

Message from the Co-Director

The last few months have been eventful ones for those of us who follow European developments and also an exceptionally busy time for the SEI. As we enter the summer period, there is unlikely to be much slackening of the pace.

Croatia and the 'wider Europe'

Since the start of the year much of the focus of European developments has been on the 'wider Europe', particularly the former communist states of Central and Eastern Europe. SEI has always taken a broad and inclusive approach to trying to understand contemporary Europe. Fittingly, therefore, the highlight of the summer term at SEI will undoubtedly be a one-day conference on Croatia and the EU on April 25. The conference will be addressed by: the Secretary of State at the Croatian Ministry of Affairs, the Deputy Governor of the National Bank of Croatia, and head of the European Commission Directorate General on Enlargement and SEI Practitioner Fellow Michael Leigh. SEI has been deeply involved in Croatia's integration with the EU for the last decade and the conference marks the tenth year that we have been hosting Croa-



The Chevening Fellow Alumni Conference

tian students on our Masters courses as part of a special scholarship scheme co-funded by the Croatian Government. SEI is extremely proud to welcome these students every year and of the minor role that this has allowed us to play in the realisation of Croatia's European ambitions. On a personal note, I am delighted to have taught so many Croatian students over the last decade, who are among the most intelligent and conscientious scholars that I have ever encountered and many of whom I still keep in contact with. We hope to continue our successful collaboration for many years to come.

Our conference is extremely timely given that, as well as being in the thick of EU accession negotiations, Croatia (along with Albania) has just been confirmed as the next country to join NATO following its summit held in Bucharest summit held at the beginning of April. Unfortunately, NATO backed off from the opportunity to draw more post-communist states into the West's orbit failing to agree 'membership action plans' for Ukraine and Georgia (as well as delaying Macedonia's accession); although hopefully it is not too late to rectify this error later this year. Ukraine is another former communist state with which the SEI has enjoyed close ties in recent years, mainly through the activities of our Visiting Professorial Fellow Alan Mayhew. The Ukrain-

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ian government is one of several in Central and Eastern Europe that Alan advises, or has advised (another is the Croatian government), on EU issues and, together with SEI Visiting Fellow Nat Copsey, he convenes the incredibly successful 'Wider Europe' research programme. You can read a feature article by Alan in this issue of Euroscope on the EU's New Enhanced Agreement with Ukraine.

Chevening Fellows

Focus on 'wider Europe' very much underpinned the FCO-funded twelve-week Chevening Fellowship programme, which the SEI ran for the third time in 2008 and absorbed much of the time of my Co-Director, Jim Rollo, during the spring term. The Chevening Fellowship programme aims to develop opportunities for mid-career professionals from post-2004 EU members and some of the EU neighbourhood countries. This year the SEI welcomed fellows from Croatia, Estonia, Hungary, Latvia, Macedonia, Poland, Romania, Slovakia and Turkey. In this issue of Euroscope you can read reports from two of the fellows about the activities that they have been involved in. One of them reviews the major Chevening conference that the SEI organised in March on the EU's budget review, one of the highlights of the fellowship programme, which was attended by academics, Treasury officials, and alumni from the last three years of the Chevening programme as well as this year's fellows.

The future of Kosovo

Another major event to occur during the last couple of months was the historic declaration of independence by Kosovo. I am delighted that this issue of Euroscope includes

two feature articles on the current situation in the new state by two SEI alumni. One of them is by former MACES student Fjolla Ceku who, since November 2007, has been spokesperson of the European Commission liaison office in Kosovo. The second is by another ex-MACES scholar Alban Bokshi, who, as he puts it "came back (to Kosovo) reinvigorated and high-spirited ready to apply my



Professor Aleks Szczerbiak

'recently gained' knowledge and theories of democracy hoping to set my country on the path to European integration" and, with another SEI alumnus (Avni Zogani) founded an anti-corruption and democratisation NGO called 'Wake Up!'. The current situation in Kosovo will also be the subject of one of our SEI research in progress seminars in the spring term when we welcome James Ker-Lindsay from Kingston University who will present a paper on 'The EU and Kosovo: Part of the solution or part of the problem?'.

Elections and referendums

The next few months will also see an important parliamentary election in Italy in April and a crucial referendum to ratify the Lisbon treaty in Ireland, probably in June. The current issue of Euroscope contains analysis of the Italian election campaign by SEI doctoral student Simona Guerra and the SEI-based European Parties Elections and Referendums Network (EPERN) will also be publishing briefing papers with scholarly analysis of both the election and Irish referendum. Look out for them on the EPERN pages of the SEI website (<http://www.sussex.ac.uk/sei/1-4-2.html>).

Congratulations

Finally, some congratulations are in order. First and foremost, to my SEI colleague Lucia Quaglia for being awarded a highly prestigious and competitive European Research Council grant worth £230,000 for a 3-year project on Financial Services Governance in the EU. You can read more about this under 'Ongoing Research'. On the teaching side, congratulations to SEI-based scholar Tim Bale for winning the main prize in this year's Political Studies Association (PSA) Bernard Crick Awards for Outstanding Teaching, the fourth SEI member to win a PSA national teaching award. Congratulations to SEI doctoral students Rose Azzopardi and Adamtia Xyggi who passed their vivas successfully last term and to Simona Guerra (due to submit her thesis this term) on her appointment as a researcher at the University of Cardiff on an EU-funded research project on political parties, think tanks, social movements and the mass media. Last but not least, congratulations to all of last year's SEI Masters students who celebrated their success at this year's winter graduation ceremony in February.

Prof Aleks Szczerbiak

SEI Diary

During the spring of 2008 members of SEI have been involved in many memorable activities connected to teaching and research on contemporary Europe.

January: SEI Welcomes the Chevening Fellows

In January the third year of the Chevening Fellowship in Political Economy (funded by the Foreign and Commonwealth Office) began. Under the programme SEI welcomed twelve fellows to attend courses within and events organised by SEI. The Chevening Fellowship programme aims to develop opportunities for mid career professionals from the post-2004 members of the EU and some of the EU neighbourhood countries in Eastern Europe with the aim of pointing up the British angle on how to promote an effective EU.

Some of the activities that the Chevening Fellows have been involved in during the Spring Term are reviewed on page 14 by Bogdan Munteanu and another Chevening Fellow Andras Kosa reviews the Conference SEI organised in March on the reform of the EU budget.

On 9 January Dan Hough attended an ESRC funded seminar at the University of Edinburgh on Territorial Poli-



tics. He presented a paper on "Data sources and the relationship between national and regional elections".

In January SEI celebrated as lecturer Gemma Loomes was awarded a doctorate for her thesis on 'Party Strategies and Party System Change' with no corrections from Keele University.

A round-table was held by SEI on the Lisbon Treaty on 15 January. The Roundtable took place at a SEI Research in progress Seminar and was addressed by John Palmer, Lucia Quaglia, Adrian Treacher and Jim Rollo who discussed the politics of the negotiations and the main institutional and policy innovations introduced by the Lisbon Treaty.

Former SEI MA student Maja

Kluger Rasmussen (2005-6) had an article published in the journal *Politics* based on her SEI MA dissertation on 'Voting Behaviour in the European Parliament'. See <http://www.blackwell-synergy.com/doi/abs/10.1111/j.1467-9256.2007.00305.x>"

February: Graduation

In February SEI staff and students celebrated as twenty-four MACES students, six MAEP students, MSc student John FitzGibbon and DPhil student Chong-yau Lin graduated. This year's MACES prize winner was Maria Borg who won a £100 book token. On page 17 current MACES student Maria Carla Ciscaldi gives a report on the activities she has been involved in so far this academic year.

In February, Adrian Treacher gave a talk on the EU as a security actor to the Joint Command Services Staff College (Shrivenham).

Research Outline Presentations

Four SEI research students presented their research outlines in February to SEI Faculty and students. The research students and their research topics were:

- **Enver Ethemer**
Europeanisation and European Citizenship and European Governance: A comparative study of UK and Ireland
- **Ezel Tabur**
Turkey-EU relations and the Wider Europe Framework
- **John FitzGibbon**
The Emergence of Eurosceptic Political Movements
- **Stijn van Kessel**
Paths to Populism: The Ideologies of Populist Parties in Europe



MACES students at graduation

On 16 February Sally Marthaler presented a paper she wrote with Sarah Childs (University of Bristol) and Paul Webb to the PSA Women and Politics Working Group's Annual Conference 'Gender, Equality and Politics - European Futures'. The paper was titled 'Gender, Representation and Centre-Right European Political Parties' and focused on parties from France, Germany, Italy and Scandinavia.

SEI research student Mark Bennister had his article 'Blair and Howard: Predominant Prime Ministers Compared' published online by Parliamentary Affairs. This is available at: <http://pa.oxfordjournals.org/cgi/reprint/gsm065>

On 19 February Francis McGowan gave an SEI Research in Progress Seminar on 'The EU's Energy and Climate Policies - from declaring to delivering a "Europe of Results"'.

March: SEI EU Budget Review Conference

SEI organized a conference

to review reform of the EU budget on 5-7 March. The conference was attended by academics, officials from the Treasury, Chevening Alumnis and this year's cohort of Chevening Fellows. For more information see page 15.

