



## The Paradoxes of Research-Funding

It is rare these days to find an academic, a policy-maker or a politician who does not support the idea that more money is needed for research and, incidentally, more private money, given the public budgetary restrictions. Nowadays, this view is shared by nearly everybody and seems to belong to what the French called *idées reçues*. There would be very little to say from the academic side on this positive evolution towards basic as well as applied research and its funding, if a persisting gap between good intentions and actu-

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al practices was not the dominant feature. With the exception of few countries (mainly the Nordic ones) budgets for re-

search are stagnant. In the best scenarios, preference is given to sectors whose development appears at first sight as most prom-

## Auguri to Giuliano Amato and Tommaso Padoa-Schioppa



Two members of the recently formed Romano Prodi Government have close links with the Institute, and have offered over the past years a very important contribution to the teaching and

research activities of the European University Institute.

Giuliano Amato, who has been named Minister of the Interior, has been a full-time and later a part-time professor in our Law Department and has been associated to many initiatives, including the work on the Basic Treaty which formed the basis for the study of a constitutional treaty.

Tommaso Padoa-Schioppa, who has been named Minister of Finance, contributed in 1996 to the reflection on the future of Europe, *Europe: L'impossible status quo*, published by a group of scholars and policy-makers 'Le Club de Florence'. He was then closely associated with the Pierre Werner Chair (Robert

Schuman Centre), as member of the Scientific Committee.

The Institute wishes them all the best in fulfilling their important duties in the new government.



ising. In many other instances, the budgetary increases are too often motivated by the need for rescue strategies: too little was done for too long, opening the way to badly-conceived but highly-funded strategies of compensation. Stop and go policies are usually not the best and when it comes to research, they can be useless or even counter-productive. Training researchers is a matter of many years; creating teams is a long and incremental process while destroying them is a matter of days. Everywhere in Europe (starting with the budget of the European Union) the contradiction between public discourse and actual policies becomes more obvious.

In defence of public authorities, it is fair to say that public funding in Europe is comparable to the most developed countries such as Japan or US. The big difference lies in the weak contribution that the private sector gives to research pro-

grammes and initiatives in Europe. The reasons for that failure are many and the diagnosis has been made often that is not worth repeating the analysis. In spite of the changes which have recently occurred, a big effort has still to be made. In a report<sup>1</sup> of a committee of the European Commission that I had the privilege to chair many measures to encourage private giving to research are analysed and proposed to the various stakeholders: citizens, private companies, foundations.

The EUI is itself very much involved in these new strategies. One sixth of its budget comes from resources other than the Member-States or EU contributions. By European standards this is a considerable amount since we have no privileged access to companies (we are not a business school) nor to national foundations. However by international standards (which means benchmarking with the US

universities) there is still a long way to go, and not only in financial terms. There is still a lot of cultural reluctance vis-à-vis this mode of funding research both on the academic side and the private sector. This issue of the *EUI Review* is an illustration of what has been achieved over the past years thanks to the generous contribution of many sponsors from all over Europe. Without this major contribution, needless to say that the Institute would be much weaker. The contributions from our budget guarantee that the skeleton stands on its feet. But the flesh and blood are provided mainly thanks to this external and indispensable income.

YVES MÉNY

<sup>1</sup> 'Giving more for research in Europe: The role of foundations and the non-profit sector in boosting R&D investment', EUR 21785EN, 2005.

## *In memoriam* Floris Allard Marijn Boekholt

15 March 1969-12 April 2006

Floris passed away in Amsterdam on 12 April, after suffering for a year from a brain tumour. He was 37 and leaves a wife, Jeanine Boekholt-Palstra, and two small sons - Samuel aged 2 1/2 and Floris aged 1. He had been working for the law firm Norton Rose in Amsterdam when he fell ill. His wife has asked that his friends and EUI contemporaries write down their memories of him and send them to her, so that his sons will know something of their father when they are older.

The address is: Jeanine Boekholt-Palstra  
Lisdoddelaan 84,  
1087 KA Amsterdam

Floris Boekholt was a researcher in the Law Department from 1995 - 1996. He completed and defended his LL.M, entitled 'Licensing in Europe and Competition Rules: Regulation 240/96 on the Transfer of Technology' in 1996 under the supervision of Karl Heinz Ladeur.

The Law Department and the EUI send their sincere condolences to his wife and children.

# The Stein Rokkan Chair in Comparative Politics

The new agreement between Norway and the European University Institute, signed last September on the occasion of the EUI Conferring Ceremony, aims at strengthening the existing agreement of co-operation in relation to our doctoral and post-doctoral programmes, as well as in the field of research.

An important innovative element of this agreement consists in the setting up and funding of a Chair in Comparative Politics by the Research Council of Norway. This Chair has been named after the great Norwegian sociologist, Stein Rokkan.

Professor Mark Franklin, Trinity College Connecticut, has been appointed to the Chair, beginning at the start of the Academic Year 2006-2007.

## Stein Rokkan 1921-1979:

### The Great Europeanist from the Norwegian Periphery

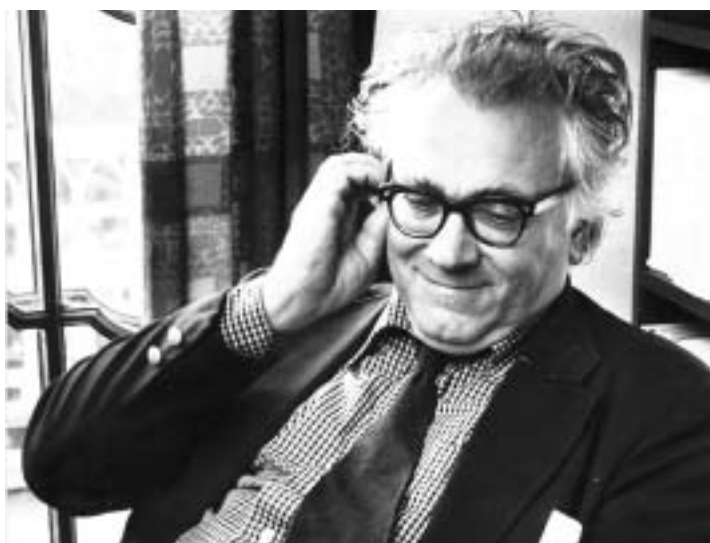
In establishing a Stein Rokkan Chair in Comparative European Politics, the Norwegian Government and the European University Institute rightly honour one of the greatest social scientists of the 20<sup>th</sup> century. The life of Stein Rokkan offers a shining example for any practitioner of the comparative study of European developments. Long after his untimely death in 1979 his writings remain a seemingly inexhaustible source of inspiration for scholars world-wide.

Rokkan was born in 1921 in the outer Lofoten, an extreme corner of what he was to call a seaward periphery of Europe. He studied philology in Oslo, with an emphasis on French. This helped to make him a *connoisseur* of many languages, but seemed still far removed from what was to become a life dedicated to empirical social research. For a second degree, he turned towards political theory, however, which must have alerted him to the critical importance of theoretical concepts. During this time he worked closely with the Norwegian philosopher Arne Naess, who brought Rokkan with him to Paris as a collaborator in an early UNESCO-project on the meaning of 'democracy', a subject of natural international concern after World War II. Soon afterwards Rokkan was one of the first young Europeans who was offered a fellowship by the Rockefeller Foundation for further study in the United States. This brought him into close contact with approaches and methods of modern social science research and led to his life-long association with leading American social scientists. In his case, as in that of other scholars of his generation in Europe, the lessons from American social science were a great stimulus to do research on one's own society, but also raised questions to what extent American findings were applicable in different contexts. Rokkan has spoken of the Survey Research Center at Ann Arbor Michigan as 'the Mecca of empirical research' where he and others were 'in-



tensely trained, if not indoctrinated'. But in engaging in detailed survey research on Norwegian elections, he soon concluded that considerable attention had to be given to the very different party alternatives Norwegian voters faced compared to American voters, and, under-

standably so for someone himself from the Norwegian periphery, what great differences regional factors lastingly exercised on electoral outcomes. This led him and his colleagues to devise new sampling methods, to supplement survey research with ecological data, and to engage in thorough research of processes of long-term mass mobilisation and party formation in Norway. This made him delve deeper into history to questions such as: What was the composition and role of modernising centres? How did 'peripheries' react to such



centres? What role did an official bureaucracy play? When did responsible parliamentary government come about? What were the steps in suffrage extension? What were the major cleavage lines existing at the time the masses were to enter the electoral process? Said differently: the attempt to account for contemporary voting in Norway forced Rokkan and his colleagues back into a thorough study of processes of democratisation and initial mass mobilisation.

Rokkan's work on Norway proves one of his often repeated lessons: there is much to learn from single country studies if one raises the right theoretical questions and one forces oneself to look at individual countries with the eyes of an outside observer. He engaged in close collaborative work with electoral specialists from Ann Arbor, and was to propagate from then on the value of 'paired comparisons', i.e. the intensive comparative study of the experiences of two cases by scholars who are fully conversant with the relevant context of empirical data. But, given his insatiable curiosity, he soon moved into wider comparative study and collaboration, logically so for someone who had already experience in the UNESCO democracy project and who had early on participated in larger comparative survey projects. He became an active participant, and to some extent even a founder, of new international scholarly networks, such as UNESCO's International Social Science Research Council, the International Sociological Association, the International Political Science Association (he indeed was to receive the singular attribute of being asked by both associations at about the same time to become their President!), the looser, but very effective grouping of scholars known as the Committee of Political Sociology, and later: the establishment of the European Consortium for Political Research of which he was the first President (1970-1976). There were other important scholars in the de-

velopment of such organisations, but none who used these so intensively and fruitfully as Rokkan, for whom international meetings and organisations became the instrument *par excellence* for promoting an amazing variety of comparative research projects.

He was a rare phenomenon indeed: a scholar of great learning, who at the same time was a tireless organiser. He took upon himself the most menial organisational tasks and through the publication of reports and the editing of volumes of comparative papers in a large variety of fields, made

international encounters much more important post hoc than they had seemed to many a participant at the time.

Rokkan's organisational genius came out also in other activities. He early on saw the importance of establishing international data archives, to preserve empirical data assembled by one group of researchers for secondary analysis by others. In the first years of computer development, he was instrumental in making new facilities and programs available to different European centres. He alerted scholars in different countries, and often also scholars in their own countries, to work in progress which was relevant to their own research interests. From the University of Bergen, which he made a prominent centre of comparative research from the 1960s, he published a valuable data information newsletter. He brought scholars of different countries together for what he termed data confrontation seminars. He stimulated the organisation of summer schools, to acquaint younger students with quantitative research methods, but had an even greater interest in summer schools which dealt with substantive topics in comparative European developments.

But for all these organisational activities, how did he become one of the greatest scholars on Europe ever? One of his major initial concerns was the comparative study of European party systems. He was well aware of the great variety in the make-up of such systems, given the differing role of religion and ethnic factors; the presence in some systems but not in others of conservative mass parties; variations within the non-socialist camp between conservatives, liberals and agrarian movements; the relative size of communists and socialists (and of leftist parties in general) among the working-class; the very different strengths of fascist and national-socialist movements in European countries in



the 1930s, etc. As he had done in his research on Norway, he studied the genesis of different party systems, and found that political cleavages which had divided societies at the time of initial mass mobilisation remained of lasting importance in most European countries. This led him to put forward his freezing proposition, i.e. the view that 'the (European) party systems of the 1960s reflect, with few but significant exceptions, the cleavage structures of the 1920s'. He sought to analyse the different routes that European countries had followed in establishing responsible government, the entry of new social strata in the political system, and the development of mass democracy. He focused on the specific impact on individual countries of four revolutions: the Reformation, the National Revolution, the Industrial Revolution and the International (i.e. Russian) Revolution. This led him in turn to analyse processes of successful and failed state formation, moving back eventually to the study of institution-building since the High Middle Ages and the importance of geo-political and geo-economic factors over an even longer time-span. In the process he became a man of astounding learning, drawing not only on sociology and political science, but on economics, cultural anthropology, geography, and what not, eventually becoming a macro-historian of a unique stature.

Rokkan's major instruments in developing what he eventually was to term 'a conceptual map of Europe' were constantly refined schemata and typologies. He elaborated these in a constant stream of conference papers and ad hoc publications. His comparative treatment of the great variety of European developments over many centuries is in fact breathtaking, even though his treatment may bewilder those who do not have his detailed knowledge of both the history and contemporary politics of a large number of European countries and thus fail to understand the *explicanda* in the first place. This is further complicated because Rokkan constantly sought to check his analyses against the writings of other scholars. Often he leaned over backwards in trying to fit their terminology and theories into his own framework of analysis, which makes understanding more difficult for those who do not know the writings and reasoning of the scholars he drew on. To some degree, Rokkan was a scholars' scholar. And, further explanation, there is possible truth in the view of those who have noted that Rokkan perhaps never intended his 'modelling' of Europe to be finished, deriving too much pleasure from what he himself called 'his topological-typological approach' to sit down for a final synthesis.

Does this make his work therefore less valuable? Not really. Rokkan remained close to actual historical

developments, and he was a man of great common sense. His work provides a welter of insights on a large number of specific themes. For those who want to do research on any particular subject his writings are easily accessible and highly stimulating. And for those who wish to become familiar with Rokkan's more general work there is the book by the former EUI professor of sociology, Peter Flora, in collaboration with Stein Kuhnle and Derk Urwin, painstakingly constructing from Rokkan's diverse writings his fundamental and enduring contribution to scholarship on Europe: *State Formation, Nation-Building, and Mass Politics in Europe. The Theory of Stein Rokkan* (Oxford University Press, 1999), a book which contains also a list of Rokkan's most relevant writings.

As he did in other international intellectual ventures, Rokkan saw the promise of the European University Institute from its earliest days. He indicated an interest in a possible appointment in the Department of Political and Social Science, and would indeed have been a great asset to the Institute in general. Alas, declining health ruled out that possibility, but even though he suffered from serious kidney trouble, he at least had wanted to join a small group of prominent scholars who manned the first EUI Summer School in Comparative European Politics for younger European university lecturers in 1979. He clung to that possibility, even to the point of already organising from Bergen the possibility of regular dialysis at Careggi Hospital, but had to let go in the end. He sent a young American assistant to attend the program as a participant. She told me at the last day of the course that after her return to Bergen Rokkan would undoubtedly call her into his office the coming Monday, and ask her for the full list of Summer School participants, to be told what promising work the young Summer School participants were doing. Rokkan died the Sunday before.

Tributes to Rokkan in international meetings were manifold. A number of leading journals published special issues on his work. Both the European Consortium for Political Research and the University



Stefano Bartolini and Peter Mair, winners of the 1990 Stein Rokkan Prize

of Bergen have since organised Stein Rokkan lectures, delivered by one prominent international scholar after another. The International Social Science Council established in consultation with the European Consortium for Political Science a Stein Rokkan Prize which is awarded every two years for the best book on comparative social science research by younger scholars. EUI researchers have been frequent winners of this distinguished award: Stefano Bartolini and Peter Mair won the 1990 prize for a joint book *Competition and Electoral Availability: The Stabilisation of European Electorates 1885-1985*, Kees van Kersbergen did in 1996 for his book *Social Capitalism: A Study of Christian Democracy and the Welfare State*, Eva Anduiza-Perea in 2000 for her study on *Individual and Systemic Determinants of Electoral Abstention in*

*Western Europe*, and Daniele Caramani in 2004 for his book *The Nationalisation of Politics* (2004). One has only to consult Stefano Bartolini's latest book *Restructuring Europe. Centre Formation, System Building, and Political Structuring between the Nation State and the European Union* (Oxford University Press 2005) to see one case of the persistent value of Rokkan's work for an understanding of processes of European development to this day.

