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POWER STRUCTURES IN WATER REGIME FORMATION: A COMPARISON OF THE JORDAN AND EUPHRATES TIGRIS RIVER BASINS

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Abstract
This article is a comparative analysis of the effects of power structures on the success and/or failure of the water regimes in the Jordan River Basin and Euphrates Tigris River Basin. In order to see the differences and/or similarities between the two river basins, both of which are located in the same geographical region, regime theory is taken as the theoretical framework. The article contributes to the research on water in the Middle East in two ways: first, it analyses the role of domestic powers as well as global and regional powers on regime outcome; and second, it provides a basis for understanding why the riparians have chosen cooperative strategies in the Jordan Basin while in the Euphrates Tigris region temporary resolutions have been chosen.

INTRODUCTION

In most water poor regions, access to water may draw the borderlines for relations among regional actors. As fresh water is vital for the livelihood of human beings, the struggle for access to and control over water resources has been a major cause of tensions among communities. Water that transcends state boundaries may lead to further complexities in terms of riparian relations and institutional limitations. The vitality of fresh water, accompanied with the water scarcities in water poor regions, makes hydro-politics among riparian states one of the most complex issues in international relations.

Given the environmental security dimension of transboundary water issues, two different approaches have been used to explain them. On the one hand, some scholars like Gleick (1993) and Homer-Dixon (1994) stress the likelihood of violent conflicts arising over water resources. On the other hand, scholars like Wolf (1998) focus on the likelihood of cooperation over water resources based on empirical evidence. As far as empirical records are concerned, in spite of the potential for

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tensions in shared river basins, the record of acute conflict is overwhelmed by the record of cooperation. According to the Oregon State University's *Transboundary Freshwater Dispute Database*, in the last fifty years, just thirty-seven acute conflicts have occurred, while 150 water treaties were negotiated and signed.[1] That is to say, cooperation rather than conflict is the rule in transboundary water relations.

According to Elhance (1999) when studying conflict or cooperation in river basins, a number of factors should be taken into consideration. First of all, the hydrology of a river basin paves the way for interdependencies among riparians in terms of politics, environment and security. The physical geography is one of the denominators that determines the nature and degree of dependence of each riparian on the shared river as well as the urgency of the need for cooperation. Although states tend to exploit the water resources that flow within their territories, hydrological interdependencies in the basin gradually force them to find compromised solutions and cooperate over shared waters. In addition to hydrological interdependencies, the riparian structure of the basin constitutes another important aspect of riparian relations. Within this context, physical geography plays a substantial role in defining bargaining powers of the riparians as well as their power position in the basin (Elhance 1999). In most cases, upstream states exploit the waters of rivers that flow through international borders. Thus, this exploitation may negatively affect the quality and quantity of waters available to downstream states. Particularly in the absence of a basin wide agreement, upstream states can alter the flow and, consequently, downstream states can suffer from low levels of quality and quantity of water. In spite of the importance of being upstream, the relative power of the riparians also influences hydropolitics in the basin. Thus, hegemons in the river systems can play important roles in defining the basics of basin wide agreements in favour of their own interests.

As water is a shared resource and a public good, it must be considered as a common property resource which is supplied jointly and which no party within the river basin can be excluded access to. But in practice, states are reluctant to share control over the rivers that flow within their borders. In order to maximize their gains, states tend to exploit transnational water resources unilaterally. States' unilateral actions in international river basins have constituted a challenge for basin wide solutions to protect this common property resource and enhance the benefits to all. As experienced in the Middle East river basins, scarcity is not the main reason for worsening disputes. Rather, unilateral actions such as dam construction or river diversion in the absence of an agreement, lead to destabilization of the basin.

[1] Transboundary Freshwater Dispute Database is available at: < http://www.transboundarywaters.orst.edu>.

According to Postel and Wolf (2001:61), "the red flag for water-related tension between countries is not water stress per se but rather a unilateral attempt to develop an international river, usually by a regional power."

The Middle East is one of the most water poor regions and has the world's lowest per capita water consumption. As the climate is largely arid with average annual rainfall levels of less than 250 mm/year, annual water supply in the region is not reliable. Thus, the region suffers from acute water scarcities. Consequently, hydropolitics in the Middle East have been characterized by intense and occasionally armed hostility since the second half of the 20th century.

Until the 1940s the regional economies were regarded as water secure with enough water to meet domestic and industrial demands. But parallel with increasing population rates, the use of fresh water increased six-fold over half a century. Water has therefore become one of the vital security issues among water poor Middle Eastern states (Allan 2002). Furthermore, the policy of food security and self-reliance as a national economic goal for most of the regional governments has caused over use of water in irrigation. Over 70% of water supplies in the region are used for irrigation. In spite of the poor economic returns, these agricultural policies have been pursued as a primary political objective, making water resources extremely valuable for governments. Within this context, for most of the Middle Eastern governments national security translates into food security, and food security translates into water security (Morris 1997). Therefore, the allocation of water resources that transcends boundaries (e.g. Euphrates, Tigris, Nile, Jordan, Yarmuk etc.) has become one of the sources of inter-state tensions. The main factors that might fuel these water related tensions are: rapidly growing populations, economic development, increasing living standards, technological developments, political fragmentation and poor water management. These factors, accompanied with inadequacy of international water laws, can lead to an escalation of conflict in the region over shared water resources (Drake 2000). Most of the riparian governments face common water problems which can be either the incentive for further tensions or an impetus towards regional cooperation in order to overcome political, social and economical problems. Within this context, in spite of the growing water demand the Middle East has not experienced any significant war over water resources with the exception of some minor military events in the Jordan Valley in the early 1960s.

In this article two of the conflict-prone water basins, Euphrates Tigris and Jordan Basins both located in the Middle East, will be examined and compared in order to analyze the role of power structures and actors other than the state on water regime formations. The overall goal is to analyze the power structures and actors that have

affected the regime outcome in two different but overlapping regional river basins. Within this context, possible answers to the following questions will be sought:

> *In what ways do regime formation outcomes in the Euphrates Tigris and Jordan River Basins differ from each other?*
>
> *How do global, regional and domestic power structures affect the processes and outcomes of water regime formations in the two river basins?*

The first part of the article presents regime theory and regime formation arguments as the main theoretical framework. The second part of the article consists of a comparative analysis of the cooperative efforts and respective agreements in the two river basins. In addition, the role of power structures will be assessed vis-à-vis their impacts on water regime formations.

INTERNATIONAL REGIMES AND WATER REGIMES

One of the main characteristics of the contemporary globalised international system is the high level of interdependence among international actors. Keohane and Nye (1989) define situations characterized by reciprocal effects among international actors as **interdependence** in world politics. According to Keohane and Nye, interdependence affects state behaviour and policies. Within this context, new procedures, rules, or institutions for certain kinds of activity have been created in order to regulate and control transnational and interstate relations. In general, these cooperative efforts are called international regimes.

Regime theory provides a tool for explaining international cooperation in the presumed anarchic international system. The consensus definition of international regime was elaborated by Stephen Krasner and is defined as "sets of implicit or explicit principles, norms, rules, and decision-making procedures around which actors' expectations converge in a given area of international relations" (Krasner 1991:2). According to Krasner (1991) regimes are not regarded as ends in themselves; rather they affect related behaviour and outcomes. In an international system, based on the idea of sovereign states, the main function of regimes is to coordinate state behaviour in order to achieve desired outcomes. Within this context the major function of international regimes is to facilitate mutually beneficial agreements among governments (Keohane 1991).

With regard to international watercourses, the concept of **water regimes** has been attracting more and more attention. Water regimes refer to the constrained

mechanisms that guide the actions of parties in a river basin (Jagerskog 2001:4). For Hafterdorn, water regimes come into existence "when affected states to a conflict observe a set of rules designed to reduce conflict caused by use, pollution or division of a water resource or the reduction of the standing costs and the observance over time of these rules" (Hafterdorn 2000:65). Hafterdorn distinguishes between regimes that are established to deal with all future water conflicts, like the *1997 UN Convention on the Law of the Non-Navigational Uses of International Watercourses*, and water regimes that are connected to a particular conflict.

In general, the conceptualisation of international regimes is rooted in the conventional definition of international politics and refers to relations between sovereign actors who pursue self-preserved policies. Thus, the outcomes emerging from the interactions of states, which can range from war to cooperation, are the reflections of states' interests and preferences (Stein 1991). The realist school, however, argues that conflict is the dominant outcome in terms of relations among self-interested international actors. International regimes are thus an anomaly from this standpoint (Keohane 1991). Within this context, the logic and impetuses behind the formation of regimes requires examination.

REGIME FORMATION

According to Keohane (1991) and Stein (1991), international regime formation relies on rational-choice analysis. Stein argues that

> *…the same forces of autonomously calculated self-interest that lie at the root of the anarchic international system also lay the foundation for international regimes. …[T]here are times when rational self-interested calculation leads actors to abandon independent decision making in favour of joint decision making* (Stein 1991:132).

With this formulation, Stein presumes the existence of interdependence which makes mutual expectations very important.

An international system is characterized by independent self-interested decision-making. According to Stein, there is no need for a regime if there is no conflict between interests of the states. However, if all the actors have an incentive to avoid independent decision-making, self-interested calculations would pave the way to joint decision making since independent self-interested behaviour might result in undesirable outcomes. Stein defines these situations as dilemmas of common interests. According to Stein, in order to solve the **dilemma of common**

interests individual actors have to come together to form an international regime. As far as international collective goods are concerned, optimal provision can be assured only if states abstain from independent decision-making. Otherwise, independent decision-making leads them to be free riders and results in either the sub-optimal provision or the non-provision of collective goods (Stein 1991).

The tragedy of the commons is the best example of the dilemma of common interests and the necessary collaboration to move from the sub-optimal equilibrium. The commons are open to all and the tragedy is the overgrazing that resulted from unrestrained individual use. Each actor most prefers to be the only user of the common source, followed by joint restraint in the mutual use of the good, and least prefers a situation in which his or her own restraint is met by the others' lack of restraint. Each actor prefers to share the resource rather than to see their own restraint allowing either the continued existence of the resource for others' use or the disappearance of the resource because of others' unrestricted usage. "The actors have a common interest in moving from their sub-optimal (but not least preferred) outcome to one in which they exercise mutual restraint by collaboratively managing the resource" (Stein 1991:129). In a nutshell, regimes arise when actors give up independent decision making in order to deal with the dilemmas of common interests for the sake of their own self-interests.

As far as the structural basis of regimes is concerned, the distribution of power among relevant actors shapes the structural characteristic of a regime. Young (1991) defines three different paths to regime forms: 1) **spontaneous**, in which regimes emerge from converging expectations; 2) **negotiated**, in which regimes are formed by agreements; and 3) **imposed**, in which regimes are forced by external powers. Among these formation shifts, imposed regimes are the most sensitive to shifts in the division of power within the international system since they are most closely tied with the power structures.

Regime theory proposes that cooperation will bring better payoffs. However, real-world cases of international cooperation cannot be regarded as being initiated in a spontaneous manner. Instead, strong leadership tends to initiate international cooperation in many cases. In all types of regime formation, power plays a vital role. In many cases, a hegemon plays the role of a "facilitator" for international cooperation and works synergistically for better solutions for all member countries within the system (Min 2003). Most often, hegemonic powers use their powers to sustain a regime that promotes their interests, or they may veto the formation of a regime that challenges their interests. In terms of sub-systemic regimes, hegemonic powers can structure the choices and preferences of less powerful actors and shape regional outcomes.

Keohane (1984) takes the concept of **benevolent hegemony** and incorporates it as the starting point of his regime theory. According to Keohane, the hegemon is a leader who reinforces cooperation among actors to produce symbiotic effects in collective actions. Although he shares the liberal argumentation proposing the possibility of non-hegemonic cooperation, his concept of benevolent hegemony is inspired by the realist argument of accepting the hegemonic role for maintaining the stability of the international system. However, for Keohane hegemony is not a sufficient condition for international cooperation. Keohane focuses on state decisions rather than on power capabilities and argues that the legitimate nature of hegemony is founded upon the consent of non-hegemonic states. According to him, hegemony is distinguished by its "willingness to sacrifice tangible short-term benefits for intangible long-term gains" (Keohane 1984:45). On the other hand, in the coercive version of the hegemonic stability theory, a hegemon is understood as a utility-maximizer that coerces or extracts subordinate countries as much as possible. One of the major characteristics of coercive hegemony is the hegemon's forceful action toward other countries in the system. Thus, a "rational" hegemon extracts available resources from others in addition to providing international public goods for systemic purposes (Min 2003). According to Gilpin (1981), states seek optimum combinations of power and welfare. Therefore, the systemic behaviour of a hegemon or other states can be explained by the expected utility calculated by these actors. Furthermore, he argues that international systems are changed by states that receive positive expected benefits exceeding expected costs from the change.

In addition to the influence of hegemons, the power relations among actors within a sub-system should be taken into consideration. Both in the formation and continuation of a regime, interdependency among actors and the vulnerability of actors towards others' actions within the system also play major roles. In other words, both the sub-systemic and global power structures can affect the nature of the regime, and the regime in turn governs the political bargaining and decision-making within the system (Keohane and Nye 1989).

In general, regime theory is criticized for neglecting domestic politics. This neglect of domestic politics poses limitations for understanding cooperation among international actors. In order to understand the reasons behind states' cooperative or non-cooperative actions or policies in the international system, the domestic political context needs to be examined since foreign policies are mainly reflections of domestic interests. Particularly in security issues, the perceptions of elites play a major role while in economic issues, the internal distribution of the costs and benefits of international policies plays the major role. Thus, the tendency to ignore domestic politics has caused deficiencies in explanations of the security and

economic policies of individual states since, in most cases, the internal character of states and elites is one of the central elements in determining state preferences.

Consideration of domestic politics is, hence, essential for understanding international cooperation for three reasons: First, domestic politics shows how preferences are aggregated and national interests constructed; second, domestic politics help to explain the strategies that are adopted by the state in order to realize the goals; and third, domestic politics are essential to ratify international agreements and cooperation documents (Milner 1992).

Krasner and Katzenstein (1978) focus on structural factors as domestic determinants of foreign policy. Both authors state that central decision-makers (i.e. the state) must be concerned simultaneously with domestic and international pressures. Furthermore, according to Putnam:

> *…a more adequate account of the domestic determinants of foreign policy and international relations must stress politics: parties, social classes, interest groups (both economic and non-economic), legislators, and even public opinion and elections, not simply executive officials and institutional arrangements* (Putnam 1993:435).

In light of the importance of domestic politics, Putnam uses the "two-level game" metaphor:

> *At the national level, domestic groups pursue their interests by pressuring the government to adopt favourable policies, and politicians seek power by constructing coalitions among those groups. At the international level, national governments seek to maximize their own ability to satisfy domestic pressures, while minimizing the adverse consequences of foreign developments* (Putnam 1993:436).

Thus, governments should be in line with their respective domestic interests for pursuing international policies. Since regime formation is part of international policies of a particular government, as far as regime formation is concerned, domestic politics absolutely do matter. In order to explain the interaction between domestic politics and regime formation, Zurn takes Krasner's conceptualisation of regimes as "intervening variables" between the "basic causal variables" and "the observable related behaviour" and identifies basic causal variables as "domestic politics" (Zurn 1993).

WATER REGIMES IN THE JORDAN AND EUPHRATES TIGRIS RIVER BASINS

Since the second half of the 1990s, relations between riparians in both the Jordan River Basin and the Euphrates River Basin have been dominated by peaceful resolution of disputes. This is contrary to the general view that both basins are conflict-prone and, therefore, it is likely that water will lead to conflicts. In the Jordan Basin agreements for settling water distribution disputes were signed and Joint Water Committees (JWC) were initiated. However, in the Euphrates Tigris region relations between the Turkish and Syrian governments are getting more cooperative and friendly. In the following section, the tendency towards cooperation and/or resolution of tensions in the Jordan and the Euphrates Tigris River Basins will be analysed within the framework of regime theory.

Since the independence of the Arab states and the foundation of the State of Israel, wars and/or armed conflicts between Arabs and the Israelis have been a part of the relations among Jordan riparians. By contrast, among the Euphrates Tigris riparian states the only war between riparians was the Iran-Iraq war.

As opposed to the assumption that freshwater conflicts are the significant determinant of riparian tensions, in reality the main reasons behind most of the wars/armed conflicts in both river basins are political disputes involving territorial disputes, ethnic rivalries, nationalism or regional hegemony. Although water security has been considered as an indispensable part of national security by the riparian states' governments, freshwater has not been the only reason for conflicts or tensions between riparians in both basins. The only real war over water resources was the *Six Days War* (1967) in the region. In most cases, the impact of political tension between riparians is a significant component in freshwater conflict escalation, as experienced between Israel and its Arab neighbours since their independence.

In the Euphrates Tigris Basin, water has not been one of the determinants of state ideology and, therefore, water related tensions were not experienced between riparians in the initial periods of state building in the basin. On the other hand, access to water resources was one of the significant determinants of the Zionist ideology which paved the way for Israel's occupation of the West Bank, Gaza Strip and the Golan Heights to strengthen its hydro-strategic position in the basin. Given the importance of the water, especially for Jordan and the Palestinians, Israel's de facto confiscation of water resources has always been a highly contentious and tension-ridden issue in the Jordan Basin.

In spite of the general assumption that war/armed conflict over water resources is inevitable in the Jordan Basin, particularly between Jordan and Israel, there have been ongoing efforts since the 1950s to form a kind of water regime between the two states. As a result of the interdependence between Jordan and Israel and their dependency on water resources, formation of some procedures, rules, or institutions was inevitable in order to regulate and control their relations. In this sense, the formation of a water regime between Israel and Jordan can be considered as part of the rational-choice analysis of the two states, both of which decided to abandon independent decision making in favour of joint decision making in accordance with their rational self-interested calculations. In spite of the conflictual policies and unilateral projects of Jordan and Israel in terms of the water diversion from the Yarmouk and Jordan Rivers, with the 1994 Peace Agreement both countries accepted that the individually preferred outcome is neither accessible nor stable. Therefore, in order to reach an optimal outcome they decided to review their dominant strategies.

The case of Jordan and Israel may be considered as a water regime created to solve the dilemma of common interests. As regimes established to deal with the dilemma of common interests require collaboration, the water regime between Israel and Jordan specifies the rules for allocation, storage and protection within the Annex II of the Israel Jordan Peace Treaty.[2] Furthermore, as a part of collaboration efforts, a JWC was formed in order to implement and monitor the principles agreed upon. In spite of agreement on the principles with regard to common water resources, the regime has been limited in its effectiveness due to political disputes between Israel and Jordan that have forced them into non-compliance of these rules at times (Jagerskog 2003).

Although control over and access to water resources is one of the basic conflictual issues between Israel and the Palestinian Authority, it was the first issue agreed upon by the two conflicting parties. Since the establishment of the Palestinian Liberation Organization (PLO) Palestine has not been recognized as a state, which caused Israel and Jordan's rejection of Palestine as a co-riparian. Until the 1995 *Israeli-Palestinian Interim Agreement*,[3] Palestinians were considered as a population under the occupied territories of the West Bank and the Gaza Strip in spite of the Palestinian Authority's claims on water rights within the framework of the principle of the absolute territorial sovereignty. Unlike its equal position with Jordan as a sovereign state, in the Palestinian case, Israel is considered as the owner

[2] Treaty of Peace Between The State Of Israel And The Hashemite Kingdom Of Jordan (1994) Available from: <http://www.mfa.gov.il/mfa.go.asp?MFAH00pa0>.

[3] The Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip (1995) Available from: <http://www.us-israel.org/jsource/Peace/iaannex3.html#app-40>.

and the provider of water supplies for the West Bank and the Gaza Strip. At the beginning of the negotiation process, both Israel and Palestine started with contradictory claims and assumptions on the water issue. However, during the negotiations both sides compromised their claims and, by the end, found an optimal point for agreement even though this did not serve all their self-interested demands. In spite of its favourable position, Israel was forced to agree on an optimum resolution over the water issue, which is an integral part of the interim agreement within the framework of the Middle East Peace Process initiated by the United States. By signing the interim agreement, Israel accepted the Palestinians' water rights to some reasonable degree. In order to facilitate the water allocation issues and water related projects and improve the efficiency of water systems especially in the West Bank and the Gaza Strip, a JWC was established between Israel and the Palestinian Authority. Despite some exogenous challenges and a slow decision-making mechanism, the cooperation has continued (Jagerskog 2003).