Michael Shackleton who is one of SEI's Practitioner Fellows visited SEI on Tuesday 4 March. Michael presented his paper 'Is the Lisbon Treaty the end of the institutional road for the European Union?' at a SEI Research in Progress Seminar. He argued that although many believe that there will be no further institutional changes to the European Union after Lisbon in fact the Treaty contains within it the potential for far-reaching modifications to the way in which the EU is run. The choice of Commission President and the role of national parliaments being two important areas where we can anticipate change not prescribed in the text of the Treaty.

Michael also kindly agreed to make himself available to meet with several MA and DPhil students on a one to

one basis to discuss their research, fieldwork in Brussels and EU-related career options. Michael has been working for the European Parliament Secretariat for many years working on co-decision. He has also taught at the College of Europe and in Maastricht, and he has published several academic works on the EP.

Dan Hough spoke at a conference at the Johns Hopkins University (10-11 March) on Germany's vulnerabilities in a globalising world. The conference was hosted by the American Institute for Contemporary German Studies and involved over fifty academics and policy-makers from the USA, Germany and the UK. The conference aimed to analyse the political, economic and security dilemmas facing Europe's largest state. Discussions subsequently assessed how, and to what extent, Germany should engage in peace-keeping missions in Afghanistan to the economic vulnerabilities that unification intensified.



Dan Hough presenting at the American Institute for Contemporary German Studies

Dan's paper analysed the problems that Germany's political parties are having in forming stable parliamentary majorities. The rise and stabilisation of a socialist party that is, as yet, beyond the democratic pale has made it difficult for either centre-right or centre-left to form governments. Dan argued that unloved though it may be, the Grand Coalition that Germans found themselves stuck with post-2005 has a fair chance of continuing in office post-2009. This is certainly not as the actors involved wish this to be the case, but rather as other coalition options are likely to either be unavailable or politically unworkable.

SEI Academic Visiting Fellow Charles Lees (of Sheffield University) came to SEI on 11 March to present the paper 'Explaining Multi-Level Governance in South East Europe: Research Strategies and Early Results'. This focused on territorial and sectoral effects on changing modes of governance in a sample of South East European countries (SEECs): Croatia, Greece, Macedonia and Slovenia.

There was one new addition to the European Parties, Elections and Referendums Networks (EPERN) election Briefing Paper series published during the Spring term. This was on the Croatian Parliamentary Elections of November 2007 written by Andrija Henjak. A summary of the key points from this paper can be found on page 10.

Congratulations to SEI-doctoral students Rose Azzopardi and Adamantia Xyggi for passing their vivas suc-

cessfully during the spring term. Rose's thesis was on the subject of 'Economic integration and small states: Case studies of Cyprus and Malta in the European Union' and Adamantia's was on 'European capital markets integration: what have been the obstacles and what are the remaining barriers to the achievement of a European Single Capital Market?'

The fourth annual trip to Berlin for undergraduate students of German politics organised by Dan Hough took place 4-6 March. The students spent three days in the German capital, discussing various aspects of Germany's contemporary political scene with a number of well known German politicians as well as prominent academics. All of the students had either taken the course entitled 'Political Change: Modern Germany', or they are currently taking 'Political Governance: Modern Germany' course.



Sussex students meet Klaas Hübner

During March Sue Collard received a flurry of media attention being interviewed by both the *Daily Telegraph* and *The Guardian* about the phenomenon of British people standing as local Councilors in France. See: <http://www.guardian.co.uk/world/2008/mar/07/france?gusrc=rss&feed=travel>

April: Conferences

Simona Guerra presented the paper 'Familiarity doesn't Breed Contempt: Polish Attitudes toward European Integration in a Comparative Perspective', to the panel on 'Empirical Studies of Changing Attitudes to the

PSA 2008

SEI was strongly represented at the 58th Political Studies Association Annual Conference, 1-3 April 2008 at Swansea University. Papers that were presented included:

Sally Marthaler, Sarah Childs (University of Bristol), Paul Webb

Women's Descriptive Representation in Centre-Right European Political Parties

Mark Bennister

Interpreting Predominance: The Strange Case of Australian Prime Minister John Howard: 'Skill in Context' or Luck?

Anastasios Chardas

'Bringing the State Back In': The Study of the Greek Political Economy: The European Union's Regional Policy in the Western Macedonia Region

Susan Collard

The French Municipal elections of 2008: cradle of European citizenship?

The papers can be obtained from <http://www.psa.ac.uk/2008/author.asp>

New SEI Working Papers

During the spring-term there have been four new additions to the SEI Working Papers series. These are:

- **The Contrasting Fortunes of European Studies and EU Studies: Grounds for Reconciliation?**
Francis McGowan
SEI Working Paper No. 99
- **The birth of a bi-polar party system or a referendum on a polarising government? The October 2007 Polish parliamentary election**
Aleks Szczerbiak
SEI Working Paper No. 100
- **Love me, love me not... A typology of public euro-scepticism**
Catharina Sørensen
SEI Working Paper No. 101 also published as
EPERN Working Paper No 19
- **Completing the Single Market in Financial Services: An Advocacy Coalition Framework**
Lucia Quaglia
SEI Working Paper No.102

Abstracts from all four new SEI Working Papers can be found on pages 8-9.

All SEI Working Papers are downloadable free of charge from the web:

www.sei.ac.uk

EU', at the European Politics, 2008 Midwest Political Studies Association National Conference, Chicago, 3-6 April.

Forthcoming

To celebrate the first decade of Croatian students attending courses at SEI, a one-day conference is being held in the Sussex Conference Centre on April 25 which the Croatian Minister for EU Affairs, the Director General of the Commission's Directorate General for Enlargement and the Deputy Governor of the Croatian Central Bank will be speaking. The programme for this conference can be found on page 28.

On 24-26 April Lucia Quaglia will be in Berlin to present a paper entitled 'Political science and the 'cinderellas' of economic and monetary union: payment services and clearing and settlement' for the preparation of a special

issue of the Journal of European Public Policy.

SEI research student Enver Ethemer who is conducting research on *Europeanisation, European Citizenship and European Governance* has been awarded a scholarship for the ECPR Summer School in research techniques at the University of Ljubljana (30 July to 16 August 2008).

The Centre for the Analysis of Regional Integration at Sussex (CARIS) which includes a number of SEI scholars, is holding its annual conference, 22nd-23rd May the University of Sussex Conference Centre. The theme of the conference is "Regional Integration & Deep Integration: Concepts and Empirics". With the well documented rapid rise in regional trading arrangements, the aim of the conference is to focus on the potential role of, what is often referred to as, "deep integration".

Confirmed speakers at the conference will be, Simon Evenett, Michael Gasiosek, Ahmen Ghoneim, Bernard Hoekman, Peter Holmes, John Humphrey, Beata Javorcik, James Markusen, Jan Michalek, Giordano Mion, Jim Rollo, and Alan Winters. Information on registering for the conference can be found by emailing CARIS at: caris@sussex.ac.uk

The UACES Student Forum is organising its Ninth Annual Conference at the University of Kent, Canterbury Thursday 24th-Friday 25th April. This two day conference aims to provide a friendly environment in which research students can attend, develop contacts with other researchers in their field, and gain experience of presenting research to their peers. The conference is aimed at research students of all levels and proposals are welcome from students working in the field



of European Studies across various disciplines.

A research workshop entitled *European Economic Governance and Policies: Commentary on key Documents* will be held at the University of Cardiff on 8-9 May. This workshop seeks to identify the key documents in the development of European economic governance, to examine the criteria for selecting important documents, and to understand them in their particular contexts of actors, ideas, events, processes and periods.

The workshop offers an opportunity for practitioners and 'veterans' of EMU and for academics to comment on preliminary drafts produced that will form the basis for the forthcoming Oxford University Press book. The workshop is part of the work programme of the EU 6th Framework network of excellence (EU-CONSENT) on 'Wider Europe, Deeper Integration?'

Simona Guerra will present the paper 'Familiarity doesn't Breed Contempt: Polish Attitudes toward European Integration in a Comparative Perspective', to the panel on 'Empirical Studies of Changing Attitudes to the EU', at the European Politics, 2008 Midwest Political Studies Association National Conference, Chicago, 3-6 April. Simona will also present with Sarah de Lange (University of Antwerp) on the 'The League of Polish Families between East and West, past and present' at the Conference on 'The Radical Right in post-1989 Central and Eastern Europe: the Role of Legacies', at New York University, 24-26

April.

Professor Kenneth Dyson (University of Cardiff) and Dr Lucia Quaglia are working on an edited volume entitled 'European Economic Governance and Policies: Commentary on Key Documents', under contract with Oxford University Press. This project is funded through the activities of the Framework Programme 6 of the European Union, as it is part of an Integrated Project 'Integrated and United: A Quest for European Citizenship' (INTUNE). Katja Seidel is research assistant to the project.

SEI sends its congratulations to Simona Guerra on her appointment as a Research Assistant at Cardiff University' School of Journalism, Media and Cultural Studies. Simona will be undertaking research on political parties and think tanks, as part of an EU-funded research Eurosphere project on 'Diversity and the European Public Sphere: Towards a Citizens Europe' as well as assisting with research on social movements and the mass media.

During the summer term SEI welcomes a new visiting research student. His name is Stefano Braghiroli and he comes to us from the University of Siena in Italy and will be working with Paul Taggart and Tim Bale. His research is on party politics at the level of the European Parliament. He is looking at the three major party groups and is focused on intragroup dynamics, looking at national delegations' diversified voting patterns and identifying collective behavioural styles.