HANS DAALDER  
Former EUI Professor,  
Head of the Department of Political  
and Social Sciences, 1976-1979

## Rokkan's posthumous agenda

Two years before his death in 1979, Rokkan submitted a fellowship request to the German Marshall Fund Rokkan which listed five priorities he had set for future work. This ambitious research program well illustrates the vast scope of his interests at age fifty-seven:

*First of all comparisons of the mobilisation strategies and successes of organisations in the mass market. Here the task would be to study the degrees of fit between processes of socio-economic change and the mobilisation efforts of mass parties and parallel movements ...*

*Secondly, comparisons of the structures of the mobilising networks: the tie-ins between parties, associations, corporations, the media. Here the task would be to identify dimensions of variation and to review alternative explanations of such variations: degrees of verzuiling, ontzuiling; types of organisational clustering ...*

*Thirdly, comparisons of elite recruitment and elite interlinkages across W. Europe. Here the task would be to identify sources of variation in the consequences of mass mobilisation for the activation of new strata and the opening up of new channels of advancement ...*

*Fourthly, comparison of the growth and the differentiation of the welfare apparatus of the modern state. This is perhaps the most dynamic field of comparative research right now and the one of greatest importance in evaluating my own model. We can distinguish two sets of approaches in this field: the comparative study of steps and sequences in the establishment of social services and the comparative study of public sector growth, whether in terms of specific budgets or in terms of manpower ...*

*And fifthly, comparisons of manifestation of disruptions and breakdowns during the recent crises: inflation, increased industrial unrest, student upheavals, backlash movements against the welfare state, overt violence and terrorism.*

# The Finance and Consumption Programme



Burcu Duygan, Finance and Consumption Programme

The Finance and Consumption Research Programme is hosted by the EUI Economics Department and sponsored entirely by Findomestic Banca and Cetelem. The Programme's convention was first signed on 11 March 1999, when also the Programme's activity was formally inaugurated at the Badia Fiesolana by Enrico Letta, Italian Minister for Community Policies. The Programme's sponsorship by Findomestic and Cetelem was renewed on October 29, 2003.

The Programme focuses on empirical trends and economic policy issues in the fast-evolving consumer credit industry, and is intended to provide a focal point for interactions among academic researchers, industry experts, and policy makers. Particular attention is paid to structural and institutional aspects of credit markets, exploiting the rich diversity of European experiences, and identifying possible paths for the development of a common institutional framework at the EU level.

## Mission statement

The structure of financial markets has broad and important effects on economic development, macroeconomic trends and fluctuations, and individual access to economic opportunities. In Continental Europe, financial markets are currently less developed than those of otherwise similar countries. Housing mortgages and hire-purchase contracts are more expensive and much less common in Italy, France, and Germany than in the United States, and credit cards are fewer in Italy as a whole than in London alone. More generally, many European families hold poorly diversified portfolios, and find it difficult to shelter their consumption patterns from income fluctuations and to distribute resources optimally over their lifecycle.

In the context of the European economic and monetary union process, however, the member countries' economies will unavoidably become increasingly similar to each other as they integrate in a single financial mar-

ket. This market's development might evolve along lines previously followed in the United States and more recently the United Kingdom, and should be closely monitored by policymaking authorities.

Members of the Scientific Committee agreed that the Programme should produce research of the highest possible standard in two areas:

- International and cross-national analysis of consumer behaviour, with particular attention to consumer debt.
- Competitive, institutional, and contractual design issues in formal and informal credit provision, with particular attention to the supply of credit to consumers.

The Programme can build on an established body of theoretical and empirical work in each of the two areas. Its focus on consumer-credit issues, however, offers a novel perspective on both consumers' and banks' problems. On the one hand, the Programme will study how availability or lack of credit may influence broader aspects of consumers' problems, including household portfolio management strategies and consumption patterns over individual lifecycles. On the other hand, the Programme will explore differences and similarities between the industrial organization of credit supply to firms for investment purposes, and credit supply to families for consumption-smoothing purposes. In both lines of research, particular attention will be paid to institutional aspects of the relevant markets, exploiting the rich diversity of European experiences and identifying possible paths for the development of a common institutional framework and market structure at the EU level.

Development of new information and data sources was also identified as a priority aim of the Programme. In cooperation with specialist banks, the Programme will endeavour to collect and make available the relevant institutional information and to prepare suitable data sets for academic research.

## People

Since the academic year 2004/2005, an Administrative Coordinator and a Scientific Coordinator are jointly responsible for the Programme's activities. Giuseppe Bertola is the current Scientific Coordinator who primarily approves and examines research and workshop projects by Fellows and Research Associates. Massimo Motta is the current Administrative Coordinator who oversees the administration of the Programme and in cooperation with the Scientific Coordinator, ensures that the research and organizational output of the Fellows and Associates is within the scope of the Programme.

The Programme employs Research Fellows, Research Visitors, Visiting Research Associates, Part-time

Professors, and Research Assistants. The current Research Fellows who are resident, are Nur Ata, Alena Bičáková, and Burcu Duygan. Nur Ata joined the Programme in September 2005. She is completing her PhD in economics at Universitat Autònoma de Barcelona. Her current research focuses on consumer credit and self-control as well as the role of information risk in asset pricing. Alena Bičáková joined the Programme in November 2005. She defended her PhD thesis in September 2005 at the Johns Hopkins University in Baltimore, USA. While primarily a labour economist, she currently works on the presence of asymmetric information in consumer credit market, the economics of credit counselling, household portfolios, and inequality. Burcu Duygan has been with the Programme since February 2004, the same year she received her PhD degree in economics from The Johns Hopkins University. Her current research centres on household consumption behaviour, household debt and arrears, labour income risk, risk-sharing, inequality, and poverty.

Visiting Research Associates, currently Winfried Koeniger, Mario Padula, Charles Grant and Stefan Hochguertel, hold academic posts elsewhere, but collaborate with the Finance and Consumption Chair under a contract. Charles Grant is a Lecturer at the University of Reading. He completed his PhD at the University College London in 2002. He was a resident Research Fellow at the Programme between 2001–2004, and has been a visiting research associate since then. His recent work has looked at how consumer bankruptcy rules affect consumer borrowing and smoothing in the US, about measuring the incidence and effect of credit constraints among households, and on the effect of taxes on consumer behaviour. Winfried Koeniger, who is a Senior Research Associate at IZA, received his PhD in economics in June 2001 at the EUI and has been with the Programme since 2004. In his research, he analyzes the effects of labour market institutions on economic performance, and in particular the interactions between labour markets and financial markets. Stefan Hochguertel is an Assistant Professor at the Free University Amsterdam and holds a PhD from Tilburg University. He has been a visiting research associate at the Programme since 2004, and was a resident fellow prior to that. His research interests include topics in household financial decision-making, saving, portfolio choice, consumer credit, intergenerational transfers, self-employment, and retirement issues. Mario Padula, who is an Associate Professor at the University of Salerno, received his PhD from University College London in 2001. His research interests are consumption, saving and pension; household portfolio choice; and applied micro-econometrics. He has been with the Programme since 2004.

The Programme also hosts Research Visitors and Part-time Professors. Distinguished visitors have included: Rob Alessie, Christopher Carroll, Christian Gollier, Luigi Guiso, Michael Haliassos, Tullio Jappelli, Marco Pagano, Bruno Maria Parigi, Guglielmo Weber.

A full list of current and past research fellows as well as past visitors can be found at: <http://www.iue.it/FinConsEU/People/Index.shtml>.

## Research activities

The Programme conducts research on theoretical and applied aspects of financial markets and consumer behaviour. The emphasis is put on the international and cross-national analysis of consumer behaviour, with particular interest in consumer debt; and the competitive, institutional, and contractual design issues in formal and informal credit provision, with particular attention to the supply of credit to consumers. The research is disseminated through working papers and publications. A complete list of working papers and publications can be found at: <http://www.iue.it/FinConsEU/ResearchActivities/WorkingPapers.shtml>.

The Programme also organizes joint-seminars with the EUI Economics department as well as conferences and workshops to bring together those working on household consumption, borrowing, and other related research areas. For example, the last workshop of the Programme was on ‘Consumption, Credit, and the Business Cycle’ and was held between 17–18 March 2006 at Villa Schifanoia. The goal of this workshop was to analyze the role of household consumption and borrowing in business cycle dynamics. Topics of interest included: the interaction between household borrowing constraints, the value of household collateral, and aggregate activity over the business cycle; the role of housing wealth in the monetary transmission mechanism; effects of policy shocks or exogenous changes in credit markets on properties of business cycles; and the role of credit frictions in monetary policy design and consumption volatility. The workshop comprised of both theoretical and empirical papers.

The last conference organized by the Programme was entitled ‘Conference on Credit, Consumption and the Macro Economy’ and was held between 14–15 October 2005 at Badia Fiesolana. The conference brought together researchers from leading academic institutions as well as central banks to present their theoretical and empirical work and to discuss new findings on credit, consumption and the macro economy. A series of topics covered included the role of credit and consumption in the business cycle; housing, finance and consumption; household credit decisions; the role of credit markets in the process of development and convergence in the New Member States. The keynote address was given by Loyola de Palacio (BNP Paribas, ex Vice-President European Commission).

A complete list of these activities and their descriptions can be found at: <http://www.iue.it/FinConsEU/ResearchActivities/ConferencesWorkshops.shtml>

BURCU DUYGAN, Research Fellow,  
Finance and Consumption Programme



# The Pierre Werner Chair Programme in European Monetary Integration: The First Four Years of Activities



Giancarlo Corsetti, Pierre Werner Chair

Four years ago, the Robert Schuman Centre established the Pierre Werner Chair Programme in European Monetary Integration, named in memory of Pierre Werner, and funded through the generosity of the Luxembourg Government. This Programme has two interrelated goals. The first is to foster theoretical and policy-related work addressing issues in the process of European monetary integration. The second is to improve scholarly and public understanding of this process, stressing its main merits and limits. The second goal in particular entails developing effective instruments of communication and information, accessible also to non specialists.

The Pierre Werner Programme commenced for an initial 4 year period at the end of June 2002. Now, four years on, it is time to look back at what the Programme has achieved so far, and consider what developments it may pursue in the future.

## **The 'Pierre Werner' legacy: a challenge to the design of the Programme**

Among the most prominent architects of economic and monetary union, Pierre Werner can be counted among those Europeans whose recommendations for policy action were rooted in a clear, coherent vision of an integrated Europe. This vision built on economic, historical and political arguments concerning why economic and monetary integration are necessary for a peaceful and prosperous Europe. Over the years such vision has provided the basis for political initiatives leading to institutional development, keeping the process of European integration alive through many global and internal crises.

As early as the late 1960s, the Werner report defined monetary unification as a long-term goal for Europe, and proposed a blueprint for how to achieve it. The po-

litical and technical issues discussed in the report stimulated a vast debate on European monetary integration for the following three decades or so. At the time of the publication of the Werner report, a European initiative on monetary matters independent of the logic of Bretton Woods (and the North Atlantic alliance) was clearly controversial. In any case, the international economic and financial turmoil of the 1970s brought this early impulse towards European monetary integration to a swift halt.

While the monetary arrangement known as 'the Snake' kept the policy initiative in monetary matters alive – at least symbolically – through the 1970s, it was not before the end of that decade that the political call for European monetary coordination regained the necessary strength to promote institutional development. The launch of the European Monetary System (EMS) at the end of 1978 marked the departure point on the path to monetary union, as envisaged by Pierre Werner. The initial phase of the EMS was met with general scepticism: critics pointed in particular to the enormous differences in inflation and monetary arrangements across Europe. Indeed, the EMS had little influence on domestic policies until 1983, when the French socialist government embraced a policy strategy centred on disinflation. Italy soon followed suit – a sign that the European project had gained renewed political support. A new view of European monetary integration emerged. Policy makers viewed the establishment of a fixed exchange rate as a way to give countries with relatively high inflation rates (France, Italy, Spain etc.) anti-inflationary credibility, injecting monetary and fiscal discipline into domestic institutions. The idea was to 'borrow credibility' from the country with the most successful inflation record, Germany. This asymmetric view of European monetary arrangement was absent from early analyses, including the Werner report.

The Werner blueprint instead had a clear influence on the Delors report, and therefore the Treaty of Maastricht. As in the 1960s, the main issue of concern was to provide a sensible policy plan consistent with long-term European goals. As these goals drew nearer, it was important to get things right on technical grounds, and ensure the conditions for effective policy co-ordination. The vast currency crises in Europe in 1992-93 taught policy makers two important lessons in this respect. First, a fixed exchange rate *per se* is no guarantee for success: countries may not simply import from outside credibility concerning anti-inflation efforts, but need to pursue it as a genuine domestic

goal based on a consistent policy framework at both the domestic and European levels. Second, any failure in policy coordination is potentially quite disruptive in Europe: after 1990, the stalemate between Germany, which had to deal with the macroeconomic costs of unification, and the rest of Europe, struggling under the costs of nearly a decade of disinflation policy, ruled out any international policy cooperation in macroeconomic matters. It took a few years for European leaders to readdress their strategy on both these accounts.

The successful launch of the euro was somewhat helped by favourable international conditions. Strong economic performance in the US through the second half of the 1990s helped that country weather the adverse effects of financial turmoil in emerging markets and the large asset price corrections after 2000; a strong dollar helped Europe via external demand. Current conditions in the international economy, characterised by large global imbalances, seem much less favourable. Europe will have to reconsider its comparative advantages and face the consequences of a likely correction of the US current account.

By far, however, the major challenge to European future is disappointing growth performance, well below what was expected in the process of economic and monetary integration.

Almost four decades ago, Pierre Werner envisioned concrete steps towards monetary unification that were consistent with the idea of European peace and prosperity. Almost four decades later, Europe is urgently in need of a similarly concrete blueprint for policies addressing the main challenges to European policy making in a common economic and currency area. Such a blueprint will reach the very heart of a European economic constitution, involving both national governments and the definition of effective euro-wide economic governance.

The formidable task of proposing such a plan currently is being pursued by a few domestic and European research and policy centres. The PWC Programme here at the EUI aims to provide a significant contribution to this endeavour.

### **The focus of the Programme**

The principal focus of the PWC Programme is economic policy and the political economy of European monetary integration. The Programme aims at identifying policy strategies consistent with the new European economic constitution, and able to foster economic growth and prosperity in a stable macroeconomic environment at both regional and global levels.

The Programme covers a wide range of topics. Below we list the main areas of interest:

- Economic governance in the European Union;
- Enlargement of the European Union and the adaptations implied both for the arrangements for economic

- and monetary union and for the future member states;
- The economic and political requirements and consequences of a revised Stability and Growth Pact;
- Public finance issues in the context of EMU;
- The growth and development of European financial institutions;
- The regulation and operation of financial markets in the European Union;
- The design of monetary stabilization policies, goals and instruments – with a comparative analysis of the experience of the European Central Bank and the US Federal Reserve system;
- The economic and institutional consequences of the Euro in the world monetary system.

The scope and breadth of these areas of interest are meant to capture both the domestic and international dimensions of monetary unions. The first few years in the process of European monetary unification have defeated many a sceptical view about the viability of a European common currency without political integration. Yet the challenges to the project are still formidable as regards the political, economic and institutional developments required to sustain the new monetary arrangement, and to make it consistent with the ultimate goals of the European Union. Specifically, these challenges concern stabilization policies and the correct mix of domestic and area-wide policy impulses. Many observers have been critical of the use of fiscal and monetary policies in the Euro area: is there room for improving these policies, making stabilization policy more aggressive, and ensuring that fiscal policy is counter-cyclical?

Stabilization policies interact with structural reforms and economic processes that are changing the European economy, and creating a new context for policy making. Is there scope for improving macroeconomic governance in Europe, vis-à-vis the ultimate goals of raising growth and standards of living?

