borders or, in other words, to create nation-states from multinational Empires and countries. Nation-states, in this sense, were considered ethnically and linguistically homogeneous countries, or, in other words, as being political communities without historical (national, ethnic or linguistic) minorities (Claude 1955: 11-15.).

However, the principle of national self-determination was not applied consistently when territorial decisions were made: smaller and larger groups of persons were

transferred to states in which they became historical national, ethnic or linguistic minorities. Such inconsistent applications of the principle proved to be so significant that the victorious great powers, decided to establish an international minority protection system. The standards of the system were imposed on or undertaken by several countries, e.g. Poland, Czechoslovakia, Hungary, Romania, Bulgaria, Greece, Turkey, Iraq, Yugoslavia, Austria, Albania, Estonia, Latvia, Lithuania and Finland[4]. The system was then placed under the guarantee of the League of Nations.

On the other hand, however, the victorious great powers did not undertake to apply the standards of the system in relation to their own minorities, nor they brought pressure to bear upon any country from Western Europe to do so. Not even the defeated Germany was obliged to be a state party to the system.

It is not difficult to realise that those countries that were bound by the system are situated, except Iraq, in the periphery of the later European Union, while those countries that were not bound by the system, belong to the centre of the later European Union. Thus, no country in the centre was bound by the international minority protection system, while almost all countries in the periphery were bound by the same system.

This was naturally an asymmetric, an unequal arrangement between the centre and the periphery. This asymmetry, this inequality proved then a serious moral weakness of the regime that weakened the effectiveness of its functioning (Claude 1955: 30-50, Buza 1930: 18-22, and de Varennes 1996: 28.). Nevertheless, the system was in operation, their standards were partly applied, complaints could be lodged, decisions were made. Thus, the system became a source of common experiences in the countries of the periphery, while such experiences were not gained in the countries of the centre.

This international minority protection system and the League of Nations itself collapsed during World War II and the new international organisation, the United Nations did not continue the League's minority protection activity. Instead, the United Nations developed an international human rights protection system, which originally did not include any minority right. Therefore, the League's minority protection system has often been contrasted with the UN's human rights protection system and it has usually been held that the logic or the philosophy of the two systems is different.[5] I think this view is exaggerated. It is, because the minority protection system protected mainly civil and political rights, i.e. first generation human rights,

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[4]  In the case of Finland, the obligations that were undertaken were applicable only to the Aland Islands.
[5]  There are various forms of contrasting the two systems. It is often emphasised e.g. that while human rights are universal and uniform rights, minority rights are particular, special and exceptional rights. Moreover, while minority rights within the League's system are sometimes conceived as group rights or collective rights that provide direct protection to vulnerable minorities, human rights within the

even if this minority protection system did not make references to moral rights (natural rights, rights of man or human rights) as the source of these civil and political rights. Thus, both systems can be conceived as human rights protection systems, i.e. the main difference between them is not in their logic, in their nature.[6]

The similarities and the differences between the two systems can be specified in many ways, but two points, I think, ought to be stressed anyway. Firstly, both systems set out everyone's civil and political rights, nevertheless these rights constituted obligations of international concern and were placed under the guarantee of the League of Nations if and only they affected persons belonging to racial, religious or linguistic minorities. On the other hand, these civil and political rights constitute obligations of international concern in the UN's system irrespective of the minority or majority status of the persons affected. Thus, while the League protected the weak, the UN protects everyone. Secondly, both systems set out everyone's civil and political rights, at the same time, while these rights included language rights and even non-linguistic human rights were specified mainly in relation to languages and other important issues for minorities in the League's system, language rights or linguistic components of non-linguistic human rights were not recognized in the first detailed human rights instrument of the UN's system, the Universal Declaration of Human Rights. To furnish illustration, let us compare the specifications of the right to freedom of association within the two systems.

In the League's system,

> nationals who belong to racial, religious or linguistic minorities shall enjoy the same treatment and security in law and in fact as the other… nationals. In particular they shall have an equal right to establish, manage and control at their own expense charitable, religious and social institutions, schools and other educational establishments, with the right to use their own language and to exercise their religion freely therein.[7]

On the other hand, in the UN's system "everyone has the right to freedom of peaceful assembly and association" (Article 20, Universal Declaration of Human Rights of 1948), or "everyone shall have the right to freedom of association with others, including the right to form and join trade unions for the protection of

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UN's system are conceived as individual rights that provide indirect protection for persons belonging minority groups (Cf. e.g. Claude 1955: 69-78, 153, 168-169, 207-211. and Kymlicka 2001: 71.).

[6] A similar conclusion was drawn up by F. de Varennes; he wrote that to call these treaties minorities treaties "is something of a misnomer: human rights treaties would be more appropriate since many provisions were not minority specific but were for the benefit of all individuals"(de Varennes 1996: 130.).

[7] The quotation is from Article 8 of the Polish Minority Treaty which, as the first such treaty served later as a model for all the other treaties and declarations of this kind. Accordingly, the corresponding article in all the other instruments within the League's system contains practically the same provisions. (Cf. Thornberry 1991: 42.).

his interests" (Article 22, International Covenant on Civil and Political Rights of 1966).

We see that the League's system really defined the right to freedom of association in relation to important issues for minorities, while the UN's system did not give any specification of this right in 1948 and it defined the right to freedom of association in relation to trade unions in 1966. This means that minorities, the weak, remained really unprotected concerning their sensitive issues in the UN's system in the beginning. As for 1966, it must be added that the UN did not include any reference to important issues for minorities in the specification of the right to freedom of association this year either, at the same time, it included a separate article on minority rights in the same Covenant:

> In those states, in which ethnic, religious or linguistic minorities exist, persons belonging to such minorities shall not be denied the right, in community with the other members of their group, to enjoy their own culture, to profess and practise their own religion, or to use their own language. (Art. 27)

Thus, we must really come to the conclusion that both the League's system and the UN's system ought to be conceived as regimes of civil and political rights or regimes of human rights which incorporate, in a way or another, some linguistic and minority rights.[8] Therefore, the League's system ought not to be neglected by theory in discussions on the relationship between human rights and minority rights. Instead, a comparative analysis of the League's and the UN's systems would be desirable.

The League's system seems not being negligible from a practical point of view, either. Although it is true that this system lost its binding force after World War II (UN 1950: 71.), but it is also true that some of its standards were further applied by several countries for decades. All these countries naturally belong to the periphery of the later European Union, since no country was ever bound by the system from the centre. Thus, while these common historical experiences of some peripheral countries concerning the standards of the League's system are not meaningless even today, no such experiences accumulated in the countries of the centre.

## 3. Minority protection and the Eastern enlargement of the European Union

After the collapse of the "existing socialism" in Europe, most "post-communist" countries became associated countries of the European Union and they applied for full membership as well. The standpoint of the European Union was completed

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[8] For more details *see* Andrássy 1998: 54-81.

by the European Council in Copenhagen in 1993. Accordingly, the associated countries concerned would be admitted to the European Union if they satisfy some criteria.

The first criterion specified political and legal conditions, *inter alia,* "protection of minorities". In the light of the deepening instability of the region the inclusion of this criterion was completely reasonable and understandable. Although the instability was resulted in, first and foremost, the collapse of the Soviet Union, national and ethnic tensions strengthened not only within and among the successor countries of the Soviet Empire: the bloody Yugoslav conflict and the relatively peaceful split up of Czechoslovakia are suffice to mention.

On the other hand, however, protection of minorities did not comprise part of the community law, so the European Union did not expect its member states to protect their minorities at all. This caused some practical difficulties later, as it was unclear which standards had to be applied in the field of minority protection. Finally some standards were singled out, e.g. the candidate countries were expected to ratify the European Charter for Regional or Minority Languages. Such a way of standard selection seemed to be a good choice but it must be noted that the Charter was not adopted within the European Union but in the Council of Europe and that some member states of the EU, e.g. France did not ratify it (and has not ratified it even until now).

The principal difficulty with this accession criterion was its moral weakness. Those who created it, did not created it for themselves but they created it exclusively for others. Therefore, this moral inequality or asymmetry is very similar to the moral asymmetry that characterised the League's minority protection system. In addition, the asymmetry emerged more or less in the same centre – periphery relationship as before: all candidate countries belong, after their accession, to the periphery of the EU and all of them were already bound by the previous League's system, while most former member states of the EU belong, after the Eastern enlargement, to the centre and they were not bound by the League's system. Nevertheless, this second asymmetric treatment of the peripheral countries on the part of the core countries was accepted much more than in the first case.

The issue of minority protection appeared thirdly in the process of the elaboration and adoption of the Constitutional Treaty of the EU. The first step was made by Hungarian members of the Convent: they objected to Article I-2 as it did not include the rights of national and ethnic minorities in the list of the values of the European Union and they moved a motion for such an inclusion. Although the Hungarian standpoint was not accepted in the Convent, the Hungarian Government suggested, in the Intergovernmental Conference, that Article I-2 of the

Constitution be supplemented with "the rights of national and ethnic minorities" (Horváth – Ódor 2005: 73-75.). In the end, the Hungarian proposal was accepted in a modified form and Article I-2 was completed as follows: "The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities."

The gist of the Hungarian argumentation was that if the EU deemed minority protection a fundamental value by making it an accession criterion, it would be illogical not to include this value in the Constitution, or, in other words, if candidate countries were expected to protect their minorities during the accession process, it would be inconsistent not to expect them to do so as full members of the EU.[9]

What we can see here is that both the original and the final version of Article I-2 intended to abolish the asymmetry or moral inequality between old and new member states, at the same time, the first version would have reached this goal inconsistently while the final version did the same in a proper, a consistent way.

It may be worth noting that the reason why Hungarian representatives were so active is not merely the issue of coherence or logic. As we have discussed, Hungary lost more than two-third of its historical territory after World War I. As a result, nearly three million Hungarians live in minority status in the neighbouring countries even today.

The Constitution was not ratified according to the original schedule, but the text of Article I-2 of the draft Constitutional Treaty was later included into the Treaty of Lisbon. Therefore, although the future of minority protection in the EU remained uncertain in many respects, this principal value became part of the primary law of the Union. For this and some other reasons it seems to be probable that the moral inequality or asymmetry we raised between the old and the new member states in relation to the issue of minority protection will, in a way or another, be eliminated gradually.

## 4. Treaty, official and working languages in the European Union

The founding treaty of the European Coal and Steal Community was drafted in French exclusively and this treaty remained authentic in this singe language only. This one-language start somehow expressed the original intention of the founders to run this European organisation in one language. However, the Belgian Flanders protested against this arrangement, arguing that if French would become the only language of such an important organisation as the new European Community this

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9   For more details of this debate *see* Gordos – Ódor 2004. and Nagy in this volume 161.

may upset the linguistic balance between the Flemish and the French language in Belgium. The issue was then discussed in 1952 and the negotiations resulted in the introduction of a four-language system, within which Dutch, German and Italian were also used to some extent, in addition to the French language (Stevens 1967: 704. and Riagáin 1999: 292.).

The Treaty of Rome establishing the European Economic Community adopted in 1957 was drafted in those four languages that were used in the ECSC and all these language versions became authentic. Moreover, Article 217 of the EEC Treaty stated that the rules governing the languages of the institutions of the Community shall, without prejudice to the provisions contained in the Rules of Procedure of the Court of Justice, be determined by the Council, acting unanimously. The Council then adopted its Regulation 1/58 of which the provisions are in force even today with the exemption that the list of the official and working languages became much larger than it was in the beginning. Article 1 of the Regulation stated that the official languages and the working languages of the Community were Dutch, French, German and Italian. It is important to stress that according to this provision all the four languages listed were both official and working languages.[10]

The first enlargement of the European Communities raised the language question again. Today it may seem unbelievable that there were fears on the part of the British in the late 1960-ies and the early 1970-ies that English may not be official or working language in the Communities (Stevens 1967: 701). However, according to the accession treaties, English, as well as Danish became treaty, official and working languages alike. The only exception was the Irish language, which gained the treaty language status but it did not become either official or working language in the communities. This exceptional legal status of the Irish language may have been attributed to the negotiation strategy of the Irish government during the accession negotiations. It must be noted however, that one of the official languages of the Irish Republic, that is English, gained a full legal status within this enlargement period in the European communities.

Later on, enlargements always involved an increase in the number of treaty, official and working languages. This happened when Greece, Spain, Portugal, Sweden and Finland joined. The reason why the accession of Austria did not entail such an increase was that German, the official language of the country on national level, was already a treaty, official and working language in the communities. Nevertheless, the Austrian accession treaty stipulated that 23 specific Austrian terms of the German language contained in the Austrian legal order would have to

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[10] It must be noted that this linguistic regime was introduced in the European Atomic Energy Community, too.

be used with the same legal effect as the corresponding terms used in Germany in the German language version of new legal acts in the framework of the European Union (European Union 1996: 330.).

During the Eastern enlargement Estonian, Latvian, Lithuanian, Polish, Czech, Slovakian, Hungarian, Slovenian and Maltese became treaty, official and working languages, i.e. the national official language from all the new member states gained treaty, official and working language statuses in the European Union. In the case of Cyprus there was no need for such an addition as Greek, the official language of the country, was already institutionalised as treaty, official and working language in the European Union. However, if political reunification of Cyprus had been taken place, it would have been an issue whether or not Turkish ought to have been included into the treaty, official and working languages of the EU. At the same time, it was a real surprise that the Maltese language gained full legal status in the EU as experts predicted this language would reach the status of the Irish language. The reasons of these expectations were that English is an official language both in Ireland and Malta and that Irish is spoken by a very small number of persons just as Maltese is. In the light of the differential treatment of these two languages by the EU, it seems not incidental, that the Irish government, after the accession of Malta, required both official and working language statuses for the Irish language from the EU and that the Irish language gained this full legal status in the EU in 2007. This year two further languages, the Romanian and the Bulgarian languages also gained the treaty, official and working language status due to the accession of Romania and Bulgaria to the European Union.

As we have seen, institutionalisation of languages on EU level took three main forms: treaty languages, official languages and working languages. Currently the number of treaty, official and working languages is identical and this number is 23. Although there is no explicit governing principle laid down in the European law concerning how to decide upon which languages are to gain and which languages are not to gain treaty, official and working language status in the EU, from the history and the construction of linguistic institutionalisation in the European Union it is beyond doubt that there has been an implicit governing principle for the decisions concerned. This implicit principle can be drafted as follows: at least one official language of each and every member state must be made on request treaty, official and working language of the European Union. This means that in relation to the treaty, official and working languages of the European Union linguistic equality of the member states prevails (de Witte 2004: 219-223).

The European Union is a unique international organisation and this applies to the strong multilingualism of its treaty, official and working language system. This

unprecedented multilingualism of this system derives, as we have seen, from the principle of linguistic equality of the member states. This suggests that the principle of linguistic equality is itself also something unique in international law. And it is so indeed. However, if we take into account the fact that the principle of equality is one of the underlying legal principles in contemporary legal philosophy and legal theory it seems to be confusing why the principle of linguistic equality counts as unusual, unique and unprecedented. How can it be that while the *principle of equality* is an underlying principle, the *principle of linguistic equality*, i.e. a specific form of the underlying principle is so unusual, unprecedented and unique? This seems also to be a real question for theory to answer.

Anyhow, it must be stressed that the legal status of official languages of the peripheral and the core countries in the European Union is not different. In other words, from the perspective of the treaty, official and working language system of the European Union the centre – periphery relationship is equal or symmetric. Thus, while in the field of minority protection the relationship between core and peripheral countries of the European Union is unequal or asymmetric, the relationship between the same core and peripheral countries within the treaty, official and working language system of the European Union is equal or symmetric.

Within the European Union, the future of the treaty, official and working language system is, to some degree, uncertain. The treaty, official and working language system is under double pressure. On the one hand, some hold that there are too many working languages in the EU and that their number ought to be reduced. They argue that the existing system is too expensive, interpretation entails technical difficulties and may spin out the decision-making process. Others, who do not share this reasoning, hold that the system is not expensive, the technical difficulties can be overcome and that it is not the interpretation or translation that spins out the process of decision-making. They also emphasise that the linguistic regime ought not to be evaluated on the basis on narrow budgetary considerations (Forrest 1998: 107, Wagner 2000: 5-11, Berteloot 1999: 345 and Andrássy 2001: 192-202).

On the other hand, however unusual and unique the principle of linguistic equality is, the principle itself is undoubtedly limited, in so far as it expresses merely the equality of the member states or the equality of their official languages or, more precisely, the equality of at least one official language from each and every member state. These are the languages that are official languages on member state level and treaty, official and working languages on European Union level.