Professorial Lecture

Paul Taggart will give his professorial lecture on 'European integration and representative Politics' on Tuesday 20 May, 6:30pm at the Chwen lecture theatre, Brighton and Sussex Medical school. A summary of the lecture is given below:

European integration represents a challenge for our understandings of democratic politics, and the development of the European Union itself has been challenged by processes of democratic politics. Recent years have seen unprecedented growth in the scope and scale of the European project.

There has been a successful enlargement bringing in new democracies of central and Eastern Europe but unsuccessful attempts to ratify treaties through national referendums. At 'home', national politicians have difficulty in reconciling the issue of European integration with the bread and butter agenda of domestic politics. And citizens are hesitant about voting on Europe in national elections or even voting in European elections.

There is something unusual about the way Europe as an issue fits with our understanding and practices of democratic politics. Looking across Europe, Paul will argue in this lecture that identifying the very specific nature of representative politics and the way it operates in different contexts helps us make sense of the European integration.

SEI Working Papers in Contemporary European Studies

SEI Working Papers present research results, accounts of work-in-progress and background information for those concerned with contemporary European issues. There are four new additions to the SEI Working Papers Series. The abstracts from the papers are presented below

- SEI Working Paper No 99

The Contrasting Fortunes of European Studies and EU Studies: Grounds for Reconciliation?

Francis McGowan
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Abstract

This paper examines the relationship between the fields of EU Studies and European Studies, locating each in a wider framework (Regional Integration Studies and Area Studies). It contrasts the revival of interest in EU/Regional Integration Studies with the difficulties faced by



Francis McGowan

European/Area Studies, arguing that this contrast reflects a more fundamental shift in terms of both research and teaching. Such a shift risks narrowing the basis on which we understand Europe as a region. The paper offers one way of

reconciling the fields of EU and European Studies by developing a broader and more historical concept of the region. Drawing on the insights of a number of scholars of comparative regionalism it seeks to understand the historical development of Europe as a region. Such a historical approach means moving beyond the study of the EU per se and drawing upon the insights of a range of disciplines. At the same time however it offers an opportunity for dialogue with both the empirical and conceptual concerns of EU studies.



- SEI Working Paper No 100

The birth of a bi-polar party system or a referendum on a polarising government? The October 2007 Polish parliamentary election

Aleks Szczerbiak
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Abstract

This paper argues that the 2007 Polish parliamentary election is best understood as a plebiscite on the polarising right-wing Law and Justice party-led government and its controversial 'Fourth Republic' political project. The liberal-conservative Civic Platform opposition won because it was able to persuade Poles that voting for them was the most effective way of removing this government from office. The election also indicates that the 'post-communist divide' that dominated and provided a structural order to the Polish political scene during the 1990s is passing into history and certainly means a more consolidated Polish party system. However, Poland still has very high levels of electoral volatility and low electoral turnout, together with low levels of party institutionalisation and extremely weak links between parties and their supporters.

This means that it is too early to say whether the election also marks the emergence of a stable Polish party system based on a new bi-polar divide between two big centre-right groupings, with the confinement of the left to the status of a minor actor.



Prof Aleks Szczerbiak

- SEI Working Paper No 101
EPERN Working Paper No 19

Love me, love me not... A typology of public euroscepticism

Catharina Sørensen
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Abstract

This paper demonstrates the multifaceted nature of public euroscepticism, which hitherto has been under researched. Through a theoretically - and empirically informed concept analysis, the relevance of four independent types of euroscepticism is confirmed, namely utilitarian, sovereignty-based, democratic and social euroscepticism. Applying this typology, the paper demonstrates pronounced differences in euroscepticism across



Catharina Sørensen

member states and over time.

A central argument is that euroscepticism assumes forms that are contradictory, and that this has consequences for the success of pan-European strategies and communication plans: What citizens want from the EU differs from member state to member state, and insensitivity to the various types of scepticism may result in counterproductive efforts.

- SEI Working Paper No 102

Completing the Single Market in Financial services: An Advocacy Coalition Framework

Lucia Quaglia,
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Abstract

The paper applies a revised version of the 'advocacy coalition framework', modified so as to incorporate the role of material interests as well as ideas, to the empirical record of the policy-making processes of key pieces of legislation dealing with securities trading in the EU and which were necessary to the completion of the single market in financial services. It is argued that in almost all the Lamfalussy directives, the main (but, by no means, the only) line of division was between a 'Northern European' coalition and a 'Southern European' one. This was due to differences in the national regulatory frameworks, the configuration of national financial systems and their competitiveness (hence, 'interests'). However, the tension was also due to different belief systems (hence, 'ideas') about financial services regulation.

All SEI Working Papers are downloadable free of charge from the web:

ww.sei.ac.uk

Otherwise, each SEI Working Paper is £5.00 (unless noted otherwise) plus £1.00 postage and packing per copy in Europe and £2.00 per copy elsewhere. Payment by credit card or cheque (Payable to 'University of Sussex') e-mail: sei@sussex.ac.uk

European Parties Elections & Referendums Network (EPERN): Briefing Papers

The network produces an ongoing series of briefings on the impact of European integration on referendum and election campaigns. There is one new addition to the election briefing paper series. Key points from this are outlined below.

All EPERN briefing papers are available free at

www.sussex.ac.uk/sei/1-4-2-8.html

- **ELECTION BRIEFING No. 40**

THE CROATIAN PARLIAMEN- TARY ELECTIONS OF NOVEM- BER 2007

Andrija Henjak
*Central European University & Uni-
versity of Zagreb*
Email: pphhea01@phd.ceu.hu

KEY POINTS

- The elections were held at schedule after the Croatian Democratic Union (HDZ) minor-

ity government of Prime Minister Ivo Sanader passed through its four year term without any major difficulties in pushing through its legislative agenda.

EPERN

**European Parties Elections
and Referendums Network**

- The elections were characterized by a marked shift toward a two party system with two major parties winning 122 out of total 153 seats. Competition in the electoral campaign predominantly emphasized rivalry between the two largest parties. However, smaller centrist parties were still crucial for the formation of government.
- While governing the Croatian Democratic Union managed to hang on to the same number of seats (66) while the Social Democratic Party (SDP) markedly increased its number of seats from 34 to 56.
- A number of smaller parties suffered serious losses in votes and seats with nationalist the Croatian Party of Rights (HSP) being the largest victim with number of MPs being reduced from eight to one.
- The Croatian Democratic Union and left bloc composed of the Social Democratic Party, The Croatian People Party (HNS) and the Istrian Democratic Assembly (IDS) gained equal numbers of parliamentary seats. The formation of new government will depend on the support from centrist agrarian/liberal coalition composed from the agrarian Croatian Peasant Party (HSS) and the liberal Croatian Social Liberal Party (HSL) and mostly likely the Serbian minority party, the Independent Democratic Serbian Party (SDSS).
- The elections brought electoral consolidation of the party system toward two blocs, but the political centre, though smaller, still has the key role in the formation of functioning governing majority.
- After being one of the most prominent political issues during government term in office, EU and NATO membership almost completely vanished from public discussion during the electoral campaign.

Success for SEI Scholar in Prestigious National Teaching Award

SEI-based scholar Dr Tim Bale has won a national prize for his teaching. He has been awarded the main prize in this year's Political Studies Association (PSA) Bernard Crick Awards for Outstanding Teaching. The judging panel "noted the outstanding evidence supporting Dr Bale's application, including his continued reflection on best practice and the high regard in which he is held by his peers and students alike". This comes as no surprise to his colleagues in his department who nominated him. Dr Bale has come to be known not only for high quality, dynamic and innovative teaching in his own courses but for pioneering innovations for the department as a whole, such as the introduction of focus group techniques to gauge student feedback on courses.



Dr Tim Bale

Prof Paul Taggart and Prof Aleks Szczerbiak won the main prize in 1998 and 2004 and Dr Dan Hough won the new entrant's prize in 2004.

The PSA is the professional body for politics lecturers working in the UK and Dr Bale will receive the award at its national conference in April. Dr Bale's success means that there are now four members of SEI who have won PSA national teaching

SEI RESEARCH IN PROGRESS SEMINARS

SUMMER TERM 2008
Tuesdays 14.00 - 15.50
Arts C233

15 April

Paths to Power: Career Movements in Multi-level Parties

Lori Thorlakson, University of Nottingham

22 April

European Competition Policy Regime – smooth co-operation or turf wars?

Anna Sydorak, University of Sussex

29 April

The EU and Kosovo: Part of the solution or part of the problem?

James Ker-Lindsay, Kingston University

6 May

Katyn and the Soviet massacre of 1940: truth and significance

George Sanford, University of Bristol

13 May

Variiegated neo-liberalism: transnationally oriented fractions of capital in EU financial market integration

Huw Macartney, University of Nottingham

20 May

Party strategies in Western Europe: a framework for analysis

Gemma Loomes, University of Sussex

27 May

Lustration systems and their effects: Experimental evidence from the Czech Republic, Hungary and Poland

Roman David, University of Newcastle

3 June

No Seminar: SEI visit to Brussels

10 June

Green politics in a changing country: comparative lessons from the case of Estonia, 1987-2007

Allan Sikk, SSEES/UCL

If you would like to be included in our mailing list for seminars, please contact Gabby Barker or Amanda Sims, tel: 01273 678578, email: polces.office@sussex.ac.uk

The New Enhanced Agreement with Ukraine: an innovation in EU External Relations

Alan Mayhew

The New Enhanced Agreement between the EU and Ukraine is innovative in two respects; it is seen by some as the first of a new type of agreement – a Neighbourhood Agreement – and it is the first of a new generation of free trade agreements proposed by the European Union.