In both cases, there is a power asymmetry between the sides. According to Keohane and Nye (1989), asymmetrical interdependence can be a source of bargaining power in favour of the ones who have control over resources or the potential to affect outcomes. As experienced in the negotiations between Jordan and Israel, Jordan was not in a strong position with regards to control over water. As a result, Jordan tended to negotiate with Israel in order to guarantee an optimum share and to prevent further conflicts with Israel. On the other hand, as a less dependent and more powerful actor, Israel was the leading actor during negotiation. Because of this, any changes in the existing regime will most likely be less costly for Israel than Jordan. As far as Palestine is concerned, although it is the weakest actor in the basin, during negotiations Palestine had the international community's support for its case against Israel. However, changes in the existing regime will more likely cause significant harm to the Palestinians since Israel still has the power to control water supplies in the Palestinian settlements.

Compared with the Jordan Basin, in the Euphrates Tigris Basin no significant tensions have been experienced apart from some diplomatic tensions or verbal threats, since none of the riparians are as vulnerable in terms of water shortage. The conflicts in both basins are mainly distributional conflicts. However, the main reason for tensions in the Jordan Basin is absolute shortage, whereas in the Euphrates Tigris it is relative shortage (Hafterdorn 2000). Major tensions among riparians started with the unilateral dam construction projects of Turkey and Syria. Turkey's Greater Anatolia Project (GAP)[4] was perceived by Syria and Iraq as a

[4] Since the late 1960s, Turkish governments have initiated a series of water development projects in the Southeast Anatolia region known as the Greater Anatolia Project (GAP). After the 1980s, the GAP transformed from a largely hydroelectric project to an integrated regional development program. The GAP is a multi-sector and

threat to their water quantity and quality – Syria was accused by Iraq of reducing waters as a result of the Al Thawra Dam. The tensions between Iraq and Syria were not long lasting, whereas the tensions between Turkey on the one hand and Iraq and Syria on the other continued until the end of the 1990s. Recently the tensions among riparians have been simply frozen. Thus, it is likely to exacerbate new tensions. Iran has generally stayed out of the basin-wide tensions and resolution efforts because of its water-sufficient position and its regional marginalization.

Unlike the Jordan Basin, in the Euphrates Tigris there are no stable alliances among riparians. In the basin, alliances among riparians have been contingently formed. These unreliable alliances and lack of trust among riparians has prevented the formation of a water regime in any real sense in the basin. As opposed to the Israel-Jordan and Israel-Palestine cases, until now no water regime has formed between the Euphrates Tigris riparians. Attempts have been made to resolve water related tensions and disputes between Turkey-Syria and Turkey-Iraq through bilateral agreements as well as Turkey's unilateral initiatives to release more water in order to prevent accusations and ensure international financing in building its dams as experienced in 1965 (Keban Dam), 1976 (Karakaya Dam) and 1990 (Ataturk Dam).

In spite of the formation of the Joint Technical Committee (JTC), this committee and its agreements cannot go beyond data sharing and water allocation discussions. In this respect, the agreements between Turkey-Syria or between Syria-Iraq are just "one-shot" agreements with no regime in place to facilitate these arrangements. According to Keohane and Nye (1989), regime governed behaviour must be beyond short-term interests. In order to establish a regime, states should accept reciprocity and sacrifice short-term interests with the expectation that other actors will reciprocate in the future. Within this context, the only possibility for a regime formation would be if Syria and Iraq accepted Turkey's *Three Staged Plan*.[5] But neither Syria nor Iraq is inclined to accept the plan since the logic behind the plan is not compatible with their claims.

integrated regional development program that encompasses irrigation, hydraulic energy, agriculture, rural and urban infrastructure, forestry, education and health sectors. The water resources development dimension of the project consists of the construction of twenty-two dams and nineteen hydraulic power plants as well as the irrigation of 1.7 million hectares of land. In this regard, some of the basic strategies of the project are environmental protection, employment generation, spatial planning and infrastructure development (GAP Administration 2002).

[5] This plan is Turkey's proposal for optimisation of the use of freshwater resources based on the ideas of integrated development and management of an international watercourse system for the maximum possible benefit for all the riparian states.

The main reason behind the failure of the formation of a water regime between the Euphrates Tigris riparians is that water scarcity in the Basin is not so acute and riparians are not below water stress limits like the Jordan Basin riparians. As a result of the relative abundance of renewable water resources compared to the Jordan Basin, the significant consequences of "the tragedy of commons" have not been felt yet. Therefore, the riparians have not felt any urgency to form a water regime in order to improve water resources collectively or agree upon efficient ways of using the water resources. Still, self-interested policies overwhelm the collective goods and sustainability.

POWER STRUCTURES IN THE WATER REGIME: FORMATIONS OF THE JORDAN AND EUPHRATES TIGRIS BASINS

According to Keohane and Nye (1989), regimes are intermediating factors between international power structures and political bargaining. Thus, both the failure or success and the nature of the regime are affected by the structure of the system and the distribution of power among states. Furthermore, as far as regimes are concerned, the perceptions of elites and the internal distribution of costs and benefits of international policies play significant roles both in the formation and continuation of the regime. Thus, domestic politics is essential for understanding cooperation among international actors.

Even though cooperation will bring better payoffs for the relevant actors, cooperation among international actors cannot be initiated in a spontaneous manner. In most cases of regime formation, a powerful regional actor or global hegemon takes on a facilitator role for international cooperation and regime formation.

The Middle East has always been one of the regions that grabs the global hegemon's attention. Especially after the end of the Cold War within the context of a new international order project promoted by the United States, the region has started to gain importance. In accordance with the assessments and contingency plans of the region, US policies have focused on the Persian Gulf due to the largest recoverable deposits of crude oil in the region. As a result of its importance for the US economy, the United States has engaged with the region through two channels: initiating the Middle East Peace Process between the Arabs and the Israelis; and pursuing a containment policy towards Iraq and Iran, as both countries have posed threats to US interests in the region.

In the region which covers all the Jordan and Euphrates Tigris riparians, the United States has used its powers in two different directions in terms of regime formations. On the one hand, while it has maintained pro-Israel policies and its general support

of Israel before the international community, since the 1990s the United States has used its power to form water regimes in the Jordan Basin as a part of the peace process. On the other hand, it has pursued policies of divide and rule among the Euphrates Tigris Basin riparians which have prevented cooperation over the water resources. This is in contrast to Keohane's assumption (1984) that the hegemon is a leader who reinforces cooperation among countries to produce symbiotic effects in collective actions. In order to contain the Iraqi threat to maximizing its utility in terms of regional oil resources, the United States has coerced Turkey and Syria as well as other regional states in the region to take a stand against Iraq under the banner of providing regional stability and security for the sake of the international system. However, unlike its coercive policies in the Euphrates Tigris Basin, in the Jordan Basin the United States has pursued more benevolent policies based upon the consent of non-hegemonic states as experienced during the negotiations. In this sense, the hegemonic intervention for the formation of the water regimes between Jordan and Israel and between Israel and the Interim Palestinian Authority was significantly important in addition to the riparians' own consent to the agreement as a reflection of the rational choices of all three riparians.

In addition to the effects of global power structure in terms of the hegemonic power's influence on the formation of the water regimes, the power relations among actors within the river basins should be taken into consideration. According to Keohane and Nye (1989), both in the formation and continuation of a regime interdependency among actors and the vulnerability of actors towards others' actions within the system also play major roles. Physical geography plays a substantial role in defining bargaining powers of the riparians as well as their power position in the basin. However, in addition to the importance of being the upstream riparian the relative power of the riparians also influences the hydropolitics in the basin.

In the Euphrates Tigris Basin among Syria, Iraq and Turkey, Turkey is the most powerful country both in terms of control over water resources and in terms of political and military power. Turkey's close alliance with the United States as a NATO member has been a protection shield against possible threats from its eastern neighbours. Even during its conflict with Kurdish separatist groups, tensions with Syria or Iraq never turned into armed conflicts as a result of Turkey's relative military power and alliance with the United States. As for Iraq, since the Iran-Iraq war, Iraq's military power has been deprived and, as a result of ongoing wars, Iraq's water systems and infrastructure have been severely damaged. Furthermore, after the "Operation Iraqi Freedom" the Iraqi government lost sovereignty over its national resources including water. Until elections are held, an interim government rules the country but major projects for improving natural resources are mainly

coordinated by the coalition powers. Moreover, with the GAP project, Syria and Iraq are alienated from Turkey. Thus, the GAP has left them in a relatively weak position. As a result, Iraq has felt that it is at the mercy of Turkey and Syria, both of which have the power to prevent Iraq from obtaining enough water. Syria also has felt uneasy since, once Turkey completes the GAP, it will have power over both its neighbours thereby putting Syria in a merciful position. As a result of this asymmetrical power structure, Syria and Iraq have pursued non-cooperative policies and rejected Turkish proposals for unitary management of the Basin, thereby preventing the formation of a water regime in the Basin.

By contrast, in the Jordan Basin, Israel is in the most favourable position even though it is a downstream riparian. As previously mentioned, by occupying the Golan Heights and the West Bank, Israel strengthened its hydro-strategic position in the region and has the uppermost position thanks to its military power. Furthermore, as a result of its economic power, Israel is able to implement projects for water resources development, whereas other economically weak riparians have difficulties finalizing their projects with regards to efficiency of water resources. On the other hand, their lack of ability to finance water development projects together with Israel's economic power can stimulate development of multilateral projects on the shared rivers. Overall in the Jordan Basin, as a result of the powerful position of Israel and vulnerable position of Jordan and Palestine, Israel has played a leading role in defining the basics of the water regimes both with Jordan and Palestine.

The most interesting commonality between Turkey and Israel is their close alliances with the United States, although their power positions with the United States are slightly different in terms of bargaining power. Israel has more bargaining power with the US because of the existence of a powerful Jewish lobby in the United States, whereas Turkey is more like a follower in terms of its relations with the United States. However, Israel's and Turkey's power positions in the region differ vis-à-vis the international communities' perceptions. In the Jordan River Basin, Israel has been perceived as an "occupier" and has been accused of pursuing hostile policies toward its Arab neighbours, particularly toward Palestinians. On the other hand, in the Euphrates Tigris Basin, Iraq, Iran and Syria have been labelled as rough states particularly by the United States. Of the three, only Turkey is regarded as a state respectful of international norms and rules. The US policies against Iraq, Iran and Syria, including embargoes on all three countries and operations against Iraq, have caused marginalisation of the three riparians and led to serious damages to the relations among the Euphrates Tigris Basin riparians, not only in terms of water regime formation but all kinds of cooperation efforts in the Basin.

In addition to regional power structures, domestic determinants of foreign policy are also among the significant dimensions of regime formation in both Basins. As far as the Jordan and Euphrates Tigris Basins are concerned, state characteristics and government structures in both basins have repercussions on riparian policies with regard to water resources. In both basins, most of the riparian states have authoritative governments except Turkey and Israel which have relatively populist regimes and democratically elected governments. As a consequence of the democratic system, popularity of the policies is more important for the Turkish and Israeli governments than for the authoritarian governments of the other riparians. However, interest groups are an integral part of political life for all riparians whether they are authoritarian or not. Thus, interest groups create some impact on policy decisions of all riparian states with regard to water resources.

In the Turkish case, one of the main reasons behind the unilateral implementation of the GAP (a move that prevents water regime formation in the Basin) in spite of other riparian's objections, is the interests of the political elite seeking popular support for their political rule. Therefore, the GAP serves the electoral purposes of the ruling parties. According to Carkoglu and Eder, the GAP has a political rationale with two dimensions:

> *...the first is the political potential that the region offers for parties to utilize the traditional patronage linkages in implementation of the project in order to mobilize electoral support behind the parties in power. The second concerns national security and integration of the region to the rest of the country* (Carkoglu and Eder 2001:51).

Furthermore, as previously discussed, the GAP is a very significant project for Turkey because of the government's long-term expectation that by implementing this huge development project it will be able to resolve the social and economic basis of the "Kurdish Problem" in the region. Evidently, both dimensions reveal a preoccupation with domestic political concerns even though the second one relates to international interactions within the framework of national security. Within this context, the political rationale behind the project has been influential on Turkey's relations with Syria and Iraq.

For Israel, domestic interest groups have been playing significant roles. On the one hand, settlers and right wing political parties have influenced Israeli arguments over water allocation issues with Jordan and Palestine during negotiation processes in order to prevent the Israeli government from completely withdrawing from the occupied territories without guaranteeing secure and adequate freshwater sources for Israel (Elhance 1999). On the other hand, as far as the Israeli government's

internal policies with regard to water allocation from the agricultural sector to industrial and domestic sectors are concerned, the policies can be implemented easier now than in the previous period, since the political influence of the agriculture and irrigation lobbies have been declining substantially. In Israel, interest groups must be taken into consideration both in terms of national water policies such as reducing water allocation to agriculture, introduction of strict cost-based water-pricing policies for irrigation etc., and in terms of foreign policies with regard to hydropolitics.

In spite of the relative power of authoritarian governments, interests groups, particularly bureaucrats and farmers, can be very influential on national water policies especially in Jordan and Syria. Given the importance of agriculture for state economies, in Jordan and in Syria water charges are mainly maintained at low levels in order to diminish costs in the agriculture sector. However, the need for water policy reform in both states, which includes re-allocation of water from irrigated agriculture to industry in order to improve economic efficiency, has caused some social problems. Demand management, including population growth control, economic restructuring, supply redistribution and water conservation techniques, is needed for both Syria and Jordan. But as for Syria, the value of agriculture is beyond its economic value. As stated by Naff (1994)[6] agriculture is culturally embedded, highly symbolic, and politically and militarily significant in Syria as in many other developing countries. Within this context, it is not easy to implement radical demand management policies in Syria and Jordan in spite of the power of the governments.

Unlike Turkey and Israel, domestic interests groups in Syria and Jordan are not so influential on the governments' foreign policies with regard to water regimes. The only probable link with domestic interests and the water related policies of the state vis-à-vis their relations with Israel is the given importance of food security and the importance of water resources for irrigated agriculture. Within this context, it may be presumed that agricultural interests are among the main denominators of the national water policies of these states.

As far as Iraq is concerned, under the Ba'th regime national security issues and political interests of the state elites overwhelmed the interests of lesser groups as evidenced in the drainage of marshlands. The Iraqi government simply ignored the importance of the marshlands for the livelihood of Marsh Arabs, who had no power to oppose this project, and implemented the drainage project.

[6] Naff as quoted by Marwa Doudy (1999-2000: Web document).

Both in the Jordan and the Euphrates Tigris cases, different domestic power structures have impacts on hydropolitics and water regime formation in the basins in different forms. For the most part, riparian governments and their policies are more or less in line with their respective domestic interests.

As far as water regime formations are concerned, all riparian states of the two Basins have proved Putnam's two-level game metaphor. On the one hand, at the national level, domestic groups pursue their interests by pressuring their governments to adopt favourable water policies, and politicians in turn seek power by satisfying their needs. On the other hand, national governments seek to maximize their own ability to satisfy domestic pressures while minimizing the adverse consequences of water regime formations.

CONCLUSION

This article began with the assumption that water regime formation is not a spontaneous process despite the obvious advantages and better payoffs of cooperation for the riparians. In order to initiate the formation of a regime, a facilitator or strong leadership is needed. The main stimulus behind the positive outcomes of the Israeli-Jordan and Israeli-Palestinian agreements over water allocation issues was the role of the US as a benevolent hegemon and "facilitator" for the resolution of conflicts among the riparians. At the same time, the main obstacle for water regime formation in the Euphrates Tigris is the US as a coercive hegemon. In both cases, the US as global hegemon has structured the choices and preferences of the riparians and shaped regional outcomes, but in different ways.

A second assumption with regard to the role of global and regional power structures on water regimes was that the country positioned upstream in the basin could be more influential on hydropolitics. However, in addition to the importance of being upstream the relative power of the riparians in the region was also seen to be a significant denominator. Moreover, both Turkey's and Israel's relations and close alliances with the US must be taken into consideration when evaluating their dominant positions in the Basins. It can therefore be proposed that when evaluating the role of power structures in regime formation, the relevant actors' relations with the hegemon vis-à-vis the hegemon's perception of each actor must also be considered.

In sum, the argument that power both global and regional plays a vital role in all types of regime formation was illustrated in both cases. However, Keohane's assumption of the benevolent hegemon was challenged by the Euphrates Tigris case where the hegemon was shown to be coercive.

As regime theory's neglect of domestic politics poses limitation for understanding cooperation among international actors, this article considered domestic interests and their effects on decision making in water regime formation in order to more fully understand the reasons behind states' cooperative or non-cooperative actions or policies in the international system.

The role of domestic influences on the outcomes of cooperative efforts and conflict resolutions were analysed in the Jordan and Euphrates Tigris Basins. Within this context the general assumption was that domestic actors, like NGOs, firms, elites and so on, have influence on governments' decisions with regard to water regime formations. However, throughout the research, no evidence of any significant influence by NGOs or the business sector could be found. This is because in most of the riparian states the water sector is coordinated by the State, and civil society is not very powerful in comparison to the State. It was shown that domestic pressures come mainly from political elites who want to strengthen their power to rule, and from farming interest groups considered to be at the foundation of the national economies of most of the riparian states. Besides the general argumentation on the role of domestic politics, it is also worth noting that government regime types also have significant repercussions on regime formation. However overall, both the Jordan River Basin and the Euphrates Tigris River Basin cases prove Putnam's two-level game metaphor, which puts emphasis on the role of domestic group interests on government policies and actions with regard to regime outcome.

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RECLAIMING THE LAND: THIRD WORLD ENVIRONMENTAL MOVEMENTS AND THE GLOBAL ENVIRONMENTAL DISCOURSE

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Abstract
In recent decades, environmentalism has gained strength and importance in various arenas. The introduction of sustainable development brought the environment into mainstream development and economic thought. However, there continues to be environmental degradation around the world and poor and marginalised communities often bear the brunt of environmentally harmful production processes. A concurrent movement of environmentalism is that of environmental justice, which has been utilised and strengthened by locally-based environmental movements in the Third World. This article uses a political ecology perspective to examine the Movement for the Survival of the Ogoni People (MOSOP) in Nigeria and highlights the broad range of issues involved in Third World environmental problems. The relevance of the environmental justice movement as a critique of sustainable development and the direction of the global environmental movement are explored through this case study.

THE DEVELOPMENT OF A GLOBAL ENVIRONMENTAL DISCOURSE

Although today environmental issues permeate our everyday lives, it was not long ago that a resilient environment and plentiful natural resources were taken for granted. In many ways, it has been the rise of an environmental movement over the past several decades that has changed this view. Since its origins, the environmental movement has grown and evolved in many respects: from the actors involved, to its root causes and ultimate aims. Though concern for the environment has been present since the early stages of the industrial revolution, it only began to take its form as a social movement, and hence a growing force in mainstream thought, in the 1960s with such manifestations as the founding of World Wildlife Fund (WWF) in 1961 and the publishing of Rachel Carson's *Silent Spring* in 1962. The inception of the environmental movement was primarily a critique of "technocratic society" and of "the dominant values of consumer culture" (Jamison 2001:16). In this way,

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issues of pollution, environmental degradation and waste disposal made their way into the public sphere.

In the 1970s, the environment took the global stage in Stockholm at the United Nations' Conference on the Human Environment. The resulting declaration emphasized such issues as under-development and over-population as key contributors to environmental degradation, not just industrialization. It encouraged the careful use of natural resources and the implementation of scientific knowledge and technology toward improving the environment (UN 1972). Thus, the interdependence of the environment and development was established and environmental problems became an issue of international concern (Dovie 2002).