All these 23 languages are historical languages in at least one member state, at the same time the number of historical languages in the European Union is

approx. 70. Therefore, persons belonging to one of the 23 historical linguistic communities of which the language is an official language in the European Union, do have the right to use their own language as an official language of the European Union, while persons belonging to one of the other almost 50 historical linguistic communities do not have the right to use their own language as an official language of the European Union. Therefore, it is not surprising that there are some who hold that the number of official languages of the EU ought to be increased, especially with languages of which the linguistic communities are large enough like that of the Catalan.

## 5. Overlaps between the two sides of institutionalisation of languages in the EU

As we have seen, institutionalisation of languages takes place different ways for various reasons on all levels of government in the European Union. We have also seen that the process of this institutionalisation has an asymmetric and a symmetric dimension in the centre – periphery relationship. Minority protection comprises the asymmetric, the unequal side, the treaty, official and working language system of the European Union comprises the symmetric, the equal side. These two sides are not separated completely from each other, in so far as there are some unintended but remarkable overlaps between them. In conclusion I will present one of these overlaps.

Within the scope of equality or symmetry each and every official language of the European Union is official language at least in one EU member state. However, due to the fact that political borders are not always identical with linguistic, ethnic or national borders, an official language of the European Union may also be a national minority language in one or more than one member state. Thus, there are national minorities, whose languages are official languages of the European Union, in spite of the fact that these languages are not official languages in the countries where these national minorities live. Consequently, persons belonging to such a national minority do not have the right to use their language as the/an official language of the member state they live in, at the same time, they have the right to use their language as an official language of the European Union.

The EU level official language status of the language of a national minority group is likely to strengthen the prestige of the language both in the minority group and outside of it. For example, this high legal status of the language provides an automatic and free access to the primary and secondary legislation of the European Union in the minority language for the members of the minority group. On the other hand, persons belonging to those national minority groups, whose languages

are not official languages on EU level, do not enjoy these rights and advantages, therefore it is reasonable that they request some deliberate minority protection policy on the part of the European Union.

All in all, it seems that institutionalisation of languages as treaty, official and working languages of the European Union, i.e. the symmetric, the equal way of linguistic institutionalisation, may be able to eliminate, to some degree, legal inequalities as to languages. This is, in my opinion, a value, even if the entire elimination of the inequalities in question may not be possible.

## 6. Emergence of freedom of language for all

There is a remarkable, at the same time, lesser known form of legal institutionalisation of languages: freedom of language as a right for all. This right was first recognized in the Constitution of Belgium of 1831 as follows: "The use of languages spoken in Belgium is optional; only the law can rule on this matter and only for acts of the public authorities and for judicial affairs" (Art. 23). This means that Belgium recognised freedom of language among the rights of men, in particular, among fundamental freedoms. The second step in the recognition of freedom of language was made by the Hungarian Parliament in 1868: the Preamble of Act 44 on the legal equality concerning nationality (ethnicity) stated that legal equality of citizens "can be regulated by special provisions relating only to the official use of languages spoken in the country and only to the extent the unity of the country, the opportunities of governance and public administrations and the exact administration of justice require" (Magyar Törvénytár 1868: 490). It is obvious that this latter drafting of freedom of language is very similar to the drafting of this freedom in the Belgian Constitution. This suggests that the Hungarian Parliament was inspired by the Belgian Constitution in this respect. On the other hand, however, the Hungarian Act in question regulated the use of languages in official contexts quite differently from how the regulation and practice of language use for official purposes developed in Belgium at that time.[11]

After World War I the victorious great powers, as we have seen, established an international minority protection system. The model for the system was the Polish Minority Treaty; Article 7 para. 3 of this Treaty set forth that "[no] restriction shall be imposed on the free use by any Polish national of any language in private

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[11] Originally there was one official language in both countries but in Hungary the Act in question recognised the right to use the other languages of the country in official contacts and education, while in Belgium the use of the Flemish language for official purposes and education became exceptional or at least very uncertain even in the region where the Flemish was the language of the people. (Vilfan – Sandvik – Wils 1990: 17-29).

intercourse, in commerce, in religion, in the press or in publications of any kind, or at public meetings". This was naturally a kind of recognition of the right to freedom of language by international law. It is worth noting that altogether 13 European countries and one non-European country were obliged to recognise or were ready to voluntarily recognise this right for all their citizens. Accordingly, linguistic legislation in these countries had to be adjusted to linguistic freedom in the interwar period.

Legal validity of these obligations or undertakings became questionable after World War II; therefore, it was suggested to ask an advisory opinion on the issue from the International Court of Justice but in the end the Secretary General of the United Nations was charged with studying this issue. In his study of 1950 the Secretary General came to the conclusion that "between 1939 and 1947 circumstances as a whole changed to such an extent that generally speaking, the system should be considered as having ceased to exist" (United Nations 1950: 71). Accordingly, freedom of language recognized by the international minority protection system was not considered part of international law any longer, which would not have been in fact too serious a problem if the United Nations had recognized freedom of language in its newly established international human rights law. However, this did not happen: the first detailed human rights instrument of this human rights law, the Universal Declaration of Human Rights did not recognise freedom of language; what is more, it did not recognise any language right. Later on the International Covenant on Civil and Political Rights recognised a comparable language right, the right of persons belonging to linguistic minorities to use their own language, but it did not recognise freedom of language either. It must be added that freedom of language is not recognised in this international human rights law even today.

Therefore, ironically, the fact is, that while the international minority protection system of the League of Nations recognised freedom of language for all or at least for all citizens, the new international human rights law established by the United Nations recognises only one comparable language right, the right of persons belonging to linguistic minorities to use their own language. In other words, both international organisations did exactly the opposite of what we may expect from them: the international minority protection system of the League of Nations recognised freedom of language for all, or at least for all citizens as one of the civil and political rights, the United Nations, instead of recognising this right, recognised a minority language right, the right of persons belonging to linguistic minorities to use their own language as one of the civil and political rights.

In 2004 the Swiss Constitution was amended and Article 18 of the Constitution recognised, among basic rights and freedoms of the Swiss citizens, freedom of

language. Thus, today, similarly to Belgium, Switzerland also recognises freedom of language as a fundamental human right.

If a particular freedom once has been recognised, it is difficult to deny this right to those who have already enjoyed it. Therefore, international human rights law has been under some pressure for decades to recognise certain linguistic human rights. The reasons why this pressure has not yet resulted in recognition such rights may vary; however, it seems probable that one of the explanatory factors has been that proponents of linguistic human rights have not raised the issue properly enough. In my opinion, the most proper ways of raising the question may be as follows:

a) The International Bill of Human Rights set forth that everyone shall have the right to freedom of thought, religion and conscience, as well as to freedom of opinion and expression. However, it is obvious that these rights cannot in most cases be practiced without using at least one particular language; still the International Bill of Human Rights does not provide any answer to the question: in which language(s) does everyone have the right to enjoy these fundamental freedoms? The lack of this answer is undoubtedly a weakness or shortcoming of the Bill, but the solution to the problem is also clear: the United Nations ought to recognise some linguistic human rights or it ought to amend the definitions of the fundamental freedoms in question with some references to the languages in which everyone shall have the right to enjoy these freedoms.

b) Article 27 of the International Covenant on Civil and Political Rights recognises that in those states in which linguistic minorities exist, persons belonging to such minorities shall not be denied, in community with the other members of their group, to use their own language. In connection with this minority language right it should be pointed out that its recognition was naturally a remarkable step forward; however, this right obviously implies that persons belonging to the linguistic majorities can be denied the right to use, in community with the other members of their group, to use their own language and this could not been the intent of the United Nations. Anyhow, the question is why persons belonging to the linguistic majority of a state do not have the right to use their own language while persons belonging to linguistic minorities of the same state do have the right to do so? Is it possible to refuse then to recognise that all human beings do have the right to use their own language?

c) If it is recognised that everyone shall have the right to use his own language a new question arises: do all human beings have the right to learn and use other language(s) as well? And the answer can hardly be 'no' to this question. This answer in turn opens the door towards the recognition of freedom of language for all.

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# Double Standard in a Peripheral Policy of the European Union: the Issue of Minority Protection[1]

## Abstract

This paper contributes to the issue of centre vs. peripheries in Europe by pointing out the ambivalent role of minority protection in the external vs. internal development of EU law. It demonstrates that the minority protection clause of the Copenhagen accession criteria served the foreign policy interests of the EU and not that of the political and legal harmonization of the integration process. Therefore it could not become a general, long-term objective and in the enlarged Union, the issue of minority rights is peripheralized the same way as before. The utmost purpose of the author is to find the reason of this selective minority protection. Furthermore, she demonstrates some theoretical arguments for and against the *raison d'etre* of double standards, traces the historical roots of the double standard tradition in Europe, and seeks to find the legal bases for a coherent, consistent and strategic EU minority policy.

**Keywords**: Copenhagen criteria, double standards, minority protection, language rights

## 1. Introduction

It is a generally accepted view in academic circles that „the role of minority protection within the European Union context poses a paradox" (Schwellnus 2001:1). On the one hand, it has become one of the most important elements of the Union's external relations after the end of the Cold War: it was included in the guidelines for the recognition of new states after the break-up of Yugoslavia[2], the Europe Agreements with Central and Eastern European Countries between 1991 and 1995, the political accession criteria spelled out at the Copenhagen European Council in 1993, and the founding document of the Stability Pact for South Eastern Europe[3]. „On the other hand, minority rights played hardly a role in the internal development of the *acquis communautaire*." (Schwellnus 2001:1). As *de Witte* ironically put it, concern for minorities seems to be „primarily an export article and not one for domestic

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[1] Research presented in this paper was supported by the Research Institute for Linguistics, Hungarian Academy of Sciences.

[2] Resolution of December 16, 1991: Guidelines for the recognition of new states in Eastern Europe and the Soviet Union. Resolution of December 17, 1991: Common position for the recognition of the Yugoslav Republics.

[3] Cologne, June 10, 1999.

consumption"[4]. This study examines the phenomenon of double standard in the EU's minority policy only in the light of the Copenhagen criteria. It also addresses the reasons of the development of double standard, its origins and the possible ways of solution.

## 2. The place of minority protection in European Union law

The conditions of accession to the European Union were established in the Copenhagen European Council in 1993: „Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights, and *respect for and protection of minorities*"[5] (emphasis added). This rule meant in practice that acceding states had to demonstrate, under strict scrutiny, that respect for and protection of minorities – such as the education of minority languages, use of minority languages with public authorities, on public signs, in judicial proceedings and access to media in minority languages – is appropriately guaranteed (Mouthaan 2007).

The Copenhagen Presidency Conclusions were incorporated in Article 6 (1) of the EU Treaty *via* the Amsterdam Treaty in 1997: „The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States." Article 49 sets out that any European state which respects these principles may apply to become a member of the Union. (In 1992 the Maastricht Treaty only prescribed that the conditions of admission shall be the subject of an agreement between the Member States and the applicant state.)

Strikingly, the article listing the core values of the Union does not make any reference to the rights of minorities, though it constituted an integral part of the Copenhagen political criteria. *Hughes* and *Sasse* concludes that since the EU Treaty is legally binding, and Article 49 expressly requires that the candidate countries comply with the conditions of Article 6 (1), therefore the EU has abandoned the minority protection provision from the conditionality for membership; it had only rhetorical prominance in the enlargement process (Hughes and Sasse 2003:10-11). We cannot agree with this opinion since the requirement for the protection of minorities have been included in each accession partnerships.[6] According to

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[4]  De Witte, Bruno: Politics versus Law in the EU's Approach to Ethnic Minorities, EUI working paper, RSC No. 2000/4, p. 3. Cited by Toggenburg 2000:15.

[5]  Presidency Conclusions, Copenhagen European Council, 21-22 June 1993. par. 7/A. iii)

[6]  *See* for example, the Council Decision of 30 March 1998 on the principles, priorities, intermediate objectives and conditions contained in the accession partnership with the Republic of Hungary (98/259/EC). OJ L 121. 23.4.1998. pp. 1-5.

*Hoffmeister*, in turn, Article 6 (1) of the EU Treaty could be interpreted widely, so as to encompass the protection of minorities under the heading of "human rights" (Hoffmeister 2004:88). Nevertheless, this view does not seem acceptable either, since if it had been so evident among EU legislators that human rights include minority rights, it would have been unnecessary to formulate a separate requirement for the protection of minorities in Copenhagen.

The author holds that only the principles expressly stated in the EU Treaty – namely respect for democracy, the rule of law and human rights – apply to the Member States themselves, therefore these are recognized fundamental values of the European Union's internal development and for the purpose of its enlargement as well. In turn, minority protection is mentioned only in the latter context: the EU requires the candidate countries to protect their minorites without committing itself and its members to the rights of minorities in any legally binding document.[7]

However, the issue of minority protection did not pass out of the EU agenda in 1997. During the preparatory work of the Draft Charter of Fundamental Rights, there were about a dozen submissions strongly urging for a separate minority clause to be included in the document. The most optimistic ones – such as the Committee of Regions or the NGO "Society for Threatened People International" – claimed the granting of collective minority rights (Schwellnus 2001:7-10). Finally, the Union legislators failed to insert a minority article to the Charter of Fundamental Rights. The document contains only a general rule prohibiting discrimination based, among others, on ethnic origin and membership of a national minority (*see* Article 21).

In comparison, the Constitution of the EU, though it did not enter into force, is an important step forward: it elevated – mainly as a result of the insistence of the Hungarian government, and despite the initial opposition of some delegations (Vizi 2005:89-90) – the rights of persons belonging to minorities to the status of fundamental value of the Union. The Lisbon Treaty took this part of the EU Constitution without change, so in December 1, 2009, the word "minority" appeared in the EU's primarily law the first time in the history of the European integration: „The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, *including the rights of persons belonging to minorities*." (Article 2, emphasis added). This shift in legal terminology (i.e. from the "respect for and protection of minorities" to "the rights of persons belonging to minorities") suggests a conceptual change in European policy thinking: the first formula embodies a group rights approach, while the latter one is an individualistic, human rights orientated conception of minority protection.

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[7] Naturally, it does not mean that the particular EU member states separately did not ratify some instruments on minority rights.

Therefore – despite the latest positive developments which prove the willingness of the EU to make progress in the area of minority protection – there is still a much higher standard of norm compliance set for the new candidates than the EU had ever been able to agree for its own member states (Hughes and Sasse 2003:8-9).

## 3. Arguments against the existence of double standards

In case of a serious and persistent breach by a member state of principles mentioned in Article 6 (1), Article 7 makes it possible to suspend certain rights deriving from the EU Treaty to the member state in question. However, since the minority clause did not apply to the member states of the EU, they could violate minority rights without any consequences concerning their membership. (Non)compliance of the minority protection requirements as the "price" of the accession to the European Union in the given historical situation functioned as a penalty only for the newly democratized states of East-Central Europe.

According to some authors, this uneven system is lawful, since international law does not contain the duty of formal reciprocity which would prevent states from imposing rules on other states that they do not follow themselves (Toggenburg 2000:18). This view, in its simplistic form, is rather disputable, furthermore, we have to judge this question not on the basis of sovereign equality of the states, on the contrary: by laying down certain criteria, the EU enforces its power dominance.[8]

Even if we reject this opinion, there is still another objection: What if the EU did not demand the fulfillment of these criteria from their current member states, because they had already satisfied them? What if in the 90s, the principle of minority protection was so self-evident, well established and universally recognized among current member states that to have it inserted into the EU Treaty „would have been very much like re-affirming the law of gravitation"?[9] Even if we suppose that the "old" member states did meet these criteria – which is not the case in every instance, as we are going to see it later –, it is easy to see that the matter of double standards is not only about pragmatics, but also about ideas. The concept of double standards in this context simply means that someone requires something from others that he does not require from himself. Without an explicit demand, he can act according to his own discretion, excluding any possibility of external control. We can make sure

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[8]   It is similar to the situation when we say that the peace agreements are drawn up by the victors. It is not a question of reciprocity problem: self-evidently, the parties in position of power dictate the terms. Of course, this does not mean that this situation is correct from moral or legal point of view – this is exactly what I want to prove in this paper.

[9]   As *Pittman* assumes it regarding the implementation of the famous self-incrimination principle in the medieval English legal practice. *See* Pittman 1935.

of him meeting the criteria now, but there is no guarantee that he will also meet the criteria later. Furthermore, it is well-known that the declarations and theories of natural rights and human rights formulates exactly these self-evident and indisputable truths (let us just think of the American Declaration of Independence), even though these truths are far from being self-evident and indisputable in their details (Andrássy 2009: 447).

## 4. The roots of double standards in Europe

The phenomenon of double standards does not only exist in the minority policy of the EU. It is generally true that the West measures the East by different standards.[10] Where does this discrimination originate from?