By the same token, the launch of the euro has modified the international monetary system, raising issues in the international transmission of shocks, the adjustment to global imbalances, and forms of international policy coordination. The introduction of the euro is widely regarded as a new model of monetary cooperation – where financial and monetary institutions are integrated in a deeper and faster fashion than political and legal ones. In the future, this new model could in principle be adopted in other areas of the world. Global economic modelling, and the shape of international policy action, may need to be re-considered in the new context.

As mentioned at the beginning of this text, a specific objective of the Pierre Werner Chair Programme is to improve public and scholarly understanding of economic policy issues in a monetary union, promoting dissemination activities and publications that raise public awareness of these issues, directly targeted to an

audience of students and non specialists. This objective is a defining characteristic of the Programme, as correct and accessible information on policies is essential for making the process of European integration a truly democratic undertaking.



Pierre Werner

### The people in the Programme

The Programme is co-directed by Helen Wallace, Director of the Schuman Centre, and Giancarlo Corsetti, appointed Pierre Werner Chair in September 2003. The Advisory Board is chaired by Tommaso Padoa-Schioppa, former ECB board member, and composed of: Leszek Balcerowicz, President of the Bank of Poland; Charles Bean, Chief Economist of the Bank of England; Luis Angel Rojo, Fundación Ramón Areces; Axel A. Weber, president of the Bundesbank; and Charles Wyplosz, Professor of Economics, Graduate Institute of International Studies, Geneva.

The Programme benefits from the joint contributions of PWC visiting professors and fellows (see below), and professors at the Institute. These include especially Prof. Rick van der Ploeg (joint Robert Schuman Centre for Advanced Studies and Economics Department); Prof. Morten Ravn (Economics Department); and Prof. Giovanni Federico (History Department). In addition, since autumn it has benefited from numerous fellows in residence, including Dr Michele Ruta (JMF). Prof. Mike Artis (Robert Schuman Centre for Advanced Studies) was an active contributor to the programme until 2005, when he left for the University of Manchester. He still occasionally co-operates with the activities of the Programme.

The activities of the Programme will also benefit from and be coordinated with the new Max Weber Programme at EUI, which will bring in post-doctoral fellows in all the disciplines taught at the EUI.

### Programming

The activities of the PWC Programme are varied, ranging from sponsored research by visiting research fellows programme, to organising workshops and conferences, and publishing policy-relevant results.

Below is a brief account of the main activities, drawing from the Programme's past annual reports.

### Visiting Professors and Fellows Programme

The PWC has a *Visiting Professors and Fellows* programme, targeted at international researchers capable of contributing to different theoretical and policy-related topics of interest. Among external researchers, fellows who have participated in the programme so far include Prof. Ester Faia (Universitat Pompeu Fabra) in 2004, Prof. Roel Beetsma (University of Amsterdam) in 2004, Prof. Paul Bergin (University of California, Davis) in 2004 and 2005, Prof. Charles Engel (University of Wisconsin) in 2004, Prof. Nouriel Roubini (New York University) in 2004, Prof. Paolo Pesenti (New York Federal Reserve Bank) in 2004 and 2006, Prof. Philippe Martin (University of Paris-1 Pantheon Sorbonne) in 2004, 2005 and 2006, Prof. Mikael Carlsson (University of Uppsala) in 2005, Dr Luca Dedola (European Central Bank) in 2005, Dr Sylvain Leduc (Federal Reserve Board) in 2005, and Dr Pedro Teles (Banco do Portugal) in 2005. Scheduled visitors for 2006 so far include Prof. Alessandra Casella (Columbia University), and Prof. Sergio Rebelo (Northwestern University).

During 2005, the PWC Programme began to develop new initiatives involving the contribution of domestic and international monetary authorities. In particular, with the support of the Advisory Board of the PWC Programme, the European University Institute has promoted new activities and sought new partners as a means to pursue new lines of research and dissemination.

A competitive Pierre Werner scholarship/fellowship targeted at researchers employed in central banks and national monetary authorities has been established with the aim of fostering collaboration across institutions and academia. These fellows will be in-residence at the Robert Schuman Centre, a research environment which facilitates intensive scientific interaction. The visiting fellows will in turn participate in the Centres' activities. The first call for application was published in the fall of 2005.

Within the framework of the Robert Schuman Centre, the Pierre Werner Chair Programme has been one of the promoters of a research concentration in economics focused on European Growth (discussed below).

### Seminar Series and Policy Makers' Lectures

The PWC has sponsored a *seminar series* soliciting both public policy and academic experts on the wide range of topics of interest to the programme. Most of these seminars are conducted in cooperation with other programmes at the Schuman Centre or departments in the EUI. This allows the Programme not only to exploit synergies, but also to create a stable audience at the Institute with members coming from a range of fields and disciplines. The PWC seminar in the RSC is now

considered a high profile event by researchers from the Institute as well as those from the local community. In addition to the seminar series, the Programme has also promoted a series of *policy makers' lectures*, with the generous collaboration of the members of the Advisory Board, and occasional roundtables on emerging policy issues. The seminar series in 2005 opened with four lectures by Dr. Padoa-Schioppa on International Policy Coordination, and will be developed into a book with the contribution of the PWC.

### International workshops and conferences

The PWC Programme has focused its resources on hosting *international workshops and conferences* on selected topics including 'Fiscal Aspects of the EMU,' (2003) 'Governance and Legitimacy in EMU' (2003), 'Enlargement and EMU' (2003), 'Open Economy Models and Policy in the Development of the European Economy,' (2004) and 'Inflation, Interest Rates and Relative Prices' (2005). The last workshop was organised in collaboration with Northwestern University. In June 2006 the Programme will sponsor an international workshop on 'Political and Institutional Constraints to Growth: Lessons for the European Union.'

These initiatives aim at promoting a discussion of the main policy issues in the process of European integration, and marry rigorous scientific analysis with the dissemination of policy-relevant conclusions. Future conferences include an international scientific conference and policy panel on 'Europe and Global Macroeconomic Adjustment', and international workshops on topics related to financial market integration and macroeconomic stability.

### Dissemination activities

As regards *dissemination activities*, all seminar series and meetings have created opportunities for various types of publications. Two specific activities under development are worth mentioning. First, the PWC sponsors the Euro Homepage at the IUE, a vast web site containing analyses of European Economic and Monetary Integration and an extensive reference list. The site was previously hosted by Yale University, with the goal of promoting transatlantic and international dialogue on progress in the construction of the European single market and monetary integration. The website is potentially important as a means of disseminating European policy analysis, as a source of information for the public-at-large, and as a mirror of current academic and policy debates. The webpage is currently under construction. Collaboration by people at the institute from various disciplines and backgrounds is welcome, and strongly encouraged.

A more ambitious plan by the PWC consists of the promotion of a Europe-wide network, including several centres of excellence, with the goal of building a European Virtual Lab in International Macroeconomics (EVLIM). General equilibrium economic models

have been increasingly adopted by monetary authorities and international organisations as a tool for policy analysis. These models are quite powerful, and have already been successfully integrated with other more traditional tools of policy research and policy design. The goals of the lab are (a) to promote scientific research to develop these models further, addressing areas in which model design lags behind empirical and theoretical research; (b) to make policy models more accessible, explaining which questions they are suited to address, which mechanism underlying the results, how to interpret their outcome (i.e. making them less of a black box); (c) to promote training of young researchers on the design of policy models, and to integrate these models into universities' curricula. This project is under consideration for external funding by several institutions.

As regards the pedagogical goal, the PWC is promoting the writing of graduate texts on stabilization policy. The strategy is motivated by the following observation. While the theory and practice of stabilization policy in Europe as well as in other areas of the world have made substantial and important progress in the last decade, the technical content of the new developments is quite demanding. This has two important consequences. First, the strategy and actions of (European) monetary authorities may not be sufficiently understood by the general public. Second, teaching of economic policy in most universities is still based on models that cannot easily account for the new stabilization rules, making the communication between policy makers and the public quite difficult. Consistent with the Programme's specific goal of promoting works that can bridge the resulting gap, the Pierre Werner Chair is promoting a graduate text which shows how potentially intricate analysis of stabilization could be presented in an accessible graphical apparatus similar to the popular IS-LM model, without compromising on a rigorous analytical framework. This aim of this text is to provide university teachers with a tool to rethink European Union-wide policy issues in the new framework, in a way that could become immediately accessible to undergraduates. Currently, several texts which will eventually become chapters of this textbook are used for specific lecture series in Universities, central banks and international institutions.

### The Pierre Werner Chair and the 2005-2006 European Forum on Growth in Europe

For the academic year 2005-2006, the Robert Schuman Centre has promoted a European Forum on 'A growth agenda for Europe'. The activities of the Pierre Werner Chair have benefited from concentration of research on the European economy by post-doctoral fellows. Topics include financial obstacles to growth; supply-side and regional determinants of economic growth; public finance contribution to economic growth; analysis of governments and the political system failures due to rent-seeking, lobbying and lack of competitive pressure; historical dimension and precedents for the current international system and the process of



globalization. Pierre Werner Chair researchers are also expected to contribute actively to the forum, integrating real and financial aspects of research activities.

The PWC has provided strong support of the topic of the current European Forum. Throughout 2005, European policymakers have progressively accepted the idea that medium to long run growth rates in Europe are much lower than previously anticipated. This revision in our view of medium and long-term growth rates has potentially important implications not only for fiscal policy (structural fiscal target may need to be revised) but also for monetary policy. Some aspects of the ECB monetary strategy, designed with reference to real growth rates around 2,5 percent, may need to be revised. If only for this reason, the outcome of the forum is highly relevant for research sponsored by the PWC Programme.

#### Looking ahead

The Pierre Werner Chair Programme provides the framework for theoretical and policy work on monetary unions at the European University Institute, promoting policy-relevant research by students, researchers and visiting fellows. In the first four years of its activities, the programme has gained internation-

al visibility, and increasing weight in the international debate on the appropriate policy framework in the euro area. The Programme has established links with both universities and international institutions to promote high-profile scientific and policy initiatives.

Many of the initiatives launched during the course of the first four years of the programme are now coming to maturity: the visiting programme is now in full swing; dissemination work on stabilization policies is proceeding smoothly; the focus on growth has led to an international policy initiative in the framework of the ECB watchers; national central banks are collaborating with the Institute to launch policy initiatives and conferences on the integration of national economies into the euro area.

At the end of June 2006, the Grand Duke Henri I<sup>er</sup> will be visiting the EUI. On this occasion Prime Minister Juncker will deliver a lecture within the framework of the Chair. This visit will be an opportunity to thank the Luxembourg government for the support for the programme, and reconsider its main activities and initiatives in light of its long-term objectives.

GIANCARLO CORSETTI, Pierre Werner Chair

2-3 June 2006

## Political and Institutional Constraints to Growth: Lessons for the European Union

Organized by Prof. Giancarlo Corsetti (EUI), Prof. Jamele Risolini (University of Warwick), Dr Michele Ruta (EUI) and Prof. Rick van der Ploeg (EUI).

#### Objectives:

In March 2000, EU leaders meeting in Lisbon designed a strategy to foster sustainable economic growth in the European Union. The Lisbon Strategy, as it has come to be known, is a comprehensive and interdependent series of reforms. Unfortunately, the objectives of the Lisbon Strategy have not been achieved, and a recent and much debated report by the High Level Group chaired by Wim Kok argues that political and institutional, more than economic, constraints seem to be key to understanding its failure.

What are the political constraints that impede growth in Europe? What are the institutional solutions? Why do governments choose to support the Lisbon Strategy and then fail to implement it?

The broad objective of this Workshop is to bring together the analysis of economists working in different areas such as politics of economic policy-making, financial obstacles to growth, supply-side determinants of growth, public finance and growth, and to draw lessons on the relevant political and institutional constraints in Europe.

Among the external participants: Gerard Roland (University of California, Berkeley), Jaume Ventura (Universitat Pompeu Fabra), Francesco Caselli (London School of Economics), Alessandra Casella (Columbia University), Romain Wacziarg (Stanford University), Nicola Gennaioli (Stockholm University), Romain Ranciere (Universitat Pompeu Fabra), Jose Tavares (Nova University Lisbon).

## The Vasco da Gama Chair

The Vasco da Gama Chair on the History of the European Expansion at the EUI was founded on the initiative of the Portuguese Government in 1990. Professor Kirti Chaudhuri, a leading historian of the Indian Ocean and a world expert on the English East India Company, held the Chair for eight years. I started my tenure in October 2000. From the beginning, I have tried to focus the Chair on three different thrusts: the general orientation that has been given to the Department of History and Civilization, a commitment to respect the needs of researchers and their own undertakings, and an ambition to participate in numerous debates that cut across the fields of the history of colonialism, imperialism, and the relations between Europe and the world.

In fact, the Department of History and Civilization is nowadays a unique centre for rethinking the History of Europe, taking a *longue durée* perspective, overcoming a national gaze and stressing comparative research. This is a result of a profound and militant reorganization towards a well defined doctoral program, combining archival research, tutorial sessions, departmental and research seminars, as well as different types of workshops. In this context, the European colonial legacy with its archival richness and its own traditions of debate has been offered as a fruitful domain of research, in order to rethink the history of Europe. For example, the question of colonial violence – a feature usually forgotten by the official agendas that define European values – emerged under the form of civilizing missions promoted by the state and institutionalized powers, as well as practical experience suffered by resistance groups. In any case, different types of historical inquiries regarding European colonialism have been used to liberate historical research from the political and cel-

ebrative uses of the past. Therefore, if celebrative views always tend to emphasize linear visions of historical themes, a critical view of colonialism – the one that I have been interested in promoting – ought to deal with more fragmentary, heterogeneous, and forcibly analytical inquiries.



Diogo Ramada Curto, Vasco da Gama Chair

My collaboration with other colleagues of the Department of History and Civilization, mostly with Prof. Anthony Molho, is perhaps the best sign of the importance ascribed to joint projects and collaborative seminars. In fact, we have been able to put together workshops and teaching programmes on a variety of topics such as: Commercial Networks during the Early Modern Period; Describing the World and Travel Accounts; Histories of Europe, History and Social Sciences (with the participation of members of all the other departments of the EUI), Europe and the World, Defining the Otherness (with the collaboration of Professors Romano and Calvi), and we are also preparing a new seminar on World History for next year. In the framework of my collaboration with Anthony Molho the organization of Summer Courses for young journalists and high school teachers, over a period of four years, was particularly rewarding. The goal of these courses

was to rethink the History of Europe, around four clusters: Images of Europe, Empires, Frontiers, and Movements of Population. A book on the Images of Europe will be published next year with the scholarly results of that collaboration, which also involved fifteen other historians.

A second dimension of my Chair is made up of a full engagement with the doctoral dissertations of researchers working under my supervision, and all the researchers of the EUI interested in matters of imperialism and colonialism. Thirteen students have been working under my direction (two have already finished) and two others will, next year, receive a Vasco da Gama grant. If individual tutorial sessions established on a weekly basis appear to be the best way to answer the needs of researchers that arrive at the EUI with different backgrounds, I consider that it is as a group – because of its dynamics and because it is able to develop forms of internal criticism – that the best results have been obtained. The organization of research seminars and workshops on the area of Colonial Studies and Imperial Political Cultures is directly related with common interests shared by the same group of students.