In 1973 the oil crisis struck and there was an additional focal shift in the movement to energy issues, especially to the controversial use of nuclear energy. This contributed to a greater politicisation of environmentalism. The emergence of green political parties, new environmental laws and the establishment of the Environmental Protection Agency (EPA) in the United States indicated a growing recognition of the problem of the environment in political circles (Jamison 2001).

With the 1980s came a diversification and a resulting diffusion of the movement. Environmental experts and activists became more specialized in their goals and strategies. In addition, the new push for neo-liberal policies and free market economics led to the reorientation of environmental issues from a social and political emphasis to that of an economic and commercial one (Ibid.). In 1987, the World Commission on Environment and Development published the Brundtland Report, *Our Common Future*. It was this publication that popularised the term "sustainable development" defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED 1987:8). With the increasing use of this concept, environmental policy became inextricably linked to economic growth.

As the 1990s arrived and progressed, fundamental changes were occurring in the environmental movement. This was evident at the United Nations' Conference on the Environment and Development held in Rio de Janeiro in 1992. The Rio conference, also called the Earth Summit, embraced the idea of sustainable development and set forth a global agenda of international governance and responsibility for the environment's welfare. Rio confirmed the position of the environment on the global political agenda and "helped establish environmental management as a duty of governments worldwide" (Sachs 2002:10). In addition, the Rio declaration emphasized the responsibility of businesses and corporations in improving environmental conditions and practices (UN 1992). This suggests an

increasing privatisation and decentralization of environmental policies, and the subsequent incorporation of ecology into a capitalist mode of production (Jamison 2001).

However, with the establishment of the World Trade Organization (WTO) just two years later, it became clear that the priorities of governments worldwide did not lie with the environment but with corporate access to natural resources and a neo-liberal agenda. Sachs (2002) highlights three major impacts of neo-liberal globalisation: The expansion of economic growth to the South following the same unsustainable path as that in the already industrialized countries; open markets resulting in increased natural resource exploitation in the South; and the pressures of the world market leading to a prioritising of commercial interests of private actors over the protection of public goods. In other words, as the Third World struggles to develop and "catch up" to the industrialized North, they are prone to follow the same destructive path that allowed the North to reach its current state of development. Furthermore, as "green" policies are incorporated in the North, there has been a "geographical displacement of sources and sinks" (Martinez-Alier 2002:10) such that the environmentally harmful phases of production are shifted to the South. As a result, despite the apparent achievements at the Earth Summit, the trend has been increasing environmental degradation and no, or negative, economic growth in the South.

In 2002, representatives of government, business and civil society reconvened at the World Summit on Sustainable Development (WSSD) in Johannesburg. The aim was to look back on the agreements reached at the Rio Conference ten years previously and to reflect on and reassess the results, or lack thereof, of those accomplishments. The summit recognized that the high hopes and expectations coming out of Rio were not matched in practice and implementation in the years that followed. In fact, it was acknowledged that the levels of environmental degradation had not slowed and that poverty had in fact increased in many regions. The summit at Johannesburg, for this reason, did not focus on renegotiating the terms of the Rio agreements but rather on finding ways to more concretely implement and act on these agreements. Priorities, targets and timetables were set and many partnership initiatives were formed between governments, NGOs, intergovernmental organizations and the private sector. Poverty reduction and its link to success in sustainable development was a key factor at the summit. Other specific priority areas included water and sanitation, energy, health, agriculture and biodiversity. In addition, emphasis was placed on integrating sustainable development into systems of global economics, international trade and finance (UN 2002a).

The results of WSSD will be evaluated over the coming years. Participation and interest in the summit were high with 104 world leaders present and over 21,000 other participants including 9000 delegates, 8000 NGOs, and 4000 members of the press. The Plan of Implementation outlined the action plan to fight poverty and environmental degradation not only detailing what has to be done, but also who will do it. Furthermore, many monetary commitments were made by industrialized countries around the world to such areas as sustainable agriculture, biodiversity protection, water sanitation and energy initiatives (UN 2002b). Overall, implementation efforts will be largely carried out at the local, national and regional levels and primary responsibility for carrying out these plans will fall to the governments.

If nothing else, the Johannesburg summit demonstrated the importance and urgency of environmental issues around the world. It also indicated a growing interest of governments and the private sector in protecting the environment and its natural resources. However, whether this interest will outweigh that in economic growth at the cost of the environment remains to be seen.

While sustainable development has taken on a dominant position in the global environmental movement, continuing environmental problems have led to alternative discourses. For example, in recent years, there has been an additional current of environmentalism that has emphasized human rights. This environmental justice movement emerged from the recognition of inequality in access to resources and disproportionate effects of land degradation and pollution on poor and marginalized groups. The environmental justice movement originated within the civil rights movement in the United States in the 1960s, when poor and minority communities were subjected to environmental discrimination in such forms as pollution and unsafe working conditions (Bullard 2003). Since then, the causes of communities in the Third World have also been taken up. Environmental NGOs such as Greenpeace, Rainforest Action Network and Sierra Club have become increasingly involved in human rights campaigns and have helped to bring international attention to environmental justice issues around the world. With increasing capacity for communications and networking, local movements and international organizations continue to work toward internationalising their efforts (Clark 2002).

The environmental justice organizations have, in many ways, integrated into the larger environmental movement. According to Al Gedicks (as quoted in Clark 2002):

> *Until quite recently, native peoples have had to defend themselves against multi-national corporations and nation-states using their own very limited resources and with hardly any notice from the rest of the world. The situation has radically changed over the past decade. The integral connections between native survival and environmental protection have become apparent to even the most conservative environmental organizations* (p. 434).

However, the origin and focus of the environmental justice movement are decidedly different from those of the more mainstream movement. The environmental justice movement originates from a struggle for rights and livelihood by those groups whose very survival depends on the health of their environment. Since these groups are usually marginalized and have little access to political and economic resources, their environments may be exploited by the state or transnational corporations (TNCs) without compensation to local communities. These groups mobilize to confront the state and a capitalist-driven society to regain control of their land and resources allowing their livelihoods and cultures to persist (Ibid.).

This is a very different perspective from that of the dominant global view of sustainable development. The Earth Summit exemplifies the incorporation of developmentalism into mainstream environmentalism. The answer to problems of poverty and resultant environmental degradation has been economic growth, but instead of solving problems, this strategy has resulted in social polarization and the dissolution of subsistence communities. While the early phases of the environmental movement recognized the impact of development on people and nature, as demonstrated by Rachel Carson, the recent trend has been an attempt to incorporate development into a seemingly contradictory rhetoric on the environment (Sachs 1995). What is left of this early environmentalism has grown out of a different foundation than the previous First World context. Now the emergence of a movement that questions the logic of sustainable development has arisen largely from those communities in the Third World that see a healthy environment as more critical to their survival than the often destructive economic growth strategies encouraged by the global development discourse.

The disparities between global efforts against environmental degradation and poverty and the reality of these issues around the world lead us to question the direction of the environmental movement. The purpose of this article is to try to better understand Third World environmental problems and how social movements have arisen from these problems to contribute to and take advantage of the environmental justice discourse. This understanding helps to determine how the global environmental movement can be better directed and suited to the Third

World experience. Political ecology is the guiding theoretical perspective utilized in this article. This holistic approach is well-suited to examining the complexities of environmental movements in the Third World and is described further below.

THEORETICAL PERSPECTIVES IN POLITICAL ECOLOGY

As discussed above, there has been an emergence in recent decades of a global environmentalism that has taken on an economically-driven and development-oriented approach to curbing environmental decline and resource depletion. In contradiction to these aims, environmental degradation continues and we have seen an increasing marginalisation of those most negatively affected by resource exploitation and displacement of environmentally harmful phases of production. The resistance movements that arise in reaction to this process, particularly in Sub-Saharan Africa and other parts of the Third World, are an attempt by local communities to regain control and access to local resources and hence a means of livelihood and survival. These movements play a critical role in redefining discourse and redirecting the motivations and actions of organizations at various levels of the development project. In order to better understand the role of the Third World environmental movement in shaping this global discourse, the Movement for the Survival of Ogoni People in Nigeria is taken as a case study, and its interaction with global discourses on the environment is examined. A political ecology perspective is used to understand the relationship between the various actors involved in the movement, including local populations, the Nigerian government and Shell Corporation.

Political ecology has been defined as "the study of social conflicts over the access to, and the destruction of, environmental resources and services" (Martinez-Alier 2002: 15). It is a recently evolved discipline that finds its roots in several schools of thought. The field grew out of a 1960s critique of neo-Malthusian thought and its claims of runaway population growth linked to environmental degradation. In linking human activities to environmental destruction and proposing political prescriptions to solve the crisis, the neo-Malthusians merged politics and ecology but were criticized for being overly grounded in "simple organic analogies" and lacking empirical data that demonstrated the crux of their thesis (Peet and Watts 1996:4). Blaikie and Brookfield's (1987) foundational text, *Land Degradation and Society*, contributed strength to the critique by highlighting the importance of marginality, pressure of production and the role of different perceptions of "environment" in the human-environment relationship.

In the 1970s, political ecology theory took on a more neo-Marxian perspective. Stemming from the fields of political economy and cultural ecology, scholars sought a more radical perspective and found this in the then popular Marxist school of thought. According to Bryant and Bailey (1997:13), "neo-Marxism offered a means to link local social oppression and environmental degradation to wider political and economic concerns relating to production questions". Critiques of neo-Marxism noted its overly structural and sometimes simplistic nature in which the role of local politics was minimized and the potentially important role of weak actors in resistance to strong actors like the state was downplayed. This led in the late 1980s to a more complex understanding of power relations in the human-environment interaction as discussed further below (Ibid.). In the 1990s, political ecology began to develop "more nuanced characterizations of the social and cultural identities that influence humans' roles in environment dynamics" (Paulson et al. 2003:208). This differed from earlier work that tended to view people as "land managers" and as objects of scrutiny that were more or less apolitical. Today, political ecology considers such cultural, social and political factors as gender, ethnicity, governance, and resistance as central issues to environmental knowledge and practice (Ibid.).

The various challenges and criticisms faced by political ecology during its development has paved the way for recent debates centred around the issue of politics as it relates to the environment (Ibid.). It is within the realm of political economy that the element of power relates socially to the interaction of humans with their environment. The concept of power is an important one in political ecology. Power is defined as the ability of an actor to control their own environment and the environment of others. Control in this sense may be exerted directly over access to resources or location of pollution and waste disposal sites. In addition, control may be exerted indirectly in the regulation of ideas that pertain to how the environment should be used and treated. Power plays an important role in Third World environmental movements such as that examined in this article. It is perceived and utilized differently by different actors: whereas strong actors use power as a tool to exploit resources and to minimize the costs of environmental degradation, weak actors use power for resistance and defence of livelihood (Bryant and Bailey 1997). As discussed below, MOSOP is a struggle for access to resources and control of the environment and involves multiple actors with different levels of political, economic and social power.

With its focus on power, political ecology tends to emphasize the social structure of such categories as class, ethnicity and gender. As seen with Bullard's work with inequality in environmental justice for example, these factors play an important role in environmental issues. However, political ecology has often been criticized for its

overly structural nature (Paulson et al. 2003; Bryant and Bailey 1997). Hence, the importance of such post-structural concepts as culture, values and ideas, as well as how these ideas are developed and understood, must also be examined (Escobar 1996). According to Paulson et al. (2003:206), an important aspect of political ecology is "the recognition of a plurality of positions, perceptions, interests, and rationalities in relation to the environment—an awareness that one person's profit may be another's toxic dump". It considers the various discourses and how actors use them to block or facilitate their own or other's interests.

Among the most notable research utilizing this aspect of political ecology is that on sustainable development and the inherent contradictions present in trying to reconcile economic growth with environmental protection (Bryant and Bailey 1997). It is this sustainable development discourse, as well as less dominant discourses such as environmental justice, that are the focus of this article. Escobar (1996:46) defines discourse as "the articulation of knowledge and power…the process through which social reality comes into being". It is clear that since the 1980s, sustainable development has become the dominant discourse in the global arena and has impacted the attitudes and actions of governments, non-governmental organizations (NGOs) and businesses significantly.

The concept of sustainable development emerged out of a recognition of the global nature of the environmental crisis. It made the environment a matter of global responsibility and put it into a temporal perspective such that the focus was the needs of current and future generations. Sachs (1999), in his critique of the sustainable development "oxymoron", emphasizes that within this temporal perspective there is no distinguishing between the poor and the wealthy or the powerful from the powerless. In this way, the values and perspectives of certain actors become outweighed by the dominant view. Sustainable development has been used by the wealthy and powerful to justify the continuation of economic growth at the same levels that have resulted in the current environmental state of affairs. The less dominant discourse of environmental justice however, has emerged in recent years as an undercurrent in the environmental movement and is gaining strength through Third World social movements (Martinez-Alier 2002).

MOSOP (THE MOVEMENT FOR THE SURVIVAL OF THE OGONI PEOPLE): A CASE STUDY

The Ogoni people, with an estimated population of 500,000, inhabit the plains of the Niger Delta, in south-eastern Nigeria. The Niger Delta has supported large human populations for many decades and the area inhabited by the Ogoni, called

Ogoniland, is the most densely populated in Nigeria, and possibly Africa (Cayford 1996). The Ogoni are highly dependent on their environment for their livelihoods and make a living primarily on fishing and subsistence farming (Lee et al. 1997).

The Ogoni are an ethnic minority made up of six sub-groups speaking different dialects of the Ogoni language. The sub-groups tend to identify more strongly within themselves than between sub-groups and have no "myth of common origin" (Osaghae 1995:328). In fact, some groups have rejected a pan-Ogoni identity in the past. Despite this, the Ogoni have a long history of a pursuit of self-determination as a people. They were one of the last groups in the Niger Delta to be subdued by the British colonists and in 1945 they formed the Ogoni Central Union whose purpose was to create an Ogoni division distinct from the rest of the region. In the 1950s they struggled for a separate state of minority groups and this was achieved in 1967 with the formation of Rivers State which is the current political status of the area. This continuing struggle to unite the various sub-groups of Ogoniland has been a goal of the Ogoni political elites as they try to create a larger and more united ethnic group conferring a stronger political advantage (Ibid.).

In 1956, Nigeria's first commercially viable oil was discovered in the Niger Delta and the first oil wells were installed in Ogoniland in 1958. Currently, petroleum exports account for over 90% of Nigeria's foreign exchange and 80% of the government's revenue (Cayford 1996: 184). It is estimated that Ogoniland alone has produced over $30 billion worth of crude oil (Obi 2002: 15). However, due to political polarization and ethnic domination by majority groups, Ogoniland remains one of the poorest and most underdeveloped regions in Nigeria (Cayford 1996).

Oil production has had a strong impact on the Ogoni people, their intra-group relations, and their relations with others groups and the Nigerian state. The environmental degradation that Ogoniland has suffered as a result of oil production (discussed in more detail below) has given them more incentive to forge close ties as they address these common problems. As the group has become further marginalized from state power and has suffered continued social and economic underdevelopment despite the wealth produced by their land, they have found reason to come together to fight this common injustice (Osaghae 1995).

THE NIGERIAN GOVERNMENT

Nigeria was colonized by the British in the mid-19th century. Its arbitrary borders encompassed the majority ethnic groups of the Igbo, Yoruba, and the Hausa-Fulani peoples as well as many other ethnic minorities. After gaining independence in 1960, the government has undergone a succession of military and civilian regimes as well as a civil war in 1967 (Forrest 1995). Nigeria's economy consists primarily

of agriculture, petroleum, trade and manufacturing making up the bulk of the gross national product. Petroleum is its primary export commodity and the wealth attributed to this export is very unevenly distributed (Salih 1999).

During British colonization, the existing power structures were used to govern the various regions of the country resulting in the reinforcement of the power of the elites who then competed for positions of influence. There was a geographical power divide in which Northern Nigeria dominated the political and military structures and aimed to continue their control of the natural and economic resources of the south (Cayford 1996). After just a few years of civilian rule, the Nigerian military came to power in a military coup and ever since has been intimately involved in the politics of Nigeria and an important part of the political elite. Ibeanu (2000:7) points to "three props" on which the Nigerian "militariat" class balanced: the military dictatorship, the increase of ethnic and religious communalism which filled the gap left by the political parties, and the petroleum industry. A report issued by Human Rights Watch states:

> *While minority ethnic groups in Nigeria's multi-ethnic federation have successfully demanded that new states and local government units be carved out to fulfil their hopes of receiving some benefit from the oil money…the Nigerian federation has in practice, paradoxically, become ever more centralized and power and money has been concentrated in the hands of fewer and fewer people. Politics has become and exercise in organized corruption; a corruption perhaps most spectacularly demonstrated around the oil industry* (HRW 1999).

Hence, the discovery of oil has had an important impact at the state level as well as the local level.

The government's political and economic dependence on oil further complicates the state's paradoxical role as both protector of the environment and developer of the economy. These responsibilities often directly contradict each other. In post-colonial times, Third World states like Nigeria focused on economic development with little consideration for the environment. Due to such things as economic necessity, national security or corruption, most states continue with policies that favour economic development at the environment's expense despite the worsening state of the environment and natural resource depletion. Moreover, the most powerful actors within the state structure have often gained their power position from control of resources, as demonstrated above, and are therefore unlikely to encourage or support a change from the status quo. The state uses its

political power over other actors to determine who will exploit and benefit from natural resources and how those resources will be used (Bryant and Bailey 1997).

SHELL CORPORATION AND THE ENVIRONMENT

Royal/Dutch Shell Group is one of the largest businesses in the world. The Nigerian subsidiary, the Shell Petroleum Development Company (SPDC), accounts for 14% of Shell's total world production and is its largest producer of oil outside of the United States (Lee et al. 1997). Although there are other oil multinationals operating in Nigeria, Shell is the largest operator in the Ogoni region. Shell's largest joint venture is with the Nigerian National Petroleum Corporation (NNPC), a state owned oil company. This venture results in about one-half of Nigeria's crude oil production and has led to extensive operations in Ogoniland (Kretzmann 1995). Of the additional foreign companies operating in the country such as Chevron, Mobil, Elf and Texaco, only 5% of the total Nigerian labour force is employed in the oil industry (Lee et al. 1997). As stated above, Shell has been estimated to have extracted over $30 billion from Ogoniland alone. However, over the past 25 years, they are estimated to have spent only $200,000 on development programs in the region representing less than 0.5% of the total value of extracted Ogoni oil. The Nigerian government has received some compensation from the oil companies, meant for the victims of land and property damage, but often the money is not channelled to those communities. According to a Human Rights Watch report:

> *The multinational oil companies operating in Nigeria face a difficult political and economic environment…Successive governments have misspent the oil wealth which oil companies have helped to unlock…[and have] failed to fund its share of the joint ventures…and has played the different oil companies against each other…Acknowledging the difficult context of oil operations in Nigeria does not, however, absolve the oil companies from a share of responsibility* (HRW 1999).

Because of oil's extreme importance in the Nigerian economy over the years, the oil companies, in their joint ventures with the government, have many opportunities to influence the policies of the Nigerian state (Ibid.). Andrea Goodall of Greenpeace says "…Shell itself is the most powerful political actor on the Nigerian stage—both historically and currently…If Shell wanted to make a difference, they could" (Goodall in Kretzmann 1995). Nonetheless, throughout the extensive environmental degradation, extreme underdevelopment, and human rights abuses, Shell and other oil multinationals have continued their relations with the Nigerian government and their accruing of oil extraction revenues.

The damage to the environment as a result of oil production has been extensive. The poorly managed above-ground pipeline system has resulted in a large number of oil spills over the years (Kretzmann 1995). Besides crop and land damage, oil spills also result in pollution of drinking water and rivers and streams which are major sources of the Ogoni fishing livelihood. In addition to loss of livelihood, serious health problems can result from such pollution. Another cause of environmental damage is gas flares. Excess gas is burned in large fires which result in ecological damage in the area of the flares and physical damage to local resources. Soot is produced by the flares which are often located near villages. The soot is washed into water sources and soil when it rains causing additional pollution problems (Lee et al. 1997).