According to one view, it comes from the era of the emergence of nation states. The literature devoted to nationalism usually opposes two conceptions of the nation:

> The first type is presented as the result of the free association of citizens and as a rational and voluntary political construction. This civic, contractual, elective nation is the basis of the French idea of the nation, conceptualized by the philosophers of the Enlightenment and realized by the Great Revolution. In contrast, the second type is seen as the concretization of a historical community, the expression of an identity feeling, the reflection of a natural order. This cultural, organic, ascriptive nation is the basis of the German idea of the nation, nurtured by romanticism and embodied by the Second and the Third Reich. (Dieckhoff 2005:62)

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[10] The issue has several current implications. For instance, the Chairman of the Washington State Network for Human Rights talked about double standards in connection with the scandal of the IMF: "Even though it has become clear that the Western domination and the American era are approaching their end, yet the West continues to pursue double standards… The reason for this phenomenon is that the global institutions built under the Western domination were built on the principles of inequality, discrimination, and double standards. The inequality, discrimination, and double standards are based upon race, color, national origin, and economic status." Singh, Sawraj: Western Double Standards Continue But for How Long. The Link Newspaper, 12 June 2011 (http://thelinkpaper.ca/?p=7388). At the 19 January 2011 plenary session of the European Parliament, after the speech of the Hungarian Prime Minister Viktor Orbán presenting the programme of the Hungarian EU Presidency, there was a heated debate on the new Hungarian Media Act. During the debate, several MPs talked about double standards. (*See* http://www.europarl.europa.eu/sides/getDoc.do?type=PV&reference=20110119& secondRef=ITEM-005&language=EN) The titles of the articles on the debate are meaningful. *See* for example, Common Values, Different Standards. The Beginner, 25 January 2011. (http://www. thebeginner.eu/europe/all-in-european-union/418-common-values-different-standards), or: The EU's Hungary headache – and a whiff of double standards. The Guardian, 20 January 2011. (http://www. guardian.co.uk/commentisfree/2011/jan/20/ hungary-eu-media-law)

The concepts of cultural nation (Kulturnation) and political nation (Staatsnation) was first used by the German historian Friedrich *Meinecke*.[11] This distinction was later applied by the German-born American political scientist, Hans *Kohn*, who – by his famous 1944 book, "The Idea of Nationalism" – has greatly contributed to the promotion of the dichotomy. Kohn, however, "reformed" the theory and declared Eastern ethnic nation states to be malignant, and Western, civic nation states to be benign. According to him, Eastern nation states tend to be more xenophobic, illiberal and aggressive, in contrast, minority situations in the West are considered unthreatening because Western nationalisms are color-blind (Kohn 1967).

It is easy to see that the Kohn dichotomy is very schematic, and cannot be applied without reservations even in the case of the "prototypes", i.e. France and Germany. The division is not supported by adequate empirical evidence, it is problematic both from conceptual and sociological point of view, and politically biased. Nevertheless, it has deeply penetrated the Western thinking; therefore, it perfectly explains the ideological background of the application of double standards.[12]

In the view of other authors, the division of Europe leads back to even much earlier, to the years of the Renaissance:

> When the centre of Europe was in the South, the backward and dangerous periphery was naturally in the North. Then, from the years of the Renaissance to the age of the Enlightenment, Europe's centers of culture and finance had slowly shifted from the treasuries of Rome, Florence, and Venice to the now more dynamically important cities of Paris, London, and Amsterdam. After that, the main conceptual dividing line in Europe was the one between the 'developed West' and the 'backward East'. The mental iron curtain descended to Europe two centuries before NATO, and the Warsaw Pact brought the real iron to the same dividing line. (Jutila 2009:633)

Now it is not surprising any more that the legacy of the double standards tradition can also be found after World War I. That time the victorious great powers created and imposed certain standards on several countries (among the defeated and the enlarged states) concerning the protection of their minorities. These standards were based on the text of the Polish Treaty of 1919 and included to the so called minorities treaties which the Allied Powers also signed, but without undertaking to apply these obligations regarding their own minorities. This „moral inequality" was, of course, in sharp contrast with the principle of equality of sovereign states and played a great role in the inefficiency of the League of Nations (Andrássy 2011:7-8). After World War II, the successor of the League of Nations, the United

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[11] *See* Meinecke, Friedrich 1970. *Cosmopolitanism and the National State.* Princeton: Princeton University. The English translation of the original German version published in 1908.

[12] On how peripheries are socially constructed, *see* Tõnis Saarts in this volume 21–38.

Nations' Organization simply postponed the settlement of the issue of minorities. It neither acknowledged the legal validity of the minorities treaties concluded after World War I, nor set any new standards in place of them. Finally, the rights of persons belonging to minorities have been recognised within the international human rights regime.

## 5. The reasons of applying double standards in the European Union

After tracing the roots of double standards in the history of Europe, let us now examine the possible reasons of why this tradition could survive in the minority policy of the European Union.

First, we might assume that the earlier member states of the EU, being established democracies, could provide helpful advice to the new democracies of Eastern Europe „to bring the region in line with what it promoted as 'European' norms and standards for minority protections." (EU Reporter 2009). But who can decide whether the minority policy of a certain European country is acceptable or not? The answer should be: the OSCE High Commissioner on National Minorities (hereafter: HCNM). The position of the HCNM was created in 1992 to contain and de-escalate tensions involving national minority issues. The High Commissioner is entitled to act even in states which have not ratified legally binding treaties and even when it is unclear whether a certain group of people can be regarded as a minority or not.[13] However, while in theory the entire European region should be open for analysis, in reality, on general issues such as the linguistic rights of national minorities when specific countries are targeted, all the recommendations of the HCNM are from Eastern Europe (Johns 2003:687-690). In comparison, when the possibility of the High Commissioner's intervention in the West initially raised, France[14], Greece and the United States simply declared that there were no national minorities living in their territory. Great-Britain, Turkey and Spain subsequently insisted that the HCNM could not intervene where terrorism was involved, thus taking the Irish, Kurdish and Basque questions off the international agenda (Smith 2003:5).

Furthermore, the European Union does not have a coherent and uniform minority protection policy, or such a language policy tightly connected to minority

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[13] The disturbance is indicated by the statement of the first HCNM, Max van der *Stoel*: „the existence of a minority is a question of fact and not of definition… I would dare to say that I know a minority when I see one." Keynote Address 1993.

[14] France had already declared this in the League of Nations Council when the United States President Woodrow Wilson proposed a general minority article. According to the French representative, „to find minorities in France, they would have to be created in imagination." Cited by Alexanderson 1997:48.

issues. Nor can we find the traces of such a policy in the practice of the European Court of Justice. In the sphere of minority rights, lacking an acquis of its own, the EU has to rely on standards elaborated in the legal instruments within international human rights law, namely, documents developed under the auspices of the OSCE, the Council of Europe and the United Nations. Perhaps the most relevant standards regarding minority rights are the European Charter for Regional or Minority Languages (ECRML; 1992/98) and the Framework Convention for the Protection of National Minorities (FCPNM; 1995/98) (Smith 2003:4). However, some „old" European states (such as France or Belgium) are still refraining, though for different reasons, from signing or ratifying even these documents. In fact, the only common and consistent policy regarding minorities in the EU is a broad commitment to certain human rights, such as the principle of non-discrimination (Johnson 2006:28).

These facts all query the justification of the EU's "civilizing mission" and the meaning of bringing Central and Eastern European countries in line with Western Europe; i.e. actually there is no such line to be brought in. Therefore, the first argument cannot justify and cannot be the real reason of applying double standards.

Secondly, we could assume that the reason of selective minority protection is that "minority rights are violated only in the 'East', and only there can inter-ethnic relations turn violent" (Jutila 2009:629). This argument cannot be justified either, since many minority situations in the West can be marked by violence. Let us just think of the Basques in Spain and France or the Irish in the United Kingdom, and their terrorist organizations, the ETA and the IRA. The problem of discrimination against the Roma is not treated more successfully in the West as in East-Central Europe, either. This is so even if the Roma issue is the hobby-horse of the European Commission which has reprehended the candidate states several times.[15] The reason of applying double standards in minority protection in Europe thus should be found somewhere else.

Let us examine a third possible explanation, namely the issue of national/ continental security, and the fear of the West from the „aggressive hyper-nationalism" of the post-communist Eastern European countries. Security problems (and the securitization of the minority issue) are deeply rooted in European politics (Wallace

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[15] On the monitoring mechanism of the European Commission, *see* Sasse 2004. Sasse (pp. 66-67) notes that "although most of the ten CEE candidate countries have significant minority populations, only two minority groups are consistently stressed in the Regular Reports: the Russophone minority in Estonia and Latvia, and the Roma minorities of Bulgaria, the Czech Republic, Hungary, Romania, and Slovakia… This 'hierarchy' of minority issues reflects the EU's interest in good relations with its most powerful neighbor and energy supplier Russia and its own soft security concerns regarding migration."

and Wallace 1996: Chapters 14, 16 and 17). According to *Alexanderson*, „as a result of Nazi Germany's use of minority rights as a pretext for agression, they had fallen into disfavour by the 1940s, and minorities were widely viewed as a «menace to peace»" (Alexanderson 1997:49). After World War II, the Great Powers wanted to prevent the rebound of Germany: this was one of the reasons of the establishment of the European Coal and Steel Community, the Euroatom, and later the European Economic Community. Article 237 of the EEC Treaty stated that the possibility of accession is open to any European countries. Although the article did not expressly mention but it was clear that the membership is not unconditional but also presupposes the adaptation of the principles, values and goals represented by the Community. Those aspirant countries which could not meet these so-called implicit accession criteria could not, in principle, become full members of the EC. However, the candidate countries of the second wave of the enlargement presented safety risks for Europe: Not long before the opening of the accession negotiations, Greece had been controlled by a military junta, Spain had been under the fascist dictatorship of Franco, while Portugal had been under that of Salazar. Although these countries were not yet able to meet human rights standards, it was safer to keep them "inside Europe", "close to the fire".

Nevertheless, the transformation of the international situation since the late 1980s was qualitatively different from the marginal changes of the previous thirty years (Wallace and Wallace 1996:443). As „the superpower confrontation that characterized the Cold War era practices… began to fade away", and „the bipolar balance of power had been replaced by multipolar instability" (Jutila 2009:637), aggressive nationalism in one country presented a threat to the whole continent. In the great power vacuum emerged after the collapse of the Sovet Union, there was a serious danger that the long-suppressed national grievances and majority-minority conflicts would come to the surface. This conviction – i.e. the relationship between the fragile European peace and threatening nationalism and minority concerns – was first officially represented in the summit document of the Copenhagen Meeting of the Conference on Human Dimension of the CSCE[16], and in the Charter of Paris for a New Europe, both delivered in 1990, but it frequently appeared in different Council of Europe documents[17], too. However, in the earliest documents

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[16] According to Article 30, "respect for the rights of persons belonging to national minorities as part of universally recognized human rights is an essential factor for peace, justice, stability and democracy…" Cited by Schwellnus 2001:4.

[17] *See* for example: Recommendation 1134 of the Parliamentary Assembly of the Council of Europe on the rights of minorities (1 October 1990), Article 4: "Respect for the rights of minorities and persons belonging to them is an essential factor for peace, justice, stability and democracy." http://assembly. coe.int/Main.asp?link=/Documents/AdoptedText/ta90/EREC1134.htm

of both organizations, there was no clear reference as regards *why* minority issues are dangerous. It was in 1993 – since the situation in former Yugoslavia turned more and more serious – when "aggressive nationalism" was first condemned.[18] (Jutila 2009:639-642).

In order to save – or rather reestablish – the European status quo, it was essential to prevent the escalation of ethnic conflicts, which goal seemed to be achieveable by a double strategy. First of all, it was necessary to satisfy minority demands in a spectacular way which, however, would entail few obligations. This objective was served by adopting some long-delayed documents related to minority protection: the UN Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities (1992), the ECRML, and the FCPNM. Secondly, the West saw a good opportunity in making greater demands by the EU on Eastern and Central European countries as to the area of minority protection.

To the question as to why the EU did not deal with the issue of minority protection before, some authors simply answer that since the second World War there was not such a political turmoil as in the 90s' Yugoslavia. The 1995 enlargement – according to them – was irrelevant, since Austria, Finland and Sweden were stable defenders while the former socialist states were systematic violators of human rights (González del Pino 2008:16-17,23). Furthermore, the East-Central European enlargement process with twelve candidate countries was not only bigger than ever, but the accession of ten post-socialist states was involved. By this time it was worthwhile to lay down explicit conditions for accession, moreover, by the annexation of the former communist bloc, the EU – shining in the light of the great unifier of the continent – has become an important actor in the international political arena (González del Pino 2008:16-17,23).

## 6. Prospects for a coherent EU minority policy

From the foregoing it is obvious that the minority protection clause of the Copenhagen accession criteria served the foreign policy interests of the EU and not that of the political and legal harmonization of the integration process. Therefore it could not become a general, long-term objective and in the enlarged Union, the issue of minority rights is peripheralized the same way as before (Vizi 2003:7). In the following I will briefly review those areas of EU law which might serve as

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[18] *See* the Vienna Declaration of the Council of Europe: "This Europe is a source of immense hope which must in no event be destroyed by territorial ambitions, the resurgence of aggressive nationalism, the perpetuation of spheres of influence, intolerance or totalitarian ideologies. We condemn all such aberrations."; and the Declaration on Aggressive Nationalism, Racism, Chauvinism, Xenophobia and Anti-Semitism of the Rome meeting of the CSCE.

normative bases for the legal framework of a coherent EU minority policy without double standards.[19]

One of the possible ways is connected to the dimension of *cultural diversity* which is a modest, yet well-established EU policy. It was already stated in the 1948 Hague Conference that any European cooperation should be based on the respect for cultural diversity (Shuibhne 2002:119). Following a lot of important antecedents, Article 128 of the Maastricht Treaty set out that the Community "shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity" and „shall take cultural aspects into account in its action under other provisions of this Treaty".[20] Article 22 of the Charter of Fundamental Rights confirms this commitment: "The Union shall respect cultural, religious and linguistic diversity".

Within the dimension of cultural diversity, the *protection of minority languages* deserves special attention for two sets of considerations:

> Firstly, from a human rights perspective, minority languages are inextricably linked to the communities that speak these languages. To safeguard the rights of linguistic minority communities it is necessary to protect and preserve native languages… Secondly, from a cultural policy perspective, language is part of the cultural identity of a community and helps to understand its history and values. (Mouthaan 2007)

However, the EU has so far dealt almost exclusively with the institution of official language, sometimes at the expense of minority languages. This language policy, in practice, resulted in that the position of some major languages has strengthened, while that of endangered languages has further weakened. It is important to underlie that this is not an isolated problem of certain countries, since there are approximately 60 regional and minority languages in Europe and, apart from Iceland and some micro states, at least one of them is spoken in every European countries, i.e. in all EU member states. Approximately 55 million people in Europe speak a minority language which is more than 10% of the population.[21]

However, at present the EU does not have explicit competence in the field of protection of linguistic minorities. General minority issues are covered by the human rights-based *non-discrimination* framework of Article 13 EC[22] which enables

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[19] For a similar grouping of the possible connection points of the EU minority policy *see* de Witte 2004.

[20] The Amsterdam Treaty renumbered (Article 151) and supplemented the text with the following: „in particular in order to respect and to promote the diversity of its cultures". Now it is Article 167 (section 1 and 4) of the Treaty on the Functioning of the European Union.

[21] Official data of the Mercator Centre (European Research Centre on Multilingualism and Language Learning) http://www.mercator-research.eu/minority-languages/facts-figures

[22] Now it is Article 19 of the Treaty on the Functioning of the European Union.

the Community to „take appropriate action to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation." This general clause on the prohibition of discrimination could supplement but cannot replace the special minority protection regulations. *Wiener* and *Schwellnus* summarize the reasons as follows: „First, non-discrimination is a general human rights principle", i.e. applicable to all persons,

> whereas special minority rights are groupspecific, i.e. targeted at particular persons or groups… Secondly, while non-discrimination aims at the removal of all obstacles to the enjoyment of equal rights and full integration of persons belonging to minorities into society, special minority protection requires permanent positive state action in support of the minority group, in order to preserve its identity and prevent assimilation… Thirdly, non-discrimination is mostly viewed as an individual human right. By contrast, the question whether special minority rights should be conceptualised as individual or collective rights, i.e. as rights granted to persons belonging to minorities or rights granted to the groups as such in the form of self-government, autonomy or self-determination, remains highly contested. (Wiener and Antje 2004:8-9)

A third possible connection point between minority protection and the EU acquis is the *combat against racism and xhenophobia* which issue has been a high priority on the Community level as well as in the Member States since the rise of far right parties in the mid-80s (Schwellnus 2001:21). The 1999 communication of the Commission set out that „the rejection of racism, xenophobia and anti-Semitism is an integral element of these [minority] rights... The concept of respect for and protection of minorities constitutes a key element of combating racism and xenophobia in the candidate countries."[23] The most important means in combating racism and xenophobia are the so-called Race Equality Directive[24] based on the general non-discrimination framework of Article 13 of the EC Treaty, and the European Monitoring Centre on Racism and Xenophobia established in 1997 which was converted into the European Union Agency for Fundamental Rights[25] in 2003.