As happens in any intellectual community, ours is characterized by a sense of collegiality and simultaneously by many debates. In fact, a particular tension has been created around an opposition between two perspectives: on the one hand, the consideration of the determinant character of the colonial state and other powers, associated with the existence of economic and social structures; and on the other hand, the valorization of the forms of agency played by minor actors and subaltern groups, who with their own memories and subjective practices were able to construct alternative stories of the colonial

encounter. The working papers on Colonial Ideologies (already published) and on Agency in Colonialism (in preparation) are the best way of documenting the work that has been done by all the researchers, where the respect for the development of each individual project finds a bridge with the outlook of a collective and highly committed group. The large spectrum of individual projects underway should be seen as a sign of the richness of the field covered by the Chair. Here are some examples: World Cartography in the fifteenth century in Italy; the debate on European acculturation exemplified by the question of the Malabaric Rites; the creation of a network of trade dealing with Brazilian diamonds; the voice of African slaves particularly women in Danish West Indies; the existence of Italian and Greek trade diasporas working in India under British imperialism; the British colonial state in Cyprus; nationalist movements in Angola during the 20<sup>th</sup> century; and memories of the white settlers of Belgian Congo.

A third dimension of the Vasco da Gama Chair respects directly my own research projects and how they cope with some of the most intense historiographical debates going on in the field of European expansion, colonialism, and world history. My research focuses primarily on the History of the Early Modern Portuguese Empire. I am currently finishing a book on the History of Portuguese imperial culture from the fifteenth to the beginning of the nineteenth centuries. This book argues that Portuguese imperial culture relied heavily on the existence of colonial projects. In order to understand the meaning and the context of these projects, one should place the Portuguese – with their actions and discourses – in the landscape of their empire. Based on this argument I intend to challenge euphemistic interpretations of the Portuguese empire. By these I mean those that under the pretext of an apparent sophistication of the notion of a trade network or the participation of the Portuguese in a



Jorge Sampaio, former President of Portugal, at the inauguration of the Vasco da Gama Room, EUI Library

sort of world-wide connecting histories, have been contributing to restore strongly ideological views of the exceptionality of the Portuguese in the Tropics. As a guiding historiographical framework to my own research in this field, I am also in the process of editing Charles Boxer's *Opera Minora* (15 volumes, of which eight are now completed). Meanwhile, a comparative interest in the study of other empires and other phases of imperialism and colonialism – expressed in the supervision of theses, as much as in the organization of books and workshops – has been extremely useful. However, if my analytical effort to reconstruct the meaning of Portuguese colonial projects in the larger context of world history tends to reinforce the role of the colonial state, I am also interested in reconstructing the meaning of the different actions – from collaboration to resistance – of the different people encountered or colonized by the Portuguese. This is, therefore, the topic of my latest book project. In the same field, the proceedings of a series of international conferences organized under my initiative – which mobilized almost seventy historians – have been already published or are in print, focusing on different aspects of the History of European Expansion during the Early Modern Period (cartography; Jesuits as intermediaries; imperial literature; colonial cities; imperial careers; 1640 in a

global perspective.) A volume on *Portuguese Oceanic Expansion* that I co-edited for Cambridge University Press will also be published this year. In parallel, I am also coordinating the Portuguese and Brazilian collaboration to the *Routledge Encyclopedia of Colonialism* (2009) directed by John MacKenzie.

Another field of my own research projects deals with Portuguese political culture during the period of Spanish imperial domination. I am now preparing a new book concerning the forms of national feelings that were constructed in Portugal and in the Portuguese empire during the period of the Spanish kings, which means Philip II to Philip IV. My emphasis on national feelings and patriotic consciousness are a clear reaction towards recent perspectives of political history that tend to forget their centrality during the early modern period. This amnesia is a result of works on nationalism that in the last thirty years associated the concept of nationalism exclusively with modern times, as much as it is a consequence of a trauma brought about by the Iberian dictatorial regimes that until the 1970's over invested on the national dimension of the past. I claim that the study of forms of patriotic and national feeling in Portugal from the last quarter of the sixteenth century to the second

## Portuguese Oceanic Expansion, 1400 to 1800



Edited by

Francisco Bethencourt  
University of London

Diogo Ramada Curto  
European University Institute in Florence, Italy



half of the following century create a new agenda of research, and cannot be taken as a simple revisionist strategy. The analysis is carried out in very precise contexts and is articulated with three other dimensions: popular political culture, ritual and ceremonies, and State institutions at work. This book will go into publication next year.

I am also working in two other different areas of research that I consider to be profoundly linked: the history of written cultures and the history of learned disciplines as they have been created since the Enlightenment. In fact if the history and sociology of books and written cultures can fertilize the study of learned disciplines and their authors, at the same time, the study of written cultures cannot put aside the most elaborate forms of consciousness about the role of written practices. It is for this reason that my works on the history of

books and reading practices – where I am putting together articles and chapters previously published – focus on questions of categorization, classification, and the process of formation of learned disciplines. Furthermore, my studies on the formation of disciplines – criminology, ethnography, the history of literature – and the systematic analysis of different authors translated into Portuguese in my series *Memória e Sociedade*, have benefited from the methods of contextualization and of reconstructing the meaning of the texts exercised in the history of written cultures. At present, book projects in these two different fields are in

This is a direct consequence of the militant spirit towards a constant development of historical research experimented in the Department of History and Civilization, the commitment of all my students working on subjects touching the history of European expansion and colonialism, and the opportunity of developing my own research projects in parallel to the organization of other collective initiatives with an international scope. These are also the reasons that make the EUI a unique institution to conduct historical research and to rethink critically the History of Europe.

DIOGO RAMADA CURTO,  
Vasco da Gama Chair



the phase of negotiation with publishers in order to come out next year.

For all these reasons, I have no hesitation in admitting that the last six years at the EUI have been for me a period of rich and intense work.



# The Swiss Chair on Federalism and Democracy



Alexander Trechsel, holder of the Swiss Chair (right) with José Barroso, Commission, and Peter Mair, EUI

## What is the Swiss Chair?

In 2002, thanks to the generosity of the Swiss government, the Swiss Chair on Federalism was founded within the SPS Department. Key figures in Swiss politics, the Minister of Interior and former President of the Confederation Pascal Couchepin, the Secretary of State Charles Kleiber, and Ambassador Alexis Lautenberg played a crucial role supporting the establishment of the Swiss Chair. After an initial 'pilot phase' of three academic years (2002-05), during which Prof. Jürg Steiner and I held the chair on a part-time basis, the current academic year saw the birth of a full chair, allowing the appointment of a full-time professorial position, which I have the honour to hold since September 1<sup>st</sup> 2005.

At its inaugural conference in June 2003, the Swiss Chair's profile was still concentrating on the study of federalism. With the consolidation of the Chair into a full-time Chair, its scope was extended. As a tribute to Switzerland's century-old political institutions, the chair's teaching and research activities now concentrate on both federalism and democracy. It is also understood that bringing Swiss politics to the Institute, developing ever-closer ties between the EUI and academic institutions as well as the federal and cantonal governments in Switzerland is a central goal of the Chair. Despite its non-membership in the EU, Switzerland lies at the heart of Europe and is academically more and more integrated in the European research space, producing research – also in the social

sciences – of the highest standards. Not surprisingly, many professors, fellows and researchers of the Institute are either Swiss or have spent a significant amount of their studies and/or professional careers in Swiss Universities. Furthermore, including Switzerland in comparative research is of growing interest, in particular in the fields of Europeanisation and, more generally, European integration. The Swiss Chair's ambition is to institutionally strengthen these 'natural' linkages that have emerged over the Institute's 30 years of existence. If successful, this endeavour will result in a classic win-win situation, in which Switzerland will profit from the EUI's European focus and vice-versa. A first, tangible result is the creation of the 'European Union Democracy Observatory', or EUDO (see page 26).

## Who is the Swiss Chair?

Today, I am the holder the Swiss Chair in Federalism and Democracy after having appointed by the Academic Council in June 2004. Ms. Gabriella Unger is the Chair's secretary.

*The Chair holder.* I arrived from the University of Geneva, where I also received my PhD in political science. My fields of expertise are perfectly congruent with the chair profile. I have extensively worked – and still do – on the institutions of direct democracy in Switzerland and elsewhere (referendums and popular initiatives), electoral behaviour (election studies), electronic democracy (in particular e-voting), comparative federalism and European integration.

*The Chair secretary.* The funds for the chair also provide for a part-time secretary, Ms. Gabriella Unger, an experienced administrator and secretary, who is fluent in German, French, Italian as well as English.

## Most recent achievements of the Swiss Chair

### *Teaching and supervision*

– During the academic year 2005/06, I first taught a seminar on the topic of 'The Future of Democracy in Europe', building up on my previous research conducted jointly with Prof. Philippe C. Schmitter. The seminar was regularly attended by 17 researchers from the SPS Department, the Law Department and visiting students. It focused on trends, analyses and reform proposals for democracy in Europe, providing the researchers with a better theoretical and empirical understanding of this important topic in political science.  
– The second seminar taught under the auspices of the Swiss Chair was entitled 'Federalism and the European Union', also attended by researchers from both the SPS

and the Law Departments as well as by a visiting student. They were offered an exploratory trip across the world of federalism, which remains one of the most debated upon concepts in both constitutional law and political science. The seminar showed how federalism has emerged as a form of the modern state that comes in various institutional and functional settings and that offers a wide playground for competing hypotheses concerning regime stability, policy output and outcomes, protection of minorities, conflict resolution, European integration etc.

– During the third term, I organised two workshops, the first one dealing with new forms of research in the field of electoral behaviour, the second (co-organised with Prof. Laszlo Bruszt and Prof. Peter Mair) focusing on the question of democracy and accountability.

– In 2005, the Swiss Chair recruited its first three PhD students. Under my supervision, they currently work on topics close to the Swiss Chair, namely federalism, electronic democracy and political behaviour. From the fall of 2006 on, the number of my PhD students will be doubled.

#### Research

– Over the past year, I continued with my research on comparative federalism, giving the European Union constitutionalising efforts particular attention. The results of this work were published in the special issue of the *Journal of European Public Policy* (JEPP 12, 3) entitled ‘Towards a Federal Europe?’ which I also edited. The special issue will also be published by Routledge in the early summer of 2006.

– I have also co-authored a new textbook on Swiss Politics, together with Prof. Hanspeter Kriesi (University of Zurich). The book manuscript is currently being finalized and will be published by Cambridge University Press in 2006, under the title *The Politics of Switzerland – Continuity and Change in a Consensus Democracy*. The textbook focuses on structures, processes and policies of the Swiss political system, raising issues of general interest in an interdisciplinary manner. It sheds new light on the richness of Swiss political institutions, Switzerland’s refined political arrangements and current reforms.

– Following up on my contribution to the World Summit on the Information Society in the fall of 2005 in Tunis, the Council of Europe entrusted the Swiss Chair with the co-ordination of an international research project on e-voting in the Estonian local elections. In October 2005, this EU Member State held the first country-wide, e-enabled elections in the world. Fabian Breuer (SPS, 4<sup>th</sup> year) and I co-authored this study, containing the analysis of a large-n telephone survey among the Estonian electorate. Guido Schwerdt (ECO, 4<sup>th</sup> year) contributed to the econometrical analysis of this rich data set. The results will be published by the Council of Europe in 2006. Directly linked to the success of this research project and the large attention it received from Council of Europe Member States, the Council of Europe invited me to become a member of its newly set up expert committee on e-democracy.

– Still in the field of e-democracy, I contributed, on behalf of the Federal Chancellery of Switzerland, to a study on internet and sms-voting in the canton of Zurich in the fall of 2005. This study was commissioned to the e-Democracy Centre (<http://edc.unige.ch>), co-ordinated by myself since its establishment in 2003, a joint-venture between the Research and Documentation Centre on Direct Democracy (c2d) at the University of Geneva, the EUI and the Oxford Internet Institute of the University of Oxford.

– In the fall of 2005, a very large research programme was launched in the social sciences, funded by the Swiss government and led by the University of Zurich. The programme’s title is ‘Challenges to Democracy in the 21<sup>st</sup> Century’ and I am currently one of the principal investigators in a research project that is part of the programme, together with Prof. Andreas Ladner (University of Bern), Heiri Leuthold and Michael Hermann (both from the University of Zurich) on smartvoting-technologies (<http://www.smartvote.ch>).

#### The future of the Swiss Chair

Following its promising *début* at the EUI, the Swiss Chair will try to continuously work towards the achievement of its ambitious goals. One of the most significant – if not the most significant – initiatives taken by the Swiss Chair was the establishment, in March 2006, of the ‘European Union Democracy Observatory’ (EUODO) at the EUI. The idea behind this observatory, its set-up as well as its future website were presented to the President of the European Commission, Mr. José Manuel Barroso, during his visit to the EUI on March 31<sup>st</sup> 2006. This issue of the EUI Review gives the EUODO team the same opportunity, reaching not only the entire EUI community but also any ‘external’ reader.

On a personal note, and to conclude, I believe that Switzerland’s qualification for this year’s World Cup, in which the 32 best national football teams will compete, is truly remarkable. Not many observers would have thought that this could become reality. Undoubtedly, Switzerland’s involvement in the academic landscape of the EUI will not receive as much attention as its football players in Germany, but the fact that this tiny country funds a full-time Chair at our institute is just as remarkable. And, again, not many observers would have thought that this could become, one day, reality. In times of budgetary restrictions, of a public opinion still deeply divided on the question of Switzerland’s possible future membership in the EU, the Federal Government’s will to establish such a close academic link with the EUI should not be underestimated. It is a signal for Europe, as much as it is a signal for Switzerland.

ALEXANDER H. TRECHSEL,  
Swiss Chair, Department of Social  
and Political Sciences

25th Jean Monnet Lecture

*“Uniting in Peace:  
Law as the Foundation and Flame of Europe”*

by JOSÉ MANUEL BARROSO

*President of the European Commission*



European University Institute, 31 March 2006





President, cher Yves Mény  
Ladies and Gentlemen,

Let me start by saying what an honour it is to be invited to give the Jean Monnet Lecture, 30 years after the European University Institute first opened its doors to students.

My celebrated predecessor, Walter Hallstein, championed the idea of a European University as far back as the 1950s. Despite resistance and long delays, he lived to see his dream come true, albeit in a more modest form than his early ambitions. Modest in conception, maybe, but not in achievements. You can be proud of the major contribution this Institute has made, and is continuing to make, to the European project. [...]

Walter Hallstein [...] is also famous for insisting on the cen-

trality of law to the very concept of Europe. This should come as no surprise: as the first President of the newborn European Commission, he took his institution's responsibilities as guardian of the Treaties very seriously. And a guardian of the Treaties is a guardian of European law.

In his book *Europe in the Making*, Hallstein described the European Community as a 're-

markable legal phenomenon', a manifestation of law on three different levels.

Firstly, the Community is a *creation* of law. It is this, at the end of the day, which has allowed the successful and peaceful unification of our continent, when all previous attempts to unite Europe by force have failed.



Secondly, the Community is a *source* of law. This is the spark of fire which brings life and dynamism to what would otherwise be just another association of states. The Commission, with its largely exclusive right of initiation, has a central role to play here. It is the motor of Europe's lawmaking engine.







Finally, the Community is a legal *system*, a coherent order based on treaties and legislation. Unlike international organisations, it is neither a talking shop nor a technical operation set up simply to ensure that single market rules are correctly applied, for example. Like all true legal systems, the Community guarantees the legitimacy of action by its institutions, and offers legal protection to those affected by those actions.

So when people speak of 'European Community law', they are speaking about a substantive part of what the EU is all about. In fact, it is the Community law, its role and its effect that distinguishes the EU from a mere intergovernmental organisation.

[...]

My Commission has therefore stepped up our efforts to ensure high quality legislation. A clear, efficient, high quality and accessible regulatory environment is a precondition for respecting subsidiarity and proportionality; for improving governance and citizens' perception of the



EU; and for achieving the Lisbon objectives of sustainable growth and jobs.



It is not necessarily about doing less, it's really about doing better. It's about ensuring that the necessary legislation is brought to effect, and that the unnecessary legislation doesn't stand in their way.