Shell and other multinationals have enjoyed the availability of cheap labour, natural resources, as well as the laxity of environmental laws and enforcement measures which tend to otherwise impinge on the power and wealth of the government at the expense of the well-being of local communities. In addition, because of economic hardships in the Third World and other external pressures, these states are encouraged to industrialize, and for this reason engage in partnerships with TNCs. In some cases, the Nigerian government has allowed Shell to evacuate inhabitants of oil-rich communities leading to further marginalization of these communities (Ibid.). The partnership of the multinationals with the government clearly favours the corporate and government elites, who are the primary recipients of the oil wealth, and tends to work against the local communities.

TNCs are a growing force in the global capitalist system which encourages capital accumulation via the cheapest methods of resource extraction and labour use possible. Because of the Third World's dependence on the economic benefits of TNCs' operations, the economic power of TNCs can be equated to political power. Despite this, TNCs are not immune to challenge from other actors. Because of their high profile nature they are vulnerable to boycotts and other actions that reduce their capital accumulation and must maintain an image and reputation consistent with their consumers' values and ideals (Bryant and Bailey 1997).

In many ways, the mainstream sustainable development discourse has been incorporated into the policies and ideologies of TNCs. This so-called "greening" of business has resulted in stronger environmental policies and the use of "green" technology in production processes. This has been one manifestation of the growing corporate current of environmentalism and has been the result of increased consumer awareness and demand for more environmentally safe products in the North. However, while TNCs may project a consumer-friendly environmental image, their practice of business has failed, in some cases, to meet these standards.

This has been particularly true in Third World countries, where the enforcement of environmental policy is weak and government partnerships with TNCs are powerful. Those most affected by such environmentally unsound business practices generally lack the economic consumer power that is so influential in the North. As a result, they must find other means of protecting their environment and demanding practice and policy changes from TNCs.

THE RISE AND FALL OF MOSOP

The origins of Ogoni mobilization could be said to date back to the 1940's when the political elite saw that a larger and more united group would help them compete for government resources. Over the decades following the discovery of oil in Ogoniland, environmental degradation and underdevelopment further acted to bring the Ogoni together in facing common threats and goals (Cayford 1996). This led to the emergence of strong Ogoni activism as they sought greater autonomy from the state, access to their natural resources, and economic and social development in their region (Salih 1999).

There were other ethnic groups in the region affected even more negatively than the Ogoni, yet these groups did not organize to make demands of the government and oil companies. Osaghae (1995) points to two reasons for the Ogoni's mobilization: the failure over the years of the government and oil companies to respond to their petitions, and, more importantly, the presence of a radically oriented leadership in the Ogoni ranks. Specifically, internationally known author and activist Ken Saro-Wiwa spear-headed the formation of MOSOP and held leading positions in the other primary organizations involved in mobilization. Saro-Wiwa was a dedicated defender of minority rights and his own Ogoni ethnic community, and as a renowned author had access to the international community of environmental and human rights organizations.

The primary strategies of MOSOP were to raise awareness of the common injustices suffered by the Ogoni people, to gain the support of clan leaders, to use media propaganda, and to give people a stake in the struggle by promising material and monetary rewards if the movement succeeded. The Ogoni's grievances included the environmental damage suffered as the result of exploitation of the oil resources in the region, suppression of their rights to a share of the oil revenue and oppression as a minority ethnic group. The first act of MOSOP in their early phases of passive resistance was to voice these grievances in the presentation of the Ogoni Bill of Rights (OBR) to the Nigerian government. Their primary demands were political autonomy within the confederation of Nigerian states, the protection of the Ogoni languages, a fair share of the economic resources gained from Ogoniland,

and protection of their environment (OBR 1990). The government, however, did not respond positively to their requests (Cayford 1996).

Over the next two years in 1991 and 1992, MOSOP continued their non-violent, passive strategy by taking their fight to the global stage. Through Saro-Wiwa's connections, MOSOP began networking with human rights and environmental NGOs around the world such as Greenpeace and the Rainforest Action Network (Obi 2002). In this way, MOSOP was able to harness the growing power of the global environmental justice and human rights movements. Their struggle against the corporate giant Shell Corporation appealed to environmental and human rights activists worldwide, and became a symbol for other such struggles in other Third World countries.

In December of 1992, after two years with no response from the Nigerian government, MOSOP stepped up their efforts with a direct demand to the oil companies to pay billions of dollars in compensation for environmental damages incurred over the years, as well as demands that action be taken to stop further environmental degradation and to implement environmental protection programs. They followed up with a mass demonstration of over 300,000 people, well over half of the entire Ogoni population. They voiced their demands for the right to self-determination and a share of the oil revenue as well as compensation for environmental damage. Similar demonstrations in the following months resulted in arrests and an increase in police harassment (Cayford 1996).

In November of the same year, General Sani Abacha came to power and installed an even more repressive regime and used more violent tactics against the ethnic minorities in the oil producing Niger Delta. In addition to harassment of Ogoni leaders, the Nigerian state set out to encourage violent conflicts between the Ogoni and neighbouring groups as well as within the Ogoni themselves (Ibid.). In addition to the intra-group fighting, the newly formed Rivers State Internal Security Task Force was wreaking havoc on the local communities with regular village raids, beating and raping villagers and committing any number of human rights abuses (Ibeanu 2000).

In addition to inciting violence between different ethnic groups and direct repression by the police and armed forces, the government took advantage of internal strife within MOSOP. When four Ogoni leaders were killed, they took the opportunity to arrest Ken Saro-Wiwa and eight other Ogoni members and accused them of being responsible for the deaths. In 1995, after a trial which "blatantly violated international standards of due process and produced no credible evidence" (HRW 1999), the "Ogoni Nine", including Saro-Wiwa were sentenced to death and

expeditiously hanged on November 10, 1995 (Cayford 1996:194). With the death of the Ogoni leaders and increasing repressive actions by the Abacha regime against the Ogoni communities, MOSOP was seriously weakened.

In 1998, General Abacha died and was replaced by General Abdulsalami Abubakar. Under the new regime, the unprecedented repression unleashed on the Ogoni people was relaxed and Nigeria was set on the road to democratic rule, which was achieved a year later in 1999 with the election of President Olusegun Obasanjo (HRW 1999). The transition from the military regime to democratic rule was welcomed by the Ogoni people who have continually experienced repression and marginalization under the successive military governments. The Ogoni considered democracy a process that could encourage dialogue, negotiation, freedom of expression and equality. However, the democratic government in Nigeria continues to favour the ethnic majorities in the Northern regions and they continue to control the economic resources of the country. The power struggle between the state-oil alliance and the Ogoni communities continues and Shell remains active in the country (Ibid.).

THE POLITICAL ECOLOGY OF AN ENVIRONMENTAL MOVEMENT

MOSOP AND ENVIRONMENTAL DISCOURSE

Some of the successes of MOSOP include the considerable international recognition gained by the Ogoni people of their environmental plights and human rights abuses. Protests against Shell Corporation around the world, withdrawal of ambassadors from Nigeria, sanctions and oil embargos against Nigeria, and the ban of arms sales are some of the manifestations of this international attention (Lee et al. 1997). There has been an increased official recognition of the Ogoni's need for compensation and a development commission has been put in place in the Niger Delta. Federal revenue to the oil-producing states has been increased from 5% to 13%. Also, various government bodies have been established, such as the Federal Ministry of the Environment, in an attempt to implement the environmental action plans and laws as encouraged by the UN convention and declarations.

No group has organized with the same cohesiveness and dynamism in the Niger Delta since MOSOP, and though MOSOP has weakened considerably in its local operations it continues to function as satellite groups around the world. In this way, it continues to bring international attention to the struggles of the Ogoni and other minority groups as they face ongoing environmental degradation from oil production and lack of social and economic development despite the region's resource wealth. Over the years, Shell Corporation has incorporated more environmental and development programs into its operations in Nigeria, partly as a

response to the sustainable development push by the UN and partly as a response to pressure from other international organizations and consumers. In last year's annual report, Shell says they have shifted from a community assistance to a community development strategy with a focus on capacity building (SPDC 2003). In this way, they hope to ensure sustainability of their programs by empowering local communities rather than simply funnelling financial assistance to communities and local programs through government officials. It is not clear whether this approach and other environmental programs on the part of TNCs are actually effective in practice and not just company rhetoric. The fact remains that the Niger Delta region is extremely poor and underdeveloped despite their oil production, and local communities are on the losing end of the state-oil alliance. This is apparent in the continuing protests and unmet demands being made by Niger Delta communities today that are in many ways inspired by the struggles of MOSOP.

The sustainable development discourse that became dominant after the 1980s has had a strong influence on the actions of governments and businesses. Despite the growth of green business, economic growth is encouraged at its current pace and protection of the environment is, in some ways, considered secondary. By concentrating on the exploitation of oil for economic benefit, the state and corporations can claim legitimacy of their actions through the sustainable development discourse. Shell and the state design "top-down" development and environmental programs to satisfy the sustainability aspect of their exploitation, but these programs have little effect at the grassroots level. The dominant culture of the sustainable development discourse has made it difficult for grassroots efforts to put forth their own ideas of environmental use and protection as an alternative.

Nonetheless, MOSOP's effectiveness in harnessing the power of the global environmental justice discourse contributed to their eventual successes. At the time of mobilization in 1990, there were several prominent environmental justice movements emerging in other parts of the world. Issues of land rights, indigenous resource use and livelihood security were becoming more visible to the global community (Moser and Norton 2001). Their common message of environmental justice was carried further into the mainstream by the involvement of a number of well-established international NGOs, such as Greenpeace. While sustainable development is still the dominant model for policy-making and program development, environmental justice has gained some influence in these arenas as well. By appealing to this global discourse, MOSOP was able to put additional pressure on the powerful state and corporate actors to attend to the requests of the Ogoni communities.

The ability of a movement to harness the power of international actors such as other governments and international NGOs has an important influence on the success or failure of movements such as MOSOP. In some cases, a more repressive government may contribute to international attention and action. The appeal of a movement's goals and strategies to the global media and public also influences the amount of international support gained. In addition, the presence of a relevant global discourse related to the movement's message is key to the involvement of international actors. In the case study examined in this article, the global environmental justice discourse played an important role in the origins and successes of MOSOP. At the same time, the dominant culture of sustainable development pushed by governments and international institutions acted to legitimize the activity of powerful actors in this case. However, it is interesting to note that in an era of a different cultural context, such as prior to the origins of the environmental movement in the 1960's, the Ogoni uprising would likely not have had the considerable impact that it did.

THE POWER OF THE ENVIRONMENTAL MOVEMENT

The dynamics of a social movement, particularly in the Third World context, depend heavily on the distribution of power among different actors. In the case of environmental movements and according to political ecologists, power is related to access and control of natural resources. Conflicts arise in part due to an unequal distribution of power among the state, grassroots actors and others. Traditionally strong actors such as the state and TNCs have greater control over and access to environmental resources than weak actors such as local communities. Here, MOSOP represents the attempt of local communities to gain power and control of their environments in relation to the opposing forces of the Nigerian government and Shell Corporation.

Though the grassroots organizing of MOSOP has managed to increase the Ogoni's power in relation to the state and oil corporations, these latter actors represent powerful opposition to their demands and continue to exercise authority over oil resources. While according to political ecology, the state plays a dual role as protector of the environment and developer of the economy (Bryant and Bailey 1997), the Nigerian government has used its position to enhance economic growth at the expense of the environment and the livelihoods of citizens.

The Nigerian state has depended heavily, both economically and politically, on petroleum revenue since its discovery in the Niger Delta in 1956. The successive military regimes have monopolized the exploitation of oil by controlling and determining access to these resources, as well as the distribution of wealth accrued from them, at the exclusion of local communities in the oil producing regions. By

prioritizing oil extraction over environmental regulations and community development programs, the government has attracted the business of oil multinationals and formed powerful alliances with these corporations (Lee et al. 1997). Through their partnerships with the government, these companies gain unprecedented access to land and oil resources and hence, a position of power. With the dependence of the Nigerian government on its oil wealth and the oil corporations, the economic power of TNCs such as Shell is translated to political power. In other words, Shell can use its economic influence on the government to gain access to oil resources and the accompanying monetary benefits.

Due to political marginalization, the Ogoni people have little economic resources despite the natural wealth of the land upon which they live (Cayford 1996). The government-corporate alliance controls the land and resources upon which the Ogoni people depend. Political ecologists note the existence of a distribution of costs and benefits associated with environmental change (Bryant and Bailey 1997). In the current case, the state and TNCs have accrued most of the wealth gained from oil revenues, whereas the local communities have been subjected to the environmental costs associated with oil extraction, further marginalizing these communities and exacerbating the poverty problem. As weak actors in a struggle for survival, the Ogoni people have mobilized in an attempt to regain control of their land. As MOSOP, they have used a diverse repertoire of strategies and have collectively strengthened their position in the struggle for resource access.

THE FUTURE OF THE GLOBAL ENVIRONMENTAL MOVEMENT

Environmental movements in the Third World demonstrate the need for changing discourse. Sustainable development, as the dominant stream of environmentalism today, is not clearly applicable to Third World environmental problems. The above examination of MOSOP from a political ecology perspective offers a window to a different view of such issues by emphasizing political and economic aspects of marginalization in Third World communities.

Environmental justice is a reflection of the need for alternative views and an expression of a different kind of environmentalism that strengthens and is strengthened by Third World social movements such as MOSOP. MOSOP demonstrates the intricacies of Third World environmental problems, the importance of political and economic issues, and the complex relationships between Third World governments, transnational corporations and local communities. Sustainable development, in its emphasis on future generations, does not provide adequate solutions for today's marginalized poor. On the other hand, environmental

justice offers a critique of sustainable development and begins to emphasize human rights and recognize the unequal power distributions in Third World settings.

The current state of affairs in the Niger Delta demonstrates the significant challenge facing local communities in reclaiming their environments from the grip of powerful state and corporate alliances. Just one week prior to the writing of this conclusion, a major occupation of Shell and Chevron oil operations by Ijaw villagers from the Niger Delta region ended (BBC News 2004). Their reason for protest is the same as that of the Ogoni people in 1990—the continuing poverty and underdevelopment of local communities while billions of dollars worth of oil are extracted from their land every year. While such injustices have gained more global attention in recent years, the struggle continues until the concepts of the environment and development are better adapted to our changing world and the needs of the majority of the human race.

It is clear that the global environmental movement has changed since its early stages in the 1960s. In many ways, it has fragmented into a number of streams that have been taken up by different members of society with very different goals and ideals. This article demonstrates how some members of the global community have been left behind by the dominant stream of sustainable development. While environmental justice has begun to address some of the important issues for these marginalized groups, there remains a weakening divide that threatens the integrity of human communities and the natural world. Perhaps the environmental justice movement and the voices of Third World communities can lead us toward an integration of important environmental, social, political and economic issues and a more cohesive and strengthened form of environmentalism.

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REGION BUILDING AND IDENTITY FORMATION IN THE BALTIC SEA REGION

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Abstract
This paper examines the concept of "new region building" in the Baltic Sea region with emphasis on the construction of a collective "Baltic" identity. Possible implications of these processes on Russia as a non-EU member state are discussed. Region building around the Baltic Sea is conceptualised within the framework of social constructivism, and a connection between region building and identity formation is established. Furthermore, an attempt is made to shed light on the way in which a "Baltic identity" is promoted in the region. By means of a short discourse analysis, certain characteristics of the Baltic Sea region are discovered that are promoted as the basis for a regional identity by various regional actors. The impact of these characteristics on relations between Russia, the EU and the other Baltic Sea states are examined and conclusions are drawn in relation to the region building processes in the Baltic Sea area.

INTRODUCTION

Cooperation in the Baltic Sea region (BSR) has prospered since the independence of the Baltic States in the beginning of the 1990s. Several programmes and initiatives have been established, such as the Northern Dimension initiative (ND), the Council of Baltic Sea States (CBSS) or the Baltic Sea States Subregional Cooperation (BSSSC). The EU actively supports cooperation in this region. In 1997, at the Luxembourg European Council, Finland's Northern Dimension initiative (ND) was recognized as part of the external EU policies, and in the year 2000, the EU initiated the INTERREG III B programme Baltic Sea Region, thereby continuing the INTERREG II B programme (1997-2001):

> *The European Commission has decided to take an active part in the development of the Baltic Sea Region by part-financing the INTERREG III B transnational co-operation programme in favour of the following countries: Denmark, North-East Germany, Sweden and Finland in the European Union and Norway, Estonia, Latvia, Lithuania, Poland, Russia and Belarus* (INTERREG III B).

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Some political and economic stakeholders would like to see the BSR developing into a "world leading region for innovation" (Serger and Hansson 2004: III), which is characterised by economic prosperity and good living standards. Others emphasise the region's potential for providing security and stability in this part of Europe by referring to the concept of a "security community" based on the example of the Nordic countries (Browning 2001:7; Browning and Joenniemi 2004:240).

In the following, after a brief clarification of the term "Baltic Sea region", a selection of the literature dealing with "the new region building"[1] and identity formation in the BSR will be presented and discussed with emphasis on claims made concerning the existence and nature of a Baltic identity. This literature review will certainly not be exhaustive but it will provide an impression of the opposing interpretations and ideas that exist concerning these issues. Subsequently, a number of empirical texts serve as the basis for a brief analysis of normative linguistic terms in the current political discourse. The analysis will be conducted along the lines of Jessen and Pohl, who have analysed six speeches of European leaders concerning the issue of Kaliningrad. They thereby examined the construction of a self-other divide with regard to Russia (Jessen and Pohl 2003:15).

DEFINING THE BALTIC SEA REGION

Although many "Baltic Sea institutions" include other than the littoral states, in this paper, the expression "Baltic Sea region" refers to an area composed of the states or parts of the states that have a Baltic Sea coastline. This definition is inevitably somewhat imprecise and arbitrary, because it is often impossible to determine whether a state should be regarded as belonging to this region as a whole or only partly. It is generally problematic to draw an external border of the Baltic Sea region along the borders of a state or a county or province, because those entities basically exist for administrative purposes and often separate collectives of humans that share the same historical or cultural backgrounds. Moreover, as will be discussed below, it is a contradiction to the concept of a region to define sharp and static borders that distinguish it from other areas. Consequently, a clear geographical definition of the Baltic Sea region does not and cannot exist. Nevertheless, for the purpose of this paper, a rough outline of the geographical space referred to by the term "Baltic Sea region" must be given, but it should be understood that the borders between this region and the adjacent areas are blurred and in a constant process of social construction.

[1] The "new region building" refers to the notion that regions are socially constructed by "region-builders", mainly academics and influential politicians from the states that are part of the region.

The states lining the Baltic Sea coast are Denmark, Sweden, Finland, Russia, Estonia, Latvia, Lithuania, Poland and Germany. As this paper deals with the formation of a collective identity of the inhabitants of the Baltic Sea region, this region is defined in very narrow terms. It is expected that people identify as inhabitants of the Baltic Sea region only if the Baltic Sea plays a role in their daily lives. As a consequence, Germany and Russia can obviously not be counted as belonging to the Baltic Sea region as a whole. In the case of Germany, the "Bundesländer," Hamburg, Schleswig-Holstein and Mecklenburg-Vorpommern, are counted as parts of the region; and within the Russian Federation, the North-Western Federal District, specifically the area around the cities St. Petersburg, Pskov and the Kaliningrad exclave, is regarded as belonging to the Baltic Sea region.[2]

The distinction between parts that can be defined as belonging to the BSR and those that cannot is more difficult in connection with the other, rather smaller states. To be precise, with regard to Denmark, only the counties South Jutland, Funen, Copenhagen, West Zealand, Roskilde and Storstrøm as well as the island Bornholm can be counted as parts of the Baltic Sea region. Concerning Sweden, the counties Skåne, Blekinge, Östergötland, Södermanland, Gotland, Stockhom, Uppsala, Gävleborg, Västernorrland, Västerbotten and Norrbotten have a Baltic Sea coast line. In Finland, this applies to the province Lapland and the sub-state regions Northern-Ostrobothnia, Central Ostrobothnia, Ostrobothnia, Satakunta, Finland Proper, Uusimaa, Eastern Uusimaa and Kymenlaakso, and in Poland, the voivodships West Pomerania, Pomerania and Warmia-Masuria adjoin the Sea. Lithuania, Latvia and Estonia are also referred to as the "Baltic States" and account for the so-called "Baltic Region" (in contrast to the Baltic Sea region). Therefore, those states are not further split into coastal and non-coastal regions but also considered to be part of the BSR (more or less) as a whole.