As we can see, the issue of minority protection is closely related to the internal law of the European Union in several ways, but the mystery of which path will be chosen by the EU legislators yet remains. It is also possible that the European Court of Justice will create the foundations of a coherent EU minority policy.[26] During

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[23] Communication from the Commission: Countering Racism, Xenophobia and Anti-Semitism in the Candidate Countries. COM(1999)256 final; 26 May 1999. 2f. Cited by Schwellnus 2001:21-22.

[24] Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin, OJ L 180 pp. 22-26.

[25] http://www.fra.europa.eu/fraWebsite/home/home_en.htm

[26] The Court was the driver of the evolution of EU law especially in the area of basic human rights: Article 6 (2) of the EU Treaty actually codified the existing interpretation set out by the Court. *See* Schwellnus 2001:16-17.

this work, it is essential for the EU to work in co-operation with other international actors – mainly with the Council of Europe and the OSCE.

## 7. Final conclusions

The aim of this study was to demonstrate the existence of a double standard in the minority protection policy of the European Union, and to explore its historical background and real causes. Among the final conclusions, the author may stress that she disapproves the practice of the EU minority policy built on double standards. Practically all nation-buildings are based on a certain culture and/or language. For example, the institution of official language conceptually creates disadvantage to those people who do not speak the official language.[27] Therefore, minority issues must be addressed in every state. It is a rather unfair and misleading point of view to consider some countries as „the usual suspects of minority rights violations" and others as „not guilty a priori" (Jutila 2009:644). The treatment of minority issue in the European Union should reflect a coherent, consistent, comprihensive and strategic approach. Respect for minority rights should be based on the Kymlickian concept of fundamental justice. „A comprehensive theory of justice in a multicultural state (and in the multicultral EU – N. N.) will include both universal rights, assigned to individuals regardless of group membership, and group-differentiated rights or «special status» for minority cultures." (Kymlicka 1995:6). It is necessary to desecuritize minority issue, to cease the treatment of minority question as a security problem and to elevate it to the normal political discourses, and to get rid of the long-standing stereotypes of the false East-West dichotomy of the nation state. We can welcome as a promising start of a long process that since the Lisbon Treaty the minorities have been officially recognised values of the Union. This gesture expresses the common commitment of the member states to the protection of minority cultures and identity, but we need more – we need specific, normative rules – in order to say: in the minority policy of the EU, the age of double standard is over.

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[27] On the institution of official language and other forms of language institutionalization, *see* György Andrássy in this volume 139–157.

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# Concerns of Topographical Indications in the Eastern Periphery of Europe

## Abstract

This paper would like to examine to what extent the possibility of the use of topographical indications is ensured in countries situated on the Eastern periphery (or semiperiphery) of Europe, or to specify it more precisely, in the European post-socialist countries (or in their successors). In so doing, the paper leans on the opinions and evaluation reports connected to the implementation of two European Council documents, the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages, since both documents require that the State Parties protect the topographical indications which can be found in the languages traditionally spoken on their territories. Nevertheless, the analysed countries signed and ratified these documents mainly because they wanted to enhance their chances to become one of the EU member states. Therefore they „had to" limit minority rights in different ways, which were highlighted by the expert committees.[1]

**Keywords**: traditional minorities, minority protection, language rights, topographical indications.

## 1. Introduction

It has essential significance from the viewpoint of the identity/dignity of a certain minority living on the same territory for centuries that the close relationship between this minority and its fatherland be recognized. One of the most important elements of this recognition is the possibility of a given minority to display its

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[1] The circumstances which led to the signature and the ratification of these documents by the examined countries are significantly different from the reasons which motivated the countries situated in the centre of Europe in doing so. The analyzed countries mainly adopted these documents in accordance with the Copenhagen criteria, because they wanted to enhance their chances to become one of the EU member states. Therefore, on the one hand, several times their undertakings extended beyond their real intentions in ensuring minority language rights, which in most cases was highlighted by the expert committees. On the other hand, e.g. the limitation of the minority language use to a strictly defined threshold, with the sole exception of Austria (where the use of the Slovene language in Carinthia was bound to a 25%-threshold), characterizes only the analyzed peripheral and semiperipheral countries. This, I think, resulted also from the pursuit of the EU accession of the mentioned states who, although wanted to meet the Copenhagen accession criteria, did not want to recognize the traditional presence of the respective minorities on the whole territory inhabited by these minorities. On the issue of the Copenhagen criteria and that of double standard, *see* Nagy, Noémi in this volume 159-173.

own topographical indications on the territories, municipalities or parts of the municipalities where it lives.[2]

The Framework Convention for the Protection of National Minorities and the European Charter for Regional and Minority Languages which were signed and ratified by most of the examined countries intend to protect the use of topographical indications, however, represent two different approaches for the protection. While the Framework Convention would like to ensure rights for persons belonging to national minorities, the Charter protects languages traditionally spoken on a given territory. These approaches are reflected also in the different formulas used by the respective organs of the European Council. The Advisory Committee which monitors the implementation of the Framework Convention points out that "displaying topographical indications in minority languages, in addition to the official language, in regions traditionally inhabited by national minorities, helps to enhance these persons' visibility".[3]  In turn, the Committee of Experts of the Charter recalls that the obligation of "the use or adoption, if necessary in conjunction with the name in the official language(s), of traditional and correct forms of place-names in regional or minority languages" has a special importance, "since it is one of the most effective ways in which a regional or minority language can be given full visibility in the territory in which it is traditionally present".[4]

It can already be seen that these two documents supplement each other in protecting a trinity, the members of which are inseparable. This trinity contains a certain community, the territory where this community traditionally lives and the language which the community traditionally speaks. It seems to be obvious that if a state recognizes the use of topographical indications in a minority language, it also recognizes the existence of this trinity which, of course, crosses the intentions of states interested in nation building, e.g. because they have regained sovereignty or have been established in the recent decades. As Peter Jordan emphasizes: "[…] dangers to which geographical names are exposed are partly provoked by the strong

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[2]  As Peter Jordan wrote: "place names are an important part of the cultural heritage. Traditional geographical names are partly very old, have been attributed to features in a certain linguistic, political, social and economic situation and have partly been preserved also by succeeding languages. They are therefore a key to settlement and cultural history. They tell a lot about the character and the essence of a place, and its former economic and linguistic situations. They form an inter-related system of names in a certain region, a "place-names landscape", describing historical, but very often still existing situations. Place names support space-related identity building. Mentioning or remembering the name of a familiar place evokes a whole set of thoughts of that place, and expresses or confirms the emotional relation of a person to a place. Geographical names are therefore an important element of feeling at home, not least for linguistic minorities." (Jordan 2009a: 8-9).

[3]  ACFC/OP/II(2008)005: 164.

[4]  ECRML (2005) 3: 152.

symbolic power of place names. Place names are frequently interpreted as a claim for dominance over a certain region or a country. The dominant force in a society wants to have definite power over geographical names. Changes in dominance (at all spatial scales, from the country down to the settlement level; also, e.g., from the political to the economic sphere) may result in renaming" (Jordan 2009a: 9).

And how does this issue affect persons belonging to traditional minorities? Let's quote again Peter Jordan: "[…] while the identity of cultural majorities is usually […] not challenged day by day, minorities are usually in a more defensive position and feel therefore a special need to demonstrate that they exist, have been present for generations, and have co-shaped the culture and cultural landscape of a certain place. Place names in their own language on signposts, on maps, in official documents are most likely more than for others important in their symbolic function as a label as well as in their function to support emotional affiliation. For the member of a minority, place names in his/her language in official use (e.g. on a signpost) very often symbolize recognition, a confirmation to be accepted by the majority and to be at home at this place" (Jordan 2009b: 38).

Certainly, there are many forms of the impediments which can delay the use of topographical indications of minorities in the mentioned states. These impediments, without completeness, can be the following: the national legislations lack the legal recognition of the use of such indications in many cases or the respective legal regulations are not satisfactory (for example these regulations do not make it clear whether the official acceptance of some topographical names is in central or local competence). It occurs that the national legislation ensures the right for national minorities (persons belonging to national minorities) to use their names, but in practice this possibility is hampered by the local authorities. It can also happen that this right prevails only among certain limits, for example it is connected to a strictly defined threshold (it can cause further problems that the data on which the threshold is based are imprecise or obsolete). Finally there are examples of cases in which states impede the use of topographical indications alluding to historical reasons, the protection of clarity of their languages or the lack of necessary resources.

## 2. What kinds of obligations do the states have regarding the protection and promotion of topographical indications?

Article 11, paragraph 3 of the Framework Convention stipulates that "in areas traditionally inhabited by substantial numbers of persons belonging to a national minority, the Parties shall endeavour, in the framework of their legal system, including, where appropriate, agreements with other States, and taking into account

their specific conditions, to display traditional local names, street names and other topographical indications."[5]

The Charter regulates this question in the following way: "in respect of the local and regional authorities on whose territory the number of residents who are users of regional or minority languages is such as to justify the measures specified below, the Parties undertake to allow and/or encourage: the use or adoption, if necessary in conjunction with the name in the official language(s), of traditional and correct forms of place names in regional or minority languages."[6]

Comparing the quoted regulations, some questions can be raised immediately. Is the area where certain regional or minority languages are spoken bound to administrative units or not? How can the terms be determined: "substantial number" or "number which justifies the measures" included in the Charter? Does the term "place name" cover local names, street names and other topographical indications or not? Etc.

This paper can not systematically answer all questions related to the comparison and it is not needed either. It is enough to indicate that these questions have different weights in our task, that is to say, in examining the possibility of using topographical signs in a language traditionally spoken in a given territory. Nevertheless, when this paper concerns the mentioned issues, we will examine them closer.

Of course, to be comparable, the term "place name" by and large has to cover local names, street names and other topographical indications. We can mention here the commentary on the Charter written by *Woehrling* in which we can read: "this clause[7] refers to both the choice of place names and the use of signs. Place names are the names of geographical sites, towns, streets, etc." (Woehrling 2005: 192).

## 3. Obstacles of the use of topographical indications

Hereinafter we will examine what kind of obstacles can arise when a traditional minority intends to use its topographical indications and we will start with the "number" which is "substantial" or which "justifies the protecting measures" and which is, of course, in several cases a disputed question between the states and the monitoring committees.

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[5]  Framework Convention for the Protection of National Minorities. European Treaty Series - No. 157.

[6]  European Charter for Regional or Minority Languages. European Treaty Series - No. 148.

[7]  That is, Article 10, paragraph 2.g.

## 3.1 Thresholds

Before we begin to deal with that how the given states regulate language use in this regard, it is worthwhile to see whether the Framework Convention for the Protection of National Minorities or the Charter contains some standard in relation to the number of users or not. It can also be useful for us if the committees monitoring the said documents specify these standards when they monitor certain states.

In paragraph 66 of the Explanatory Report attached to the Framework Convention for the Protection of National Minorities one can read the following: "the Convention deliberately refrains from defining 'areas inhabited by persons belonging to national minorities traditionally or in substantial numbers'. It was considered preferable to adopt a flexible form of wording which will allow each Party's particular circumstances to be taken into account."[8]

According to the Explanatory Report, the Advisory Committee of the Framework Convention usually criticises the states only when they define the needed threshold in relative or absolute majority[9] of the persons belonging to the given national minority or when the Advisory Committee realizes that a strictly defined threshold can impede the flexible application of Article 11, paragraph 3 when the size of the respective minority fluctuates around the required percentage.[10] Nevertheless, in the latter case, the regulation which was criticised by the Advisory Committee required that 20% of the local population belong to a given national minority. Since the Committee deals with this issue in an opinion adopted in 2010, we can conclude that in the course of years it took a stricter standpoint concerning the number which is substantial for the purpose of Article 11, paragraph 3.

The Explanatory Report to the Charter explicates the intentions of the drafters broader when it comments on Article 1.b of the Charter[11] (definition of the territory of a regional or minority language): "the territory referred to is that where a regional or minority language is spoken to a significant extent, even if only by a minority, and which corresponds to its historical base. Since the terms used in the charter in this respect are inevitably fairly flexible, it is up to each state to define more precisely, in the spirit of the charter, the notion of regional or minority languages' territory, taking into account the provisions of Article 7, paragraph 1.b, regarding

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[8]   Framework Convention for the Protection of National Minorities. European Treaty Series - No. 157.
[9]   ACFC/INF/OP/I(2005)003: 82, ACFC/INF/OP/I(2002)010: 57, Cf. ACFC/INF/OP/I(2002)003: 44 and 46.
[10]   ACFC/OP/III(2010)004: 140.
[11]   "[T]erritory in which the regional or minority language is used" means the geographical area in which the said language is the mode of expression of a number of people justifying the adoption of the various protective and promotional measures provided for in this Charter."

protection of the territory of regional or minority languages. A key expression in this provision is 'number of people justifying the adoption of the various protective and promotional measures'. The authors of the charter avoided establishing a fixed percentage of speakers of a regional or minority language at or above which the measures laid down in the charter should apply. They preferred to leave it up to the state to assess, *within the spirit of the charter, according to the nature of each of the measures*[12] provided for, the appropriate number of speakers of the language required for the adoption of the measure in question."[13]

We can say relating to all of the Charter provisions that "the contracting state may not confine the protective measures to territories where the regional or minority language has a dominant position or is spoken by the majority of the population" (Woehrling 2005: 67). Besides, in correspondence with certain provisions, "the spirit of the Charter" does not allow the states to establish even much lower thresholds either. Namely, the majority of Charter provisions are organized in a way which makes it possible for the states to adopt undertakings according to the situation – *inter alia* the number of users – of the given language (e.g. the provisions of Article 8.1.a-f of the Charter). Well, there are also provisions which do not suit into the mentioned system, therefore the states which undertake to apply them have narrower latitude in their application if the Committee of Experts specifies their content in the course of the monitoring and evaluation processes.

As the Committee noted in general: "The Committee of Experts has come across several countries where the decision as to whether local or regional authorities are to provide services in the regional or minority language is determined by the number of speakers or by a fixed percentage of the population being speakers of that language. In cases where the speakers of a regional or minority language do not meet the aforementioned thresholds, a municipality is not obliged to use the language. In its practice, the Committee of Experts has always emphasized that thresholds may prevent the Charter from being applied to those regional or minority languages which are not in official use but which are still used by a sufficient number of speakers in municipalities or localities for the provisions of the Charter to be applicable."[14]

As for Article 10 paragraph 2.g of the Charter, we will see that the standpoint of the Committee of Experts is that the number of users of a given regional or minority language to be called sufficient for the purpose of the Charter can be beyond 20% of the local population. It is logical to say that if some factors invariably exist in the

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[12] Italics mine.

[13] Explanatory Report to the European Charter for Regional or Minority Languages (http://conventions.coe.int/treaty/en/Reports/Html/148.htm)

[14] ECRML (2010) 6: 382.

case of the particular states – for example the intensity or vigour of the demands put forward and the degree of commitment shown by the speakers of the respective regional or minority languages[15] –, the states should have similar obligations relating to the given regional or minority languages spoken in their territory.

Let's see now the regulations of the states! In Croatia, the Law on the Use of Language and Script of National Minorities, adopted on 11 May 2000, contains provisions on the display of topographical indications in minority languages. As the Advisory Committee noted in its first opinion on Croatia, there were some uncertainties relating to the coverage of the law which also pertained to the implementation of Article 11, paragraph 3 of the Framework Convention.[16] Namely, the governmental and parliamentary sources were uncertain as to whether the "equal official use of minority language" under Article 4, paragraph 1, point 1 of the law, and thereby the application of most of the provisions of the law, is obligatory for municipalities and towns where the persons belonging to a given national minority constitute an absolute majority of the population or whether it is enough that persons belonging to a specific minority constitute a relative majority. However, later Croatia has improved markedly its legal framework concerning the protection of national minorities. The most significant step was the adoption, after repeated delays, of the Constitutional Law on the Rights of National Minorities in 2002. This Law provides that the units of local self-government must guarantee the "equal official use" of a minority language if persons belonging to the national minority at issue account for at least one third of the unit's population, whereas before a majority was required. This "equal official use" also encompasses the obligation to provide bilingual or multilingual topographical indications.[17]

Similar legal regulation can be found in Bosnia and Herzegovina where an amendment made in 2005 to Article 12 of the Sate Law on National Minorities eliminated the need for a national minority to constitute an "absolute or relative" majority of the population in order to be permissible to display the names of streets, institutions or other topographical signs in minority languages. The law now only requires that persons belonging to national minorities should constitute a "majority" of the population, for the display of topographical information in minority languages to be possible. However, for municipalities that decide to permit the display of topographical and other indications in minority languages even where persons belonging to these minorities do not constitute a majority of the population, a minimum threshold of one-third of the population is still required.