What does our initiative mean in practice?

Firstly, we have made greater efforts to assess the impact of our legislative proposals. All policy initiatives in the Commission's annual Work Programme are now subject to impact assessment, and increasingly other major legislation is being assessed as well. Their impact is considered across the whole social, economic and environmental spectrum. I would in particular like to emphasize that my Commission has made sure that full-fledged scrutiny against the Charter of Fundamental Rights is now also an essential component of this process. Crucially, the Council and Parliament have also agreed to carry out impact assessments on any substantive amendments they make to Commission proposals.

Secondly, my Commission has screened all pending legislative proposals adopted by the Commission before 2004 for their impact on competitiveness and for their general relevance.

This went beyond the regular Commission exercises to withdraw pending proposals that are no longer topical. Of some 185 pending proposals dating from before 2004, 67 were earmarked for withdrawal.

European institutions, but also of the Community and the Member States. A mutual learning process in which we compare experiences and regulate better on all levels.



to celebrate. The fact that we strive to improve it only underscores this. Because it is the things we cherish that we aim to perfect. Thank you.

Note: Selected extracts only. The complete version of President Barroso's Lecture is available at: [www.iue.it/PUB/JeanMonnetLecturesPDF/JMLBarroso2006.pdf](http://www.iue.it/PUB/JeanMonnetLecturesPDF/JMLBarroso2006.pdf)



Finally, we have launched an ambitious, rolling programme for the simplification of existing EU law. This programme, based on input from the Member States and stakeholders, lists some 220 basic legislative acts to be reviewed over the next three years. The Commission has already started delivering on this. But our performance is only half the story if these efforts are to succeed. Other institutions must also adopt simpler legislation, and Member States need to transpose and apply EU legislation correctly.

And let me add one crucial truth: our efforts will remain incomplete if 'better regulation' is seen as a problem just for 'Brussels'. The reality is that the Member States face exactly the same problems when it comes to national legislation than the ones we are confronted with regard to Community law.

This is why we intend the 'better regulation' effort to become a common effort not only of the



[...]

It is easy to criticise Europe, to focus on its weaknesses, on the occasional setback and row. But I think if Walter Hallstein, or even Jean Monnet himself, were alive today, they would be astonished at how far we have come and how much we have achieved.

European law is not some alien imposition forced on unwilling nations; it is the key which has unlocked 50 years of peace and prosperity for the peoples of Europe. And I think that is something to be proud of and





# The Transatlantic Programme and the New Transatlantic Studies Chair

## Overview

The Transatlantic Programme of the Robert Schuman Centre for Advanced Studies conducts policy-oriented and basic research on the subjects of transatlantic relations and transatlantic governance. From the programme's inception, it has focused on three principle areas of the transatlantic relationship: political and security ties, trade and regulatory issues, and monetary and financial conflict and cooperation. The Cold War's end has redefined the context in which the transatlantic relationship operates. With that new context have come complex new developments—recurring armed conflict in the Balkans, the Middle East and elsewhere, increasing scope for global trade and regulatory agreements, the introduction of a single European currency and the continuing globalization of finance. Given the pivotal role that the transatlantic partnership has traditionally played in organizing and anchoring the response of industrialized democracies to global crises, it is essential that we continue to explore the foundations underpinning transatlantic ties and their potential for providing a basis for political and economic cooperation.

The activities include sponsoring research, hosting visiting research fellows, organising workshops and conferences, and publishing policy-relevant results. Our objective is to improve public and scholarly understanding of the transatlantic partnership, its centrality to European and North American security and prosperity, and its role in issues of global governance. The Transatlantic Programme was established in September 2000 thanks to a generous grant from British Petroleum (BP). We also gratefully acknowledge the assistance of the United States Mission



Mary Hanafin, Irish Minister for Education & Science, and Yves Mény

to the European Union in Brussels for its financial support of discrete programming since spring 2004. From 2006 and for a duration of 5 years a Transatlantic Studies Chair will be created thanks to the generous support of the Irish Ministry of Education

Operating within the RSCAS' multifaceted framework, the Transatlantic Programme draws on other research agendas as it contributes to them. Helen Wallace, Director of the Schuman Centre since 2001, has overseen TAP's functioning with the assistance of a series of Research Fellows and coordinators who have brought diverse interests to the TAP's programming. Professors Mark Pollack and David Andrews each served as Senior Research Fellow, from 2000-2002 and 2002-2004, respectively. For academic year 2004-2005, Professor Rachel Epstein is serving as the TAP's Research Fellow and coordinates the Transatlantic Programme's activities with other faculty and researchers at the EUI and from

within the RSCAS. Professors Ulrich Petersmann and Thomas Risse have also provided scientific input and titular direction while serving in their capacities as EUI faculty.

Programming of the TAP has traditionally taken diverse forms and will continue to do so in light of the multiple academic and policy channels we hope to influence with our research and publications. The TAP has consistently sponsored a speaker series in which we solicit both public policy and academic expertise on a range of topics affecting the transatlantic relationship. Often conducted in cooperation with other programmes at the Schuman Centre or departments in the EUI, our speaker series maintains a high profile for transatlantic relations among researchers at the institute as well as in the local community. The TAP has also focused its resources on hosting a number of international workshops on specific themes including the World Trade Organization, the North

Atlantic Treaty Organization, the 'New Transatlantic Agenda,' and monetary power. Such workshops typically result in either working papers or edited volumes published in a timely manner by the EUI in order to maximize quick dissemination of policy-relevant information. In addition, many of the seminar series and workshop efforts have resulted in comprehensive volumes published by major university presses making TAP-sponsored research available to the enduring research agendas of leading academics.

### Political and Security Relations

Since 2000, the Transatlantic Programme has undertaken several major projects concerning the political and security dynamics that underpin the transatlantic alliance. In the first two years of the Transatlantic Programme, for example, Mark Pollack, in cooperation with Professor John Peterson of the University of Glasgow, organized a conference on the changing nature of the US-EU relationship in light of the new American administration led by George W. Bush. The September 11 attacks, the US withdrawal from multilateral agreements including the 1997 Kyoto Protocol, as well as the United States' renewed interest in national missile defence clearly had implications for the transatlantic partnership. The authors' findings on areas of conflict including foreign and defence policy, international trade, multilateral institutions and relations with Russia were subsequently published in a comprehensive volume entitled *Europe, America and Bush: The Transatlantic Relationship After 2000*, edited by Peterson and Pollack (Routledge, 2003).

David Andrews continued this analysis with a very distinguished series of speakers over the course of 2002-2004. In a period that covered failed diplomacy over the US-led war in Iraq, NATO's second post-Cold War enlargement and growing strains between the United States and many of its European

partners concerning foreign and security policy, the TAP's politics and security speaker series resulted in a number of EUI working papers that analyze the changing transatlantic relationship. Updated and integrated versions of the working papers provide the basis for Andrews' edited volume, *The Alliance Under Stress: Atlantic Relations After Iraq* (Cambridge University Press, 2005).

### Trade and Regulatory Relations

The transatlantic economy dominates global trade and financial relations, accounting for more than half the world's total economic output. And despite political strains among the Atlantic partners in recent years, economic ties continue to deepen. From its inception, the TAP has focused considerable energy on this aspect of transatlantic relations, with a series of activities focusing on the World Trade Organization; US-EU bilateral economic relations and the world trading system; and analysis of the political economy of the Atlantic partnership.

Among the most consistent research strains running throughout the TAP's programming, for example, has been the series of conferences on the WTO under Prof. Ernst-Ulrich Petersmann's direction. Professor Petersmann has a joint chair in the EUI's department of Law and the RSCAS and has published numerous volumes on the WTO, trade disputes and dispute resolution mechanisms, and the US-EU trade relationship. The TAP-sponsored WTO conferences involved sustained off-the-record conversations between leading academic analysts and the WTO ambassadors of the major trading nations about various aspects of the most recent trade round.

The papers presented at these conferences have been published by the EUI in three reports, all edited by Ernst-Ulrich Petersmann: *Preparing the Doha Development Round: Improvements and Clarifications of the WTO Dispute Settlement Under-*

*standing* (2002); *Preparing the Doha Development Round: Challenges to the Legitimacy and Efficiency of the World Trading System* (2004); and *Developing Countries in the Doha Round: WTO Decision-Making and WTO Negotiations on Trade in Agricultural Goods and Services* (2005). These reports, with additional contributions by leading policy-makers, trade lawyers and economists, appear in two more comprehensive volumes on *The WTO Dispute Settlement System 1995-2003*, edited by Federico Ortino and Ernst-Ulrich Petersmann (Kluwer Publishers, 2004); and *Reforming the World Trading System*, edited by Ernst-Ulrich Petersmann (Oxford University Press, 2005). A very notable feature of the TAP's most recent WTO conference was the keynote address of Peter Sutherland, former Director-General of the GATT and of the WTO. His lecture, entitled 'The Future of the World Trade Organization,' was published in autumn 2004 by EUI for general dissemination.

Under the direction of Ulrich Petersmann and Mark Pollack, the TAP convened conferences in 2001 and 2002 focusing more specifically on dispute prevention and dispute settlement in transatlantic relations within the context of the world trading system. Selected papers from these meetings later formed the basis of a comprehensive volume, *Transatlantic Economic Disputes: The EU, The United States, and the WTO*, edited by Ernst-Ulrich Petersmann and Mark Pollack (Oxford University Press, 2003).

The TAP has also sponsored workshops in 2001 and 2004 on the 'New Transatlantic Agenda.' The NTA initiative was signed by US and EU leaders in 1995 and was intended to provide both the substantive agenda and the institutional architecture for transatlantic cooperation across a range of issue areas. Having convened a team of European and American scholars as well as key figures from the Clinton Administration at the



2001 workshop, the TAP published a record of their findings on the achievements and failings of the NTA in trade and regulatory cooperation; foreign and security policy; environmental policy; and the transatlantic civil society dialogues. The 2004 meeting, co-sponsored with the University of Wisconsin at Madison and the Johns Hopkins University's School for Advanced International Studies, focused more explicitly on the NTA's impact on US-EU economic relations, including regulation of food safety and biotechnology, competition policy, financial market regulation and data privacy. The Robert Schuman Centre will make these papers available through their publication in an edited volume in 2005.

### Monetary and Financial Relations

With the introduction of the euro, Europe has strengthened its claim to be the second leading monetary power in the world today. Financial interactions across the Atlantic dwarf trade in goods and services. The Transatlantic Programme has taken an intense interest in the roles played by money and finance in the larger Atlantic partnership, and in governance of the global economy. The Transatlantic Programme has hosted a number of events in partnership with the Schuman Centre's Pierre Werner Chair in European Monetary Union, bringing particular attention to the external significance of EMU.

Under the direction of David Andrews, the TAP sponsored a workshop on monetary power and politics in May 2004. Drawing on the expertise of both American and European scholars, the conference

G-7/G-8 meetings, in formal institutions like the IMF and the Bank for International Settlements, or in informal discussions between the so-called 'G-3' (the United States, the eurozone, and Japan), there was



Peter Sutherland, KCMG, Chairman BP p.l.c., was instrumental in launching the Transatlantic Programme in 2000

generally concluded that the implications of the euro's introduction for global monetary governance were still far from obvious. Relations between the major monetary powers retain many of their central characteristics from earlier periods, and it is not clear that representatives of the 'eurozone' are actually more influential now than in the past. The workshop examined whether in the context of

evidence of a more muscular European approach to global monetary affairs. In addition to a series of working papers, the monetary power and politics workshop will culminate in a volume edited by David Andrews and published by an academic press in 2006.

HELEN WALLACE, Director of the Robert Schuman Centre for Advanced Studies

# The Mediterranean Research Meeting: Instrument of Building Bridges Across the Academic Mediterranean<sup>1</sup>

The Mediterranean Programme was established at the Robert Schuman Centre for Advanced Studies in autumn 1998 and was officially inaugurated on 15 January 1999.

The Programme focuses on the Euro-Mediterranean area, thus embracing Southern Europe, the Middle East and North Africa, including the countries involved in the Barcelona Process, the Arabian Peninsula, Iran and Iraq. It has developed three main fields of research: Socio-political studies, Political economy and Migration studies.

The Mediterranean Research Meeting (formerly called the Mediterranean Social and Political Research Meeting) has become a major venue for European, Middle Eastern, North African and American social scientists, experts of the Middle East and North Africa (MENA) and on the relationship between Europe and the MENA, to exchange original research. The Meeting finds ways of overcoming persisting challenges resulting from, among other things, different levels of academic development, different schools of thought, and different language capacities.

The core sponsors of the Mediterranean Programme have been Ente Cassa di Risparmio, Capitalia, Compagnia di San Paolo, Eni and Eni Corporate University, European Investment Bank and Fondazione Monte dei Paschi di Siena. The Tuscan Regional Government (Regione Toscana) has also sponsored the Mediterranean Research Meeting since its first session.

## Background

In Europe numerous (bi)annual social science research meetings are held on of the contemporary Middle East and North Africa. Among them are the French Association Française pour l'étude du Monde Arabe et Musulman (AFEMAM), the British Society for Middle Eastern Studies (BRISMES), the German Deutsche Arbeitsgemeinschaft Vorderer Orient (DAVO), the European Network of Middle Eastern Studies (EURAMES), the Italian Società per gli Studi sul Medio Oriente (SeSaMO), and the Dutch Vereniging voor de studie van het Midden-oosten en de islam (MOI). While all these meetings represent important forums, a more intensive, comparative Middle East and North Africa (MENA) and European, and network oriented type of scholarly meeting appeared to be lacking. The Mediterranean Programme of the Robert Schuman Centre for



Imco Brouwer, Scientific Co-ordinator, MRM

Advanced Studies (RSCAS) at the European University Institute set out to fill this gap through setting up what was originally called the annual Mediterranean Social and Political Research Meeting and since April 2006 is called the Mediterranean Research Meeting (MRM), reflecting the fact that the Meeting is not restricted to social and political research. To date, seven sessions have been held since 2000 and approximately 1,150 participants have attended. Seventy-five percent of workshops have focused mainly on the MENA region, followed by topics dealing with relations between Europe and the MENA (17%) and, finally, the situation of Muslim migrants in Europe (8%). Among the results achieved by the meeting are new networks and the research into new areas of study which address both ongoing and emerging issues in the social sciences and humanities.

## A different academic model

Each session of the MRM contains up to 15 workshops of between 10-12 participants and 2 directors which focus each on a different topic. All participants are obliged to submit a paper (in English or French) well in advance of the session, and workshops meet between 14 to 17 hours (as opposed to the panels of other meetings that generally meet for 2 hours). The MRM 'workshop model', adapted from the Joint Sessions of Workshops of the European Consortium of Political Research and as opposed to the 'panel model' adopted by virtually all other international meetings concerning the MENA, has allowed a sound balance to be struck between the need for a rather precise and circumscribe definition of a specific topic and, at the same time, the need to attract a sufficient variation of

participants who present an ample range of contributions, from theoretical to methodological, from case studies to comparative analyses, and from the angles of different disciplines.

In terms of topics covered by the 88 workshops held in the past seven years (2000-2006), there has been both consistency and diversity. Among the core, recurring themes are those dealing with migration, gender, public sphere, political regimes, and economic reform. Other topics emerge more in response to specific contemporary developments and which necessitate new venues of analyses. Such topics include cinema, land reform, industrial relations, education, legal education & knowledge; tourism; awqaf; Islamic capital; territorial governance; foreign policies; intellectuals and intellectual movements; the role of the military in politics and economies; cultural productions and policies; subalterns and social protest as well as democracy promotion, information technology and telecommunications.