THE CONCEPT OF IDENTITY

Whereas in IR theory the concept of identity is highly disputed and it is hard to find a clear definition (Wæver 2002:20f.), A Dictionary of Geography defines identity as the:

[2] As mentioned above, such a definition according to administrative areas is probably very imprecise and the "real" border is possibly somewhere in between. However, the politicians in charge of these administrative entities are the ones to decide whether to pursue a policy that engages actively in Baltic Sea cooperation or focuses on other aspects. Therefore, to some extent, the populations of such an area are all affected by these policy choices and so is the BSR.

> *…characteristics determining the individuality of a being or entity; in the constitution of national identities these characteristics may be fostered by myths. Human geographers commonly view identity as emerging from social action, or the production and reproduction of space* (Mayhew in A Dictionary of Geography 2004).

This definition is useful for the examination of collective identity, as it refers to a "being or entity" and includes the notion of national identity. Its emphasis on a constitution of identity that emerges from social action is in line with the propositions of social constructivism. Constructivists hold that reality is socially constructed in a process by which ideas, beliefs and perceptions are shared (Jackson and Sørensen 2003:254). This happens during interaction, mainly discourse practises, e.g. "conversations, narratives, arguments, speeches" (Oxford Dictionary of Philosophy 1996) by external as well as internal actors of a group (Wennersten 1999:276, 278). This distinction between actors inside and outside a certain group implies another important prerequisite for the construction of identity: the existence of a notion of a "self" and an "other". William Connolly argues that to create an identity there always has to be an "other" to demarcate from (Connolly in Jessen and Pohl 2003:11). In other words, the self develops its identity by distancing itself from the other.

The development of a collective identity that stretches across the borders of several countries is, according to Wennersten, a rather recent trend that is due to "changing dynamics in world affairs [that] 'are sufficiently powerful to encourage imagining supranational, transnational, or subnational communities'" (Rosenau in Wennersten 1999:276). Wennersten also points out that several collective identities can overlap, e.g. a group of people can have different political identities at once (Wennersten 1999:276). In other words, it can be assumed that people in the Baltic Sea region identify with their national states as well as develop a regional identity and maybe also identify with the EU at the same time.

Taking into account the definition cited above, it is possible to speak of a Baltic identity if a certain amount of characteristics can be discovered that a majority of the people living in this area collectively regard as unique. Consequently, to describe the Baltic identity, one has to discover a certain amount of characteristics that apply to this region[3] and are regarded as important by most of its people.

[3] Unfortunately, there are no ways of determining how many characteristics are necessary to prove the existence of this particular identity and it is also difficult to draw the line between the existence of one or various identities.

REGION BUILDING IN THE BALTIC SEA REGION

A region can be defined as "an area of a country or the world having definable characteristics but not always fixed boundaries" (Concise Oxford English Dictionary). This definition of a region is similar to the definition of (collective) identity. As regions are discursively constructed, as is everything else in the social and political world (Jackson and Sørensen 2003), this is perhaps not surprising. The notion of "new region building" goes one step further by claiming that region-builders deliberately choose the characteristics they want the region to possess and make them known to the public, thereby constructing reality by their discourse practices[4] (Engelen 2004:7ff.). Ole Wæver points out that region building in the BSR has become "self-enforcing": the BSR is perceived to be of importance and, consequently, it becomes important (Wæver in Tassinari and Williams 2003:35). In other words, the perceptions of inside and outside actors contribute to the creation of a regional identity.[5] In the following, some characteristics will be exposed that define the Baltic Sea region and thereby provide a basis for a regional identity.

The concept of a region can be understood in modern as well as in post-modern terms. Concerning regions in Europe, two opposite metaphors have been created: the "concentric circles Europe" and the "Olympic rings Europe" (Makarychev 2004:302). The metaphor of concentric circles refers to a modern understanding of regions as part of a hierarchy with Brussels at the top, in which the difference between the centre and the periphery is considerable. In the metaphor "Olympic rings Europe", all European regions are included, there does not exist a clear centre or a periphery, and all regions are equally important. The metaphor "Olympic rings Europe" is part of a post-modern understanding of regions (Makarychev 2004:302). In the literature, it is often pointed out that the ND – and thereby also the BSR – is a good example for a Europe of Olympic rings and a post-modern interpretation of the concept of regions (Makarychev 2004; Browning and Joenniemi 2003). Therefore,

[4] In this context, Browning points out that there is a danger that policy-makers, who promote region building, are unconsciously influenced by a Western perspective. Accordingly, "the underlying narratives of the new region building (even the 'post-modern' ones) also have the propensity to reproduce the very exclusions many hope it possible to overcome" (Browning 2001:48). For identity formation, this suggests that the Baltic Sea identity reflects the views of those who shaped the region–which are unconsciously based on a conviction of Western superiority. Nevertheless, Browning also points out that if people are aware of the "continuing exclusionary nature of the discourses underlying the new region building initiatives" (Browning 2001:51), it becomes possible to reconceptualise them.

[5] However, it should be kept in mind that the construction of a region around the Baltic Sea was inspired by a post-modern theoretical approach. Neumann points out that this region building was conducted by "a tightly knit epistemic community of 'Nordic' foreign political intellectuals" (Neumann in Browning 2001: 3). In contrast, a "region" can also be seen from a more modernist point of view, as it is the case in Russia. The regions in Russia have been introduced for administrative purposes and probably have no unifying characteristics that would enhance the development of regional identities (Browning and Joenniemi 2003a: 84).

one of the characteristics of the BSR is its conceptualisation as a "post-modern region" with a focus on dialogue instead of negotiation, inclusiveness and a potential to overcome frontiers rather than to create new ones (Browning and Joenniemi 2003b:467), and a multitude of networks. These characteristics evolved from the policy of the ND. The construction of the EU's Northern Dimension thereby contributed to the current understanding of the BSR.

Apart from that, some other factors are claimed to be of importance in the BSR. Of those, the factor "security" is assumed to have been one of the most important driving forces for region building. In the literature, there are diverging positions concerning the impact that this factor has had on the BSR. For instance, Browning and Joenniemi claim that regional cooperation in the BSR can only function if motivated by security (Browning and Joenniemi 2004:245). Adopting a slightly different point of view, Morozov argues that desecuritisation in particular is a prerequisite for post-modern region building. Desecuritisation is defined here as "the process whereby interaction becomes centred on issues other than security, while security as such is actually enhanced by avoiding the language of security" (Morozov 2004:318).

Moreover, Tassinari and Williams differentiate between the concepts "hard" and "soft security"[6] and their implications on region building. They state that "hard", military, security issues are dealt with "from above" by actors such as the EU or NATO, whereas soft security matters are addressed by regional actors "from below" (Tassinari and Williams 2003:38). For the origin of the BSR, this means that hard security concerns have been a motivation for engaging in cross-border cooperation for the former Soviet States in order to escape the Russian sphere of influence (Browning and Joenniemi 2004:237). However, at the same time, region building in the BSR is estimated to have been started "from below with numerous actors in the beginning striving for completely different goals" (Tassinari and Williams 2003:35). Tassinari and Williams thus claim that there are two dimensions of region building, one from below and one from above that are complementary and can operate simultaneously.

Those three different approaches towards the origins of a post-modern BSR have different implications for its future. Browning and Joenniemi (2004) claim that cooperation after EU and NATO enlargement will come to an end unless other motivations for cooperation than just security are found. Morozov's approach to desecuritisation, in contrast, suggests that cooperation is becoming motivated by other issues than security and will thus continue.

[6] According to Pynnöniemi and Raik, "soft security" refers to non-military issues and common threats that call for cooperative responses (Pynnöniemi and Raik 2003).

Tassinari and Williams' focus on a complementary process of region building from above and below implies that soft security issues will lead to continued cooperation even after the hard security issues, addressed previously from above, lose their immediacy. This explanation of the construction of the BSR as an interplay of forces from above and below is also compatible with the claim that the BSR was constituted on the basis of the vision represented by the ND. Although the policy-makers who created the ND were not concerned with hard security, they engaged in the existing processes of cooperation that had developed from below, and imprinted an overall concept and a vision from above.

With respect to the definition provided above, the purpose of this overview was to describe the BSR as an area of the world with some special characteristics. Those include that it is a post-modern region, symbolising the metaphor of "Olympic rings Europe," that it has no centre, is inclusive and consists of overlapping networks. Concerning the origin of the BSR, many academics regard security threats that had to be overcome collectively as the starting point for regional cooperation. Further characteristics of the BSR can be found, such as geography, since the Baltic Sea region is of course to a great extent defined by the Baltic Sea or its location in Northern Europe. A thorough exploration of all characteristics of the BSR is, however, beyond the scope of this paper.

To sum it up, the presentation of the concepts "identity" and "region" has demonstrated that in the BSR, the processes of identity formation and region building appear to be closely interwoven and to happen in parallel. Policy-makers, who try to construct a region, inevitably also construct specific characteristics that define this region. If the majority of the inhabitants of this region then agree that these characteristics define the Baltic Sea region and, if they consider themselves part of this region, they develop a regional identity – which in turn has influence on their social reality, and thereby the existence and nature of the region. In Catellani's words: "There seems in fact to be a close link between the political objective to establish cooperative ties across the Baltic and the need of creating a sense or a form of common belonging to a single community" (Catellani 2003:18).

DIVERGING APPROACHES TOWARDS A BALTIC IDENTITY IN THE LITERATURE

Some academics claim that for several reasons a common BSR identity has failed to emerge. Firstly, they state that cooperation has only been established to address security risks and to help the Baltic countries and Poland to become democratic market economies and therefore, the cooperation will cease to exist after these problems are solved (Browning and Joenniemi 2004:243, 245). Secondly, it is claimed that tensions between the EU and Russia prevent a common identity from

being established (Browning 2001:52). Thirdly, it has been stated that any identity that is imposed on the region cannot function – only an identity that has developed slowly over the centuries from below such as the Scandinavian "asecurity community" (Browning and Joenniemi 2004) can be sustainable.

Other academics have noted that the countries around the Baltic Sea prefer to highlight – and thereby to identify with – diverging characteristics of the region. It is claimed that academics and politicians particularly from Germany, the Scandinavian countries and the EU tend to emphasise a common Baltic history and actively support the notion of a Baltic identity (Catellani 2003:18; Browning 2001:5f., 51; Tassinari 2003:10; Jessen and Pohl 2003:11, 13f.). In contrast, in the Baltic States and Poland, people are more likely to stress the "Europeanness" of the Baltic Sea region that is used in this context as a synonym for being closer to the EU and the West (Browning and Joenniemi 2003b:471). Concerning opinions from Russian politicians and academics, there can hardy be found any emphasis on common traits applying to all littoral states in the literature. The perception of Russia as a modern, Westphalian state, which prevails in the current political elite, makes it difficult for policy-makers to appreciate the merits of cross-border cooperation, networking and political activity on regional levels.

As to the common images from a shared history that are especially promoted by people from Germany, the Scandinavian countries and the EU, it is argued that the most well known images are the "new Hanse,"[7] Pomor,[8] the Viking Age and the North. Of those, according to Catellani (2003), the images of the "Hanse" or Pomor are stronger than a "Northern" identity – represented by the ND – or an "EU identity". For the Hanse, this claim seems to be confirmed by the fact that this trading network is still well known to many inhabitants of the coastal areas along the Baltic Sea, because the Hanse once consisted of or ruled over towns like Lübeck, Hamburg, Rostock and Stralsund in Germany; Szczecin, Gdansk and Elblag in Poland; Kaliningrad (then the German Königsberg), Novgorod and Pskov, which today belong to Russia; Tallinn in Estonia; Riga in Latvia; Stockholm, Kalmar and Visby in Sweden; and Turku in Finland.

[7] The words "Hanse" or "Hansa" refer to the Hanseatic League which was "an alliance of trading cities that for a time in the later Middle Ages and the Early Modern period maintained a trade monopoly over most of Northern Europe and the Baltic" (Wikipedia The Free Encyclopedia "Hanse" <http://en.wikipedia.org/wiki/Hanse> [accessed 23.02. 2005]).

[8] "Pomors" (помóры) are settlers of the White Sea coasts. Explorers from Novgorod entered the White Sea through Northern Dvina estuary and founded the Russian settlements along its coast. They reached as far as trans-Ural areas of Northern Siberia and founded the city of Mangazeya. They maintained a Northern trade route between Arkhangelsk and Siberia" (Wikipedia The Free Encyclopedia "Pomors" <http://en.wikipedia.org/wiki/Pomor> [accessed 22.02. 2005].)

However, in spite of this high profile in the region, the image of the "new Hanse" has been discovered to evoke rather negative connotations among a number of inhabitants of the region, as it is associated with German imperialism. Thus, the Hanse does not present the good example of peaceful cross-border cooperation that it was intended to be, among others by Björn Engholm in the beginning of the 1990s (Engelen 2004:14).Nevertheless, as Jörg Hackman puts it:

> *…one might argue that the Hanseatic League is the most appropriate conception to use in constructing such as Baltic identity. […] It could be argued that the temporary success of the New Hansa as concept was due to its vagueness and presumably also to the fact that it does not really interfere with contested historical topics amongst the societies on the Baltic rim. In other words, the Hansa can easily be associated with positive developments such as trade, exchange, wealth and inter-cultural contacts. If there was occasionally a slight reluctance towards Engholm's image of the Hansa, this was based not so much on different political conceptions as on a national perspective which held that it was blurring the colonial role of the Hansa in the past* (Hackman 2003:79).

In other words, the image of the new Hansa does seem to have its advantages, as Catalani stated, but it also evokes negative connotations and must therefore be treated carefully.

The metaphors of the Hanse and Pomor fit to the post-modern nature of the region: they refer to former loose, open and inclusive trade networks. Those characteristics are reflected in institutions such as the CBSS or the UBC. In addition, there are institutions in the region that deliberately try to discover and maintain the common culture and past and thereby actively contribute to the development of a common identity. Such an institution is the Baltic Sea Heritage Co-operation.[9] The existence of the Baltic Sea Heritage Co-operation shows that some policy-makers have already taken active measures in promoting a common identity based on a common history and a common cultural heritage; thus, the attempt to create an identity definitely exists within the region.

To sum it up, this review has illustrated the debate about the existence, duration and nature of a BSR identity. While there are many arguments supporting each approach, what can be stated here is that at least the endeavour to construct a common Baltic identity definitely does exist. Institutions such as the Baltic Sea Heritage Co-operation promote an identity in the region that is based on a common

[9] The institution held a Cultural Heritage Forum on "Baltic Sea Identity" in Gdansk in April 2003 (Baltic Sea Heritage Co-operation, Homepage <http://balticheritage.raa.se/> [accessed 23.02.2005]).

history and a common culture. In the next part of this paper, the previous statements regarding a Baltic identity will be complemented by an empirical study. This is expected to show to what extent a common Baltic history is of importance for the construction of a Baltic identity, which aspects from history are promoted if any, and whether there are other characteristics that serve to define "Balticness".

LINGUISTIC ANALYSIS OF CERTAIN EMPIRICAL EXAMPLES

In this part, five empirical texts will be examined with a focus on possible characteristics of the BSR that are promulgated in spoken language. The examples comprise, firstly, a speech by the former Commissioner for External Affairs of the EU at the eleventh ministerial meeting of the CBSS in Svetlogorsk on the sixth of October 2002; secondly, a speech by the Vice Governor of St. Petersburg and Chairman of the Committee for External Relations held at the 11th Anniversary Conference on Subregional Cooperation in the Baltic Sea Region on the 24th of October 2003; thirdly, a speech by the President of Lithuania, held at the seventh October 2004 at a business lunch hosted by the American Chamber of Commerce in Vilnius; fourthly, a speech by the Swedish Chairman of the Standing Committee of the Baltic Sea Parliamentary Conference (BSPC), held on the 23rd of November 2004 in Brussels and finally, an interview of the Russian Minister of Foreign Affairs to the German Newspaper Handelsblatt in Moscow from the 28th of December 2004. [10] These five examples represent five different institutions: the EU Commission, the local government of St. Petersburg, Lithuania's government, the BSPC and Russia's government.[11]

The empirical examples were chosen according to the following criteria: they should reflect spoken language, they should be rather new, they should all concern the BSR, and they should express the views of inhabitants from different BSR countries or members of BSR institutions. Russia is assigned a special role because the purpose of this paper is to examine whether an emerging Baltic identity can serve to bridge the gap between the Russian BSR inhabitants, as the only non-EU citizens, and the people from the other states of the region.

[10] As Jessen and Pohl put it, speeches today are written not by the speakers themselves but by speechwriters (Jessen and Pohl in Hansson 2003: 15). Consequently, they do not reflect the speakers' opinion but the views of the institution that the speaker represents. The same is probably also true for the interviews with politicians. For instance, the Russian Minister of Foreign Affairs mentions himself that it is the President of the Russian Federation who decides on the country's foreign policy (Ministry of Foreign Affairs of the Russian Federation 2005: 9).

[11] It would be interesting to examine not only the position of the Lithuania and Russian governments but also the other seven countries of the region. Likewise, it would be of interest to examine more institutions than the BSPC, the BSSSC and the Commission as well as the positions of other BSR inhabitants. However, a much larger amount of empirical research would be necessary to draw a more coherent picture of the current situation in the BSR.

It should further be noted that it is not a requirement that the examples of spoken language should be made exclusively by people from the region, because the perception of outsiders is also of importance for the construction of a collective identity. In fact, as a detailed description of each speaker's background is not a part of this paper, it cannot be known for sure whether any of them regards themselves as inhabitants of the Baltic Sea region as defined above. It is only possible to distinguish whether the institutions represented by the speakers belong to the region. Therefore, the speech by the Governor of St. Petersburg is analysed as the view of a Russian politician from within the region while the interview with the Russian foreign minister can be seen as the perception of an "outsider" who, due to his political position, conveys the perception of the Russian government. The speech by the Commissioner for External Affairs of the EU is regarded here as an outsider's viewpoint because the Commission is not a Baltic Sea regional institution even though it participates actively in Baltic Sea cooperation. The speech by the President of Lithuania can be regarded as an insider's view if one defines the whole of Lithuania as belonging to the BSR – this problem could in principle only be solved by asking the Lithuanians whether they feel like inhabitants of the BSR. Finally, the speech by the Swedish Chairman of the Standing Committee of the Baltic Sea Parliamentary Conference (BSPC) is considered an insider's view as the BSPC is definitely a Baltic Sea regional institution. As to the positions conveyed in the speeches, none of the speeches are understood to reflect the perception of Russia, Lithuania, Sweden or the EU as a whole, but as the speeches were held by leading politicians, they probably reflect the official positions of the governments or institutions they represent.

It is furthermore considered important that those examples present spoken language, because such a form of discourse has to take the setting into account, e.g. the words of the speaker have a direct impact on an audience. Additionally, spoken language tends to be less factual but more focussed on the mediation of a message or vision. Thus, the analysis of speeches or interviews can be expected to shed light on the question of how identity is constructed in the BSR.

The speeches have been evaluated with regard to the use of personal and possessive pronouns because through them a divide between the self and the other is constructed. Additionally, focus has been on the way in which the terms Europe, EU, West, Russia and the BSR are used. Furthermore, attention has been paid to the construction of a possible vision for the region, and conclusions concerning an identity of the BSR have been drawn.

ANALYSIS OF THE SPEECH BY COMMISSIONER CHRIS PATTEN (TEXT 1)

In his speech at the Council of the Baltic Sea States, the Commissioner Chris Patten uses mostly the pronouns "we" and "our" when referring to the Commission, e.g. "We need to explore common ground between Russia's wish to ensure easy transit between Kaliningrad and the rest of Russia, and our own need to ensure our security" (Patten 2002:2). By "ensure our security" the EU-members are included into the self, whereas Russia and especially Kaliningrad are linguistically excluded.