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[15] Cf. Woehrling 2005: 68.
[16] ACFC/INF/OP/I(2002)003: 43 and 46.
[17] ACFC/INF/OP/II(2004)002: 111. and 116.

In its second opinion on Bosnia and Herzegovina, the Advisory Committee still regarded this threshold as too high, in the light of Article 11 of the Framework Convention.[18]

The Montenegrin legislation also guarantees the right to display topographical indications in the language of national minorities. This right is applied in those local self-government units in which persons belonging to national minorities make up "the majority or a considerable part of the population" (Article 11 of the Law on Minority Rights and Freedoms adopted in 2006).[19] One could think that it is unique that a state finds a similarly flexible term to the kind of which the drafters of the Framework Convention and the Charter usually operate. It is ironic that the monitoring committees can not call on the authorities to define this requirement more precise. Nevertheless, this requirement makes possible for the municipalities to regulate further the use of toponyms in their statutes.[20]

In Serbia, Article 11 of the Law on the Protection of the Rights and Freedoms of National Minorities, adopted in 2002, provides that local names, street names and other topographical indications shall also be displayed in the language of national minorities in those areas where the language is in official use.[21] As the before mentioned law stipulates: "The unit of local self-government is obliged to enter the language and alphabet of a national minority in official use always if the percentage of that national minority in the total population on their territory reaches 15% according to the latest census [and on these territories] names of public authorities, names of units of local self-government, of settlements, squares and streets and other toponyms shall also be displayed in the language of the respective national minority according to respective orthography and grammar rules and tradition."[22]

The use of languages other than Macedonian in "the former Yugoslav Republic of Macedonia" as regards local names and other toponymic information is not governed by special legislation but is subject to the general rules on the use of languages, as laid down in the Ohrid Agreement signed in 2001.[23] Such inscriptions may thus be displayed in a minority language if this language has official language status, i.e. if it is spoken by at least 20% of the inhabitants of the municipality in question.[24]

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[18] ACFC/OP/II(2008)005: 163.

[19] Cf. ACFC/OP/I(2008)001: 75.

[20] Cf. ECRML (2010) 1: 129-130.

[21] Cf. ACFC/OP/II(2009)001: 168 and 183.

[22] http://www.jogtar.mtaki.hu/data_show.php?doc_id=217

[23] Cf. ACFC/INF/OP/I(2005)001: 10.

[24] ACFC/INF/OP/I(2005)001: 73. In 2007 when the second opinion on Macedonia was made public the adoption of a law governing the use of languages which should provide clarifications in relation to the display of local place-names has not happened yet.

Romania adopted its Law on Local Public Administration in 2001. Article 90 paragraph 4 of this law authorises the use of minority languages for signs indicating the names of localities and local public institutions in administrative-territorial units in which people belonging to a national minority represent over 20% of the local population. These provisions have been implemented in more than 20 counties, in localities where the conditions required by the law have been met, and also in some cases - according to non-governmental sources - in localities where the 20% requirement has not been reached.[25]

Article 38 of the Law of Ukraine "On Languages in the Ukrainian SSR" which was adopted in 1989 provides the possibility in Ukraine to introduce place names in a minority language if the minority in question constitutes a majority in the locality at issue. The Advisory Committee has already noted in its firs opinion on Ukraine[26] that the numerical threshold contained in the said provision is such that it constitutes an obstacle with respect to certain minority languages in areas traditionally inhabited by substantial numbers of persons belonging to a national minority. This problem was particularly pertinent for formerly deported people of Crimea, notably the Crimean Tatars. Unfortunately in 2008 when the second opinion was made public the said threshold was still in force.[27]

In the Slovak Republic, the Law on the Use of Minority Languages of 1999 guarantees the possibility for persons belonging to national minorities to display topographical signs in minority languages in municipalities where the minorities concerned make up 20% or more of the population. The Law on Denomination of Localities in the Languages of the National Minorities contains a list of villages where bilingual signs can be installed. As we mentioned before, the Committee of Experts of the Charter is of the opinion that the number of speakers justifying the different protective and promotional measures can be below 20% of the population of the given locality. In its first evaluation report, it states regarding the Hungarian minority that "a proper implementation of the undertakings below inevitably presupposes the reconsidering of the 20% rule so that the relevant undertakings under Article 10 para. 1 and 2 of the Charter can be implemented also in those cases where the Hungarian-speakers represent less than 20% of the municipal population but are still present in sufficient numbers for the purpose of the undertakings entered into by Slovakia in the field of local and regional government."[28]

In its third opinion the Advisory Committee of the Framework Convention also emphasizes that "the authorities should interpret and apply the legislation in a more

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[25] ACFC/OP/II(2005)007: 131-132.
[26] ACFC/INF/OP/I(2002)010: 57.
[27] ACFC/OP/II(2008)004: 163. Cf. ECRML (2010) 6: 426 and 382.
[28] ECRML (2007) 1: 224. Cf. ECRML (2009) 8: 13.

flexible manner without relying too strictly on the 20% requirement, in particular in areas traditionally inhabited by substantial numbers of persons belonging to a national minority and when there is a sufficient demand."[29]

One of the lowest thresholds can be found in the Czech Republic. Section 29, paragraph 2 of the Act on Municipalities regulates the use of place names and topographical signs in regional or minority languages. Such signs can be installed if "according to the last census at least 10% of the citizens of the municipality consider themselves to be members of the minority in question" and if the committee for national minorities resolves to request this. At the same time problems can arise when a committee does not propose a recommendation relating to the use of topographical indications.[30]

In Poland, the Act on National and Ethnic Minorities and on Regional Language of 2005 filled the existing legal gap by allowing the display in minority languages of traditional local names, street names and other topographical indications intended for the public. Articles 12 and 13 lay down the modalities for displaying, alongside a Polish name, the place names of towns, villages, and other localities, street names and other topographical indications in a minority language. The Act sets out conditions and a procedure for entering in the Official Register of Municipalities on whose Territory Names in a Minority Language are Used; for example in the municipalities or specific localities located in a municipality the number of persons belonging to a national minority can not be lower than 20% of the local population. Street names can be displayed in a national minority language alongside the Polish name in the municipalities meeting the 20% threshold upon a vote of the Municipal Council, in accordance with the Act on Local Self-government of 8 March 1990.[31]

### 3.2 The legislation of the state lacks sufficient provisions as regards topographical indications

In 2002, when the Advisory Committee adopted its first opinion on Albania, the display of traditional local names, street names and other topographical indications in minority languages was not regulated by any specific law.[32] Since then no progress has been made on the legislative front. The existing legislation on such matters is subject to differing interpretations as regards the respective competences of local authorities and central government. National minority representatives referred to Section 32 of the Act on the Organisation and Functioning of Local Authorities

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[29] ACFC/OP/III(2010)004: 140.
[30] ECRML (2009) 7: 196-197.
[31] ACFC/OP/II(2009)002: paras. 145. and 148.
[32] ACFC/INF/OP/I(2003)004: 56.

of 31 July 2000, which provides that municipal councils shall approve the names of streets, squares, districts, institutions and assets within their jurisdiction. In practice, however, it seemed to the Advisory Committee that municipal councils' decisions on such matters require central government approval, which is not always forthcoming.[33]

In the sole opinion which was adopted on Bulgaria in 2004, the Advisory Committee noted the absence of specific provisions in the legislation regulating the use of languages other than Bulgarian for traditional local place names, street names and other topographical indications. It further observed that according to Decree 1315 of 1975, still in force, the titles chosen by the local councils must reflect the "wealth and beauty of the Bulgarian language", a requirement which apparently does not permit appropriate implementation of the provisions of Article 11, paragraph 3 of the Framework Convention. In practice, it turned out that the aforementioned provisions of the 1975 Decree had been invoked in certain cases to prevent certain local councils in Turkish-inhabited regions from using Turkish for local signs.[34]

Upon ratifying the Framework Convention, Latvia issued a Declaration that it would apply the provisions of Article 11, paragraph 3 of the Convention without prejudice to the provisions of the Constitution and of the current national legislation governing the use of the state language. The State Language Law provides that place names shall be created and utilised in the Latvian Language. As the Advisory Committee emphasized in its opinion in 2008, in so far as it does not permit the use of minority languages alongside Latvian in local topographical indications, the Latvian Legislation in force is not in conformity with the provisions of Article 11, paragraph 3 of the Framework Convention.[35]

## 3.3 The provisions which regulate the use of topographical indications are not applied in practice

Of course, in many cases the legal guarantees for using topographical indications in a minority language exist, but in practice – several times only as regards a certain minority – the minority does not make use of this possibility or it can not do that, e.g. because of the reluctance or resistance of the local authorities.

Although the Croatian Law on the Use of Language and Script of National Minorities and the Constitutional Act on the Rights of National Minorities entered

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[33] ACFC/OP/II(2008)003: 149.

[34] ACFC/OP/I(2006)001: 82.

[35] ACFC/OP/I(2008)002: 123. Latvia has not signed and ratified the European Charter for Regional or Minority Languages yet.

into force in 2000 and 2002, respectively the application of the law which rests primarily with local authorities is seriously flawed, especially in those areas which are inhabited by a large number of persons belonging to the Serbian minority. For example in the Vukovar-Srijem and the Osijek-Baranja Counties, there are continuing difficulties with introducing bilingual topographical signs indicating the names of villages in Serbian.[36]

A lack of implementation of Article 11.3 of the Framework Convention has been reported in municipalities inhabited by the Vlach-Romanians in North East Serbia, and certain municipalities inhabited by the Bosniacs in the Sandžak region, both of which are areas where the minorities concerned constitute more than 15% of the population.[37] Besides, the Committee of Experts of the Charter observed that although many place names have been designated in the minority languages in Serbia, a lot of them are not used in practice, for example in Bosnian, Croatian, Hungarian, Romanian, Ruthenian and Slovak. It is unclear whether place names in Romani exist at all and there are no place names in Ukrainian in official use.[38]

In Hungary, Section 53, paragraph 1.c of the 1993 Act on the Rights of National and Ethnic Minorities provides expressly that, if the local minority self-government so demands, the local authorities have to indicate place- and street names, public offices and the names of bodies carrying out public services also in the minority language. As the Committee of Experts of the Charter noted in its fourth evaluation report, in general a relatively low share of the eligible municipalities (i.e. where a local self-government is active) has adopted official place names in a minority language, nonetheless, the Hungarian authorities allocated 20 million HUF to provide bilingual place names, street names and other signs. Also, the use of a minority place name is usually limited to the signs at the entrance of the municipality and some signs on public buildings. The Committee therefore considered that an authority should have been designated to carry out the monitoring of the use of official place names in minority languages, e.g. the road and traffic authority.[39]

A number of shortcomings in the implementation of Law No. 215/2001 on Local Public Administration have been reported by representatives of certain groups in Romania, for example by the representatives of the Ukrainians, who mentioned

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[36] ACFC/OP/III(2010)005: paras. 144-145.

[37] ACFC/OP/II(2009)001: 186.

[38] Cf. ECRML (2009) 2: 192-202. Serbia and Montenegro has accepted that Article 10.2.g be applied for the Albanian, Bosnian, Bulgarian, Hungarian, Romany, Romanian, Ruthenian, Slovakian, Ukrainian and Croatian languages. *See* ECRML (2009) 2: p. 52.

[39] ECRML (2010) 2: 151.

difficulties encountered in applying the provisions although the statutory 20% threshold had been reached.[40]

As we mentioned before, in the Czech Republic, topographical indications can be used in a minority language if "according to the last census at least 10% of the citizens of the municipality consider themselves to be members of the minority in question", and if the committee for national minorities resolves to request this. As regards the Polish minority, in some municipalities the committees on national minorities did not propose a recommendation because Polish speakers were not the majority and the representatives of the other minorities were not prepared to support the recommendation. For example, in the municipality of Třinec, 17.7% of the population is Polish, but despite tabling a motion on bilingual signs three times, the Polish representatives on the committee were outvoted each time.[41]

In some cases, the respective committees had not enough information about why certain minorities did not realize their possibilities to display their topographical indications or whether they faced some obstacles in this process, therefore the committees asked for the authorities to ascertain whether there is a demand by persons belonging to national minorities for such signs[42] or invited the central authorities to ensure that local authorities are fully aware of the requirements demanded by the ratified document.[43]

## 3.4 Other motives which can arise in limiting the use of topographical indications

### 3.4.1 The minority cannot use its own script

In Croatia, place names in the Serbian language and Cyrillic script are objects of ongoing debates and resistance, at least in Slavonia and Vukovar.[44] Similarly, a number of difficulties are still reported in Serbia relating to frequent misspelling of place names which are transcribed according to Serbian spelling rather than the spelling of the minority language concerned. An additional complication lies with the fact that existing signposts include the name of the locality in Serbian in both Latin and Cyrillic script, to the exclusion of the minority language.[45]

At the time of the adoption of the second opinion of the Advisory Committee on Estonia in 2005, the possibility of using the Cyrillic script (alongside the

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[40] ACFC/OP/II(2005)007: 133.
[41] ECRML (2009) 7: 196.
[42] Cf. ACFC/OP/I(2008)001: 75.
[43] Cf. ACFC/INF/OP/I(2005)001: 73.
[44] ECRML (2010) 9: 195.
[45] ACFC/OP/II(2009)001: 185.

Latin script), was excluded by Article 10 of the Place Names Act, although – as the Committee noted – this possibility would increase interest in introducing traditional place names in minority languages and would reflect the spirit of Article 10 of the Framework Convention better.[46]

### 3.4.2 The states refer to historical reasons in prohibiting or limiting the use of topographical indications

Usually the respective committees do not comment on this issue. As an exception, the case of the Hungarian minority in Slovakia can be mentioned where the Committee of Experts of the Charter asked the Slovak authorities to provide more information about the fact that approximately 100 traditional and correct forms of place names in Hungarian are prevented from being officially used because of the impossibility to adopt or use Hungarian place names which had been used between 1867 and 1918 and between 1938 and 1945. Traditional Hungarian place names cannot be used either with respect to places that were renamed after a Slovak person in 1948.[47]

The Advisory Committee just noticed in its second opinion on the Czech Republic that, mainly for historical reasons, there are strong reservations as to the use of minority languages, Polish and German particularly, in bilingual topographical indications.[48] Furthermore, as regards Poland, the Committee took note of the prohibition of the use of names used in 1933-1945, given by the authorities of the German Third Reich and the Soviet Union.[49] It is worth to mention the case of Estonia as well: Articles 14 and 21 of the Place Names Act of 1997 provide a possibility to introduce place names and to display topographical indications in a minority language and that the requisite decisions are taken on the basis of the language of the permanent residents of the corresponding place in 1939.[50]

### 3.4.3 The states refer to financial obstacles in promoting the use of minority topographical indications

In a few words I would like to return to the question how the states should interpret the Articles protecting and promoting the use of topographical indications as for the mandatory thresholds. When the authorities of certain states allude to financial

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[46] ACFC/INF/OP/II(2005)001: 101.
[47] ECRML (2009) 8: 233.
[48] ACFC/INF/OP/II(2005)002: 129.
[49] ACFC/OP/II(2009)002: 149.
[50] ACFC/INF/OP/I(2002)005: 42.

reasons in rejecting to display topographical signs – such as in the cases of the Belarusian minority in Poland,[51] the Sorbian minority in German (in the Land of Brandenburg)[52] and the Kven minority in Norway[53] –, the Advisory Committee of the Framework Convention answers something like this: "the lack of resources does not represent sufficient justification for refusing to put a bilingual sign and hopes that the request of the people concerned will quickly be met."[54] In turn, the Committee of Experts of the Charter emphasizes the following: "the fulfilment of this undertaking (Article 10, paragraph 2.g of the Charter) is one of the simplest, in practical terms, among those laid in the Charter."[55]

In my esteem, from the before mentioned we can conclude that, according to the "spirit" of the Framework Convention and the Charter, the authorities must ensure the possibility of the use of minority geographical names if the respective minority lives traditionally in a given territory and its members so request. The authorities must ensure this possibility much below the 20% threshold, since for the purpose of Article 11, paragraph 3 of the Framework Convention and Article 10, paragraph 2.g of the Charter, the "substantial number" or the "number justifying the protective measures" can not be as high as the number which might be needed for the "equal" official use which in turn is determined in many cases at about 20% of the local population.

## 4. Conclusion

After this sort survey we can already see that the states still have a lot to do if they want to implement the Framework Convention for the Protection of National Minorities and the European Charter for Regional or Minority Languages. They must improve their legislation, as well as their practice.[56]

Finally, just briefly, I would like to put the issue of protecting minority topographical indications in a broader context. Namely, I would like to point out that protecting and promoting these names is not aimed only at the European level,

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[51] Cf. ACFC/INF/OP/I(2004)005: 72.