In terms of disciplines, approximately 30% of workshop participants have been oriented towards political science, political economy and international relations, while almost the same amount, have been from fields of sociology and anthropology (29%), followed by economics (19%), history (9%), law (8%) and demography (5%). However, the workshops lean towards multidisciplinary and thus attract multidisciplinary participants i.

#### **Maintaining diversity**

In order to achieve balance and diversity in terms of nationality and place of residence, MRM has first of all insisted that workshops are conducted by directors that complement each other in terms of place of residence and nationality. The result has been that of some 180 workshop directors approximately 53% of them had a nationality of a MENA country, 35% of a European country, and approx. 12% was a US or Canadian citizen. These percentages change when looking at their place of residence. Thus approximately 38% of them resided in the MENA, 45% in Europe and 17% in the US or Canada. In addition, the MRM has used a differentiated policy of providing travel allowances for workshop participants. Residents in MENA countries get travel grants calculated as covering 100% of an economy air ticket to Florence, while European and US residents get a contribution that generally covers at the most 25 – 40% of travel costs. Workshop participants from some 35 countries have followed a roughly similar distribution for both nationality and residence as those of the directors. In reference to age and the career stage, the majority of participants have been junior scholars (Ph.D. students and recent post-graduates (roughly 60 – 65%) followed by mid-career (approximately 20 – 25%) and, finally, senior scholars (around 10 – 20%).

The commitment to regional diversity and support to participants from the South clearly requires a financial commitment. The Tuscan Regional Government has contributed to the costs of the MRM since its first session, and important funding has come also from the general Mediterranean Programme resources (provided by a number of private and public institutions). The contribution of fellow institutions – including European Cultural Foundation (ECF, Amsterdam), the Euro-Mediterranean Human Rights Network (EMHRN, Copenhagen); the Institut Europeu de la Mediterrania (IEMed, Barcelona) and the Social Science Research Council (SSRC, New York) – for the organisation of joint workshops, has become increasingly important and one it is the MRM's objective to increase this contribution.

Despite the high degree of diversity and clear successes of the programme (measurable among other things by the large amount of applications), MRM also faces certain challenges, one of which has to do with outreach. The programme would like to attract more participants from underrepresented MENA countries such as Algeria, Libya, and Syria. There also exists the continued need to work towards narrowing the gap of scholarship quality between the Northern and Southern shore (and within Europe). A third major challenge is to reduce the language barriers between scholars from the different parts of the Mediterranean and attempt to reduce the dominant role of English in the workshops. A fourth challenge, linked to the previous one, is to encourage more mingling between Francophone and Anglophone scholars thus encouraging going over their respective linguistic and academic boundaries.

#### **Conclusion**

Network creating and reinforcing meetings such as the MRM provide critical opportunities to talk, strategize and pull intellectual resources to address critical issues and challenges in the regions of MENA and Europe, indeed to build academic bridges, in a time in which attempts to reinforce existing and to invent new reasons for division between MENA and Europe (and within each region) are tantamount.

#### **Detailed information**

For more information on MRM, including details on upcoming and past meetings and papers, please see <http://www.iue.it/RSCAS/Research/Mediterranean/Meetings.shtml>.

<sup>1</sup> Note: Significant parts of this article were published previously in a different version in *ISIM Review*, Autumn 2005, No. 16, p. 46.

IMCO BROUWER,  
Scientific Co-ordinator  
Mediterranean Research Meeting

## The Florence School of Regulation



Helen Wallace, Director of the RSCAS, and Pippo Ranci, Director of the Florence School of Regulation

### What is the FSR?

The Florence School of Regulation (FSR) is a partnership between the EUI / Robert Schuman Centre for Advanced Studies (RSCAS) and the Council of the European Energy Regulators (CEER), and it works closely with the European Commission.

Its objectives are to promote informed discussion of key issues; to provide state-of-the-art training for practitioners; and to produce analytical studies all in the field of regulation. It is a European forum dedicated to economic regulation.

Its scope is focused on the regulation of energy; in particular on the electricity and gas markets. It is a European forum where policy and business decision-makers, regulators, regulated companies and academics from different countries who are involved in the energy sector can meet. Activities include the discussion of regulatory concepts, practices and policies; the dissemination of best practices; the foreseeing new challenges and requirements and the development of a common regulatory language and regulatory culture, along with norms of accountability.

The FSR aims to become a point of reference for regulatory theory and practice not only for the energy sector, but also for other industrial and financial sectors, in order to draw on the knowledge and experience accumulated in different countries and different periods of time. The FSR is funded through contributions from companies in the energy sector throughout Europe.

### Why do we need a School of Regulation?

In Europe, the network industries,

such as energy, telecommunications and transport, are the backbone of economic and social life. The physical interconnection of national networks started many years before the Treaty of Rome was signed, and anticipated the political development of the European Union (EU). These industries are also characterised by similar issues and are subject to economic regulation. This is a complex task involving both national regulatory authorities and institutions, as well as EU institutions, such as the European Commission (EC). Before now, there had been no place where the specialists of academia could meet with practitioners and the representatives of these industries to discuss openly regulatory issues (the Workshops operate under the Chatham House Rule) in a continuous framework ensured by a stable structure.

The FSR provides a permanent forum for research, communication and consensus-building in which to find the appropriate balance among institutions, to identify the best economic and legal instruments, and to ensure that regulators reach adequate levels of



Sir John Mogg, President CEER





(From left: Helen Wallace, Pippo Ranci, Andris Piebalgs, EU Commissioner for Energy, and Jorge Vasconcelos, Chairman ERSE and Former President CEER)

efficiency, independence, accountability and democratic legitimacy.

#### Why start with Energy?

The CEER (Council of the European Energy Regulators) and the European Commission have co-operated with the EUI (European University Institute/ Robert Schuman Centre for Advanced Studies) since 1998, when the European Electricity Regulation Forum (known as the Florence Forum) was created. At the time of its creation the Florence Forum was a very innovative initiative, as it supported regulatory decision-making, and brought together representatives from all the relevant stakeholders and member states along with the Commission and the CEER. The inspiration to develop the FSR

came from some of the participants of the Florence Forum, with the intention of creating a point of reference for regulatory learning, debate and research.

#### Innovative structure, financing and management

Financing and other resources for the initiatives and the management of the FSR are provided by the partners and by a number of regulated or non-regulated companies with an interest in the subject matter (the sponsors: major, associate and correspondent) who participate in this initiative through the payment of an annual fee.

The FSR is characterised by a light management structure that ensures the active participation to both its partners and its sponsors.

The Director of the School ensures the fulfilment of the highest academic standards and the outstanding quality of all initiatives as well as providing management supervision.

The Executive Committee includes representatives of the partners. It defines the overall strategy of the School and approves the working programme, the budget and the annual report.

The Advisory Council includes representatives from all major sponsors and meets at regular intervals. It provides suggestions concerning the working programme and it gives opinions on any issue raised by the Executive Committee.

The Director of the School is Pippo Ranci, professor of economic policy at the Catholic University of Milan and former President of the Italian Regulatory Authority for energy. The Training Director is Ignacio Pérez-Arriaga.

HELEN WALLACE, Director of the Robert Schuman Centre for Advanced Studies

# The European Union Democracy Observatory (EUDO)



Alexander Trechsel presenting EUDO during President Barroso's visit at the EU

Never before have the prospects for democracy seemed more favourable. More citizens in Europe live in countries with competitive elections, political freedoms and respect for human rights than ever before. And yet, paradoxically, there is a rising tide of dissatisfaction with the way in which democracy is practised in many of these same countries and, in particular, by the EU itself. As one of the most active, and successful promoters of democracy, the EU increasingly finds itself the subject of general cynicism and dissatisfaction. With the recent referendums on the European Constitution this malaise between political leaders and citizens has been highlighted to a hitherto unprecedented degree. The French and Dutch no's suggest that the days of the elite-driven permissive consensus may well be numbered. Citizens, it appears, increasingly want to partake in the European construction, legitimizing or rejecting proposals for further integration. Popular participation, be it desired or feared, may therefore become an integral component of future EU democratic governance.

## Why a 'European Union Democracy Observatory'?

In the light of the above, a better understanding of democracy becomes a *sine qua non* condition for EU governance. Analyses, reports and briefs produced by academia, policy makers, think tanks, pressure groups, the business community and other actors on the topic of democracy in, of and for the EU exist in abundance. However, their objectivity, reliability and quality are often difficult to assess for decision-makers. So are the prescriptive measures of what can, should or should not be done in order to improve EU democracy. One possible avenue towards filling this gap is, we believe, through the newly-created 'European Union Democracy Observatory' (EUDO). As an independent academic organisation its declared goal is – in the long run – to produce a permanent and periodic assessment of democratic practices within the EU. The observatory, dedicated exclusively to the topic of European democracy, will also serve as a forum to exchange ideas and best practices as well as constituting an indispensable resource for policy

makers, academics and, crucially, the citizens throughout Europe.

## EUDO – its objectives

The 'European Union Democracy Observatory' could succinctly be described as an effort to evaluate and develop practical suggestions for improving democratic performance in the EU context. In order to do this, it will be necessary to examine the existing practices of democracy that have emerged at all levels of the EU, from the local through to the supranational. Such a multi-level approach is necessary given that the EU penetrates the interests and aspirations, not just of its member states and regions, but increasingly that of individual citizens. As a result, the functioning of the EU has a significant impact on the legitimacy and efficiency of 'domestic democracy' at the national and sub-national levels. Inversely, developments within its member states are increasingly calling into question the legitimacy and efficiency of the EU. Such interdependencies are specific to democratic governance in the EU and one cannot afford to ignore the formidable combination of effects that such interdependencies produce. To map these interdependencies, both conceptually and empirically, will be the primary goal of the EUDO. However, such an effort cannot be studied from the disciplinary isolation of a single academic field. Instead it will require a truly interdisciplinary approach.

## EUDO – its structure

EUDO is built on the following three pillar structure:

*Fundamental Research.* EUDO will co-ordinate fundamental research addressing an initial set of five dimensions central to democracy in Europe; (1) citizenship; (2) representation; (3) decision-mak-

ing (4) constitutionalisation; and (5) the external dimension. A vast interdisciplinary network of intellectuals, specialists in their respective fields, conduct research on processes and actors within these dimensions. The overarching goal will consist of a continuous monitoring exercise of trends related to citizens' trust in politics; cultural identity and protest; political parties; civil society; the media; parliaments and governments; guardian institutions; new forms of governance; multi-level accountability; and mechanisms of direct citizen consultation. The emerging research platform on democracy, co-ordinated by EUDO, will bring together today's most influential academics and will provide both academia and the wider policy making community with state of the art scientific resources and data. This knowledge base will not remain static, but evolve over time, tracking the impact of current challenges and opportunities for democracy, on all levels of the Member States and the EU level respectively.

*Democracy Forum.* The Forum pillar constitutes the major communication platform of EUDO with the wider community. Complementing the activities of the Research pillar, the Democracy Forum will adopt a 'proactive' approach to the dissemination of findings, such as an 'Annual Report on the State of EU Democracy' to the scholarly community, to civil society organisations and to political institutions. Its aim will be to stimulate interdisciplinary dialogue beyond academia by reaching out to policy-makers and politicians (at all levels), as well as civil society organisations, with a view to exploring how cooperation among them could improve the quality of EU democracy. Through the development of online forums and the organisation of events, such as regular workshops and international conferences, the Forum will aim to solicit active feedback as well as to inform all the relevant societal stakeholders. To this end, the Forum will aim at

facilitating continuous exchanges and will encourage suggestions for policy and institutional reforms among scholars, practitioners and civil society groups that might improve the quality and, hence, legitimacy of democracy in Europe.

*Democratic Experimentation.* The Experimentation pillar mainly focuses on innovative forms of political experimentation, such as the use of information and communication technologies (ICTs) for stimulating more active civic participation. ICTs will not be a panacea but by opening up new interactive channels between citizens, political intermediaries and rulers, they could help to improve mechanisms of political communication. The very properties of ICTs make them especially appropriate for overcoming problems of scale, distance, and diversity of languages. At the same time, ICTs are particularly appealing to the young who are among the least active with regard to traditional forms of political participation, e.g. voting, and tend to be the most discontented with prevailing policies. One of the specific experimentation measures envisaged within this pillar will be the development of a civic education e-learning module. Using internet-based learning techniques it will aim to improve mutual understanding among educators, practitioners, and students around the core theme of EU democracy and citizenship.

#### **EUDO – why at the EUI?**

The EUI is uniquely placed among European academic institutions to host the 'European Union Democracy Observatory'. Created in order to promote advanced academic training for PhD students and research at the highest level, with a special emphasis on EU studies, it offers the largest doctoral and post-doctoral programme in the social sciences in Europe. Its international makeup, bringing together academics from all the member states, and its interdisciplinary structure make it the ideal

location for coordinating the work of EUDO. Furthermore, because of the EUI's unique features EUDO merely requires a 'light' institutional structure that can directly benefit from the EUI's existing administrative apparatus and the significant academic resources it offers. EUDO is not attached to any particular Department but serves as an interdisciplinary platform for anyone at the EUI interested in democracy.

#### **EUDO – who is on board?**

EUDO is a very open initiative and EUI members working in EU democracy related fields are more than welcome to become contributors to this endeavour. Several categories of 'People' were identified, among which the Internal Experts are of central importance. Currently, there are over 20 EUI Professors who were willing to add their name and expertise to the group of Internal experts. In order to reach beyond the EUI community, each internal expert can provide EUDO with three names of outstanding scholars from the outside who, if they accept, will become External Experts. In terms of scientific quality, this emerging network of scholars is likely to become the most distinguished group of academics currently working in this field. In addition, any researcher, fellow or visiting scholar can become a member of the EUDO Contributors' list. When some of the future blog/forum/media sections of the EUDO website will become reality, they will allow the EUI community to collectively contribute to the debate on EU democracy.

EUDO is run by an academic coordinating team, made up of myself, (EUDO Coordinator), Fernando Mendez (EUDO Research Coordinator, SPS), Andrew Glencross (EUDO Publications Editor, SPS), Fabian Breuer (Media Editor, SPS), Mario Mendez (Media Editor, LAW), Peter Kennealy (EUDO Social Sciences Information Specialist, EUI Library) and Gabriella Unger (EUDO Secretarial Assistant, SPS).



The EUDO website

### EUDO – the website

On February 6 2006 it was decided to launch EUDO and to immediately start working on the construction of a website. Thanks to the collective effort of the EUDO team it was possible to create a well-functioning, easily updatable and user friendly website that will be (hopefully) launched when you're reading this issue of the *EUI Review*. The EUDO website will be accessible either through [www.iue.it/EUDO](http://www.iue.it/EUDO) or directly at [www.eudo.eu](http://www.eudo.eu).

EUDO's research agenda is focused on monitoring the quality of democratic practices within the EU. To this end, EUDO will collect and analyse leading news sources in all member states and applicant countries as well as the scholarly publications in the field. All this data is coded according to EUDO's unique analytical framework, which consists of five theoretical clusters and twenty sub-themes (four for each cluster). For users of the website, this data is fully accessible and searchable according to the cluster or theme criteria desired. The aim is to provide researchers, policymakers and citizens with a comprehensive and up-to-date information database that is responsive to their desiderata for understanding

and assessing democratic practices within the EU. In addition to its mission as a consultable resource on democracy, EUDO will use the information it collects and codes to commission regular expert reports on the quality of EU democracy. These reports will draw on the internal academic expertise of the EUI's faculty members as well as specially-commissioned external experts. EUDO reports on the quality of democracy will be authoritative, independent and informative for all those who care about the state of democracy in Europe.