The impetus for a new agreement on the Union's side comes from the maturing of the Partnership and Cooperation Agreement (PCA), the achievements of the 'Orange Revolution' and the development of European Neighbourhood Policy (ENP).

The PCA with Ukraine entered into force in 1998 for a first period of 10 years. It is now being 'rolled over' on an annual basis until a new agreement is signed. The PCA was a disappointment to both sides as it did not bring the level of integration which the EU had hoped for and which the new leadership in Ukraine desired. This disappointment was a result of the political situation both in Ukraine and in the European Union, but also of the fact that decisions taken in the PCA institutions are not binding on the parties. It was therefore keenly felt that a new type of agreement was necessary to replace the PCA.

The 2004 'Orange Revolution' led to two remarkable developments in Ukraine. The first was the institution of fair and free elections, to the point at which today elections are keenly contested but no one doubts that they are not fair and free. The second was the freeing of the media, which means that today diverse political opinions can find their way into the press, onto the Internet or the television. These fundamental achievements encouraged the European Union to make Ukraine a priority in its external relations.



European Neighbourhood Policy was developed by the Union as a response to issues raised by the 2004 enlargement of the Union to central and eastern Europe. While there are many questions which can be raised about the policy, it is clear that the Union is determined to make it a success. In the early Commission papers on ENP, the possibility of negotiating new so-called neighbourhood agreements was considered. In the Lisbon treaty there is also a new article 7 which deals with the neighbourhood, and although this on its own is not a sufficient legal base for a new treaty, the Union will wish to demonstrate the utility of the new article.

However Ukraine is not keen to be the first or the last neighbour to have a 'Neighbourhood Agreement'. What Ukraine wants and needs is an Association Agreement which has an Association Council which can take legally binding decisions. The name does not matter – it does not have to be called an 'association agreement' – but what Ukraine wishes to avoid is being saddled with an agreement which rather than helping it integrate with the Union in a way which can lead to accession, leads to it being held for ever in an ante-room outside the Union.

A significant part of the new enhanced agreement with Ukraine will deal with trade. Traditional free trade agreements have been concerned essentially with tariff arrangements, quotas, tariff quotas and similar instruments without strong linkages to key areas of economic policy such as competition, state aids or establishment. However, given that tariffs are now generally so low after several WTO trade deals, there is not very much to be gained from the further reduction of tariffs. This challenges both the EU and its partners to deliver significant benefits from future trade agreements. The

proposal on the Union side is to negotiate 'deep free trade agreements'.

The FTA+ agreement with Ukraine, the first of its kind, will link traditional trade concessions to the implementation of substantial parts of the Community's acquis. The EU's main objective in these 'deep integration' agreements is to extend the geographical scope of its regulatory framework. Does it make sense to link trade concessions to the adoption of the acquis? As the trade concessions will probably be of relatively minor importance and are unlikely to include any guarantees on the use of contingent protection instruments, it may not be so difficult for those groups which might suffer from additional liberalisation to successfully oppose any deal.

It is not clear how the linkage will work. Will the trade concessions be linked to the adoption of parts of the acquis or to their implementation? We know that implementation has been the problem in the new Member States, even when laws have been adopted. If any concessions are linked to implementation, this has severe implications for the speed with which the Agreement can become effective.

The innovative character of this agreement raises difficult questions for Ukraine.

There is general agreement in Ukraine that deeper integration with the European Union is a desirable goal. There may be a certain level of disagreement about how far this integration should go, but the aim of the President and current government to achieve full membership of the European Union has not been seriously challenged. European Neighbourhood Policy is therefore regarded with considerable suspicion, because it appears to be an attempt by the Union to dissuade neighbouring countries from applying for full membership. The aim of Ukraine is therefore to negotiate an enhanced agreement which opens a perspective for accession; it is not interested in being an innovator for a new Neighbourhood Agreement.

The new FTA+ agreement will pose problems of a different nature. The European Union is pressing to include within the agreement lists or EU directives which Ukraine should agree to adopt and implement. There is no doubt that the implementation of much of the acquis would be positive for the mod-

ernisation of Ukraine's economy. However the adoption of this regulation will both require large budgetary outlays and will provoke considerable opposition from groups in

the economy and society which feel they will lose out from the new regulation.

There is no doubt that it would be easier for the government to adopt this new regulation if the benefits of doing so were clearer. In the case of the new Member States it was ultimate accession to the Union which was the carrot which enabled governments to adopt Community regulation which was sometimes quite unpopular in the country. But in the case of Ukraine there appears to be no likelihood that the Union will grant a perspective of accession which goes beyond simply a statement of article 49 of the Treaty.

This dilemma for Ukraine will eventually imply a corresponding dilemma for Union politicians. If the European Union seriously wants a close relationship with this strategically important partner, it will have to consider improving the offer which at the moment is on the table. This could include a better financial offer to cope with the implementation of EU regulation, but it could also imply institutional innovation in the way in which Ukraine's integration with the Union is managed.

For Ukraine the best strategy might be to temporarily reduce its insistence on the accession perspective until after the ratification of the Lisbon treaty, to concentrate on negotiating an ambitious but realistic Enhanced Agreement, and to start the serious implementation of that Treaty. After a few years of successful integration on this basis, Ukraine will have become an ideal accession candidate.



Professor Alan Mayhew

Chevening Fellowship Programme

‘A wonderful time learning about the EU’

Bogdan Munteanu
Chevening Fellow
(2008)

The third time a European Political Economy Chevening Fellowship was organised at the SEI brought together 12 ‘jolly fellows’ from Croatia (2), Estonia (1), Hungary (2), Latvia (1), Macedonia (1), Poland (2), Romania (1), Slovakia (1), and Turkey (1).

Since it is so soon after the 12 weeks that carried us through Brighton, London, Edinburgh, and Brussels, maybe it is impossible to say whether we, the Fellows, really entered the top one percent of European citizens who understand a bit about how the EU works. Anyway, this is how our lovely host at the SEI, Jim Rollo, once complimented us. Be it true or not, it is sure the Fellowship was great in terms of ‘group therapy’ – we realised how many of the problems that we thought were specific to our countries are things that they actually have in common. And even if we didn’t always come up with ideas of ‘best practices’ worth sharing, at least we got a fair idea about some of the ‘bad examples’ that we shouldn’t follow.

One of the major highlights of the programme was the Alumni Conference we had on March 6-7 which put us face to face with our predecessors! Focused on the EU Budget Review, the conference offered us the chance to learn about the HM Treasury’s view on the issue, and there were some interesting opinions presented by this year’s Fellows. Moreover, we heard about the Better Regulation agenda in Poland, the situation of the health system in Hungary, and

not only what the EU Budget is, but what it could become. Apart from all these activities, the whole 12 weeks were an unequalled networking opportunity, as we heard presentations, and asked questions to people from the UK Government, think-tanks in London, the Scottish Government, and we visited about half a dozen DGs of the European Commission. This was not as much about the *things* we learnt, but about what *people* we met, to whom we were able to ask detailed questions and can now stay in touch with.

There is no doubt that, after going back to our busy professional lives, we will forget some of the economic theories we were exposed to during the courses. Nevertheless, it is very unlikely that we will forget the ‘witty bits’ that we learned of through interpersonal interactions with so many interesting people. Basically, this is what the Fellowship did for us – it opened windows to people to whom we could ask relevant questions for our professional careers.

As for what we learned about the EU, I dare using a true anecdote to put in a nutshell there are thousands of words I could write. One day, a professor of international law from New York had exposed a very complicated theory to his students. At the end of the lecture, he asked his audience if everyone had understood. One student expressed his ‘confusion.’ The professor patiently summarized his whole lecture, and then asked: ‘Are you still confused now?’ The student replied: ‘*I am still confused, but at a higher level.*’

This is probably how most of us on the Chevening Fellowship programme of 2008 feel about the EU, and what we learned in the UK. However, even if we haven’t reached that top one percent so far, I guess that, thanks to our three months at the University of Sussex, we are on the right track to become ‘experts in EU matters’ some day.

Bogdan Munteanu, is a Foreign Affairs journalist from Gandul the Romanian national daily, and Chevening Fellow in 2008.

Bogdan’s blog can be found online at:

www.gandul.info
<http://munteanuk.blogspot.com>

Conferences and Seminars

Chevening Fellow Andras Kosa reports on the conference held by SEI in March on the Reform of the EU budget and Visiting Academic Fellow Nathaniel Copesey reports on the Fifth Wider Europe Conference.

‘The EU Budget review: slicing the same cake into smaller pieces?’

Andras Kosa,
Chevening Fellow
(2008)

There are major conflicts of interest between the EU member states in connection with reforming the Union’s budget and these were elaborated at the international conference about the topic organized by the Sussex European Institute, 6-7 of March 2008.

The participants (Chevening Alumnis, and members of the current fellowship program, professors from the SEI, guests from various institutions, for example the Treasury and London School of Economics) all agreed, that a policy driven debate is needed on the budget review, and the new budget should be determined in accordance with the common objectives.