The "other" as opposite of the "self" is constructed in the phrases "our policy on Kaliningrad" (Ibid.:1), "Kaliningrad has lagged behind the rest of the Baltic and many other regions of Russia" (Ibid.) and "discussion with Russia and the candidate countries bordering on Kaliningrad" (Ibid.:1f.). Concerning the use of "Europe," it is interesting that the Commissioner mentions "Europe's Northern Dimension" (Ibid.:1) suggesting that the ND, which is normally referred to as the "EU's Northern Dimension," goes beyond the EU. Consequently, in this case he distinguishes between the notion of "Europe" and the "EU" and includes Russia into Europe.

With regard to the use of the term "EU," which represents the "self" in this speech, the following sentence expresses the role that is attributed to the EU for cooperation in the BSR: "The importance of the Northern Dimension can only grow as the context of the region changes, and as four more Baltic countries become members of the EU" (Ibid.). The ND is also referred to as "a broad concept that touches many aspects of EU policy in this region" (Ibid.).

Russia is mentioned in Patten's speech in connection with "the spread of organised crime, illegal immigration, environmental pollution and diseases like AIDS [which] challenge the security of Kaliningrad and Russia as well as that of present and future EU Member States". This image reveals that, from the Commission's viewpoint, Russia is associated with soft security threats. Similarly, tensions between the EU and Russia underlie the phrases "discussion with Russia" instead of dialogue (Ibid.:2) and "Let us move on from sterile argument about things like the format of meetings and start real co-operation on substance" (Ibid., italics added) indicating that cooperation between the EU and Russia does not yet function as anticipated. However, at the same time, the relations are depicted in positive terms as well, evident in the phrases "our Russian friends" (Ibid.) or "our friends in Moscow" (Ibid.).

The BSR is generally mentioned positively in the speech as illustrated with the following: "For me there are three key-words for Baltic regional cooperation in the coming decade: focus, leadership, and opportunity" (Ibid.). Chris Patten formulates

a vision not for the BSR but for the ND: "Europe's Northern Dimension stands on the threshold of tremendous new opportunities for continuing democratic development, for enhanced regional cooperation, and for shared prosperity" (Ibid.).

Summarising, the speech shows that although the Commission is an official member of the CBSS, the BSR is viewed from outside. This speech does not serve the establishment of a Baltic identity but the reinforcement of the EU identity. When speaking of the region, the Commissioner underlines the importance of the Northern Dimension, which is an EU policy. Russia is treated as an outsider due to underlying tensions between the EU and Russia concerning Kaliningrad. The message of this speech is that cooperation in an EU frame should be the uniting element in the BSR.

ANALYSIS OF THE SPEECH BY THE VICE GOVERNOR OF ST. PETERSBURG (TEXT 2)

The "self" that is constructed in the speech by the Vice Governor A.V. Prokhorenko of St. Petersburg at a BSSSC Meeting, is the city or the local government of St. Petersburg. Occasionally, the Baltic countries are included into the self, which is evident in the phrases, "our common history" (Prokhorenko 2003:3), "our common past and present, our cultures and our children" (Ibid.:4), and "our organization" (Ibid.:5) referring to the BSSSC.

The "other" is only constructed indirectly: the sentence "we would love to see considerable progress in removing visa barriers" (Ibid.) can also be understood as criticism towards the EU, which has not yet removed those barriers. So indirectly, the EU presents the "other".

St. Petersburg is, in this speech, regarded as part of "Europe." The Southwestern Waste Water Treatment Complex in St. Petersburg is described as "the largest facility of its kind in Europe" (Ibid.:4). The EU's role in the BSR is indirectly mentioned, as the Northern Dimension programme is said to be progressing. Symbols of St. Petersburg's ties to the West are clearly the presents that are given to the city by the other BSR countries. Many of them refer to a common Western culture including literature, architecture, music, film, art and history (Ibid.:3f.). Those symbols are not discursively constructed in the speech, but described as facts. They also reveal that the Baltic Sea countries regard St. Petersburg as one of them, not as part of an "other".

The BSR plays an important role in this speech, which is shown in the sentence, "[s]ustainable peaceful development in our region is conditional on our joint effort on addressing our common challenges, building on our common success and shared

advantages both geographic and geopolitical" (Ibid.:5). The BSR is represented as inclusive, e.g. "all Baltic Sea nations without exception" (Ibid.:3), and a notion of commonness is constructed by referring to history: "our millennium-old common history" (Ibid.). The vision of the speech is a continued, sustainable, peaceful development based on a common past and present that will lead to a shared future (Ibid.:4).

This speech strongly reflects the effort to construct a common Baltic identity on the basis of a common history. The basis for the commonness of all the Baltic countries that is taken from history is not, as suggested in the literature, the Hanse or Pomor but the Viking Age. The Vice Governor refers to the time of Rurik (Ibid.:3), a "semi-legendary leader of the Varangians (Vikings)" [12] that came from Sweden to Russia.

ANALYSIS OF THE SPEECH BY THE PRESIDENT OF LITHUANIA (TEXT 3)

The "self" in the speech by the President of Lithuania, Mr. Adamkus, speaking to the American Chamber of Commerce, includes Lithuania, the Baltic States (Adamkus 2004:2) and sometimes the whole BSR (Ibid.:2,3). Russia, not being a member of the EU, is regarded as the "other." It is claimed that Russia should be involved "more actively into European affairs" (Ibid.:2). Here "European" does not include Russia but means "the EU" or "Western". At the same time, "the European policy" of Baltic governments is regarded as important for the success of the region (Ibid.). Consequently, this implies that Russia, as the "other," needs to adapt to "European" values to be included into the Baltic "self" and make the BSR a success: "with Russia participating, we can make the Baltic sea region one of the most prosperous areas in Europe" (Ibid.).

The BSR is mentioned positively in the speech: "The current situation in the region, which includes affluent Nordic countries, small and dynamic Baltic States, Poland, parts of Germany and Northwestern Russia, is well balanced" (Ibid.:1). Most of the time, the economic developments are highlighted: "The symbiosis of affluent and technologically advanced Nordic states and Germany on the one hand and the dynamism of the Baltic States on the other make the Baltic region one of the fastest growing regions in the European Union" (Ibid.).

The vision presented in this speech also refers to economic success, illustrated in the sentences, "Therefore, our actions in the long run should aim at reinforcing the positive trend that brings welfare to the region via taxes, knowledge and expertise"

[12] World Encyclopedia. Philip's (2004) "rurik", < http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t142.e10078> [accessed 20.02. 2005].

(Ibid); and "Innovation and competitiveness are the two main priorities for the Baltic region. These two pillars are crucial in making our region an outstanding place to do business" (Ibid.:3).

Summarising, in this speech the BSR is associated with welfare and economic progress. This is probably partly due to the fact that the speech was held at a business lunch that was hosted by the American Chamber of Commerce. Consequently, in order to impress the American partners, the economic success of the region had to be emphasised. As the audience does not comprise members of the BSR, the speech has not so much the purpose to construct a feeling of commonness but to present the BSR in the most positive way. Evidence of a BSR identity can nevertheless be discovered in the frequent reference to this success and to an Europeanness that should also include Russia.

ANALYSIS OF THE SPEECH BY THE CHAIRMAN OF THE BSPC STANDING COMMITTEE (TEXT 4)

In the speech by Mr Olsson, the Swedish Chairman of the Standing Committee of the BSPC, the "self" includes the BSPC as well as the people of the region, which becomes clear in the sentences, "we can look at the development of the Baltic Sea Region as a success story. The region is rich, we have high standards of living, people have good education and there is functioning infrastructure in the region" (Olsson:1f.).

The "other" is not strongly presented in this speech, but in the sentence, "we see the importance of developing as close relations as possible between the EU and Russia as paramount" (Ibid.:3), the EU and Russia are constructed as the "other" in contrast to the BSPC. This sentence also shows that the EU is presented as important for the region. It is even indicated that the BSPC hoped that the BSR would increase in importance after the enlargement which, however, has not yet happened (Ibid.).

Similarly to the Lithuanian President, the Swedish Chairman also constructs an image of the BSR as a prosperous, economically successful region (Ibid.:1). It refers briefly to a uniting history, e.g. "rich common cultural heritage and history" (Ibid.:2). Additionally, the importance of the BSR in national parliaments is underlined: "One of the most significant outcomes of the cooperation, as I see it, is the Baltic Sea perspective and Baltic Sea cooperation has become a natural part of the everyday work in our national parliaments" (Ibid.:4). The vision evident in this speech is that the BSPC should promote the "democratic, economic, social and cultural development in the region" (Ibid.).

To sum it up, evidence of the promotion of a common Baltic Sea identity can be found in the reference to a common culture and history in this speech. Being a BSR institution, the BSPR apparently takes part in the construction of such an identity because a more coherent and integrated region will improve its functioning and importance. For similar reasons, people of the Baltic Sea that are united by a common history are advised to regard themselves as inhabitants of a prosperous, successful region that is on the way to gaining more importance within the framework of the EU. It is expected that the Russian parts of the region can easily adapt to these aims.

ANALYSIS OF THE SPEECH BY THE RUSSIAN MINISTER OF FOREIGN AFFAIRS (TEXT 5)

In the interview with the German newspaper "Handelsblatt," the Russian Minister of Foreign Affairs refers to the Russian government (Ministry of Foreign Affairs of the Russian Federation:1) or the Russian Federation (Ibid.:2) when he uses the pronoun "we." The "self" is also constructed in the way that Russia is described as "one of the leading military and economic powers" (Ibid.:4) and when it is claimed that the Russians live in a "real world of real politics" (Ibid). The "other" in the interview are clearly the Baltic states Latvia and Estonia, who do not observe minority rights and allow Russian minorities to be discriminated against, (Ibid.:3). In addition, Europe is part of the "other," evident in the phrase "we asked the Europeans" (Ibid.:4), as is the EU, which in the context of minority rights' issues "ignored these problems" (Ibid.:3).

The notion of Europe that is constructed by Mr. Lavrov's words is ambiguous. On the one hand, Europe is regarded as not including Russia. For example, the Foreign Minister speaks of exports "to Europe from Russia" (Ibid.:4). On the other hand, he explicitly states, "And then Russia too, in all the parameters, is of course a European country" (Ibid.:5). This reflects clearly that the discussion of Russia's European identity still is not solved internally. The EU is often associated with Europe and the West (Ibid.:2). It is represented by the EU Commission, which violates obligations to Russia (Ibid.:4). Nevertheless, the necessity of a functioning partnership is highlighted: "Geography, economy, history, culture – all this conditions the necessity of our partnership with the European Union" (Ibid.:5). The Foreign Minister states that EU membership of Russia is not even considered theoretically (Ibid.:6) due to the complicated accession of the 10 new members (Ibid.).

The notion of the West is represented by Europe and NATO (Ibid.:2). Lavrov admits, "we are partners with NATO, but we see no point in the NATO enlargement" (Ibid.:7) and also mentions concerns on the Russian side: "For

practically on the day of the declaration of the enlargement AWACS aircraft immediately began to fly along the Russian borders, and combat aircraft were deployed in Lithuania" (Ibid.). Consequently, Russia's relations to the West appear rather complicated and fragile but are nonetheless viewed as important by both partners.

The BSR is not mentioned at all when the Foreign Minister enumerates the countries, regions and states that are of interest for Russian foreign policy (Ibid.:4f.). However, the region is referred to in connection with hard security: "this region from the point of view of security presents no threats at present" (Ibid.:7).

A vision for the future can be found in the following sentence: "we want to safeguard our interests not through confrontation, but through a dialogue partner-like, constructive and pragmatic" (Ibid.:4). This reveals that although the Foreign Minister stresses the words "dialogue" and "partner," he nevertheless also refers to the Russian self-interest, which is characteristic for a realist worldview.

Concluding, it can be said that for the Russian government the BSR only plays a role in the context of hard security issues. These findings confirm the view presented in the literature that the BSR is marginalized in Russian politics and that (military) security is still very important in the discourse of the current political elite. Nevertheless, this interview also includes the statement that the EU and Russia are united by their common history, as they are both "European".

ASSESSMENT OF THE LITERATURE AND THE LINGUISTIC ANALYSIS

The results from the empirical analysis confirm some of the statements presented in the literature review. For example, in the literature it has been suggested that in the Baltic States the aspects "being European" and "independent from Russia" play a strong role. The President of Lithuania[13] indirectly supports this notion in his speech by presenting a "European policy" as the key to success for the governments of the BSR. He also emphasises that Russia should become a part of Europe, which illustrates that the Lithuanian government would appreciate it if Russia was included into Europe and operated under the umbrella of the EU.

In addition, the interview with the Russian Foreign Minister seems to confirm the statement that security is still important for the Russian government's perception of the BSR. Conversely, in the speech by the Vice Governor of St. Petersburg, security

[13] Representing the position of the government, not all Lithuanians!

has not played a role at all.[14] This shows once more that, first of all, there can be several approaches towards the nature of the BSR if one examines several examples of discourse within one country. Obviously, there does not exist only one discourse in Russia, nor does there exist only one identity of the people in the BSR. For generalisation purposes, it can be stated that there seems to be differences between the position of the local government of St. Petersburg and the Russian government towards the BSR. Secondly, these differences can also be seen as representing the internal split between "pro-European" and "pro-Eurasian" Russians, which is an important aspect of the construction of identity in Russia and thus should be taken into account with regard to a collective identity in the BSR.

Furthermore, the EU Commission's perception of the BSR presented in the literature has also been verified in the study. The speech by Chris Patten suggests that although the Commission approves of the region's success, it attributes this success exclusively to the ND, which is an EU policy. The Commissioner's attitude towards Russia expresses indirectly a notion of Western superiority. Consequently, in line with the arguments found in the literature, the Commission seems to support a "Northern Dimension identity" in the BSR that is close to an "EU identity" and that is based on a demarcation from "Russian problems" such as organised crime.

Finally, as also mentioned in the literature review, the image of the Viking Age is used in the BSR as a basis for a common identity. The Vice Governor of St. Petersburg underlines this in his speech. To a lesser extent, he also highlights "the North" as a basis for an identity, though not associating this with the BSR but with an Arctic region. The fact that he does not mention the Hanseatic League as a basis for a common identity can easily be explained. Unlike Novgorod, Pskov or Tver, St. Petersburg has not had any connections to this trade alliance.[15] However, in order to determine whether the Viking Age plays an important role as a basis for a Baltic identity in general, more research is necessary.

Some additional findings have been made in the examination. Firstly, economic success and prosperity is emphasised in the texts 2, 3 and 4 and can therefore be assumed to play an important role for the way in which the policy-makers of the BSR view the region. Secondly, Europeanness is mentioned in the texts 1, 2, 3 and 5. This notion is therefore not only important for the government of Lithuania but

[14] Of course, this may be due to the circumstances under which the speech was held. In order to find out whether security only plays a role in connection with the BSR from Russian outsiders' points of view, it is necessary to analyse a much larger amount of empirical data, which was beyond the scope of this paper.

[15] "Hanseatic league" in Wikipedia the Free Encyclopedia (Online database). Available from <http://en.wikipedia.org/wiki/Hanseatic_League#Members_of_the_Hanseatic_League> [accessed 22.02. 2005].

also for the policy-makers in St. Petersburg and in the Commission. Thirdly, a common Baltic history is mentioned in texts 2 and 4.

As a result, the examples suggest that an emphasis on Europeanness is likely to be found in the discourse[16] concerning the BSR – it is mentioned by outsiders, such as the Commissioner, as well as insiders of the region, such as the Vice Governor of St. Petersburg and the President of Lithuania. However, the fact that Europeanness also plays a role in the interview with the Russian Foreign Minister is of little importance here, as this is not explicitly associated with the BSR and therefore it provides insights in the process of constructing a collective Russian identity rather than a Baltic identity. Moreover, a common history seems to play a role as a basis for identification, which is shown among other things in the gifts to the 300th anniversary of St. Petersburg. A factor that seems to unite only the inhabitants of EU member states in the BSR seems to be the economic success of the region. Only the representative of the Russian government mentions security in connection with the BSR and only the Commissioner emphasises the ND as important for the BSR; therefore, they are not considered further as bases for a BSR identity.

Consequently, the literature review and the empirical study of the discourse examples of certain politicians have shown that a common history and a common culture, expressed in metaphors such as the Viking Age, could be an important characteristic of the BSR. A common past and culture is also emphasised by some of the institutions of the BSR. In addition, Europeanness is used as a basis for a Baltic identity and supported not only by people from the Baltic States and Poland[17] but also by representatives from St. Petersburg in Russia and the EU. Another aspect has been noticeable in the empirical study is the region's economic success. A vision of prosperity and high living standards throughout the region – similar to the vision presented in the introduction – therefore seems to provide a third important characteristic of the BSR and a basis for a Baltic identity.

The findings of the preceding chapters lead to the central question of this paper: What influence can a BSR identity have on the self-other divide between "Western Europe" and "outsiders" such as Russia? In the literature as well as the empirical study, tensions between the EU and Russia have been apparent. The self-other

[16] "The discourse" does not indicate that there is only *one discourse* in one region, state etc. but refers to the sum of spoken and written language in a certain area. In this context, analysing *the discourse* of the Baltic Sea region refers to a thorough examination of some examples of spoken or written language, as it is impossible to examine *the whole discourse.* By referring to *the discourse of the Baltic Sea region*, the results of the analysis of certain examples are meant, and it is clear that a more broad or differently conducted analysis would possibly come to other results about *the regional discourse* – which does not mean that either of the results are wrong but that *the discourse* can include many aspects and also change over time.

[17] Cf. the section on "Diverging Approaches towards a Baltic Identity in the Literature" above.

divide between the EU and Russia, Europe and Russia, or the West and Russia has been perceptible in all five empirical texts. The different characteristics of the region have diverse implications for this divide.

Firstly, an identity based on a common past and culture seems to include and unite all BSR countries. However, one has to be aware that the policy-makers constructing the region and its identity are today mostly EU-citizens. Their visions of the BSR are chosen on the basis of Western values. This applies to the Hanse, which started as an alliance of German traders that began to explore and dominate the Baltic Sea region. Therefore, although it has been said that the image of the Hanse corresponds to the post-modern nature of the BSR, it might not be as inclusive as it seems. Moreover, the Viking Age, which was presented as an example of a uniting history by the Vice Governor of St. Petersburg, must be treated carefully too. Precisely the legend of Rurik, the founder of the first "Rus" empire, has led to disputes among historians. The interpretation of the legend that is mostly supported by Western scholars suggests that the ancestors of today's Russia came from Scandinavia. Another way of interpreting the legend, which is put forward mostly by historians from Eastern Europe, holds that the ancestors of Russians were Slavs. Although the Vice Governor even underlines the Swedish origin of Rurik and does not seem to regard Scandinavian ancestors as problematic, it cannot be expected that all Russians are of the same opinion. Consequently, by referring to a common Baltic history as a basis for identity and taking as an example the Vikings, one could implicitly reinforce claims of Western superiority and Eastern or Slav inferiority by taking sides with the Western interpretation of the legend of Russia's origin.[18]

Secondly, Europeanness has been highlighted as a basis for a BSR identity. For Russian BSR inhabitants, like the Vice Governor of St. Petersburg, this notion does not seem to pose problems because he makes it clear that he considers St. Petersburg a part of Europe – but the Russian government might see things in a different light. Europeanness has several connotations. For the politicians from the Baltic States and Poland and to some extent Northwest Russia, an identity based on Europeanness seems to underline Western values and strengthen their ties to the EU. For some Russians, Europeanness is interpreted in geographical terms but not so much in cultural terms, but other Russians associate Europeanness with Western notions of superiority. From the interview with the Russian Foreign Minister, it was

[18] Cf. "Rurik: disputed origin" in Wikipedia The Free Encyclopedia (Online database), <http://en.wikipedia.org/wiki/Rurik#Disputed_origin> [accessed 24.08. 2005]; "Rus' (People)" in The Free Dictionary By Farlex (Online database), <http://encyclopedia.thefreedictionary.com/Rus%27+%28people%29> [accessed 24.08 2005].

evident that the Russian government sometimes depicts being European as something positive and sometimes as negative.