[52] Cf. ACFC/INF/OP/I(2002)008: 53.

[53] Cf. ACFC/OP/II(2006)006: 116.

[54] Cf. ibid.

[55] Cf. ECRML (2009) 2: 191.

[56] Of course, there are also arguments according to which languages traditionally spoken in a given territory should enjoy official language status at least regional or local level. If this would take place, the problems arising with the use of topographical indications would be immediately solved and the protection of the Framework Convention and the Charter would not be needed any more. *See* for example Andrássy, György 2010. A szlovák államnyelvtörvény módosítása és az emberi jogok – Államnyelv lehet a magyar is Szlovákiában? *JURA* 1: 7-21.

only by the Framework Convention and the Charter, but the same tendency can be seen in the process of international standardization of geographical names in the framework of the United Nations. Namely, several very important resolutions have been adopted at the United Nations conferences on the standardization of geographical names from the very beginning which were accepted in relation to the protection of the names of traditional minorities. The most significant one is resolution V/22 (Aboriginal/native geographical names):

> "The Conference,
> Aware that groups of aboriginal/native people exist in many countries throughout the world,
> Also aware that these groups have their own languages, cultures and traditions,
> Recognizing that the geographical names of these groups are a significant part of the toponymic traditions of every area or country in which they live,
> Recognizing also that aboriginal/native people have an inherent interest in having their geographical nomenclature recognized as important,
> Recommends that all countries having groups of aboriginal/native people make a special effort to collect their geographical names along with other appropriate information;
> Recommends also that, whenever possible and appropriate, a written form of those names be adopted for official use on maps and other publications;
> […]."[57]

By now it begins to stand out that this process which can be observed also at international level aims the more and more intense protection of people who have been living in a given area for centuries through the protection of their names, languages, i.e. through the protection of their culture.[58] And by now one can realize that if a state tries to hamper the use of geographical names of historical minorities, this state sets its face against the aforementioned international tendency.

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[57] *See* also resolution II/36, VIII/1, IX/5.
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# Transnationalisation and Peripheries: Reconsideration of a Model

## Abstract

This chapter discusses the epistemology of transnationalism studies and its impact on transnationalism theory. Based on a content analysis of articles contributing to transnationalism studies, the authors argue that the empirical data these theories draw on is mostly gathered from transnational spaces that form between core-states and periphery-states, thus, possibly creating a biased knowledge basis, concerning transnational spaces forming other constellations in the framework of the world-systems' theory (i.e constituted solely by periphery-states or semi-periphery states, or core-states, or consisting of core and semi-periphery states). The analysis also showed that most analysts focus on American transnational spaces, leaving Europe and especially Central and Eastern Europe in the margins. The authors also contrasted the findings in mainstream transnationalism studies with the findings of a space in the European (semi-)periphery, consisting of Estonia and Finland, indicating differences in findings that possibly stem from the contextual differences.

**Keywords**: transnationalism, world-systems' theory, European peripheries, Steven Vertovec, content analysis

## 1. Introduction

The discourses of globalisation, modernisation and development in research literature have often been criticised for being partial or prisoner to the (Western) viewpoint rather common among researchers. This paper follows the same path of critical theory by asking what really is presented to us under the catchword 'transnationalism'.

The theory of transnationalism has been in many cases viewed as medication against deterministic perspectives (i.e Glick Schiller, Basch, Blanc-Szanton, 1992; Vertovec, 2009) that regard migration and migrant adaptation, for example, globalisation as being Westernisation, a reinvigoration of the core and the impoverishment of the peripheries (Beck, 2000). This paper, however, will re-examine the transnationalist standpoint: to what extent do transnationalism studies actually follow these principles, and how do these relate to the model of world-systems' theory, a rather deterministic view of relations on the supra-state level.

This paper is an output of work in progress. The aim of this research is to assess the studies made on transnationalisation that have reached the status of mainstream theories – papers most cited, compiled into readers, introduced in overviews etc. In this paper, we base our argument on the first results, derived from references in Steven Vertovec's (2009) overview of the discipline. This paper includes a content analysis that inquires how the empirical studies disperse over the world-systems model map. The aim of the comparison is to quantify the possible bias that transnationalism studies remain centred on transnational spaces that overlap great distances in terms of the world-systems model: in other words, the most studied transnational spaces are those that investigate the relations between core and periphery countries.

Besides indicating how the most well studied transnational spaces are positioned in the world-system model, we also elaborate on what impact could that have on the results of economic, but also political and socio-cultural (migratory) transnationalisation. We use the Estonian-Finnish transnational space as a 'test case' and examine in which aspects this transnational space differs from other most studied transnational spaces, thus falsifying the transnationalism theory.

The data on the Estonian-Finnish transnational space was gathered in the framework of an EC 7th framework programme project 'Transnationalisation, Migration and Transformation: Multi-Level Analysis of Migrant Transnationalism (TRANS-NET)', which covered all the main aspects of migrant transnationalism – migratory patterns, socio-cultural, economic and political, and in addition, also educational transnationalism. The material was gathered in the course of semi-structured and life-course interviews in both countries, meaning that migrant transnationalism was studied in both ways (Estonians in Finland and Finns in Estonia).

The plan of the paper is as follows: first, we will outline the core of the world-systems theory and transnationalism theory, analyse their relationship, common grounds and differences. After that, the results of the content analysis on transnationalism literature are presented, which are then contested with the results of the study on the Estonian-Finnish transnational space. Finally, in the discussion part, we will analyse the reasons behind the core-periphery bias, and the opportunities and outcomes in overcoming this bias from the perspective of European peripheries.

## 2. World-systems theory and transnationalism theory: opposites that attract?

### 2.1 The core-periphery model

The spatial conceptualisation of the globe, according to which the world consists of civilised centres and barbarian surroundings, dates back a long time in human history. Be it ancient China or Rome, medieval Incas, colonial Spain, or France during the Great French Revolution, we can indicate a mentality of superiority legitimating expansion to 'less civilised' areas and exploitation of their resources.

The idea has been present also in scholarly discourse for a long time. Without going into distant past, we can *inter alia* refer to Marxist theories of economic-military imperialism with Marx, Luxemburg, Lenin, Kautsky, Bukharin and others, as well as to the dominance-centred tradition of classical political geography and geopolitics with such authors as Haushofer, Mahan, Ratzel, Kjellen, MacKinder and many others.

In more contemporary literature, the distinction between core and periphery is being dealt with in various disciplines from geography to sociology. The distinction can be founded upon military strength by some international relations theorists (i.e Dominguez 1971), especially during the Cold War era; or upon political power (i.e Rowland 2010) in political science. In social networks studies, it can also be based on social capital (Borgatti&Everett, 2000). In geography, but also in urban studies, it also depends on size, location and connectivity (i.a Eskelinen 2009).

Most often, the dichotomy is constructed based on economic power. This can either be 'measured' based on the GDP or GDP *per capita* (i.e Dominguez 1971, Galtung 1971); on modes of production (i.e Wallerstein 2004, Galtung 1971, Krugman 1991), or on other features of economic geography (i.e rural vs urban, as in Krugman's (1991) 'new economic geography', or in von Thunen (1826, cf Pain 2008). The core-periphery model clearly forms part of the basic logic in identifying the developed and developing world as well as the former distinction between first (capitalist), second (authoritarian socialist) and third (developing) world (Thompson 1981), or in differentiating the BRIC (Brazil, Russia, India, China) from other developing economies, etc.

However, there are also authors who claim that this differentiation does not necessarily have a material foundation, but is merely constructed – based on people's beliefs and values (Shils 1961). This leads us to the constructivist tradition (Berger, Luckmann 1966 being the classical hallmark of the theory), and in a longer chain of conceptual development, to the theories of transnationalism.

The key author for defining the core-periphery model in this article is Immanuel Wallerstein. Wallerstein (e.g. 2004) provides a dynamic picture of the world with potentially shifting centres (core). In the world-systems theory of Wallerstein, the core of developed states (currently mostly the developed Western countries) dominates via economic, but also cultural and other processes over the periphery (the 'developing' countries), using semi-periphery as an assisting tool.

The core is the locus of the production of high added value, but also of the generation of cultural meanings that help to establish intellectual hegemony. The periphery is the pool of natural, human and other resources that the core utilises, but with low added value for the periphery. The 'natural' economic stream of capital is away from the peripheries and towards the core.

The semi-periphery is both the facilitator of dynamics, i.e. a tool for reproducing the hegemony of the core, and the countries themselves being dynamic, i.e. transforming towards the core (progressing) or the periphery (declining). Hence, the semi-periphery is a vaguer concept defined mostly by its intermediate position between two structuring positions.

A semi-peripheral state may be just a state in transformation or one that is functional in the global structure of production – transforming the peripheral resources (e.g. cotton) into medium-level output (e.g. fabric, clothes) that is utilised by the core (e.g. branded clothes). Parts of the semi-periphery may emerge due to their proximity to the core, which enables outsourcing services, labour migration or even expanding the core. The eastward enlargement of the European Union may be a sign of the latter.

Ultimately, Wallerstein's model is based on the domination of the core over the periphery. Inequality and the exploitation of the human resources of the periphery leads to issues of migration and migrant communities in the core states. This, in turn, leads us directly to the interest area of the theories of transnationalism.

## 2.2 The transnational perspective

The classical versions of the core-periphery model, as well as traditional international relations theory, have been established on seeing the world as anarchy organised to an extent by sovereign states seen as separate entities that form the ultimate layer of organised human activity. In the past four decades, this perspective has been increasingly challenged by the globalisationist approaches (*see* i.a. McLuhan 1962 for an early discussion, Robertson 1992, Archibugi, Held 1999 and so on).

From the viewpoint of the globalisationist theory, the world can be conceptualised holistically, as a joint domicile of humankind, a 'global village'. Although states may

form the practical ultimate level of organised power and cohesion, in principle, there are no limits for human movement and activities, and many issues need activities beyond the nation-state level – whether they are physical events, such as large natural disasters, global warming, etc., or social, such as large streams of refugees, questions of human rights, security, etc. Hence, at least to an extent we can comprehend and analyse the world holistically, without focusing only on the interaction between sovereign governments.

Globalisation, a social process in which the constraints of geography on social and cultural arrangements recede, and in which people become increasingly aware that they are receding (Waters 1995: 3), can be regarded with different levels of excitement and optimism. We can differentiate between a very optimistic globalisationist perspective (David Held, Ulrich Beck and many others, *see* Held et al 1999), a sceptical perspective that doubts whether there have been significant changes at all (e.g. Paul Hirst, Grahame Thompson, 1999), and a critical perspective that acknowledges the changes, but sees the current actors (state institutions, citizens, etc.) proactively adapting to the circumstance and exploiting the opportunities globalisation provides, guarding and re-establishing their relevance (e.g. Sørensen, 2004).

Transnationalism is one of the various issues and levels addressed in the literature on globalisation. While the theories of global governance, multi-level governance, etc., adopt a macro-perspective of how to arrange human life on a global scale, the emphasis of the transnationalist approach is in the grassroots level of the people adapting to global changes. Of course, this perspective can also be developed towards meso- and macro-level explanations, but these usually start from and are connected to micro-level interactions and patterns.

Transnationalisation is also a process of becoming increasingly interconnected, creating and maintaining personal or institutional connections that cross state borders. It is seen as a more moderate concept reflecting the process and the outcomes of (bottom up) globalisation, being coeval with processes such as the technical revolutions that 'compress' the time-space, massive (labour) migration, the increasing hybridisation and creolisation of cultures, the emergence of border-crossing political activism such as transnational social movements, etc. (i.a Kivisto 2001, Vertovec 2009).

The scholarly discussion on transnationalism has been developing with accelerating speed in the last decades, starting with the basic idea of the two-directional cultural and goods exchange created by migrants (i.a. Sutton, Makiesky-Barrow 1975), of actually having effective personal footage in two or more societies (Chaney 1979: 209) and circulating rather than migrating (Richardson 1983: 176).

This has led to regarding embeddedness in cross-border exchange as a normal part of the contemporary social status of people and outlining the possibility that the relative stability of transnational social spaces builds upon people in or in between various national societies (Glick Schiller et al 1992).

The concept is often associated with a fundamental social scientific paradigm shift – the end of methodological nationalism (Wimmer, Glick Schiller 2002, Beck, Sznaider 2006, Chernilo 2008), being able to explain social life without being caged by nation-states and their societies – but, of course, utilising these in case of explanatory relevance (*see* Kalev, Jakobson 2011).

The paradigmatic relation between transnationalism theory and world-systems theory is well documented by Andreas Wimmer and Nina Glick Schiller (2002, 2003), the founders of transnationalist methodology for social scientists (in the IR, it was already phrased by Keohane and Nye in 1972). They claim that although transnational practices have been a fact throughout human history (and that nation-state borders constraining that are a recent and rather problematic invention from that point of view), the Cold War era, the peak for world-systems theory was the era when the 'blind spot became a blindness, an almost complete erasure of the historical memories of transnational and global processes within which nation-states were formed and the role of migration within that formation' (Wimmer, Glick Schiller 2002: 317-318).

The concept 'transnationalism' is increasingly popular with anthropologists studying phenomena that are not bound by nation-states, such as religion, family, human relations, identity, etc.; economists, focusing on the transnational flows of resources (remittances), and their impact; political science and international relations scholars, claiming that individuals moving, as well as transnational social movements and other organisations, play an increasingly important part on the global and international scale; and migration scholars explaining the changed world order.

## 2.3 Two kinds of transnationalism

The vast literature on transnationalism can be divided to two broad substreams: migrant transnationalism and transnational governance.

Some authors focus clearly on migrant transnationalism – how migrants arrive, adapt, establish communities and maintain connections with their countries of origin. The key interest in the literature of migrant transnationalism can be summarised as the rise and evolution of the transnational networks due to migrant activities. This clearly is a micro-level perspective and is more popular in terms of the

number of researchers, publications, etc. However, it is often limited to empirically examining one case (e.g. Mexican migrants in the U.S.), strongly connected to general research on migration, and is often unable to provide broader explanations.

Perhaps the best known author on migrant transnationalism, Steven Vertovec (1999: 449–56), identifies six uses of the term: (1) as a social morphology focused on a new border spanning social formation; (2) as diasporic consciousness; (3) as a mode of cultural reproduction variously identified as syncretism, creolisation, bricolage, cultural translation, and hybridity; (4) as an avenue of capital for transnational corporations (TNCs), and in a smaller but significant way in the form of remittances sent by immigrants to family and friends in their homelands; (5) as a site of political engagement, both in terms of homeland politics and the politics of homeland governments *vis-à-vis* their *émigré* communities, and in terms of the expanded role of international non-governmental organisations (INGOs); and (6) as a reconfiguration of the notion of place from an emphasis on the local to the translocal.

All of these uses pertain to immigration, but include the significance of global corporate capitalism and INGOs. Whatever the merits of the idea of transnationalism in regard to these phenomena, the task undertaken herein is of a more limited focus: to assess the concept as it relates to immigration, appreciating that in fact these are reciprocally interconnected phenomena (Kivisto 2001: 550).

The literature on transnational governance tries to adopt a broad perspective based on human agency and organisation (*see* i.a. Rosenau 2004 as a good example of such a viewpoint, but also e.g. Ferguson, Mansbach 2004, 2008, Cerny 2010). The world is seen as dynamic and shifting structures and centres of human activity providing some kind of dynamic arrangement or loose setting of governance. In this perspective, we speak of global formations, such as social movements, transnational social spaces (e.g. Faist 2000, Bauböck, Faist 2010), but also more traditional actors like states and international governmental organisations that are the loci of ever-changing structure of power and act as agents of change. We can differentiate between a weak, multi-level and radical understanding of transnational governance (Kalev et al. 2010).

The weak understanding of transnational governance is focused on the development of transnational civil societies that enable individuals to exercise political agency. However, these networks are composed of voluntary associations organised around shared interests and cannot stand as a surrogate for the political community *per se*, which acts as the addressee of claims made by the organisations and groups of civil society. Therefore, such kind of political transnationalism is only subsidiary to the nation-state level. According to Kymlicka, 'the weak

transnationalism of advocacy networks is predicated on, even parasitic on, the ongoing existence of bounded political communities' (2003: 291).

The multilevel understanding of transnational governance rejects the conventional identification between demos, territory and citizenship and understands citizenship as ideally exercised in a multiplicity of 'sites', situated at different levels of governance: local, national, regional and global. Global democrats sketch a multi-layered, global democratic order in which no single layer or site is dominant (Pogge 1992: 58, Young 2000: 266). Building up more levels that complement nation-states includes strengthening certain global regulatory regimes and largely familiar formal political institutions globally active organizations of civil society and transnational public opinion (Young 2000, Pogge 1992). As the multi-layered scheme also involves significant decentralisation for the sub-national level, and robust democratic politics is seen as truly possible only at the local level, the argument runs that global democracy would, in fact, translate into a more, rather than less, 'real' democracy. But no matter how forcefully the principle of subsidiarity is applied, the global democratic project would still entail the implementation of global principles and standards (e.g. (re)distributive principles, human rights standards) that would rely on coercive enforcement agencies (Benhabib 2004: 113). Hence, one can't escape the need to ensure the democratic legitimacy of political institutions above the state level.