One of the initial goals of the website was to show the *acquis* of the Institute in the field of EU democracy relevant research. The EUDO team scrutinized and selected over 500 of the most important publications of EUI members since 2000 and coded them into the five above-cited clusters and 20 sub-themes. This database is already entirely searchable online. In addition, the website will contain a regular series of online scholarly Working Papers on democratic practices (yes, this is also meant to be a call for you, dear reader, to submit a working paper to this new, peer-reviewed series!). A EUDO review section will enhance the

scope of content offered by adding learned reviews of the most up-to-date books and monographs.

The EUDO Media Analysis section will, we hope, become innovative resource provided by the EUDO media team that tracks and provides analysis of media coverage concerning EU democracy issues. It should cover the leading media sources of the EU's 25 member states and the four candidate countries as well as leading European (EURActiv and EUObserver) and international media sources (*International Herald Tribune*, *The Economist*, *The Financial Times*). Researchers of the Institute are very welcome to contact the EUDO Academic Coordination team in order to find out how they can contribute to this project.

The EUDO Forum section will be launched shortly. Its basic aim will be to facilitate the exchange of views and opinions on all matters concerning EU democracy. However, this new deliberative space has not been designed solely for academic or policy specialist audiences. Instead, our aim is to reach out to all citizens who are concerned with the topic of EU democracy.

### EUDO – its future

EUDO is a very recent initiative. So far, it has used very little by way of financial resources but was above all dependent on the motivation and free time of the EUDO team. It goes without saying that the future of this initiative will be dependent on its ability to raise the necessary funds for attaining its ambitious goals. This is what we are working on at the moment. Your feedback and support is very much appreciated!

ALEXANDER H. TRECHSEL,  
EUDO Coordinator



# Asian Trade Negotiators Visit the EUI



An increasing number of Asian trade experts continue to visit the EUI. The Japanese President of the WTO Appellate Body, for instance, discussed problems of international adjudication with EUI law professors and law students; ambassadors and other trade diplomats of several Asian countries commented on papers in EUI conferences on the 'Doha Development Round' negotiations; a visiting professor from Singapore's National University prepared her report on the institutional framework for the 10 ASEAN countries at the Robert Schuman Centre for Advanced Studies; and a Chinese researcher is writing his doctoral thesis on judicial protection in the free trade agreements among China, Hong Kong, Macau and Taiwan at the EUI. Most of these visits are preceded, or followed-up, by lectures of EUI professors in the Asian countries concerned (e.g. at the Chinese Academy of International Law), or by more institutionalized forms of cooperation (e.g. membership in the Advisory Board of leading law schools or law journals in Asia).

On 29 March 2006, the Transatlantic Programme of the EUI's Robert Schuman Centre offered a series of lectures – in cooperation with the International Training Centre of the International Labour Organisation at Turin (Italy) – for a delegation of trade experts from various Ministries and Universities in Vietnam on the legal and dispute settlement system of the World Trade Organization (WTO). Vietnam's bilateral and multilateral negotiations, since 1995, with the 149 WTO Members on the conditions for Vietnam's accession to the WTO require legal, economic and political expertise. As in China, the progressive economic and trade liberalisation in Vietnam has not only accelerated the growth of its GDP (7,5% p.a. since 2000); it has also demonstrated the need for legal and political reforms inside Vietnam in order to promote rule of law, transparent policy-making, capacity-building and a more equitable distribution of the gains from trade. China's accession to the WTO in 2001 has contributed not only to an average GDP growth of almost 9% p.a. since 2001 and to a further reduction of the

proportion of China's population living below the poverty line of US\$2 per day (from nearly 73% in 1990 to 32% in 2003); China's WTO commitments to introduce rule of law, independent courts, and legal and judicial protection of private rights to trade, including rights to import and export and trade-related intellectual property rights, have also facilitated far-reaching domestic legal and political reforms inside China (e.g. the setting-up of a chamber for WTO law inside China's Supreme Court). Just as Chinese universities have introduced ambitious teaching programmes for international law and economic relations, in part with financial and technical assistance from Europe (e.g. for the China-Europe Business School in Shanghai, joint academic projects with the Chinese Academy of Social Sciences at Beijing), so does Vietnam realize its enormous need for better university education of Vietnamese lawyers, economists and government officials. In line with the 'new Geneva consensus' that trade liberalization must be accompanied by adjustment assistance for less-developed economies, the WTO is setting up an Aid-for-Trade Programme in cooperation with other international institutions and university networks.

Are these various developments relevant for the EUI, its Robert Schuman Centre and EUI researchers? Transatlantic leadership continues to be of crucial importance for the creation and progressive development of many post-war multilateral institutions, including the world trading system based on GATT and the WTO. Transatlantic relations offer a vast field of topical research themes for EUI researchers which are regularly analyzed and discussed in the context of the Transatlantic Programme of the Robert Schuman Centre. For instance:

- Why has the US – notwithstanding its historic leadership during the 1940s in designing the UN Charter, the Bretton-Woods institutions, the Universal Declaration of Human Rights, as well as in promoting peaceful cooperation in Europe – become the leading critic of the UN system, of UN conventions (e.g. on human rights, protection of the environment, the International Criminal Court), and of 'old Europe'?
- Why has the EU – as the world's sole 'international democracy' – failed to exercise leadership for the needed constitutional reforms of the UN's governance and security system, even though the EU's model of multi-level trade governance serves as a blueprint for legal reforms in other worldwide and regional trade agreements (such as harmonization of trade regulation, international adjudication and inter-parliamentary cooperation in the WTO)?
- If, as predicted by the philosopher Immanuel Kant more than 200 years ago, international trade has proven to be a crucial driving force for a European and

worldwide rule of law protected by compulsory international adjudication and multilateral jurisdiction (e.g. for international trade sanctions), should the EU and the US exercise joint leadership for strengthening the legal and political 'transformation functions' of the WTO legal system (e.g. for legal and political reforms inside less-developed countries), similar to the successful use of 'civilian power' and of the EU's 'power of attraction' for transforming the EC Treaty into the most successful peace treaty of modern times?

Most of the more than 60 Regional Trade Agreements (RTAs) concluded since the failure of the 2003 WTO Ministerial Trade Conference at Cancun involved Asian countries and pursued not only 'competing trade liberalization' but also 'competing legal and policy reforms.' The different American and European models for regulatory governance, the Transatlantic Partnership institutions (e.g. the annual 'transatlantic legislators dialogue' and 'transatlantic business dialogue', the 'Early Warning System' for transatlantic dispute prevention) and European experiences are highly relevant for many of these RTAs (such as the extension of the ASEAN Free Trade Area to services, investments, social and security cooperation agreements). Just as many transatlantic economic disputes are settled multilaterally in the WTO, so can many other apparently 'bilateral' economic problems (e.g. in Asia-Europe relations, the China-US trade and payments imbalances) be resolved only multilaterally. The US *Quadrennial Defence Review 2006* identified 'shaping the choices of countries at strategic crossroads' as one of the priority areas of US strategic policies. Similarly, the increasing number of academic visitors from Asia at the EUI, and of requests for cooperation from Asian Universities (like the National University of

Singapore), raises strategic questions for the future orientation of the EUI and its Robert Schuman Centre. For instance:

- Should the Robert Schuman Centre complement its Transatlantic Programme by a Europe-Asia Programme in order to help European researchers to better understand the geopolitical changes in Asia (like the emergence of China and India as new economic world powers) and offer research assistance for the 'strategic choices' in many Asian countries (e.g. the joint negotiations of the 10 ASEAN countries of RTAs with China, India, Japan, Korea, Australia and New Zealand)?
- Should the EUI facilitate student exchanges with leading Asian universities, similar to our postgraduate exchange programs with US universities, so as to respond to the insight that many problems of globalization require global research cooperation for globally coherent solutions?
- Could the EUI become a strategic partner in the research programmes initiated bilaterally (e.g. the EU proposal to establish a China-Europe Law School) and multilaterally (e.g. the Asia-Europe 'summer universities' and other joint research promoted by the Asia-Europe Foundation and by the annual Asia-Europe 'high level meetings')?
- Should the EUI cooperate in the increasing number of professional training programmes financed by worldwide organizations (e.g. by the UN, ILO and WTO), and offer courses for Asian trade experts also in the future?

ERNST-ULRICH PETERSMANN  
Joint Chair, Robert Schuman Centre  
for Advanced Studies

## The EUI's role in the East

Traditionally there has always been a rather small presence of Asian professors, students, fellows and postdocs at the EUI. One can state without any hesitation that there has little been institutional or structural involvement in cooperation with the East, except for a short period before the Japanese recession, during which a special grant was allocated to the EUI by the Japan Foundation for research and library development. The EUI was also involved in designing two major study programmes on European studies, launched in the early Nineties by the European Commission's DG for External Relations, supported by a consortium of local universities jointly with a consortium of European universities. Entirely novel in character, the first of these programmes was set up in Thailand in the early Nineties followed by the Philippines a few years later. Training programmes in the field of library development were given by the EUI Library.

These initiatives began in the early Nineties but unfortunately, no follow-up ensued. More recently the EUI has been approached by the South Korean National Research Council for the Humanities, whose delegation visited the Institute. This resulted in signing a Memorandum of Understanding to stimulate exchanges. The first steps now need to be taken to implement this Memorandum of Understanding by allowing Korean students to do doctoral research at the Institute and for fellows to visit the EUI.

Recently a similar Memorandum of Understanding was also signed

with the National University of Singapore. Last but not least, social scientists from the Consortium of Japanese Universities,, which is launching a centre of European studies and regional integration, paid two or three visits to the Institute. They were very much inspired by the EUI model and a number of professors have been invited to visit Japan soon, including the President of the EUI, who will visit Japan early next year.

One difficult aspect of all these agreements is the level of reciprocity. Until recently the Institute had no internal expertise in the East Asian area, and therefore did not attract European students, postdocs or faculty working on Asia. There are a number of other countries, on the other hand, who are extremely active in East Asia. The United Kingdom, for example, has a record of groundbreaking progress in this area, both for organizing MA-level courses and for recruiting top doctoral students to attend doctoral programmes in the UK. The area of postgraduate training and doctoral research at top American universities is to a large extent composed of engineers and scientists from the Pacific Rim..

What is a possible future role for the EUI? In order to make these kind of exchanges really successful, it is important that Institute develops a number of research areas which will attract a significant number of academics working on common interests. so that a balanced exchange of students can be achieved.

ANDREAS FRIJDAL, Head of Academic Service

# Disputed Legal Issues in the Field of Diplomatic Protection



Ieva Kalnina

On March 17, 2006, the EUI hosted a workshop on diplomatic protection, with the participation of John Dugard, the International Law Commission (ILC) Special Rapporteur on Diplomatic Protection. The discussion was moderated by Professors Pierre-Marie Dupuy and Francesco Francioni (EUI) and Francesca De Vittor (EUI Jean Monnet Fellow). Professors Giorgio Gaja (Member of the ILC), Andrea Gattini (University of Urbino) and Riccardo Pisillo Mazzeschi (University of Siena) among other participants, greatly contributed to the discussion.

Dugard's contribution began by expressing his regret that only 20 country reports (out of 191 states!) have been submitted in response to the Seventh Report on diplomatic protection (the Report). He noted that while Asian states rarely take the initiative to contribute to the drafting process, they nonetheless feel disappointed when the codified law reflects the views of largely Western states, which is indeed unfortunate.

The main controversies related to the Report can be summarized as follows:

First, the rule on diplomatic protection (DP) as set out by the International Court of Justice (ICJ) in *Mavrommatis* case – under which DP is viewed as an assertion of state's own right – is increasingly viewed as being outdated. However, in Dugard's opinion, the *Mavrommatis* doctrine should still be viewed as a useful secondary rule, which enforces a primary rule that protects the fundamental rights of an individual. Similarly, it should be recalled that DP is but one instrument in addressing breaches of state obligations under international law. Dugard also noted that it would be desirable if more developing countries viewed DP as means of protecting their nationals, since so far it has usually been the more powerful states that have taken advantage of this rule. In that sense the *Avena* case – even if Mexico may not be considered a truly developing country and the case itself was more on consular, not diplomatic protection – can be regarded as a positive development. Dugard also underlined the fact that neither *Avena*, nor *La Grand* were merely about Mexican and German nationals respectively. Rather, the two cases had much wider implications including the universal application of human

rights and respect for state international obligations, even if such states happen to be the most powerful countries in the world.

Second, Dugard noted that confusion still continues to exist in distinguishing the right of DP from the right of consular protection. He recalled that the requirements for the exercise of these two rights differ, namely, in the case of DP there has to have been a violation of international law by a State for which it can be held responsible, local remedies must have been exhausted and the individual must hold the nationality of the acting State. The slight confusion between the two concepts has also been highlighted by *La Grand* and *Avena* cases, as well as by the European Constitution.

Third, some controversy may exist with respect to dual/ multiple nationalities. This issue has been addressed quite extensively by the Iran-US Claims Tribunal and while states have not demonstrated much division with respect to this issue, there has been some controversy within the ILC itself. Nonetheless, the general view is that the 'predominant nationality' should prevail. Dugard also expressed his surprise as to the states' readiness to accept the right to DP of stateless persons and refugees, which he views as a progressive development. Dugard concluded that the ILC itself may sometimes be too skeptical as to the state willingness to introduce certain progressive developments.

Fourth, considerable debate exists with respect to Article 5 of the Draft Articles on DP (the DP Articles), i.e., the provision on continuous nationality. The country that has objected most to a more flexible interpretation of the continuous nationality rule has been the USA. The general position of

the USA is that the continuous nationality rule is well-settled in customary international law; the rule requires that a claim may be admissible only if the person injured as a result of a breach by the respondent State of an international obligation was a national of the claiming State from the time of injury continuously through the time of presentation; any exceptions to the continuous nationality rule do not form part of customary international law. The USA also points out that the only involuntary change of nationality is the case of state succession. Dugard admitted that partially the reason why he had argued in favour of a more flexible application of the rule was that the range of individuals who would be subjected to an involuntary change of nationality appeared to be quite significant, especially considering that, for example, until recently citizenship laws of certain countries demanded women to adopt the nationality of the spouse. Now, however, if the only case left would really be that of succession, Dugard questions whether it is really worth challenging the USA's position. Dugard posed the following question: in the hypothetical case where a national of country A gets injured and country A starts to pursue his claim, is country A not justified to require such individual to retain her nationality for a while? At the same time, one might also ask whether in the case where a national of country A is injured and yet country A does nothing about it, such individual should not be allowed to take up the nationality of a country which would in fact be willing to pursue his claim?

Fifth, controversy also exists with respect to the interplay between DP and human rights (HR). Article 48 of the Articles on State Responsibility provides for a possibility for states to exercise rights of non-nationals, yet the question remains whether this could be seen as an independent provision. In other words, should Articles on DP be

viewed as without prejudice to protection afforded by HR and customary international law? During the discussion Pisillo Mazzeschi noted that the problem is not only that of DP and HR, but that in general individual's role has been underestimated. In his opinion, the reference to individual should be included already in Article 1 of the DP Articles, thus emphasizing that not only the right of the state has been breached, but also that of an individual. Furthermore, a breach of a primary rule (like torture) in combination with a lack of redress could also have a spillover effect on secondary rules and, namely, the state could be put under an obligation to take up the individual's claim. Dugard noted in response that he had included this suggestion in his report, but that it had not been accepted by the ILC, which is generally a rather conservative entity, constituted not only by academics, but also by persons who remain in close contact with state governments. At the same time, the Articles on DP do not exclude such an obligation; they are merely silent on it. While it may not seem very convincing, the open-ended wording of the provision certainly permits domestic courts to further contribute to the development of a more progressive rule in this respect. The judgment by the UK court in *Abassi* and the decision of the South African constitutional court in *Kaunda* were given as examples for an evolving state practice in the field.