Thirdly, economic success and welfare appear to be a rather strong basis for a BSR identity. Yet, an identity based on this vision can hardly be sustainable if the BSR fails to develop into one of Europe's most prosperous regions and this vision is proven wrong. What is more, this basis for an identity mostly applies to the EU member states of the BSR and leaves out Russia. The economic prospects for the near future are less promising for the Russian regions than for the other BSR countries. Consequently, an identity based on this aspect is also likely to widen the gap between Russia and "the West".

It can be argued that none of these aspects alone can provide the people of the region with a basis for developing a Baltic identity. But many people living in the BSR could possibly agree to have several aspects in common. A certain amount of historical connections, the notion of belonging to Europe, and the awareness of being an inhabitant of a region with a large economic potential – in addition to living close to the Baltic Sea with its unique characteristics – may be characteristics that in the long-term perspective could become aspects of a common Baltic identity.

CONCLUSION

The aim of this paper has been to discuss the connection of "new region building" in the Baltic Sea region to the construction of a collective identity with respect to the implications on Russia as a non-EU member state

The starting point of the essay was a presentation of the connection between processes of region building and the construction of identity in the BSR. Based on a literature review, it was concluded that processes of region building and identity formation in the BSR are closely interwoven. The identity of the region and the region itself are continually constructed in discourses through a demarcation of the self against the other. Therefore, the policy-makers who construct the identity of the BSR by means of their discursive practices also construct the region as a whole.

Secondly, a possibly existing identity of the BSR has been examined closer with regard to literature and an empirical study. The identity of the BSR has been defined as the sum of characteristics that determine its individuality. In the literature, it is claimed that the most outstanding characteristics of the BSR are its post-modern qualities, symbolised by the metaphor of Olympic rings Europe, its inclusiveness and its overlapping networks. Other characteristics – or bases for identification –

have been found in the empirical study: the Viking Age as a common history, Europeanness and economic success.

By means of the empirical study, it has not been possible to determine which of the characteristics, if any, have been the most important for constituting a Baltic identity. Nevertheless, it has been stated that each of the characteristics emphasised in the empirical study could have negative implications on the relations between Russia and the other BSR countries if a Baltic identity was promoted carelessly. Firstly, the aspect "Viking Age" as a common history for the whole BSR could touch upon a highly disputed issue about Slavic and thereby Eastern versus Scandinavian and thus Western influences in the history of Russia. Secondly, the characteristic "Europeanness" should be handled with care. The policy-makers should avoid associating the word "European" with "Western". Finally, welfare and economic success as components of a Baltic identity are most likely to widen the gap between Russia and its EU neighbours. It is questionable whether the Russian regions can feel part of Europe's most successful region as long as the new EU border prevents them from benefiting from the economic success in the same way as their Baltic neighbours do. Only if the Russian regions reached the same level of prosperity as the other parts of the BSR, could this divide be closed. As to whether cooperation in the BSR will solve the tensions between the EU and Russia or whether the BSR will continue to be of political importance at all is beyond the scope of this paper.

It is the people of the Baltic Sea region who have to adopt those characteristics in order for a Baltic identity to come into being. Whether this is already the case, only large-scale empirical research can show. Thus it remains to be examined whether inhabitants of, for example, Zealand in Denmark, Pomerania in Poland and the St. Petersburg district of Northwest Russia feel a notion of commonness because they share the same history, because they all are Europeans and because they all believe in the economic success of "their" region, or because of completely different characteristics they attribute to the BSR – if a notion of that region exists in their minds at all.

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THE DOMESTIC USE OF EUROPEAN POLICIES –EUROPEAN REGIONAL POLICIES IN EASTERN GERMANY AND SOUTHERN ITALY

Joerg Baudner*

Abstract
Although network governance and multi-level governance approaches have had to revise some of their claims, comparative empirical research and revised conceptualisations of the impact of European regional policies are rare. This paper conceives of European regional policy as a process of policy diffusion in which the supply side of (European) policies and the demand side of the domestic arena can be linked in different ways. The paper will present, firstly, an analysis of the opportunity structures European regional policies provide for domestic actors; and, secondly, a typology of different domestic constellations which lead to a different use of European policies. The empirical cases of eastern Germany and southern Italy, two of the most important underdeveloped areas in western Europe, demonstrate that the use of European policies for the empowerment of the regions and for a transformation of policies and polity are two of the possible results of the impact of European regional policy, but they are bound to very specific domestic preconditions.

INTRODUCTION

European regional policies have been among the first policy areas in which attention shifted from analysing the building of European institutions to analysing the impact of these institutions on policies and polity of the member states - long before the debate on "Europeanisation" emerged. Network governance and multi-level governance approaches have deducted their analysis of the impact of European regional policies from their claim of a specific emergent European polity. Although, on the one hand, both approaches had to revise their core claims and, on the other hand, a broad literature on case studies had emerged, comparative studies on the differential impacts of European regional policies can hardly be found.[1]

This paper conceives European policies as an opportunity structure for domestic actors. European policies can be used for the empowerment of one domestic actor or

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[1] For exceptions, see Conzelmann 2002 and Lang 2003.

to promote a transformation of policies and polity. However, in this process, the supply side, i.e. European policies, and the demand side, i.e. the respective domestic arena, are much less directly linked. Furthermore, the opportunity structures of European regional policies are less uni-directional than multi-level governance and network governance approaches have claimed. The paper aims to provide a more comprehensive framework for the comparison of reactions to European policies by the domestic arena. Empirically, it will consider the case studies of eastern Germany and southern Italy,[2] two of the most important underdeveloped areas in Western Europe. Both member states are founding members of the European Union and are known for a positive attitude towards European integration. Eastern Germany and southern Italy reach only about 60% of the GDP per capita of the national average and less than 70% of the European average. Therefore they are targets of national regional policies as well as beneficiaries of objective one programmes of the structural funds targeted at the least developed regions in Western Europe. Both areas receive about 20 billion Euro support by the structural funds in the period 2000 to 2006.

The paper is structured as follows. Firstly, it will summarise the criticism brought forward against multi-level governance and network governance approaches. Secondly, it will analyse the opportunity structures European policies provide for domestic actors in vertical and horizontal governance. Thirdly, it will identify the character of domestic institutions and the position of the gate-keeper as the determining factors for the use of European policies. Fourthly, it will demonstrate how different institutional settings and the struggle for the position of the gate-keeper shaped the impact of European policies on regional policies in southern Italy and eastern Germany.

THE SHORTCOMINGS OF MULTI-LEVEL GOVERNANCE AND NETWORK-GOVERNANCE APPROACHES

Both multi-level governance and network governance approaches have linked their analysis of the impact of European regional policy to their claims of the character of the emergent European polity. Multi-level governance approaches have claimed that the emergence of a "third level in Europe" (Jeffery 1997) would empower the regions in Western Europe in relation to national governments. According to its proponents, European regional policies establish direct links between the Commission and the regions. These links produce an "upward stream" in policy

[2] This paper is based on the author's own research and interviews in Germany and Italy as well as on a synthetic overview of secondary literature to which the author has also contributed (Bull and Baudner 2004, Baudner and Bull forthcoming).

formulation, in particular with the organisation of regions in the Committee of the regions, and a "downward stream" in policy implementation given the strong role for the regions in the implementation of the structural fund programmes. The coherency and validity of these arguments had been called into doubt by three arguments. First, the role of the nation state has been underestimated. After initial mobilisation at the European level, regions returned to promote their interests through their national governments. Furthermore, regions that benefit from structural fund programmes mostly lack the institutional capacity to make full use of them and the political clout to be empowered by them (Bailey and de Propis 2002). Second, regional policy is a "mixed blessing" (Thielemann 2002). Structural funds came into existence as a compensation for the effects of increased market competition brought about by the market liberalisation in the process of European integration. This process of "negative integration" included not only abolishing barriers to EU-wide trade but also cutting back on state aid for lagging regions. Some authors have even claimed that state aid control had been for a long time the most important European regional policy (Yuill et al 1997). Third, multi-level governance approaches have (somehow paradoxically) dealt with the interaction of governments in vertical governance and neglected the attempt of the Commission to bring non-state actors in. This latter process takes place at the sub-national level and poses requirements also for sub-national authorities.

The proponents of the network governance approach claim that European policies are aimed less at differential empowerment than at a different quality of relations between different tiers of state authorities and non-state actors. They have predicted a more comprehensive and strongly "ideational" impact of European policies. The argument, in brief, is that the Commission is aware of the democratic deficit at the European level and the necessity of a sympathetic treatment of target groups. Consequently it promotes the inclusion of social and economic actors into a new mode of governance to increase legitimacy and efficiency of European policies. In particular, structural fund programmes constitute a policy field, which becomes an area of "socialisation" into new principles and procedures.

> *In the EC context, involvement may be considered to be the most effective way of bringing about change in governance. ... Being involved in the formulation and implementation of European policies and in the concertation of transnational interests, [the actors] become socialised to new practices. Being involved implies being part of an institutionalised learning process. Experience will teach the deficiencies and/or attractiveness of a particular mode of governance* (Kohler-Koch 1999:28-29).

The concept of network governance refers to a "specific system of interest mediation" that is based on the pursuit of partial interests by its actors (which distinguishes it from statism and corporatism which are based on the notion of a common interest) and the principle of concertation (which distinguishes it from pluralism that is based on majority decision) (Kohler-Koch 1999:20-23).

However, evaluating the results of several German research projects, Kohler-Koch (2002) came subsequently to sober conclusions. Firstly, approval of the policy principles that are the base of European policy programmes, such as inclusion of social and economic actors and territorial competitiveness policy, does not necessarily coincide with the actual observable behaviour. On the contrary, policy adaptation and compliance with structural fund regulations takes the form of "symbolic change" and "isolated implementation" in "Europeanised" policies (Lang 2003). Secondly, even in the case of policy change it cannot even be taken for granted that policy principles are transferred from the European level. Policy change might as well be the result of a transnational process of policy diffusion or developments at a domestic level (Kohler-Koch 2002). Finally, the network governance approach has been criticised for not being suited to grasp the relations between different levels of policy areas (Benz and Eberlein 1999). The definition of "concertation of interests" relates to the interaction of state and non-state actors in horizontal governance, in which state actors have a mediating rather than steering role. However, this definition can hardly describe forms of vertical governance.

To sum up, the impact of European policy is less clear-cut and one-directional and much more mediated by the domestic arena than established analytical approaches have suggested. From a different starting point, the debate on the "Europeanisation" of domestic policies came to similar conclusions. The debate started with emphasising the differential impact on member states but led to a widely shared sceptical view on conceiving the European impact as a causal mechanism for domestic change. On the one hand, adaptation pressure as a result of institutional or policy "misfit," although mediated by filters such as the flexibility of domestic institutions (Boerzel and Risse 2001), is only in very exceptional cases the driving force of domestic change. On the other hand, domestic actors can exploit European policies for their own reform-oriented purposes, even if EU and domestic arrangements are compatible.

The discussion of the process of policy diffusion will therefore proceed with a detailed analysis of the supply side of (European) policies, that is the opportunity structures European regional policy offer, before it will turn to the demand side, the constellations of the domestic arena which determine the way domestic actors use European policies.

OPPORTUNITY STRUCTURES OF EUROPEAN REGIONAL POLICY

An analysis of European regional policy highlights the importance of distinguishing between vertical governance, that is the relation between the Commission, national and subnational authorities, and horizontal governance, that is the relation between state authorities and private and public interest groups at the regional and subregional level. Whilst in vertical governance the institutional relations the Commission promotes are closely related to economic development policies, in horizontal governance the institutional relations and administrative practices, which are promoted by the Commission, are interrelated.

VERTICAL GOVERNANCE

Network governance approaches have analysed how economic policies and a concept of participatory institutional relations converged in the conception of structural funds. The Commission attempted to spearhead a process of policy change in economic development policies that had already started in several member states (Ansell 2000). Economic development policies in Western Europe demonstrated a paradigm shift from an inward investment orientation towards an endogenous (or indigenous) development approach. The goal of the inward investment approach is to reduce regional disparities by attracting capital from outside the region in order to increase economic growth and employment. In contrast, the endogenous development approach aims to strengthen the endogenous economic potential and build the institutional capacity to make full use of it. The Commission portrayed its economic development policies as reflecting the general tendency that

> *...policy makers are moving away from their former reliance on subsidies for investment and employment and measures are being oriented more towards improving competitiveness and the regional business environment through business-related infrastructure development (notably in the Netherlands), technology transfer and consultancy services, especially for marketing and exports. The nature of business related infrastructure provision is also changing: the traditional provision of industrial estates, factories and local services is being supplemented by the creation of enterprise and incubator units, technology and science parks and telematic centres* (CEC 1994: 136-7).

Referring to the need for knowledge and involvement in local and regional economic development, the Commission emphasised the necessity to involve regional and local authorities to increase the efficiency as well as the legitimacy of policy-making. The "partnership principle," as the Commission called it (as aptly as

vaguely), was given an institutional frame with the participation of regional authorities in the elaboration of Community Support Frameworks (outlining the policies for the entire territory of southern Italy and western Germany respectively) and in the associated national monitoring committee. The Commission encouraged, furthermore, the elaboration of regional operational programmes (along national operational programmes for policy areas such as transport) and the delegation of responsibility to the relevant regional authorities, which are in many European member states regional governments.

However, the "mode of governance" the Commission promotes can best be characterised as "contractualisation." Negotiations with the Commission itself take place within a strong "shadow of hierarchy." Policy formulation does not occur in egalitarian co-operation between the higher and the lower echelons of governance (as in German co-operative federalism). Firstly, the Commission sets the framework conditions for policy formulation by drafting the Community Support Framework (CSF), although on the basis of regional development plans submitted by the member state (in cooperation with regional authorities). Secondly, within the framework of the CSF the national or regional authorities elaborate national and regional operational programmes, but the Commission exerts a significant influence by the threat to withhold its approval. The control function of the Commission is most obvious with regard to the use of the classic instruments of the inward investment approach, investment and wage subsidies. Investment subsidies still remain part of the structural funds but they are subject to the limitations set by the Commission. Moreover, the Commission announced a stop to any permanent wage subsidies. In a similar vein, national governments can use the negotiations for the state aid control agreements as well as for Community Support Frameworks to set framework conditions for the regional operational programmes. Opportunity structures, therefore, encompass the empowerment of regional authorities as well as the "hollowing out but hardening" (della Sala 1997) of the central state by using the external bounds to stop permanent, unconditional support for lagging regions. The delegation of responsibility to the regional authorities as promoted by the Commission is based on an endogenous development approach, but goes along with an emphasis on "territorial competitiveness policies".

HORIZONTAL GOVERNANCE

In horizontal governance, the institutional relations and administrative practices are interlinked in the conceptions of the Commission. The emphasis put on the integration of the different European structural funds for social policy, agricultural policy and regional policy, its link to developmental strategies, and a continuous

evaluation open up space for the inclusion of non-state actors in a process of deliberation.[3] The Commission claims that

> *...programming and evaluation [...]together have created a policy making process with continuous improvement in the measures implemented (again the 'learning organisation') and which are often described as the main innovation to arise from the Funds* (CEC 1999:11).

In terms of administrative practices, "programming" means the integration of policy programmes of different ministries and their link to explicit developmental strategies. This approach aims at overcoming the divisions between departmental responsibilities, and between political decision-making and administrative policy programmes. In addition, the use of a comprehensive system of evaluations aims to introduce result-oriented administrative practices.

Both approaches open up the possibility to include non-state actors in the deliberation of policy programmes and its surveillance and examination. Since the Commission retreated to some extent from participating in decision-making in the Monitoring Committees, it provided further technical assistance for private and public-interest groups in order to obtain the necessary expertise to evaluate the administrative documents. Opportunity structures in this process encompass the empowerment of private actors as well as the strengthening of the regional executive (and to some extent) the national executive by a tighter control of the success of policy measures.

PRECONDITIONS FOR DOMESTIC RESPONSIVENESS: STRENGTH OF INSTITUTIONS AND POSITION OF THE GATE-KEEPER

In the analysis of the use of European policies in eastern Germany and southern Italy, the paper will use a framework that avoids a methodological premise of whether the impact of European policies will be empowerment or policy transformation. It will use the "actor-centred institutionalist approach" developed by Mayntz and Scharpf (1995). This approach uses a narrow definition of institutions as formal rules. This definition avoids regarding institutions as determining behaviour. Mayntz and Scharpf emphasise that institutions guide the behaviour of actors but actors have at the same time the option to change the institutions (Mayntz and Scharpf 1995:44). However, institutions are supported by informal rules or an institutional culture, which determines the propensity of actors

[3] Some authors have even claimed that the main function of non-state actors in the monitoring committees is to provide information and serve as an "alarm bell" for the Commission (Bauer 2001).

to seek for institutional change. Informal rules have been defined by Boerzel as "informal understandings about appropriate behaviour within a given formal rule structure" (Boerzel 1999:579). Boerzel analysed informal rules as determining actor's behaviour in reaction to changes induced by Europeanisation. However, informal rules are not only relevant in cases of external shocks, but the relation between the informal rules and the formal rules is one of the moving forces for institutional change. This relation determines the propensity of domestic actors to use European policies to promote domestic change. It will therefore determine in policy areas such as regional policy whether change will occur at all, which leaves considerable leeway for domestic actors. The propensity of actors to change institutions will differ in various institutional settings according to how strongly formal rules are based on entrenched informal rules. This distinction allows us to incorporate the phenomenon that "imported" institutional settings determine formal rules, but day-to-day-interaction occurs according to well-entrenched informal rules.

The paper will distinguish, according to the different relation between formal and informal rules, between uncontested institutions, parallel institutional settings, contested institutions and institutional voids. It will argue that domestic actors use European policies according to the "robustness" of domestic institutions.

UNCONTESTED INSTITUTIONS

In uncontested institutions, informal rules are congruent to formal institutions and accepted by all domestic actors. In uncontested institutions, the "logic of appropriateness" determines the behaviour of actors. If domestic institutions are characterised by strong informal rules, divergent formal rules of European structural fund regulations will be implemented in a formal and symbolic way but actors' interaction will be guided by the well-entrenched informal rules. The impact of European policies will be limited, as dependent on the domestic institutional capacity, to adaptation or inertia.

PARALLEL INSTITUTIONAL SETTINGS

Uncontested institutions can, however, encompass different institutional frames. In this case actors have to decide on the "coupling" of structural funds with domestic institutional frames. Actors can be empowered if they "couple" European policies with one of the different institutional frames in the domestic context. The impact of European policies, though, will be characterised by empowerment of one domestic actor whilst policy transfer will be limited.

CONTESTED INSTITUTIONS

In contested institutions, not all domestic actors accept informal norms. Contested domestic institutions leave more leeway for interest-oriented strategies of actors. Actors, therefore, make selective use of European policies to push for change in domestic informal rules. The impact will be a mix of empowerment and policy transfer.

INSTITUTIONAL VOID

In a process of institutional change that leads to a temporary institutional void, European policies are used to foster the entrenchment of new informal rules. Comprehensive reforms of domestic policies will rather foster new relations between actors than the empowerment of one actor. The willingness to use European procedures to establish new institutional relations is the highest in this case.

Whilst the strength of domestic institutions determines the propensity of domestic actors to use European policies to promote domestic reforms, the actor who occupies the broker position to the European Commission will determine the exact thrust of domestic reforms. This actor has been described as the gate-keeper but his function might as well be that of a gate-way for European policies. Therefore, two further preconditions and factors determine the impact of European policies: the institutional capacity of the gate-keeper and the policy convergence between the policy preferences of the gate-keeper and European regional polices. In addition, institutional capacity and policy convergence will be the decisive factors to obtain the position of gate-keeper to the Commission in the first place. Lastly, as the following case studies will show, European regional policies offer opportunity structures for different domestic reform projects and different combinations of policy transfer and empowerment of domestic actors.

EUROPEAN REGIONAL POLICIES IN EASTERN GERMANY

VERTICAL GOVERNANCE: COMPETING INSTITUTIONAL FRAMES

German regional policies reflect the characteristics of policy-making in Germany's co-operative or interlocking federalism (Benz 1999, Sturm 2000). German regional policies are characterised by the co-existence of (i) co-operative policy making in the "joint task development of regional economic structures" and (ii) exclusively regional competences in the other areas of regional policies. Regional policies are therefore related to two sets of institutions that, moreover, incorporate different economic development strategies.