Many of these objectives have already been agreed on as well being common goals of the Lisbon process: for instance creating a European economy based on knowledge and innovation, strengthening economic growth, raising productivity, modernising the European labour markets and finding solutions to the new challenges of climate change and energy security. All of the presenters under-

lined, that these objectives are crucial to fulfill, however there were clear differences between the opinions how to achieve them. The main problem is quite clear: as many EU countries have been facing sluggish economic growth in the recent years, none of them are keen on contribute more to the common budget, than the current amount. This basically means that we need to slice the same cake to smaller pieces. Therefore the decision makers have to face a zero-sum game in a politically very responsive period, as the current commission’s mandate soon expires, and new EP elections being scheduled for 2009 (Not to mention the consequences for domestic politics that EU budget debates can have, in which the leaders of member states often ‘loose’ in the end.).

The first and probably most obvious solution could be the further decrease of CAP spending. This year 55 billion euros are being spent directly on the agriculture from the common budget. This amount will be reduced by the end of the current Economic Perspective in 2013. However this sum is still almost one third of the whole budget, large enough to be reduced further – a quite clear initiative pursued by many member states, for instance Great Britain. These countries argue that 75% of the CAP comes from the common budget, while in the case of research and development this proportion is only 5%. That is why there are proposals to ‘renationalise some currently common policies’ – starting with the CAP.

Nevertheless the conference debate made it quite clear, that for many East-European countries the CAP is still one of the most important common EU policies, and they don’t want to change this situation. As one of the Chevening fellows argued ‘national financing



Chevening Fellow Andras Kosa

is not desirable'. During the conference the main arguments were about solidarity, something that needs to be taken into account by the richer member states, and also that the CAP presents a very important tool for regional development. Some participants even proposed to 'increase the capacity of CAP', in order to 'renew, and strengthen the common market'. From this aspect a new, but not radically reformed CAP could have an important role to fulfill the Lisbon targets such as: handling climate change, and enhancing the sources of renewable energies. Regarding the latter point, one participant mentioned the shift to 'second generation bio-fuels', and that evoked some discussion, as others doubted the benefits of the bio-fuel program in Europe as a whole.

The other big part of the EU budget is cohesion policy (this year 46.9 billion euros are spent on this). The discussion made it clear that all of the 'New Europeans' rely on the solidarity of the 'old' member states, as in per capita terms GDP is less than 50% of the EU average in most of the new member states' regions. This makes the cohesion funds a crucial way to diminish these differences – at least in a longer term. It could also be the main element of tackling the adjustment problems of the new members, as many of them lag behind fulfilling the Lisbon targets (e.g. spending for instance much less than is required on research and development). But any reform must face the dilemma posed by the conflict of interest between the poor country's poor regions, and the rich country's poor regions. For example as Spain's GDP has already reached Italy's level whether or not it needs some or more cohesion funds was questioned by one participant.

Listening to the presentations one could easily conclude that – as one lecturer typified them – the East European countries are 'more traditionalist', and reluctant to start fundamental changes on creating a new type of EU budget, but are eager to reconsider the current system of rebates, and exemptions (there are five at the moment). Almost certainly, without substantial reforms of the CAP it would be a red line for the UK. Maybe that is the situation preferred by one participant, who saw the EU budget as being 'trapped in the past'. Surely it will not be easy to change this status quo in the coming years.

The Fifth Wider Europe Conference, Brussels 2008

Nathaniel Copsey, SEI Visiting Fellow

This conference fell at an (as usual) interesting juncture in relations between the European Union and its eastern neighbours. Due to the kind assistance of former Polish MEP Bronisław Geremek, we were able to hold the conference at the European Parliament in Brussels. The conference reviewed progress in the development of the Union's European Neighbourhood Policy and the outlook for relations between the Union and the countries of Eastern Europe. Separate sessions considered developments in Russia, Ukraine and Belarus.

The first session reviewed political developments in Ukraine over the last two years. Our three speakers were: Natalya Shapovalova (ICPS, Kyiv), who spoke on institutional developments and possible changes to the Ukrainian constitution, myself addressing possible Nato accession, the emergence of BYUT as an all-Ukraine political grouping and the limited prospects for greater political stability in Ukraine. Peter Rodgers (Birmingham) then acted as discussant. The following session analysed the new enhanced agreement between the EU and Ukraine, from the viewpoint of the Union and of Ukraine, with a legal appreciation by Christophe Hillion (JMWEN/Birmingham) and Roman Petrov (EUI). Alan Mayhew was the discussant and considered the questions around the negotiation of the new FTA+ agreement, which are just starting. This will be the first of a new generation of EU trade agreements, which will include regulatory harmonisation.



Dr Nathaniel Copsey

The third session focused on Russia. Nikolai Ivanov from the Russian mission to the EU, Director of the EU-Russia Centre Fraser

Cameron and Derek Avere from Birmingham, examined its political and economic development and analysed the main issues in its relations with the EU. While Russia is not part of ENP, it is a sort of silent partner affecting to some extent the way Member States approach the policy.

Then for the first time in JMWEN conferences we turned our attention to Belarus. Giselle Bosse (University of Maastricht), Matthew Frear (CREES, Birmingham) and Alexandra Goujon (IEP, Paris) discussed the current political and economic situation of the country, its relation with the EU and Russia, and the prospects for change in these regards. Member States are not unanimous about the way the Union should treat Belarus and this has led to some heated debate in the past.

Finally we looked at developments in European Neighbourhood Policy and the future of the Union's relations with eastern Europe. Hugues Mingarelli, the Director General responsible for ENP, spoke about the significance of the policy in developing stable relations with eastern Europe, while diplomats from Germany and the Netherlands gave their views from the perspective of a Member State on the future of the policy. The final presentation was given by Maxime Lefebvre, an official from the French Permanent Representation in Brussels and looked to the future in the run-up to the French Presidency of the EU and in the light of political developments, both in the Union and in eastern Europe. We are very grateful to our sponsors for making the event possible; CEELBAS, the European Parliament, as well as to those who have supported us in the past; the Foreign and Commonwealth Office, Pekao Bank and the European Commission.

Our next two events will be held in Berlin and Paris respectively. The Berlin Wider Europe conference, which will be held in collaboration with the German Council on Foreign Relations, will look at the attitudes of the Member States towards European Neighbourhood Policy, whilst the Paris conference will look at the problems of balancing the interests of the EU's eastern neighbours with those of the Mediterranean countries, at a point in time when the French proposal for a Mediterranean Union will be high on the agenda of the French Presidency. Publications from the conference are available from the Wider Europe website: www.wider-europe.org.

My MACES Year

Maria Carla Ciscaldi, MACES 2006-7

When I decided to further my studies in European Studies, SEI was an obvious choice. It is a reputable and international University well known for its high standard education. It was voted as 'best place to be in' in a survey of 40 UK universities in 2006 and it definitely deserves the title! Academically, it has exceeded my expectations. I have been taught by several leading lecturers specialising in European Studies. I have positively grown in my awareness, education and knowledge of the EU. The presentations, essays and discussions have helped MACES students not only to learn about our subject but also to grow in the way we write, analyse, speak in public and discuss matters.

I feel honoured to be part of an academic institution that has been home to some of the top politicians at an EU and domestic policy making level. MACES student have many opportunities from following the taught programme here. Of course, it's not only about studying here especially with such a cosmopolitan city being just 15 minutes away by bus. I have enjoyed every aspect of this lively city. The shops, beach, endless clubs, bars and restaurants, the famous lanes and the coloured beach huts that make this place a unique part of the UK. I have fallen in love with it all especially since the weather isn't that bad most of the time!

Most importantly this multi cultural experience has given me great friends for life from all over the world. It has enriched me academically, socially and culturally and has given me many opportunities. I know that at the end of the academic year I can look back at this year and with great pride say "I have been part of 'the best place to be in' and it really is!"



Maria Carla Ciscaldi

Ongoing Research

This issue of Euroscope presents reports on the current research projects being worked on by Sue Collard, Gerard Delanty, Lucia Quaglia and Martine Huberty.

‘Engaging with European citizenship in France’

Sue Collard

I have been taking advantage of my last few months in France to work on a project that I have had in mind since the French municipal elections of 2001, when EU citizens were allowed to vote and stand as candidates for the first time since the introduction of European citizenship in the Maastricht Treaty. I knew three people who had been elected in small rural communities in Normandy very close to where I bought a ruin of a house in 1990, and have always been intrigued to know what their experiences of French local democracy have been, and to find out how many others like them had been elected in that vast space that is ‘la France profonde’. When a colleague at Loughborough, Helen Drake, suggested a couple of years ago that we did some work together on ‘Brits in France’, it seemed to me this was a good opportunity to pursue these questions, even though I had been previously warned that the subject had been ‘done to death’.

The result was that last April we gave a joint paper at the PSA (<http://www.psa.ac.uk/journals/pdf/5/2007/Drake.pdf>) in which she wrote up a literature review of the field, and I did a case-study in my part of Normandy, which just happened to have already been the focus of case-studies in the early 1990s by two pairs of researchers who were trying to understand the reasons for this new form of consumer led migration, and to evaluate the impact it would have on the French countryside: migration geographers Keith Hoggart & Henry Buller had indeed pretty much exhausted the subject in an ESRC funded project, and two French anthropologists, Jacques Barou and Patrick Prado, had carried out similar work but from

a rather different perspective. My own case-study consisted of an update of these earlier case studies, by tracking what had become of the respondents, nearly all of whom were still there, and some of whom I happened to know personally. The three councillors were amongst the respondents.