Sixth, a considerable part of the discussion addressed the exceptions to the application of the local remedies rule as currently enshrined in Article 16. Pisillo Mazzeschi criticized Article 16 for its vagueness. For example, it is unclear how the notion of 'effective redress' in Article 16(a) should be interpreted. Indeed, the practice in the field has demonstrated a wide usage of terms and refers to 'ineffective', 'inadequate' and 'unavailable' remedies, which are not at all analogous

terms. Similarly, it is unclear if the term 'undue delay' in Article 16(b) could imply a degree of 'denial of justice'. Dugard responded that the latter is a taboo in the ILC, which always refrains from using this term.

Finally, as far as the overall effect of the Articles is concerned, it appears that generally the consequences of DP will be governed by the Articles on State Responsibility. The most interesting and controversial issue in this respect is the question on whether in the case where a state pursues the claim of an individual and eventually receives compensation this compensation should be paid out to the individual. Dugard suggested that either Articles on DP could impose a clear obligation on states to transfer the compensation to the individual whose rights had been violated or simply include a provision stating that the states 'should' follow such course of action. Dugard emphasized the progressive development nature of this approach and expressed a certain degree of doubt as to whether the ILC would be willing to take this suggestion into account. After all, the willingness to follow the Articles rests with the states. Therefore, in practice 'should' or 'must' discourse is unlikely to yield significantly different results, until the Articles are not adopted in a form of a binding convention. That said, the ILC has also expressed the opinion that perhaps the Articles would be more effective if they are not put into a treaty form which could risk substantially watering down several of its provisions.

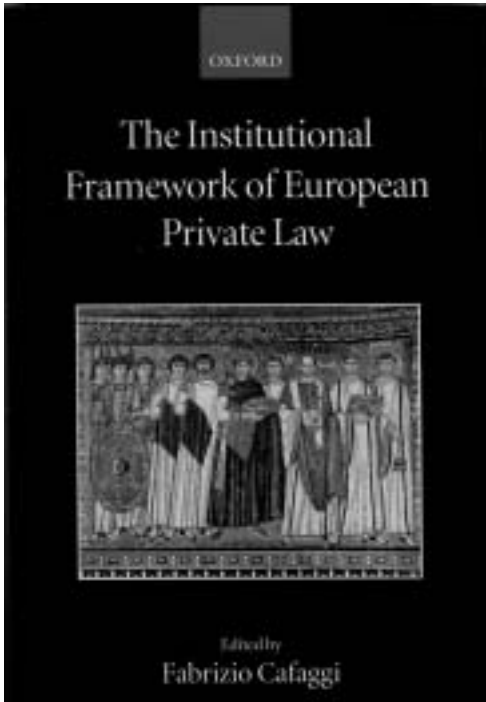
To conclude, most progressive developments of the Report have already been and will continue to be subjected to strict scrutiny of the ILC. It remains to be seen which provisions will find their way in the final version of the DP Articles.

IEVA KALNINA  
2nd year Researcher,  
Law Department



# Book Review: *The Institutional Framework of European Private Law*

Fabrizio Cafaggi (ed.), *Collected Courses of the Academy of European Law* (Oxford University Press, 2006)



Although still something of a secret outside the legal profession, private law in Europe is increasingly in a state of upheaval and anxiety. Once insulated from the vagaries of European integration, and conveniently imbued with the seeming coherence and certainty of national legal orders, it is now repeatedly being placed on the agenda of European institutions. The latter contemplate the need to restate it, reframe it, and, yes (!) even to codify it, proposals that can leave no European private lawyer untouched. Certainly, European law and private law have never been strangers to each other, but interventions have previously been selective, influences subtle and change incremental. Therefore the turn to a more offensive and comprehensive approach is now perceived by many as a change in kind.

Moments of transformation require unconventional approaches and it is exactly such an unconventional, refreshing look at private law that is offered by *The Institutional Framework of European Private Law*, edited by Fabrizio Cafaggi (Oxford University Press, 2006). The book is based on seminars held in the framework of the summer school of the Academy of European Law at the EUI. It includes chapters by van Gerven on different avenues for bringing private laws closer to each other at the European level, by Weatherill on the constitutional dimension, by Muir Watt on conflict of

laws as a regulatory tool, by Johnston and Unberath on the role of the ECJ in harmonization of private law, by Cafaggi himself on the institutional complementarities between civil liability and regulation, by Albers-Llorens on consumer law and competition law in the process of private law Europeanization and, finally, by Reich on civil law reform in the new EU Member States.

These, at first sight, disparate contributions are united by a shared understanding of private law as process, rather than substance, and a vision of the importance of the institutional components. In focusing on process and institutions, and not on substantive rules in the traditional fashion, the book can clearly be distinguished from many other contributions in the ongoing debate about the future of European private law (EPL), and so it fills an important gap.

The concept of private law employed by the authors of the book is by no means confined to private autonomy or to the classical fields of property, contract and tort. On the contrary, it is broadly conceived and extends to areas such as consumer and competition law, company law, labour and environmental law. Equally broad is the notion of institutional framework. It refers to the (sometimes problematic) constitutional foundations of European private law (Weatherill), as well as to its institutional dimensions. At no point do the authors shy away from the complexity of the European construct. The institutional architecture of European private law is described by Cafaggi as comprising four vertical layers (international, European, national and regional), each composed, in turn, by different institutions (courts, legislators, public and private regulators). In this sense the EPL notion cannot be reduced to European Community private law, as it seeks to capture processes and interrelations between the different levels and actors.

This conceptual breadth is pertinent for the analysis of private law in a Europe of twenty-five Member States, and of multiple interlocking levels of governance, where not many lawyers would agree on the precise definition and not even on the very existence or relevance of the private/public divide. The broad and open approach boldly taken allows the authors to identify the blurred and shifting line between private and public law, between civil law and regulation, and to productively explore this new dynamic throughout the book.

Although the authors share a conviction as to the importance of processes of Europeanization of private law, the book does not convey uncritical enthusiasm for harmonization and codification. Proceeding from the premise of European private law as a process in a multilevel institutional framework, the authors carefully examine and weigh against each other the values of diversity and uniformity. Many of the contributions offer a sophisticated analysis of a variety of alternative options such as decentralized harmonization, horizontal coordination, alternative (new) forms of governance, and even reforms in European legal education (see in particular van Gerven and Cafaggi). The importance of private international law as a regulatory tool, and as alternative avenue for coordination between divergent systems of private law, is rightly emphasized (Muir Watt).

While the contributors are linked to various academic institutions, the monograph as a whole bears the unmistakable imprint of the intellectual environment of the European University Institute and its Law Department. The project is European in its subject and its objectives. It is international in character since attention is also paid to and theoretical insights gained from developments in the American federal system (see Muir Watt, Cafaggi). Whereas the book is not systematically comparative in approach, it is informed by comparative studies. Deserving particular mention in this respect is the common law/continental law dichotomy revisited by van Gerven, the discussion on differential methods for implementation of Directives in EU Member States in the chapter by Johnston and Unberath, and Reich's insightful analysis of civil law reform in the new (CEE) Member States.

Finally, the book is contextually sensitive and interdisciplinary in its overall method and design. Theoretically, it is clearly inspired by institutionalist theory and in particular so-called 'new institutionalism.' This can be recognized in the conceptualization of courts, regulators, legislators but also markets, as alternative institutional processes, and in the focus on institutional choice and design. The theoretical underpinnings are not fully elaborated, but this may well be a wise choice. Announcing a project as overly theoretical may put off a number of classically trained private lawyers, who are no doubt the main addressees of this book.

As most other edited volumes, this book represents a mix of different styles and approaches. Not all of the authors have accepted and followed the institutionalist approach with equal zeal and stringency. Nevertheless, the versatility of the concept 'institution' makes it possible to offer an idea about the general line of argument and to frame a general debate, and at the same time keep it sufficiently open so that more than one version of institutionalism can be accommodated. Importantly, in the introductory chapter Cafaggi does an excellent job of explaining the analytical framework which allows the reader to see how various contributions fit together.

One brand of institutionalist theory which, however, seems to be missing is historical institutionalism. The latter may be a necessary supplement in order to better empirically capture long term trajectories, organizational legacies, institutional biases and lock-ins that may act as impediments on the way to approximation. They can further explain the differential dynamics of institutional change in a system of several mutually interlocking levels. Historical institutionalism may also be important to sober somewhat instrumentalist ambitions that can be gleaned from normative statements on the need to re-engineer the institutional framework of EPL (Cafaggi). Historical institutionalist analysis is demanding and requires a 'deep level comparison' which is plainly beyond the scope of the book. But the awareness of the importance of historical legacies is visible in many contributions. Such issues would seem to require further exploration.

Clearly, the book raises more issues and questions than it answers, as any good theoretical contribution should. It provides a challenging intellectual framework for the debate to proceed from. This can only mean that there is a need for more European, international, contextually sensitive, and, in other words, open-minded lawyers, to sort out the problems European private law is now facing. And this, in turn, leaves no doubt that for those who, even after reading this book, still perceive themselves as private lawyers, the EUI will be an exiting place for years to come.

ANTONINA BAKARDJEVA ENGELBREKT  
JMF, Law Department  
Associate Professor,  
Örebro University/Stockholm University

Information on all EUI publications is available from Cadmus at:  
[cadmus.iue.it/dspace/index.jsp](http://cadmus.iue.it/dspace/index.jsp)

# EUI Researcher Triumphs before the (Moot) ECJ



The European Law Moot Court (ELMC) competition is a simulated court case in the context of European law. The ELMC now stands as the second largest moot competition in the world (and the leading one in Europe), with nearly 100 entering teams from universities and law schools all over Europe and North America. In the first round, entering teams all submit written pleadings for both applicants and defendants. Based on these pleadings, 48 teams are selected to proceed to the oral rounds divided over four Regional finals. At this stage one member of each team will compete individually as either Advocate General or Commission Representative. The Advocate General gives an independent opinion on the way the Court should rule. Somewhat reflecting the linguistic diversity of European law, the competition is bilingual, English and French.

The case of this year's 15<sup>th</sup> ELMC concerned the promotion of women at European universities. To be more precise, Drs Brigitte Blanc and Wendy White had been unsuccessful in their applications for tenured posts at the National University of Valhalla and the Franconia University School of Law. These two illustrious institutions hail from the federal state of Valhalla, located in the Federal Republic of Patria, the lesser well-known 26<sup>th</sup> Member State of the EU. Perhaps divining bad omens from names that evoke a macho paradise for Viking warriors or a land ruled by *patres familias*, the applicants claimed that their lack of success was due to gender discrimination and sued accordingly. Unsure of how EC law – notably the 1976 equal treatment directive, the 1997 burden of proof directive, and the (fictitious) new and controversial 2004 directive on positive discrimination in universities – applied to the case, the High Court of Valhalla stayed proceedings and referred a series of preliminary questions to the European Court of Justice.

For the EUI, the applicants were represented by Sara Dezalay (France), the defendants by Dov Jacobs (France) and Emanuela Ignatou-Sora (Romania), with Robin Lööf (Sweden) acting as Advocate General, all ably coached by Charles-Henry Massa (Belgium), a former ELMC winner. On the basis of their written plead-

ings, the EUI team were selected to appear before the first instance court, made up of professors of European law and practicing lawyers, at the Regional final in Boston on 10 and 11 February 2006.

Through a string of impressive performances, the EUI team found itself in the Grand Chamber of the Massachusetts Supreme Court, facing off with the University of Cologne over a place at the All-European Final. Owing to an unfavourable drawing of lots, the EUI was assigned the relatively weaker case of the applicants. Assisted by cunning co-counsel Dov, Sara skillfully undertook her Sisyphean task, but, faced with a tactically very apt Cologne defendant who was camping on safe positions, she could not win this uphill battle. Still, she did herself and her team much credit, earning personal congratulations from the moot President Tom Kennedy. Thus, as runner-up in the Regional final, the EUI team placed itself 5<sup>th</sup>-8<sup>th</sup> among nigh on a hundred teams.

However, there was more than solace, rather joy, coming up for the EUI team. With a scintillating first round score of 22,5/24 and a strictly *jamaïs vu* final round score of 23,6/24, Robin had outclassed his colleagues and was awarded the prize in the Advocate General individual competition: a right to appear at the All-European Final in Luxembourg, seat of the ECJ and CFI.

On 31 March 2006, the day of glory had arrived. Supported by the whole EUI team, Robin appeared before a moot European Court of Justice, presided by Advocate General Eleanor Sharpston and composed of a distinguished panel of Judges from the ECJ and CFI. Closing the second hearing, featuring the University of Cologne as applicants, the University of Zagreb as defendants, and the University of Leuven as Commission Representative, Robin sharply delved into the essence of the issues. En route, he masterfully paved innovative ways for the Court's judgement and fielded vicious questions like Björn Borg returning serves at the All-England Club. Rather, this was the All-European Final of the European Law Moot Court Competition 2006, and Robin Lööf was well-deservedly proclaimed the winner of the Advocate General individual competition.

Robin's first prize amounts to a superb opportunity to turn his mooting expertise into real-life experience, in the form of a *stage* with Advocate General Miguel Poiares Maduro of the European Court of Justice – coincidentally an EUI alumnus. More generally, all members of the EUI team have thoroughly enjoyed their ELMC experience, encapsulated in the motto 'moot and meet'. Now, more mooting and meeting is set for 2007!

THE EUI TEAM

(Moot) ECJ Prize Winner



## Fond Farewell to Helen Wallace



Helen Wallace will shortly leave the Institute, and in particular the

Robert Schuman Centre, which has flourished under her direction for the last 5 years. She will be sorely missed by friends and colleagues, who have benefited from not only her academic expertise, but from her wisdom and humour. All our best wishes go to her for the future, and one request: come back and visit us soon !!

## Congratulations!



**Pascal Courty's** article 'An Empirical Investigation of Gaming Responses to Explicit Performance Incentives' (*JOLE*, January 2004) is the winner of the H. G. Lewis Prize for 2006. This prize, established in memory of H. Gregg Lewis, is awarded bi-annually to the author of the best article published during the previous two years, and is accompanied by a cash award of US\$2,500. The prize was presented at the May 2006 SOLE meeting in Cambridge. Pascal Courty is Professor at the EUI Department of Economics.



**Daniel Naurin's** thesis 'Dressed for Politics. Why Increasing Trans-

parency in the European Union will not Make Lobbyists Behave Any Better than they Already Do' has been awarded this year's ECPR PhD thesis prize. The thesis was defended in 2004 at Göteborg University, under the supervision of Professors Rutger Lindahl and Peter Esaiasson and will be published in the *ECPR* Monograph Series. Daniel is a Marie Curie Fellow at the Schuman Centre.



**Lucia Quaglia's** article 'The Politics of Central Independence' (*WEP*, May 2005) has been awarded one of the Vincent Wright Memorial Prizes. Lucia was Jean Monnet Fellow at the Robert Schuman Centre in 2002-2003.

**Lidia Santarelli** (PhD in History and Civilization, EUI) has been awarded the Rotary Prize for her dissertation: 'Greece under Italian Rule. War and Occupation 1940-1943'. Lidia Santarelli's work traces the history of the Italian aggression to Greece, analyzing the ideological context of a Fascist imperial 'new order' and the strategic project of an

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### Contributors:

Antonina Bakardjieva  
Imco Brouwer  
Giancarlo Corsetti  
Diogo R. Curto  
Hans Daalder  
Burcu Duygan  
Andreas Frijdal  
Marcia Gastaldo  
Alex Howarth  
Ieva Kalnina  
Robin Lööf  
Charles Massa  
Alexander Trechsel  
Helen Wallace

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Italian war, 'parallel' to the German one. This research represents an important contribution to both Italian and Greek history. Lidia Santarelli studied at the EUI under the supervision of Prof. Raffaele Romanelli.