In the radical version, transnational governance is not only ideally exercised in the multiplicity of 'sites', but there is no systematic arrangement of the levels of governance. There are numerous competing and overlapping autonomous power centres acting as habitats in Bauman's (1992) sense, their influence and even survival depending on the interest of the consumers/'citizens' to relate themselves to this particular habitat. The system is understood to be working if there is adequate information available for citizens to act as rational consumers. This could be organised using (cross-border) formal advocacy and accountability agencies akin to public ombudsmen, access of information agencies, or the public curator's office would provide citizens 'crucial, limited ranges of more independent and accessible information about political actors', while also acting on their behalf as 'professional contesters'. These actors are also seen working on the basis of the market model as specialised experts, in habitats that in a way resemble auditing companies. They would constitute 'a locus of mobilization that agglomerates and pursues [citizens'] concerns and yet do not require that citizens act together with high levels of mutual awareness' (Kuper 2004: 127). In this model, states are thought to be replaced and we can speak of a world entirely structured according to the rational offer and demand logic of the micro-economic market model.

## 2.4 Do opposites attract?

As Thomas Kuhn's theory of paradigm shift indicates, a shift occurs when the sidestream paradigm can pose a publicly relevant and critical assertion. However, it does not provide a clear answer as to whether the logic behind the development of scientific paradigms, such as world-systems theory and transnationalism, is either evolutionary or dialectic. The core-periphery model seems to have been more popular during the Cold War era, when the concept of influence spheres was rather appropriate, and peripheries were often strictly tied to one specific core state, featuring little activity on other frontiers (cf Galtung 1971). The transnationalism paradigm started to evolve already in the 1970s (Keohane, Nye, 1971) as a shift in international relations theory; however, the paradigm has been gaining popularity in other fields, i.a. economics and social sciences in the past two decades, when some cores shifted and the world suddenly opened up for many – both as nations as well as individuals, leading even to prophecies of the end of history (Fukuyama 1992) and the like. Thus, these models might be depicted as the progeny of their era. These days, the EU is also talking about polycentricity (ESPON 2005, Eskelinen 2009), rather than centre-periphery relations.

But is there a substantial difference between the paradigms of core-periphery and transnationalism in all dimensions? Or is the latter just supplementary to the former? As has been noted on some other, rather critical frontiers (i.a Kivisto 2001, Brubaker 2001 etc)[1], transnationalism as a paradigm has turned out to be rather a newer version of the same old idea, than a qualitative leap.

We propose that the two theories can be viewed as partially overlapping subsets (*see* Figure 1): although paradigmatically different, the two might in some cases compromise over some issues – with certain consequences, of course. Next, we will underline the differences and the similarities between the two.

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[1] They claim that transnationalism rather tends to be a subset of the assimilation theory, and not an alternative to it, as initially promised.

*Figure 1. World-systems theory and transnationalism theory: differences and overlappings. Source: authors*
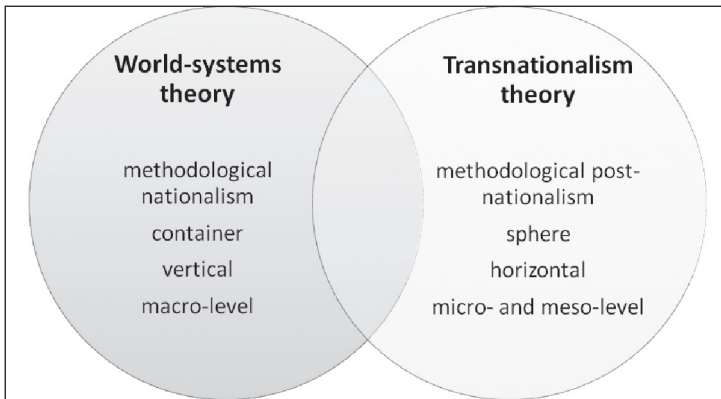


First of all, the two theories differ in their methodological approach on how the world is structured, which was also elaborated earlier under the methodological nationalism debate. As already referred, especially in the classical theories of international relations, the states or countries are viewed as distinctive pieces, as billiard balls on the pool table, as containers of power, wealth, culture, etc. (*see* i.a. Taylor 2003). Containers have solid walls/borders/boundaries and are supposed to be relatively homogeneous inside.

For a transnationalist perspective, it is more reasonable to see the world without clear borders and solid walls but as structured by dynamic power centres with flexible borders. Here, the state is conceptualised more as a discursive sphere or a field. The borders are not like the walls of containers but quite amorphous and fluctuating (i.a Pugh et al 2009) – however, they are helpful in differentiating the sphere from the outside (a distinction that is important in identity building) and somehow defining the inside, the core around how the field is structured in a given moment. Such an approach has its origins in Bourdieu's (1986) sociology and is somewhat reflected in the works of i.a. Habermas (1998, 2001) and Manea (2007).

Secondly, the world-systems model is a vertical model that views agents in the global realm as hierarchically positioned toward each other. The transnationalism model can be contrasted with this, since in the transnational realm all the actors are theoretically viewed as having similar opportunities and moving not up and down in the global hierarchy, but circulating in the geographic realm (Vertovec, 2009).

Thirdly, the world-systems model is not only vertical, but it is also to an extent deterministic. Although Wallerstein (2004) points out that the states can move upwards or downwards in the core-periphery hierarchy, it is a long-term process in terms of an individual's career planning. The world-systems theory is founded

on Marxist principles of economic determinism, enforced by cultural hegemony. Transnationalism, on the other hand, is a rather liberal(ist) theory that emphasises the opportunities and freedom of individuals in determining one's life-course, identities, etc.

As i.a. Glick Schiller, Basch and Blanc-Szanton (1992) note, migration is not just one-way movement that should result in assimilation: it is a two-way movement of remittances, keeping-in-touch, etc. (i.a Levitt, 2001). And even the economic domain migration is not seen as fully deterministic – even if the core profits more from the cheap labour and raw produce, financial remittances and investments also enable the peripheries to profit from the core (Guarnizo, 2003).

Wallerstein (2004), among other authors, has claimed that migration actually facilitates and increases inequality between core and periphery countries, rather than levels the development differences. Transnationalism scholarship, however, has aimed to indicate how migration actually helps improve development in the local settings: there is a myriad of literature on economic remittances, also featuring Durand et al. (1996), who claim that economic remittances do not just create a dependency situation, but also invigorate local business and economic life in many ways.

And last, but not least, the analytical level of the two theories is different. Whereas the world-systems theory, as already the name indicates, focuses on the macro-level with the globe and states as key players within it, transnationalism theory is most often a micro- or a meso-level theory, indicating individuals or their organisations and networks as the agents.

How can these two then overlap? It is generally held that in some cases the methodological consistency in research can fail. Perhaps the most problematic issue is finding the alternative to methodological nationalism – as a critical review of the literature has indicated (Kalev, Jakobson, forthcoming), there seem to be only feeble alternatives to the nation-state as a unit of analysis. Still, people are clustered in transnationalism studies according to nation-state boundaries and citizenship or nationality, both instruments of modernist nation building. In literature we still do see treatment of issues such as how Mexicans migrate to the U.S., send home remittances, and thus grow Mexico's GNP, create policy challenges to the U.S., etc.

However, the overlap does not only result from inconsistent research; for example, in the economic domain, the two logics can be mutually constitutive. For example, sending home remittances does not contradict the core state's stronger position in making key decisions and determining the course of economic development. Also, as already evident from this chapter, transnationalism can be perceived not only as a micro-level change, but a global issue that has a macro-level, as well.

Thus, some aspects of transnationalism study can also dwell in the overlapping area of the two theories. How the mainstream of the field transnationalism studies relates to this figure will be explored next.

## 3. Core and periphery in transnationalism literature

The empirical data on transnationalism literature used in this paper was collected on the basis of Steven Vertovec's (2009) overview book *Transnationalism*, published in the Routledge series *Key Ideas*. This source was chosen, since it is the only overview book of this depth of the discipline to this date known to the authors of this paper.

From Vertovec's book, data was gathered, based on his list of references. However, since not all the writings mentioned in the list were available to the authors – especially concerning the books[2] – and objectivity was the goal, the analysis sample consisted only of journal articles and working papers available on the internet and in e-journal catalogues. The total sample from Vertovec's book consisted of 177 articles.

In the content analysis, the open coding method was used in the first phase, and the data was partially recoded into closed categories later on. The unit of analysis was an article, and four main categories were coded for this study: 1) the article, its field of study (e.g. anthropology, economic transnationalism, socio-cultural transnationalism, political transnationalism); 2) its area of study (e.g. India to UK; Latin America to USA; Japan, USA, Iraq, Dutch Antilles to the Netherlands; Denmark and Germany; or no area, if it was a theoretical or an overview article with no geographic focus); 3) whether the study focused on migrant transnationalism or transnational governance; and 4) key findings, to be used later in a more qualitative assessment of research findings contrasted with those in the Estonian-Finnish transnational space[3].

Though quantification by country or other national(ist) categories is often noted to be counterproductive to the transnationalist paradigm (cf Wimmer, Glick Schiller, 2002, 2003), the countries and nationalities still often figure in the studies in one form or another. In this study, this category is used for quantificational purposes, and for the purposes of investigating the world systems perspective in transnationalism theory, which would be impossible without the reference to the national categories. If a national category does not figure in an article, it is replaced by the region it indicates or the phenomenon it is studying (e.g. a religion or a religious region).

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[2]  Analysing the authors' library would be counterproductive to the aim of this article.
[3]  This category was, naturally, not part of the closed coding procedure.

The findings are illustrated using Wordle, an application for generating 'word clouds' by inserting content analysis columns of open coding. This enables to visualise the proportions between the topics and disciplines covered in the analysed articles.

## 3.1 Disciplinary focus

Across disciplines, the best represented fields were anthropology and sociology, whereas economic and political assertions of transnationalism were somewhat less numerous (*see* Figure 2). Anthropological contributions made up around 36[4] articles – this in large part comprised of articles on social and cultural anthropology, i.a. covering subjects such as transnational religion, ceremonies and rituals, identity, culture, family relations, gender issues, etc. Sociological contributions related to ethnosociology, the study of networks and social capital, urban studies, but also to social change on a more structural scale. The total of articles on socio-cultural transnationalisation was 84, making it the most widely covered domain of transnationalism studies. Economic transnationalism was covered in 25 articles. In this field, the main issue was financial remittances and their effect on the receiving society's economy; but also the economic impacts of labour migration, business networks, transnational entrepreneurship, etc. Equal in size was the domain of political transnationalism, dealing with issues of political participation, the impact of social movements on politics, transnational policing, diaspora politics, political loyalty, and the question of transnational and global challenges to the nation-state, and in total it was the subject in 25 papers.

Yet it must be noted that these categories are not exclusive – in several cases, various domains of transnationalism were simultaneously the objects of study. Thus, the literature analysis also indicated a pile of general literature on the concept of transnationalism or migration, not directly relating to any of the mentioned fields. But there were also some citations on developments in population geography.

In general, the studies focused on migrant transnationalism (148), rather than on more structural issues like that of transnational governance. Thus, transnationalism is often simply equated with migratory practices; structural and governance-related aspects of transnationalism remain in the background, though this might also be related to the disciplinary emphasis on anthropology and sociology.

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[4]  The allocations between various fields are estimations, since they were subject of open coding and often overlapped.

*Figure 2. Disciplinary focus in analysed articles. Source: authors; created with Wordle.*



## 3.2 Position in the world systems' model

In order to answer the central question of this article, the areas of study were later coded in terms of core, periphery and semi-periphery (e.g. periphery-core, if the study concentrated on the transnational social practices of Dominicans in the U.S.; or core, if the study only elaborated on German citizenship policy and its effects on transnationalism; or core-core, if the study dealt with highly-skilled Japanese professionals in the UK). In coding the countries' belonging into a specific sphere in the world-system, two main factors were weighted: the GDP and the human development index (HDI).

In the analysis, 65 articles were recorded with an unidentifiable position on the world-systems model – the articles were either theoretical, focused on structural issues and not specific country cases, or they were general overviews, covering various relationship models.

Also, the direction of migration was in most cases determined by the core-periphery logic; more precisely, people migrating from the periphery to the core (*see* also Figure 3). According to the results of the closed coding, 43% (76) of the articles analysed were clearly examples of the core-periphery relationship: for example, Alicea (1997) on Puerto Rican women's role of constituting transnational relations, or Frank and Hummer (2002) on the impact of kin migration on the birth-weight of Mexican children. Core-centred research on the other hand was usually not related to any migratory activities, at least not *from* the core (i.e. the analysis of Canadian citizenship policy), to diaspora studies (i.e. the (historical) position of Jews in European states), with the exception of 5 articles, among which only one

focused on a solely core-to-core case. Also, semi-periphery-core relations were usually covered only in comparative studies, where the pool consisted of migrants with different origins, i.e. Constant and Zimmermann (2004), who analysed circular migration between Germany and other EU countries, Turkey, and former Yugoslavia. Also, the studies that focused on peripheral transnationalism, were rather limited in numbers: there were only three studies featured on Caribbean Hinduism (i.a. van der Veer, Vertovec, 1991; Williams 1998), a study on migration from India to Ceylon, Uganda, Mauritius, but also to South Africa (Jayawardena 1968); an internal analysis on transnationalism in Papua New Guinea (Robbins 1998), and also a study on South-East Asian nationalism, covering also 'routes' like the Philippines to Hong Kong, Sri Lanka to Singapore, migration to and from Thailand and Malaysia, etc., besides Europe, North America, Australia and the Gulf states as the destination.

However, what we did not find was studies on migration from core to periphery, or even to the semi-periphery.

## 3.3 Position on the geographic scale

We also analysed the papers by countries and/or geographic regions. In our sample, 57 articles, that is, 1/3 of the whole sample were theoretical or studies of international organisations rather than countries, leaving 120 articles as the object of geographic allocation.

When the data was analysed by states, the most often figuring state was the United States (58; *see* Figure 3) – the destination of various flows of migrants, and it was only in a handful of cases where it figured in another role. The countries or regions seen as forming a unitary space with the USA, were mostly countries from the Caribbean or Latin America: Mexico (18), the Dominican Republic (11), El Salvador (12) and Colombia (6) (the three were often objects of joint or comparative studies), but also Puerto Rico, Haiti, Jamaica, etc. The studies covering the US-Latin American transnational space totalled 47, making it the most studied transnational space. However, also US-Arabic spaces (i.e. US-Afghanistan; US-Yemen; 3 studies), US-European spaces (i.e. migrants from Poland, Italy, Russia, 4 studies) and US-Asian spaces (i.e. migrants from Bangladesh, Pakistan, India, Korea, China – 7 studies) were covered. The majority of these were also conducted from the US perspective, where the US tended to dominate as the migrant-attracting core.

Another Northern-American core state, Canada was featured in 6 studies that primarily deal with migrant transnationalism between Canada and India, Pakistan, Africa and Mexico.

Another centre transnational studies seem to occasionally twirl around is Europe. It was addressed as a core that attracts migrants primarily from Southern Asia, but also from Africa, the Middle-East and Europe in 36 studies. Of course, there is the 'core of the core' – the UK that was the object of most studies (18), the homeland of 'super-diversity' (Vertovec, 2007). Its transnational networks span mostly to Southern Asia – India, Pakistan, Bangladesh – but also to the international Muslim community more generally, and to Bosnia and Herzegovina, Iraq, Tanzania, etc.

*Figure 3: Countries and regions in the analysed articles. Source: authors; created with Wordle.*



There were more studies also on Germany (9) – primarily in association with migrants of Turkish origin – and the Netherlands (6) – fostering a very diversified body of relationships. In addition, also Italy (2), Spain (2), France (1) and Sweden (1) were mentioned in a couple of studies. Altogether, it can be said that the European transnationalism also tends to follow the core-periphery pattern. However, there were some studies also on intra-European transnationalism and core-core transnationalism; for example, a study on British retirees in Italy and Spain, on Ukrainian Jewish youth, on ex-Yugoslavians in Germany, the Netherlands and the UK, but also a study on various migrant groups, including the Americans and Japanese in the Netherlands. Though the sum of these studies (5) constitutes only 4% of all the empirically based studies, it does not compete with any other region.