With my eye on the municipal elections due in March 2008, I decided to take the work more specifically in the direction of political participation as a measure of integration, and the result is a paper that I will be presenting at the PSA conference in Swansea on April 3rd, which should be available on their conference web-site for anyone who cares to find out more. In a nutshell, I discovered that statistics were not collected nationally in a form that can tell us how many British (or other EU) citizens were elected in the 33,922 *communes* of under 3500 inhabitants, though we do know that a total of 204 EU citizens were elected as municipal councillors in the 2857 *communes* of over 3500, 16 of them British.

In this month’s elections the figure pretty much doubled to 396, including 41 British: this was clearly a step forward, but hardly a stride. In an attempt to put some faces to these figures, I set about searching for British councillors through the anglophone press and Internet sites in France, a process which, though time-consuming, did in the end yield 50 respondents who I then interviewed by phone (all for free, thanks to the amazing phone deals you get in France: why can’t we get the same in the UK?). The results are in the paper. I ‘met’ some lovely people, and was comforted to find a very harmonious picture of Franco-British relations which bears no resemblance to the images peddled by the media on both sides of the Channel. But as for awareness of European citizenship at grass roots, there was not much evidence.

I hope to carry on the research in some form or other over the coming years, and I plan to organise a seminar in 2009 with Helen Drake under the auspices of the Franco-

British Council, of which I have recently become a member. Having also been myself elected in my very small commune of 64 voters, I will also be learning how it all works for real!

Dr Sue Collard, *Sussex European Institute*,
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‘Cosmopolitan Imagination’

Gerard Delanty

I have been working on cosmopolitanism recently and am currently completing a book entitled “The Cosmopolitan Imagination” for Cambridge University Press. Recently I have had articles published on this topic in the *British Journal of Sociology* and *International Sociology*. There are also three research grants that I am currently receiving: The first of these is for, ‘The European Dilemma: Institutional Patterns and Politics of ‘Racial’ Discrimination’. This is a 178,000 euro (lasting for three years under the EU framework project, November 2003-Jan. 2006). A book based on the project will be published next month.

The second research grant that I am receiving is on a project called the ‘Varieties of Democracy in Central and Eastern Europe’. This is a 162,561 euro grant lasting over 2 years, January 2007-December 2008). This also funds a Marie Curie Post Doctoral Fellowship). Third, I have a EU 7th Framework, ‘Art Festivals and European Public Culture’ grant worth: £210,000 (this is a three year project, lasting until February 2011). I have been working on a 2.5million euro bid for an Advanced Grant to the European Research Council for a five year project on cosmopolitan trends. This project will specifically focus on making a comparative analysis of political community in a selection of European and Asian countries. I am organising a conference at Sussex University 17-21 June, “Europe since 1989” www.sussex.ac.uk/cspt/1-4-3-3.html

Professor Gerard Delanty, *Department of Sociology, Director Centre of Social and Political Thought*
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SEI Scholar awarded ERC Grant on Fi- nancial Governance in the European Un- ion

SEI scholar Dr Lucia Quaglia has been awarded a grant by the European Research Council (ERC), as part of the Framework Programme 7 activities, for a project on Financial Services Governance in the European Union: National, European and International Dimensions. The duration of the project is 3 years and the funding awarded is approximately £230,000.

This project examines the governance of financial services in the European Union (EU). It will be the first ever project to cover the politics and public policy aspects of all financial services, broadly conceived: banking; securities trading; post trading activities (payments and clearing and settlement); financial conglomerates; insurance; corporate governance, corporate finance and company law; accounting and auditing standards and EU trade in services.

This research is both academically interesting and policy relevant. Academic research has not kept pace with new developments in this field, and interdisciplinary research is very much needed, as financial services governance is at the crossroad between politics, economics and law. At the practical level, the financial sector is a core part of national economies and one of the most active areas of EU policy making. Moreover, this research will contribute to informing the public discussion in a policy area that is often perceived or deliberately presented as ‘technical’, which tends to limit the public scrutiny of it.

Extensive fieldwork based on interviews is essential in order to gather an accurate understanding of financial services governance in the EU, given the paucity of academic literature on this topic, the fast pace of reform and the importance of informal practices and policy interactions. Interviews are indispensable in order to gain a good understanding of the functioning of the institutional frame-



Lucia Quaglia

work and the policy-making processes in the EU, and the way in which they interact with international and national activities.

Interviews will be conducted in Brussels, where most EU organisations are located, in the UK, Germany, France and Italy, as they host the largest financial centres in the EU. A set of interviews will be conducted in the US. All the interviews will be confidential, triangulated and checked against primary documents and press coverage.

Dr Lucia Quaglia, *Sussex European Institute*

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EU-CONSENT: CONSTRUCTING EUROPE NETWORK

EUROPEAN ECONOMIC GOVERNANCE AND POLICIES: COMMENTARY ON KEY DOCUMENTS

A Research Workshop at Aberdare Hall, Cardiff University, Wales, 8-9 May 2008

This workshop seeks to identify the key documents in the development of European economic governance, to examine criteria of selection of documents, and to understand them in their particular contexts of actors, ideas, events, processes and periods. Three questions are central:

- What have been the key documents in the historical, institutional and policy development of Economic and Monetary Union in Europe?
- Which ideas inform them, and why?
- What has been their legacy?

The workshop offers an opportunity for practitioners and ‘veterans’ of EMU and for academics to comment on preliminary drafts produced by the EU CONSENT team in Cardiff along with Dr. Lucia Quaglia (Sussex). These drafts cover historical, institutional and policy aspects of European economic governance. They will form the basis for a forthcoming Oxford University Press book. The workshop is part of the work programme of the EU 6th Framework network of excellence (EU-CONSENT) on ‘Wider Europe, Deeper Integration?’

In particular, we would like to encourage participation by PhD students.

Thursday 8 May

12.30-13.30 Arrival and Registration

13.39-14.30 Welcome and Introduction
Kenneth Dyson (Cardiff University) and Lucia Quaglia (Sussex University)

14.30-16.00 Historical Aspects: (1) The Origins and (2) From Paris Summit and Snake to ECB
Ivo Maes (National Bank of Belgium)

16.00-16.15 Coffee

16.15-17.45 Institutional Aspects: EMI, ESCB/Eurosystem
Jean-Victor Louis (Université Paris I, Université Libre de Bruxelles)

Friday 9 May

09.30 – 10.45: Institutional Aspects: Policy Co-ordination
Dermot Hodson (Birkbeck College, London)

10.45 – 11.00: Coffee

11.00 – 12.15: Monetary Policy and Exchange Rates
Hanspeter Scheller (formerly ECB)

12.15 – 13.30: Lunch

13.30 – 14.45: Fiscal Policy/Statistics
Uwe Puetter (CEU, Budapest)

14.45 – 16.00: *Financial Market Regulation and Stability.*

'Fieldwork in Luxembourg'

Martine Huberty

In January 2008 I found myself in a situation which most DPhil students find equally exciting and terrifying: I went on field work.

When I started my field work in Luxembourg, I had absolutely no idea what I was supposed to do apart from getting as many interviews done as possible. I was leaving the comforting and familiar academic setting of Brighton beach, the University of Sussex, my DPhil tutors and my fellow DPhil students. Instead I was in my home country, supposed to collect empirical data which nobody bothered to look at before me, to conduct interviews with people on events which happened 10 years and 3 years ago respectively. I was supposed to do real research! But what in heaven's name is real research!

I had the advantage of being a citizen of this lovely little country I was investigating- no accommodation to take care of (courtesy of my parents) and familiarity with the quirks and irks of administration, both at the University of Luxembourg and of the state administration. Finally, the biggest advantage of living in a small country is that you know "who is who"- not a huge challenge, but a great advantage to the research student nonetheless.

I already made provisions to get an office space at university of Luxembourg. The collaboration with the University of Luxembourg went very well. Drs Harlan Koff, Philippe

Poirier and Patrick Dumont have been very helpful.

I have been kindly offered an office space since February 11 2008 for a period of a month and a half, to be renewed in the months of July and



August 2008. They have offered advice and supervision on my DPhil thesis and they invited me to participate in a forthcoming conference on the state of the art in European governance organised by them in June 2008. Furthermore, I was invited to publish a working paper at the University of Luxembourg in the near future.



**SEI DPhil student
Martine Huberty**

I had planned to get access to official documents, which unfortunately were confidential. Working documents, presidency notes and communications between the Ministries and the Commission were inaccessible, so I had to change my strategy and rely on interviews to collect my data. My interviewees came from various backgrounds and all had worked on the exciting negotiations of the Stability and Growth Pact in 1996 and its reform in 2005 under Luxembourgish Presidency. The interviews varied both in information and in style, which made the process interesting throughout.

At the end of my extended research trip I felt quite satisfied with my work. I managed to get valuable data for my research and became more experienced in interviewing. My plan is to use the University of Luxembourg as a base for my future interviews in Frankfurt and Brussels. So maybe I do finally know what is meant by "real research"...you know it when you do it!

SEI Dispatches

An update on the activities of SEI members across Europe.