The rest of the world (with the exception of Australia and New Zealand which were mentioned in a couple of studies, though not as a direct object of case study in any paper) tended to be rather the sending countries to this core. However, there were some exceptions. For example, there were some studies on intra-Asian migration, (i.e. migration between Melanesia, Fiji, Papua New Guinea, the Hebrides, between India and Malaysia, transnationalism in Papua New Guinea), Asian-African migration (India to South Africa, Uganda, Mauritius, Ceylon, Malaya, Fiji), and from Africa and South-Asia, to the oil-rich Gulf States. There were also some anthropological studies on Caribbean Hinduism. However, these

studies altogether sum up only 11 studies, which is approximately 9% out of all those articles that featured empirical content. Nevertheless as Schuerkens (2005) notes, South-to-North migrations are relatively small compared to South-to-South migrations (i.e. West Africa to Nigeria, Southern Africa to South Africa, etc.).

Thus, in several cases it seems that the 'transnationalism studies' are actually studying nothing more than just the coping of migrants on their way from the periphery to the core – particularly in the Americas, since the majority of studies focus on the American transnational space, or, generalising the category, on the Anglo-American transnational spaces.

Although the authors and their backgrounds were not coded, these results nourish the impression that transnationalism studies still follow the anthropological core-periphery model, proposed by Appadurai (1986) – people from the core studying the people in or from the periphery, from the vantage point of the core.

These results provoke a captious question that if the transnationalism literature is so concentrated on (1) a specific type of transnationalism in (2) a specific world-systems model in (3) a specific geographic, but also cultural region, what is its level of generalisation?

## 4. Transnationalism in a European periphery

As Tõnis Saarts (this volume 21-38.) notes, peripheries and borderlands have been considered a valuable source of innovation and a mechanism for learning. What could transnationalism studies learn from the peripheries, more specifically from the European periphery? First, their position in various core-periphery models varies significantly from the more studied arenas of transnationalism. Second, the social, cultural and political setting in countries such as Estonia, Hungary or Romania is rather different from that in the Americas. Thus, considering a transnational space located within Europe's peripheries (or even in the core) might serve as a 'counterexample' also to the results in transnationalism studies presented by Vertovec and others.

To do so, we will introduce a 'test case' of transnationalism within the Estonian-Finnish transnational space. We will present the methods of data collection and reasons behind choosing the particular transnational space; after that, we will present a short overview of contradictory results in three fields: socio-cultural, political and economic transnationalism.

## 4.1 Data and methods

The empirical analysis of the paper focuses on the case of the transnational space between Estonia and Finland. The data used in this paper has been collected in the course of the research project 'Transnationalisation, Migration and Transformation: Multi-Level Analysis of Migrant Transnationalism (Trans-Net)', in which the authors participated as the Estonian team led by Prof. Rein Ruutsoo. The following empirics are partly based on our country reports (Jakobson et al., 2010) and a summarising article (Järvinen-Alenius et al., forthcoming).

The objective of the Trans-Net project was to clarify and compare transnationalism analysing the border-crossing relationships in four transnational spaces encompassing eight countries: Estonia/Finland, India/UK, Morocco/France, and Turkey/Germany. The focus lies on the transnational networks and the political, economic, and socio-cultural activities. The research addressed both policy documents and individual migrants.

Research data was gathered through content analysis of policy documents and semi-structured and life-course interviews among a selected sample of respondents in each participating country. Our discussion is built on the semi-structured interviews of Estonian-Finnish space due to both theoretical and empirical considerations. In both participating countries, Estonia and Finland, 80 semi-structured and 20 life-course interviews were carried out in 2009-2010 (200 interviews in total). The respondents were Estonian immigrants in Finland or Finnish immigrants in Estonia, or commuting migrants or returnees. They were pooled through various sampling methods, ensuring a variety in migrants' background, age, time of immigration, education, and a gender balance.

## 4.2 Estonian-Finnish transnational space

The main characteristic of the transnational space between Estonia and Finland that should be emphasised is proximity, both geographic and cultural, additionally induced by technical interconnectedness[5]. The migratory statistics also show a rather intensive interconnection – Finland is the most popular immigration country among Estonians (and Estonians comprise the second largest minority in Finland), but even more, there is also a significant number of Finns living in Estonia[6].

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[5]  Estonian and Finnish languages belong to the same Finno-Ugric language tree; 80 km between the capital cities Tallinn and Helsinki with almost 20 ferries commuting daily; also, the mediascapes of the two nations can be easily accessed from either state.

[6]  According to official Estonian statistics, over 17 000 people have moved there in 2000-2007 and even more have been commuting (Anniste 2009). According to Finnish statistics, 25 510 Estonians

Even if it is geographically remote and small in size, Finland is one of the most developed countries of the world, ranking 16th on the UN human development index (2010) and 13th-16th in various GDP per capita indexes of the IMF (2010), the WB (2009) and the CIA (2000-2010). The even smaller Estonia ranks 34th in HDI (being among the countries with a very high human development) and 41st-45th in the GDP per capita indexes of the 172-192 countries listed. As both countries are members of European Union, which forms one of the dominant economic entities in contemporary world, smallness is not an issue and we can safely position Finland as core and Estonia as semi-periphery or even a marginal part of the core in the Wallersteinian world systems model.

## 4.3 Political transnationalism in Estonian-Finnish space

Political incorporation can be viewed primarily via three categories: an individual's status, self-perception or identity and participation. Membership is often regarded as participation-oriented identity (Jenkins, 1996) and contrasted with identity in the more passive form of belonging (*see* e.g. Stryker, 2000). However, in some cases, it is contrasted with an even more modest level of identification termed by Glick Schiller and Fouron (2001) as a form of 'plain being', which they perceive to be a characteristic of many immigrants who orientate themselves to retaining their membership of the society of origin (cf. Levitt, 2004). In the case of most participants in this study, a more positive stance was expressed toward membership in the host society. The only ones opting for plain *being* were younger respondents – students and young people who had migrated as children, and some blue-collar workers who felt alienated from the mainstream society, and often totally estranged from the political domain. Thus, incorporating transnationals in the political and social realm does not have to be as problematic as proposed in empirical cases that rather resemble forced migration.

Citizenship as a legal, political and also social form of membership seems to play a fairly distinct part in the Estonian-Finnish transnational space (cf. Faulks, 2002; Pitkänen & Kalekin-Fishman, 2007). First, for several respondents, citizenship only meant a passport in their pocket, a set of rights and obligations, and thus a rather minimal, legalistic perception of membership. Even more respondents, however, stressed its cultural and traditional importance; it represented a link to

are living in Finland permanently (Population Register Centre 2009). The number of Finns residing officially in Estonia has fallen during the decade, amounting to 10 767 in 2009 (Statistics Estonia 2009). These numbers indicate that Estonian-speakers make up 0,5% of the Finnish population, and Finns compose 1% of Estonian population. However, due to belonging to the EU, the people need not register and real estimates of Estonians in Finland and Finns in Estonia are far larger.

their roots. Thus, it is evident that the transnationalist discourse on citizenship, campaigning for citizenship to become more oriented towards participation and less towards national rights and state membership (cf. Gerdes & Faist, 2010; Sassen, 2002) is somewhat off track in the context of the Estonian-Finnish transnational space. Perhaps it is even the other way around – in many cases, citizenship had a sort of sentimental value, for example, an emotional value 'to the land of lakes', as Finland is popularly called. Having rights was perceived as something natural. Yet this situation could be associated with both countries belonging to the EU and holding EU citizenship, which grants almost equal civil and social rights to all in the host country.

Such a construction of citizenship could also be associated with the fact that multiple citizenship is not permitted in Estonia. Thus, citizenship is a zero-sum game and one is obliged to assess what he/she might lose by gaining citizenship of another state. This was discussed by a Finnish respondent as follows: 'I was born as Finn. My substance is Finnish. I'd like to take Estonian citizenship as well, if Estonia will allow dual citizenship' (Samuli M 1946 Fi).

Yet, even for those with dual citizenship, it was not connected only with a subjecthood in more than one political domain as Bauböck's (1998) idea of social citizenship would imply, but rather with having and retaining a complex cultural and genealogical background. For example, Liisa (F 1961 Fi-Swe), a citizen of Finland and Sweden noted that multiple citizenship was primarily related to her mixed ethnic background. However, in addition to cultural belonging and origins, citizenship was also associated with social practices and loyalty to the state. Several Estonians characterised their subjecthood in Finland as being orderly, law-abiding, doing one's duty toward the state. This includes, for example, paying one's value added tax (VAT) to Finland when using the social services there, although there would also be an opportunity to pay a much lower VAT to Estonia; or paying the car tax, although the respondent is also allowed to register his/her car in Estonia tax-free: "I thought it necessary to pay my taxes there officially – when I enjoy the benefits of that society, I will contribute there as well. I've never tried to find ways how to pay less taxes or how to enlarge my profits. Maybe it's the Finnish type of attitude I have acquired. Well, Finland does interest me, I don't understand them thoroughly yet. I think it is so because I don't know that much about their historical background. If I will ever have time, I plan to study Finnish history also." (Helen F 1978 Est)

Thus, a sentiment of multiple citizenship can be detected where, in Bauböck's (1998) terms, one simultaneously holds national citizenship (with an almost

primordial citizenship construction) of the state of origin, and social citizenship of the new host society, and these two are not seen as conflicting.

Also in terms of participation, the patterns discovered, did not overlap with the preceding literature primarily based on the studies on Mexicans (Smith, 1994), Dominicans, Salvadorans and Columbians (Guarnizo et al 2003), and others (cf Kivisto 2001). First, contrary to Kivisto's generalisations, we found that the migrants do not need to make choices between participation in either country's politics. Most often, in fact, they opt for participating in neither, and the reason behind it is not loyalty, a lack of rights or empowerment (Smith 1994), but simply a lack of time – transnational active participation creates a demand for being well informed of developments on both sides of the bay, and since the aims of migration are usually not related to political reasons, people remain rather passive, at least in the Estonian-Finnish transnational space. In fact, the most active participants in conventional politics (esp. elections) are middle-aged Finnish women with secondary or applied education, who do not indicate a very sophisticated understanding of politics on either side. But they are the group with the most free time.

## 4.4 Socio-cultural transnationalism in the Estonian-Finnish space

However, there are not only world-systems specific differences, there are also some socio-cultural and civilizational differences that determine the differences in analyses, which is even more strategic on the socio-cultural level. For example, the results of Itzigsohn and Giorguli-Sucedo (2002) differ from ours exponentially, since they are claiming that the incorporation of Colombian, Dominican and Salvadoran migrants in the US society does not reduce socio-cultural links to the kin in the host country. In the case of Estonia and Finland, a more individualistic constellation shows the opposite – people cease from participating in local activities often even after a very short period abroad. Among Estonians, this can also be explained by a weak civic culture – their participation was rather modest even prior to migration; but also among Finns, who on the contrary, have a very intensive associational culture, but as such, it is often linked to everyday practicalities and direct participation. They aim to participate primarily in their current host country.

Also, since the two countries do not differ that much culturally, not very much movement of social remittances (Levitt, 2004) was targeted, thus, again indicating that the phenomenon called social remittances is rather cultural remittances, being culture and development specific.

## 4.5 Economic transnationalism in the Estonian-Finnish space

However, the cultural specificities also play a role in the economic domain. Whereas the cultural background and consumer culture does not differ that much, also the phenomenon termed the 'enclave economy' (Portes, Bach 1985) was not present, at least not after the early 1990s, when differences were still stark.

In addition, the Estonian-Finnish case proved to be myth-busting in various ways, concerning economic remittances. According to our findings, the pattern and the direction of the flows of money sent by migrants was rather different from what is generally assumed – the unequal flow of remittances from the more affluent country to the poorer one (cf. Guarnizo 2003, Lowell et al. 2000). Rather, in the Estonian-Finnish case there were financial and material remittances moving equally in both directions. Some admitted supporting people back home (for example, some Estonians financially assisted their elderly parents), although this was more occasional rather than regular, and most of the respondents denied anyone being dependent on them. Many of them explained that transferring money was more about giving presents or pocket money than providing serious support. In most cases, the circular labour migrants were men, but, in general, their wives residing in Estonia were also working: 'The money usually travels with me. In general, we go to buy things together when I'm in Estonia' (Kristo M 1978 Est).

There were also some Finnish posted workers who reported supporting their families in Finland. In some cases, transferring money also had to do with the fear of the Estonian currency being devalued (in 2009): 'I send financial aid to support the family. I have the biggest burden there. Every month I send something. In general about 2/3 of my salary' (Otto M 1972 Fi-Est).

The transnational financial flows also concerned students. Scholarships were transferred to the other country and/or study loans issued and spent in the other country. Most study migrants (especially those studying for Bachelor's degrees) admitted receiving some financial support from their parents. Estonian students reported working in Finland usually on higher levels. Some of them had gone to study in Finland with a scholarship from the Estonian government requiring them to return after graduation, whereas some had received student benefits from the Finnish state (if they had already been residents in Finland for several years).

Also, contrary to Light et al. (2002), immigrants do not necessarily act as the middlemen, fostering exports of the host state. In our case, it was rather vice versa: immigration (esp. that of the Finns) predicted import of Finnish goods, not export of Estonian ones. The simple answer is that Finns migrating to Estonia often go to work in Finnish companies in Estonia.

So, the economic gain was quite often the opposite to what transnationalism literature presented, indicating that the economic determination of the world-systems model can occasionally take different shapes and besides transnationalism, the paradigm of colonialism and the line between this and transnationalism should also be considered.

## 5. Conclusions

As verified by the content analysis, transnationalism is often empirically researched, following a path-dependency on the core-periphery model. Taking into account the theoretical discussion, this did not come as a surprise *per se*. But the deeper study undertaken allows us to make some important elaborations.

The mainstream transnationalist research is rather narrowly focused. It is not only biased towards core-periphery relationships but also very much concentrated on migrant transnationalism, and, last but not least, very US-centred.

On the one hand, this underlines the fact that the core-periphery logic still drives migration and, thus, this logic is to an extent also factually behind objective transformations in the social realm. Transnational lifestyles mainly evolve among migrants from developing countries, as many migrants simply originate from there, not because the core-periphery model is an inseparable element in transnational practices. Thus, from the practical point of view, there is currently less motivation to study other transnational spaces aside from those that follow the core-periphery model.

However, it cannot be said that the core-core and other models of transnationalism are non-existent. On the contrary, at least in the case of the European Union we witness a large-scale movement of people between the member states. Also, the Estonia-Finland transnational space includes migration in both directions. It is very likely that there are also periphery-periphery and other types of transnationalism (Walton-Roberts 2004).

Of course, the bias to the core-periphery model and the U.S. scholarly dominance in the literature on transnationalism has its explanations. For one, core-core transnationalism usually doesn't imply noticeable practical governance problems, whereas extensive migration from periphery states is often regarded as a threat. Second, the core states possess the necessary resources – both financial and academic to carry out such research, and periphery-periphery cases might simply lack these resources. And third, core states are usually more oriented toward knowledge-based governance and, thus, see such research as necessary, whereas in a developing state, such studies would be seen as the heretics' luxury.

The third aspect that should be considered, taking into the account the source of our material for the content analysis, is the research background of Steven Vertovec, the author of the book that was used for gathering data on transnationalism research. Though currently working in continental Europe, in Göttingen, Germany, he was born and raised in the USA, obtained his PhD from Oxford and worked in the UK afterwards. Hence, he has developed in the Anglo-American research environment, though he himself has also worked on the Hindu diasporas, Muslims in Europe, and other less studied fields. However, all of this might indicate that Eastern European peripheries or intra-European migration is rather far from his own research interests and might have, thus, been underrepresented in his book (or that some other areas were over-represented in comparison to the total of transnationalism literature).

The results of the content analysis raise questions of what is left out, what is core-periphery specific and what truly belongs to the general transnationalism paradigm. At this point of research, we can offer only partial answers to some of these questions.

The second issue is methodological. As shown in this chapter, the world systems model still plays a vital part in transnationalism analysis – it is not just a competing theory, but at the same time, also a vital analytic distinction within the field of transnationalism studies.

The message of the study presented here, however, is not just to declare the invincibility of the world-systems theory and plummet transnationalism studies as too idealistic, but rather to show the variety, or at least the possible multiplicity within the field, if the world systems model is reflexively acknowledged, and the fieldwork in transnationalism studies becomes more diversified along both the axis of core-semi-periphery-periphery, but also the geographic locations.

Many authors have used the term immigrant transnationalism in their work (i.e Waters, Jimenez 2005, Kivisto, 2001, Portes 2001). Although in the general perspective rather contradictory to the idea of the liberal transnationalist perspective, it factually defines the object of study very well: what is mostly under consideration in the mainstream transnationalism literature is nothing more than the transnational relations of immigrants – this leaves out the emigrant perspective, the transmigrant perspective (or simultaneously considering both sides of the coin), and ties that to a popular imagination of an immigrant being an underprivileged, poor southerner, drifting in the economic and socio-cultural flows of a developed and generally well-off society.

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