‘Electing the European Commission President - Politicising the European Union’

John Palmer
SEI Practitioner Fellow

There is growing confidence that the European Union Reform Treaty will be ratified by the time of the next European Parliament election – June 2009. In anticipation European political parties are already exploring how they can best exploit the new opportunities the treaty offers to strengthen the democratic political life of the Union. In particular the parties are debating how to use the 2009 election to offer voters a real choice on the political leadership of the European Commission – the key supranational institution in the governance of the Union.

Important problems remain to be solved. Firstly the main EU parties – Socialists, Christian Democrats, Liberals and Greens – will have to convince their national party leaderships that by putting forward their preferred candidates for the Commission presidency the European parties can give the election greater “consequence” and thus better motivate voters. They also then have to agree among themselves on which party personality is best placed to appeal to voters across the 27 Member States.

The Reform Treaty provides for the European Parliament to elect the Commission President for the first time. It is true that the European Council will propose a candidate but only “after taking into account the results of the European Parliament election.” In effect this means that the candidate best placed to win an overall European Parliament

majority would be proposed by the European Council.

This development has potentially very far reaching implications for the governance of the European Union. The election – indirectly by the voting public – of the Commission President has to be seen also in the context of other provisions of the Reform Treaty. These would give the President elect a far greater say in choosing his or her Commission college – albeit in close consultation with Member State governments.

This is a process which seems bound to accelerate the politicisation trend has already become evident in recent years. It would mark a break with the tradition of an apolitical Commission somehow acting over and above the political environment. Of course the process for electing the Commission President and selecting the other Commissioners will still be heavily consensual – if only because a European Parliament majority is certain to require a very broad measure of political compromise between the major parties.

The European public is frequently confused and – sometimes – alienated by the complexities of policy-making and decision-taking in the EU. This is, in part, due to the speed of developments, especially the (necessary) enlargement of the Union and seemingly constant evolution in both EU policy and governance. Voters have little idea how to engage with the European process or what democratic choices they are being called on to make. EU affairs tend to be dismissed as excessively technocratic and diplomatic, and insufficiently political and democratic.

The EU has suffered collateral damage as a result of the backlash against unpopular Member State governments. The referenda rejection on the proposed Constitutional Treaty in France and the Netherlands punished deeply unpopular national administrations primarily because of domestic economic, political or social issues quite unre-

lated to the EU. Equally worrying has been the downward trend in voter participation in both national and European elections.

At the European level, these problems have been reinforced by a sense that EU decision-making is too remote, too esoteric, too technocratic and too elitist. Many citizens believe that they are denied the information they need to adequately understand (let alone pass judgment on) what is being done in their name by their governments and by the EU institutions.

More can be done to improve public knowledge and understanding of how the Union functions and the key policy issues it faces. But improved information or a more structured system of consultation with citizens – while indispensable – may not suffice to close the gap between the public and the EU institutions.

The EU has now evolved to the point where, without democratic political choice between differing strategies, no resulting popular consensus is likely to remain intact for long. With or without a new treaty, EU parties should go to voters in the 2009 European Parliament elections presenting serious programmatic alternatives to exploit the space for collective action. They should also offer voters their candidates for the Presidency of the European Commission and maybe the Presidency of the Union itself.

This would give voters the power to help shape the political leadership of the EU executive (the Commission being the nearest equivalent to a Member State government). The major political groups in the European Parliament are at last serious about achieving full party status – a development that the Constitutional Treaty would have encouraged by giving European parties their own legal identities and by providing funding. Change is already under way. In a study of voting patterns, Simon Hix, Professor of European and Comparative Politics at the London School of Economics, states that "...



John Palmer

on the positive side, and potentially far more profound, is the emergence of a genuine 'democratic party system' in the European Parliament. First, voting in the Parliament is more along transnational and ideological party lines than along national lines, and increasingly so."

It may already be possible to discern the outlines of a developing European *demos* in the ever-growing cross-border activities of business, trade unions, non-governmental organisations and other civil society interests as well as through the still slowly-emerging political life of the EU institutions, above all the European Parliament. The emergence of a European democratic politics will strengthen – certainly not undermine – democracy at the national and sub-national levels.

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‘The 2008 Italian election campaign or the ‘useful vote’

Simona Guerra
SEI DPhil Student

The Easter break gave me the chance to follow the Italian election campaign, and I did not miss the opportunity of attending meetings with candidates from both sides. Italy was going to vote again to appoint a new government on the 13 and 14 April 2008, just after 650 days since the 2006 parliamentary election. The last XV legislature was the second most brief, after the XI one (633 days) ended by the Tangentopoli scandals on the 16 January 1994. Needless to say, the chronic economic problems were not the most suitable situation for further political stagnation. According to government data



Simona Guerra

since January 2006, price growth, particularly for food, was one of the most sensitive issues. Since January 2006, meat prices registered an increase of 9.6 per cent, milk 10.3 per cent, bread 19.4 per cent, while 50 per cent of the Italian families lived with less than €2,100 per month and 20 per cent with less than €1,278.

Still, the very close result of the 2006 parliamentary election did not give Prodi a stable government in his second time in office. The Senate was almost perfectly balanced in the number of senators, (157 vs. 156), with gridlock occurring in the legislature as every law had to undergo the double approval of the Lower House first, and the Senate, in the second instance (because of a 'perfect bicameralism', where the two houses share the same legislative power). The seven 'senatori a vita' (life senators) often made the difference, but it was not sufficient to avoid stagnation and quarrels within the majority that ruled the country. The diverse political nature of the *Unione*, the centre-left coalition, with former Christian Democrats and former Communists, were only united by their opposition to former Prime Minister, Silvio Berlusconi, as in 1996. Finally, on the 21 January 2008 Clemente Mastella (UDEUR), Minister of Justice, resigned after the arrest of his wife, Sandra Lonardo Mastella, president of the Regional Council in Campania, and the government fell after unsuccessful attempts to appoint a new temporary one.

Public opinion viewed the Prodi government as unsuccessful, with increasing levels of distrust due to the tight tax policy undertaken by the Ministry of Finance, Tommaso Padoa Schioppa. In July 2007 63 per cent of Italians had no trust for the centre-left government (IPR Marketing polls, published by *La Repubblica*, 18 July 2007). At the end of October 40 per cent asserted that the government had to resign to go back to the

electorate for another vote. Among them 75 per cent belonged to the centre-right government, while 66 per cent of the *Unione* electorate still supported Prodi's government (ISPO polls, published by *Il Corriere della Sera*, 29 October 2007).

“Veltroni’s campaign travelling across Italy by bus, having lunch by an ‘average’ Italian family every day, and visiting every province of Italy did not seem to be successful in the long term”

On one side the former *Unione* voters, at least three and a half million of them, had already voted in a sort of primary to choose the name of their next candidate for Prime Minister for the new party of the centre-left, the Democratic Party (*Partito Democratico*: PD), on the 14 October 2007. Walter Veltroni, mayor of Rome, was ready to run in the new election campaign and comments pointed to a too early political action of the centre-left that could let the government electorate to favour new elections with Veltroni as candidate compared to leaving Prodi in office. On the other side, Silvio Berlusconi launched his new party in S. Babila Square in Milan on 18 November 2007, in what is now known the 'revolution of the footboard' (as he was standing on the door way or 'predellino' of a car. He announced he wanted to re-start from zero and invited his electorate to vote for the name of the party, *Partito della Libertà* (Freedom Party) or *Partito del Popolo della Libertà* (Party of the People of Freedom), in a resurgence of his well-known populism.

The decision of simplifying coalitions has increased the number of parties. Former allies in the 2006 coalitions of the *Unione* and *Casa della Libertà* ran as single parties or smaller coalitions, and the wide range of political choice did not seem to favour the two main parties, the Democratic Party and the

Party of the People of Freedom (PdL). That could create another balanced situation in the Senate, and more instability, as in case Berlusconi won, his government could not have the life senators' support - as their vote was usually in line with the centre-left. As a consequence the electoral campaign revolved around the 'useful vote'. In fact, Italy voted again with the controversial Calderoli's electoral law, and in the Senate seats were allocated, and parties rewarded, by region (with regional bonuses to the party winning the plurality of votes). When a party did not pass the 8 per cent threshold, its seats were spread among the winners. Therefore, whilst small parties and coalitions asked for citizens' votes, both the PD and PdL addressed the 'useful vote', as a vote cast for a small party could be, in their words, 'wasted'. However, the Italian president, Giorgio Napolitano, intervened on the 20 March, reminding people that 'voting is never useless', while pointing to disaffection with politics.

In fact, lower turnout could be a signal of citizens' disaffection in the 2008 election. Veltroni's campaign travelling across Italy by bus, having lunch by an 'average' Italian family every day, and visiting every province of Italy did not seem to be successful in the long term. Silvio Berlusconi, for the first time, had to react to his counterpart, and attempted to use his communication skills by pointing to the impossibility of solving all the most salient Italian problems. He still offered smiles, but no longer miracles. If Veltroni sometimes played Berlusconi's part, then Silvio Berlusconi changed his character and spoke of the 'terrible' heritage of the Prodi's government. That seemed to work. However, it is in Walter Veltroni's hands, and not Silvio Berlusconi's to decide the outcome of this parliamentary election, as Berlusconi can suffer from his role as 'secondary character' - and his anger was visible when he tore the PD programme, showing how they would consider the promises they make during the electoral campaign.

In February 2008 74 per cent of Italians indicated Berlusconi as the likely 'winner' of the election. However, the centre-left voters became more optimistic, and they are the most disaffected according to the polls (Renato Mannheimer, *il Corriere della Sera*, 22 March). Veltroni's campaign was the most

appreciated, and Berlusconi should avoid inopportune theatrical gestures and words. Berlusconi may have won the majority of the votes in the 2008 Italian parliamentary election without any surprise, but with difficulties in the Senate. Pensions, salaries, and taxes may decide the 2008 Italian electoral campaign among citizens disaffected with politics. Berlusconi invited Italy 'to get up' (his slogan was *Rialzati, Italia*), and Veltroni suggested that politics had to 'get up' using a slogan close to Barak Obama's (yes) 'we can' - *'si può fare'*. If Berlusconi fails to win it will in all likelihood be due to one of his 'political mistakes', while Veltroni will have to work very hard to gain momentum during the electoral campaign.

‘Kosovo after status’

Fjolla Çeku, MACES 2006-07 Alumnus

Trying to explain the political situation in post-status Kosovo - the newest state in Europe - just a month after the declaration of its independence, is not an easy task. The political and socio-economic situation in the recently declared independent state is complex. Kosovo re-emerged in the headlines of world media some eight years after the 1999 conflict, when the UN-lead negotiations about its status began. Marti Ahtisaari, the UN special envoy who drafted the Comprehensive Plan for the status of Kosovo, became an emblematic name for Kosovo both inside and outside Kosovo. Today, the Ahtisaari Plan is the blueprint for state-building in Kosovo, from the drafting of the constitution to the relations between the majority and minority communities.

Kosovo is currently going through a transition period - which involves the transfer of



MACES Alumni Fjolla Çeku

competencies from the United Nations Mission, which has administered Kosovo since 1999, to the Kosovo authorities as executive institutions, and the deployment of a future EU presence in Kosovo with a monitoring role – as envisaged in the Ahtisaari Plan. In relation to this transition, there are a few features that mark the political life in post-independent Kosovo.

First, we have the ongoing recognition of Kosovo as an independent state by individual states. In parallel, there is the effort of the Kosovo political leadership to bring the Ahtisaari plan into life – which they unanimously approved. Since the declaration of independence, the Assembly of Kosovo has adopted the majority of basic laws contained in the Ahtisaari package, which are considered fundamental for the functioning of Kosovo as a state. Among the recently adopted laws are the laws on establishment of the Ministry of Foreign Affairs and the Ministry of

“As the EU is assuming more responsibilities in Kosovo, the UN mission is expected to shrink and hand-over competencies to the Kosovo authorities during the transition period.”

Security Forces. Then, there is the concentrated international, and mainly European Union effort to establish the political and operational missions in Kosovo, namely the International Civilian Repre-

sentative/European Union Special Representative Office, and the EU mission overseeing the rule of law area, EULEX, to consist of around 2000 international judges and police. Together with the European Commission office in Kosovo – which was established in 2004 and leads the European agenda of Kosovo, these institutions represent the ‘EU family’ in Kosovo. The EU will continue to offer support to Kosovo institutions in the short term through its political and operational teams (ICO/EUSR and EULEX), as well as long term reform guidance and financial assistance through the EC office.

As the EU is assuming more responsibilities in Kosovo, the UN mission is expected to shrink and hand-over competencies to the Kosovo authorities during the transition period. The problem is that whereas the future EU mission has started counting the days of transition – at the end of which they will be a fully-fledged mission, for UNMIK the transition has not started yet. This creates uncertainty about the future of UNMIK presence in Kosovo. To add to this, Kosovo is still under the UN Security Council Resolution 1244, which established UNMIK, and this resolution will remain in power until it is superseded by another SC resolution. On the other hand, there is the problem of Mitrovica, the northern town divided by Ibar river, north of which lives half of the Kosovo Serb population, who have shown no sign of cooperation with Kosovo institutions. They are also against the future EU mission, but supportive of UNMIK, which makes the picture that much more complicated.

An underlining and very important issue is of course the difficult economic situation – and Kosovars, now that they have a state, expect to benefit from investment and employment opportunities. Despite all these problems marking the first days after independence, Kosovars hope and expect that life in Kosovo after status will be better.

Fjolla Çeku is a MACES 2006-2007 alumnus from Kosovo. Since November 2007, she is the spokesperson of the European Commission liaison office in Kosovo.

'The Challenges of the Newborn'

Alban Bokshi,
MACES 2005-06

As a Sussex graduate obtaining the MA degree in Contemporary European Studies in September 2006 with a dissertation thesis in democracy and nationalism, I came back to my home-country ready to democratise it. I came back reinvigorated and high-spirited ready to apply my "recently-gained" knowledge and theories of democracy hoping to help set my country on the path towards European integration. I have done so in an unflinching manner for almost two years now. Together with another Sussex European Institute alumni, Avni Zogiani, I founded an anticorruption and democratization non-governmental organization called Wake-Up! (ÇOHU! in Albanian). Of course we were not naïve enough to believe that we are the saviours of the nation, but we were determined to contribute to it becoming a democratic country with rule of law, however modestly.

The range of activities varied from putting a big improvised candle in front of the government building to protest against increasing electricity prices to publishing lists of unfit candidates for parliamentary seats due to their involvement in corruption and organised crime. These activities rendered us the most prominent NGO in Kosovo, but also exposed us to a great danger from certain individuals and groups who felt threatened by our work. Though we stood unwavering, the unresolved political status of the country and all the uncertainties surrounding it were the greatest obstacles that our organization and other groups fighting for democratisation and rule of law were faced with.

Kosovo is a newborn state, internationally recognised. Or so they say. This morning (March 14, 2008) mobs of Serbs stormed the building of the district court in the northern part of the divided city of Mitrovica, thus challenging Kosovo state authorities as well as UN, EU and NATO missions in the country. This attack is symptomatic of how frag-

ile the security situation in Kosovo is and shows that with only 28 countries having recognised its independence,



Alban Bokshi (right) and Avni Zogiani protesting against corruption at the Kosovan parliament

Kosovo is still long way from becoming really independent and sovereign. Serbia and the Serb minority living in Kosovo have reacted with anger towards the declaration of independence by the Kosovan parliament on 17 February, 2008, and they have vowed never to accept this "illegal move". Serbian government's parallel structures are the real government in the Kosovo Serb-inhabited areas and Kosovan authorities have almost no influence or control over these areas. Therefore we have a complex situation where we have two governments operating within one country, both claiming to be legitimate but ignoring one another.

The internationally-brokered Ahtisaari Proposal aimed at resolving Kosovo's political status and bringing inter-ethnic stability recognised this situation on the ground by recommending independence for Kosovo, but giving very high autonomy for Serb-inhabited areas that they basically operate independently from Kosovo central institutions. The result: Double Sovereignty! Kosovo-Albanians run and manage areas where they form a majority, whereas Serbia and Kosovo-Serbs run and manage areas where they form a majority thus boycotting and even sabotaging Kosovo central institutions, although they comprise a minority of 5-7 percent from the total of two million Kosovans.

These problems will turn Kosovo into a dysfunctional state entangled in inter-ethnic hostilities, with weak institutions and weak democracy. One lesson in democracy that I can still apply, though, is Linz and Stepan's theory that no country can become democratic unless it is first made independent and sovereign and can assert its power over all its territory.

Croatia and the EU

A Sussex European Institute European Perspectives Conference

To be held at Sussex University Conference Centre
April 25th 2008

SEI has been deeply involved with Croatia's integration with the European Union for the last decade. Professor Alan Mayhew advised the Government of Croatia on the establishment of the first Office for European Integration in 1998 and for the following decade SEI has been hosting Croatian students on its Masters courses. The students agree to work for the Government of Croatia for three years once they have completed their year at Sussex. The convenor of the MACES course, Dr. Adrian Treacher, maintains contact with many of these students when they return to Zagreb and is impressed by the contribution which they are making to the realisation of Croatia's European ambitions.

To celebrate the first decade of this arrangement, SEI is holding a one-day conference in the Sussex Conference Centre on April 25th which the Croatian Minister for EU Affairs, the Director General of the Commission's Directorate General for Enlargement and the Deputy Governor of the Croatian Central Bank have all agreed to attend. The programme of the conference is as follows:

11.00: Opening of the Conference: Professor Jim Rollo, SEI

11.15: The future of EU enlargement: Michael Leigh, Director General, DG Enlargement, European Commission

12.00: Croatia's EU accession preparation: Željko Kuprešak, Secretary of State, Ministry of Foreign Affairs, Government of Croatia:

12.45: Secretary of State and Michael Leigh meet Croatian students

13.15: Lunch

14.15: Economic opportunities and problems on the way to accession? Boris Vujčić, Deputy Governor, National Bank of Croatia

15.00: Croatian accession viewed by its neighbours

15.45: Coffee

16.00: Public opinion, political parties and EU Accession

16.45: Closure

For further information or to register please contact Dr Adrian Treacher

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Submissions to Euroscope

Euroscope welcomes submissions for its Autumn-Term issue. Please send information for the SEI Diary, short articles on ongoing research projects or reviews of events by the deadline of 1 September. E-mail submissions to Euroscope:

euroscope@sussex.ac.uk