Although the constitutional assignment of responsibilities in Germany distinguishes between national, concurring and regional responsibilities, interlocking competencies are the prevalent form of co-operation between the territorial levels. German interlocking federalism is based on the assignment of most of the administrative tasks to the regional level on the one hand, and the far-reaching co-operation of the chamber of the regions in policy-making on the other hand. Regional policy, though, goes one step further as it is based on the interaction of the national and regional executives in the "joint task development of regional economic structures".

Regional policies were first introduced at the national level during the grand coalition of the Christian democrats and Social democrats (1966 to 1969) which together held a two thirds majority to make constitutional amendments. Several path-breaking reforms in this period were inspired by Keynesian demand policies and aimed at co-ordinating the expenditures of national and regional policies. In addition, the competency of the federal government for regional policies (as well as for the reform of the university system) was at least debatable. Therefore, programmes were conceptualised as "joint tasks" between the regions and the federal government in which both contribute 50% of the relevant resources. In addition, policy programmes were formulated together but implemented by the regions at their discretion. In terms of economic development policies, policy programmes followed the inward investment approach and were strictly limited to investment subsidies and business-related infrastructure. In the German context it was the "export-base" theory, which stated that economic growth is dependent on an increase in exports and, therefore, subsidies were limited to companies in the relevant economic branches. This institutional arrangement was due to the interlocking competencies and was so resistant to substantial change that it was described in Scharpf's seminal work as a "joint-decision-making trap" (Scharpf 1985). Scharpf pointed out that informal rules went even further than formal rules for majority decisions, and demanded unanimity in the negotiations between the federal and the Länder governments. As a result, he concluded that responsibilities became blurred and, due to the required unanimity among the regional governments, changes to the redistributive rules were only possible by increasing the resource transfers from the federal level.

However, during the 1980s Länder governments developed their own regional policies that implemented the new instruments of the endogenous development approach. At the Länder level the theory of "endogenous development" took hold encompassing support for research and technology initiatives, qualification of workers, regional infrastructure, environment and housing supply, creating an innovative and stimulating climate for economic activity (Benz 1999:18).

Regional policies were a part of the policies of the Länder and aimed to raise their profile. They have been made possible by the allocation of resources from taxes, which are levied by the federal level, to the Länder according to rules established in the same period 1966 to 1969. The allocation of resources to the Länder within a comprehensive fiscal equalisation mechanism entailed a strongly egalitarian aspect. After unification the economically lagging Eastern German Länder were incorporated in the equalisation system. As a compensation for their much lower tax income, they were granted within the framework of "national solidarity pacts" transfers from the western Länder as well as significant additional resources from the federal government. On their part, the Länder have been eager to defend their own competencies by raising the hurdles for intervention by the federal government in the revision of the constitutional law in 1994.

In the aftermath of German unification, the regional policy of the "joint tasks development of regional economic structures" became the core instrument of the economic development policies for eastern Germany. The joint tasks were substantially increased and became heavily bent towards the east[4] (Anderson 1999). Investment subsides were regarded as the main instrument to compensate the loss of industrial substance as a result of the economic unification of eastern Germany, even more so when it became obvious that unification and the subsequent exposition of eastern German companies to the more advanced western competition led to a dramatic scaling down of eastern German companies and the loss of millions of jobs.

The German government briefly considered renouncing structural fund support in exchange for more leeway for national regional policies. Subsequently, the Commission and the German government agreed on a simplified programme structure to include eastern Germany in the structural funds for 1991 to 1994. In this transition period, the federal ministry of economics occupied the position of gate-keeper in the relation to the Commission. It channelled the structural funds completely into the joint tasks. The ministry pointed to the economic rationale as well the lack of administrative capacity of the new regional governments. Despite initial dissenting voices in the eastern regions, the Commission agreed with the position of the federal government.

The negotiations for the period of 1994 to 1999, however, brought about hard struggles between the Commission, some eastern Länder governments and the federal ministry of economics. The Commission regarded the inward investment

[4] Between 1991 and 2003 the new Länder received 47.215 million Euros and the old Länder received 5.181 million Euros out of the joint tasks development of regional economic structures (http://www.bafa.de/1/de/aufgaben/wirtschaft/gemeinschaftsaufgabe.htm [accessed 21.03.2005]).

policy of the joint tasks as outdated. It refused to finance any more greenfield estates in business-related infrastructure and insisted on a stronger emphasis on SMEs. In addition, Saxony in particular and its minister-president Kurt Biedenkopf, a long-time adversary of chancellor Helmut Kohl in German politics, addressed the Commission directly and pushed for the opportunity to use structural funds outside the joint tasks. The eastern German Länder wanted to use European funds for their own regional policies targeting "indigenous" small and medium enterprises, as well as for environmental policies and basic infrastructure such as trunk roads. As a result, the joint tasks were to some extent modified to encompass some of the endogenous development policies, in particular to include investment subsidies for SMEs. In addition, a flexibility clause allowed the eastern German Länder to use the funds for other purposes, which complied with the very wide definition of development policies by the Commission. One salient example of environmental policies is the restoration of areas that have been damaged by the Russian military, in particular in the region of Brandenburg.

Subsequently, the role of the federal government in the negotiations for the period 2000 to 2006 was very limited. The German proposal for the Community Support Framework was a compilation of the regional development plans, which the ministry of economics had even outsourced to a consultancy agency. All eastern German regions used European funds outside of the joint tasks to a much higher degree as in the preceding period 1994 to 1999. Subsequently, the German government openly favoured, in the negotiations of the future of structural funds, a re-nationalisation of regional policies. In contrast, the eastern German Länder rejected its offers to be compensated by national regional policies. They wanted to maintain their discretion of policy formulation as well as the security of the European 7 year programmes which are not subject to domestic insecurity.

Vertical governance in Germany demonstrated the logic that multi-level governance approaches are evoking: i.e. the pressure from below (the regional level) and from above (the European level) led to an empowerment of the regions. The regions could replace the federal ministry of economics as the gate-keeper to the Commission as they were to decide on the use of European funds in one of the competing institutional frameworks. In contrast, the federal ministries developed an animosity against European regional policies. A top civil-servant of the federal ministry of economics portrayed the relation between the two sets of regional policies as a zero-sum game and the Commission's strategy as "double attack":

> *(S)ince the mid 1970s the Commission pursues the strategic aim to push member states to the sideline in the area of regional policies. It does so by following a double strategy. By tightening up state-aid control it*

> *constrains the options for German regional policy step by step. At the same time it extends its own competencies in the area of EU structural policy. By doing so it fills the policy gap it has created by its state aid control policy in the first place* (Tetsch 1999:373).

However, eastern German regions were not willing to accept European state aid control, as investment subsidies still play a prominent role next to policies for "endogenous development". The often cited controversy about investment subsidies for the VW plants in the region of Saxony demonstrated a serious clash between the Commission on the one hand and the German federal and regional government on the other hand. Eastern German Länder had been empowered in their relation to the federal government but the policy change was limited.[5]

Informal rules did not allow the national government to adopt a proactive stance in negotiations with the Commission in the context of the contractualisation-approach and to "invade" the areas of Länder regional policies.[6] Moreover, no informal rule existed that would have demanded a similar compensation of the national government for the empowerment of the regional governments as was the case in the opposite effect of European integration (Boerzel 2000).

HORIZONTAL GOVERNANCE: UNCONTESTED INSTITUTIONS

The co-operation of the Länder governments with the Commission, in opposition to the national level in the negotiation of the CSF, did not lead them to regard the policies of the Commission on the regional level with similar approval. On the contrary, at the regional level European policies met uncontested and well-entrenched institutions. As a heritage of the late state-building process in Germany, most administrative functions are historically delegated to regional and local authorities. In addition, the German administrative tradition is based on a strict division between public and private actors. Civil servants demonstrate a co-operative attitude towards private actors, however, they are held responsible to the state and not the public. Therefore civil servants have a formalistic and legalistic approach to policy implementation, which is clearly separated from the political decision-making process. In addition, policy-making is strongly sectoralised by the responsibilities of different ministries which interact mainly in "negative co-ordination", that is, in case of tension between policies (Knill 2002:68-70). This

[5] Conzelmann (2002) himself revised an earlier opposite assessment of the controversy as a process of "policy learning" (in Conzelmann 1998).

[6] Only very recently the federal government attempted to achieve a say in the spending of resources within the framework of the domestic solidarity pact until 2019, which was negotiated in 2003 and encompassed resource transfers of 160 billion Euros. The Länder rejected the demands of the federal government point-blank.

character of German administration has rather been enforced in eastern Germany by the state-socialist legacy.

In addition, even western Länder governments themselves have been analysed as lacking institutionalised co-operation with non-state actors. The German policy-making style has often been described as corporatist (Schmidt 1997). However, corporatist arrangements exist at the federal level, in particular in social policies, but are hard to find at a regional level. If there is a consultation of trade unions and employer organisations in the process of policy-making, it is rather based on personal contacts. Organised social and economic interest actors are at the margins of communication "networks" (Knodt 1998).

Accordingly, the Commission's suggestions and demands to include public and private actors into the monitoring committees and to provide them with technical assistance to obtain additional expertise were only reluctantly accepted and put into practice. Whereas regional and federal government could prevent the obligatory participation of non-state actors in the monitoring committees in the CSF for the period 1994 to 1999, it took several pointed letters from the commissioner for regional policies, Monika Wulf-Mathies, to the minister-presidents of regional governments to urge the Länder governments to include non-state actors in the monitoring committees at the Länder level. Despite a higher degree of compliance in the preparation of the operational programmes for 2000 to 2006, an examination of the "programming" process in Saxony, for instance, concludes that "the interaction has to be characterised as one-way-street" (Eckstein 2001:323).

Social and economic partners on their part do only rarely participate actively in the deliberation of regional policies. As one representative in the region of Mecklenburg West Pomerania, which still stands out in the quality of the negotiations in the Monitoring Committees, put it: "Speaking alone to the ministries is more efficient." Social and economic partners are in general more interested in information about access to funding in areas such as vocational (re-)training where both trade unions and employer organisations have interests at stake. Emblematic was the negative attitude of social and economic partners in several regions towards the Commission's suggestion to get a vote in the Monitoring Committees as they rejected "to be held responsible" for the implementation of European funds.

In addition, the administration regards the integration of programmes as well as their evaluation as neither necessary nor compatible with the German administrative system. German regions are given in the reports of the Commission as laggards in the elaboration of regional development strategies and plans. Evaluation is regarded with utmost suspicion by all levels of government in Germany. Even the failure of

numerous large investment projects did not change the conviction held by all levels of German administration that evaluations are not capable of measuring and comparing the effectiveness of policy implementation. In addition, the dependence of evaluators on the commissions from the administration is emphasised.[7] As a result, structural funds are integrated in the ordinary administrative programmes with hardly any link between different programmes.

To conclude, eastern German Länder had to comply with structural funds arrangements, but informal rules dominate the policy-making process. The integration of funds can only be found in the official reports and possibly as side-effects of the different departmental policies; evaluations are not accepted as an instrument to increase the quality of policy implementation. Monitoring committees rather serve as communication channels and testing ground for regional governments and administrations. Although regional administrations had to adapt to the formal rules of structural fund regulations and had the institutional capacity to do so, policy making follows informal rules based on the well entrenched policy-making style and administrative tradition.

REGIONAL POLICIES IN SOUTHERN ITALY

In contrast to the stable institutional environment of German regional policies, at the inception of European regional policies, institutional relations as well as economic development policies were increasingly contested in southern Italy. Regions were established in Italy in the first half of the 1970s, albeit with very limited competencies, and Italy had become a "decentralised unitary state." However, the territorial structure of state organisation in Italy had been subject to controversy and political struggle since the end of the Second World War. In fact, the constitution had already prescribed the establishment of regions, but the governing Christian democrats feared (at that time) the domination of central Italian regions by the communist opposition. Therefore, the implementation of regional structures was limited to the granting of special statutes to Sicily, Sardegna, Trentino Alto-Adige and Venetia-Giulia. With the establishment of the regions, a slow process of decentralisation started. The transfer of resources was very limited and often connected to circumscribed purposes, in particular for (local) health services.

In addition, these changes hardly effected the organisation of regional development policies in the south. The policies for the south were based since the 1950s on the "special intervention" by the Cassa per il mezzogiorno and a strong role of the state-owned holdings in economic development policies. In the post-war years the

[7] Officials of the ministry for economics caution against the emergence of an "evaluation mafia".

Cassa per il mezzogiorno was explicitly designed to circumvent the inefficient administration in the south. The Cassa as well as state holdings were founded as independent agencies and companies led by independent top personnel with a high degree of professionalism. This seemed to be a successful formula for economic development in the1950s and 1960s (Locke 1995). In fact, the gap between northern and southern Italy decreased and the living conditions in Italy improved considerably. The economic strategy of the Cassa had followed an inward-investment strategy that neglected any embeddedness in local and regional economies. State holdings were obliged to allocate up to 60% of their investment in the south (Locke 1995). As a result, numerous infamous examples of "cathedrals in the desert" emerged. In the 1980s the gap was visibly widening again and the negative effect on the endogenous potential of the south became obvious. Industrial districts, the landmark of the late development in central and northeast Italy, had virtually disappeared. In addition, the Cassa and the state holdings had become subject to political influence and interference and degenerated into resources for clientelist competition.

Widespread dissatisfaction concerned the institutional model and the economic development strategies. Despite a growing transfer of resources (although from a very low level), subnational authorities did not have to bear any responsibility to account for its use. Some attempts, in particular in 1976 and 1986, were made to give regional governments more of a say in regional policies and to remedy the strong investment orientation of the policies for the south by introducing measures for small and medium enterprises.

In the first period of structural funds from 1988 to 1993, the Commission tried to establish links to the regional governments and deal with them as policy brokers. Half of the resources of the structural funds were assigned to the regional governments and provided them with the first significant role in economic development policies. On its part, the central government for the first time feared being bypassed. The minister responsible for co-ordination of Community policies criticised that

> *...the Commission [...] insists on an unacceptable tendency to take initiatives directly involving regions, a procedure, which while it might appear faster, unbalances the contractual relationships and so in practice gives the Commission more freedom of manoeuvre and choice* (cited in Desideri 1995:79).

However, regional governments (with the exception of Basilicata) had neither the institutional capacity nor the same policy preferences as the Commission. Regional

governments were still focused on providing visible benefits to the largest number of voters by using traditional policy instruments, in particular the building of basic infrastructure. Structural fund implementation added another chapter in administrative failure and in Italy's notoriously bad implementation record of European policies. The second period from 1994 to 1999 had to spend the considerable leftovers of resources from the first period, 1988 to 1993, which regional governments had simply not been able to spend according to the more demanding European regulations. Some reorganisation of the bureaucratic coordination of structural fund implementation took place. In particular, the establishment of the cabina di regia improved the bad implementation record but at the expense of relying again on traditional programmes such as infrastructure and investment subsidies (LaSpina 2003). In addition, regional governments tended to spend money on national programmes or the resources were reallocated to national programmes to prevent them from being forfeited. Empowerment and policy transfer to regional government was limited by their lack of institutional capacity and the lack of policy convergence.

The economic and political crisis in Italian policies culminated in 1992 when Italy was forced to leave the European Monetary system due to its exorbitant inflation and budget deficit. At the same time, the tangentopoli scandal in Milano and the assassination of high profile judges in southern Italy by the mafia discredited the parties which had governed Italy since the end of the Second World War. This crisis led to the breakdown of the established party system and the disappearance of all five governing parties. In the course of the Italian transition, both the national ministry for state participation and the Cassa per il mezzogiorno, as symbols for clientelism and the waste of public resources, were abolished under the pressure of public referenda which threatened to do exactly that. As a result, this form of "parallel administration" (Baldi 2000) was abolished. In the aftermath of the 1992 crisis, European polices were used by transitory governments to dismantle the remnants of the old policy for the south. The pressure of the Commission to limit the debts of the largest state holding IRI fostered the privatisation of the state-holdings. This influenced the Ciampi government to complete the removal of juridical obstacles to privatisation (OECD 1995:68). Another salient case of the use of the European leverage was the swift ending of wage subsidies (by the tax deductibility of social contributions) in the south, which had lowered the wage costs by up to 20%. Although the Commission put pressure on Italy in this question, Pagliarini, the minister of the Northern League in the first Berlusconi government, used the negotiation in 1994 to end this support for the south much swifter than the Commission would have insisted on (and the phasing out was subsequently renegotiated by the following government) (Viesti 2003; Barca 2001). During this period European state aid control, the "stick" in European regional polices,

empowered the national government to limit and terminate "unconditional support" for the south by wage subsidies and public enterprises.

Only with the election of a centre-left government after several transitory governments, mainly of technocrats, a reorganisation of regional policies in Italy took place. In this situation with the Department for development and cohesion policies (DPS, Dipartimento per le politiche di sviluppo e coesione), a new actor emerged as policy broker and gate-keeper to the Commission. The DPS was designed as an administrative unit with a high degree of independence. It was assigned the function to lead the process of negotiation between the central state and the regions over planning agreements, and to negotiate them with the Commission. The DPS subsequently played a pivotal role in the reform of Italian regional policies at a time when the dismantling of the old policies for the south had left a considerable institutional void. Public investment had plummeted and the ordinary administration had to take over the responsibilities of the Cassa per il Mezzogiorno.

The DPS used structural funds to promote a new mode of governance that combined the delegation of responsibility with increased control of the principles of policy formulation and a tight control of policy implementation by the central state. Institutional arrangements elaborated by the DPS have been characterised as "neo-centralisation" (Gualini 2001) or as a U-turn from "excessive decentralisation" (Piattoni 2003). The DPS had a similar conception of a contractualisation of the relations between the central and the regional governments as the Commission. The regions did not universally welcome the increased control this approach brought about; in particular Sicily and Sardinia with its special status resented the interference of the national government.

In the relation between the central government and the regional governments, the latter were allocated more than 70% of the resources in the period 2000 to 2006.[8] However, the Community Support Framework provided a much stricter framework than in the previous periods. The developmental strategy of the DPS was explicitly based on the growth theories by Krugmann (1991), which focus on the external effects of agglomerations as the main factor for regional competitiveness. The CSF, therefore, limited investment subsidies and infrastructure works on the one hand, and assigned considerable resources to subregional programmes and territorial pacts on the other hand. Symptomatic was the disappearing of the axis "industry, craftship and services for enterprises" which was absorbed in the axis "local system." The head of the DPS, a well-known economist, pointed out:

[8] In fact, including the reward reserve, a premium for the best performing regional programmes, the regional quota is near 80%.

> *Despite strong pressure from the conservative Italian confederation of Industrialists, incentives for businesses have been drastically reduced. A larger share of resources is thus left to finance projects proposed by local infrastructures and training and research facilities. Territorial pacts inside clusters therefore have a relevant role to play* (Barca 2000:106).

HORIZONTAL GOVERNANCE

At the regional level also, substantial institutional gaps if not institutional voids emerged. First, a considerable part of administrative functions had been for decades assigned to the Cassa per il Mezzogiorno. Second, the relations between regions and local authorities were at best contradictory, if not tense. Traditionally, it had rather been local authorities that had taken over (however rudimentary in the south) functions in economic development policies.

The DPS engaged in an institution-building process in administrative practices and a large-scale experiment in new forms of territorial governance. Following up administrative reforms of the so-called Bassanini laws of 1998 that delegated a large part of the administration to the subnational level, the DPS attempted to diffuse a result-oriented administrative culture. Regional administrations were provided with evaluation units ("nuclei di evaluazione") to strengthen the regional executive and tighten control of policy implementation. However, this did not coincide directly with the inclusion of non-state actors in the policy-making process. Private and public interest groups are weakly organised at the regional level in Italy. Instead of bringing non-state actors in, the DPS used another instrument the Commission had devised in the 2000-2006 period: the reward reserve. The reward reserve is allocated conditionally on the fulfilling of implementation criteria; a part of it is allocated only to the most successful programmes. In contrast to other member states such as Germany who strongly resented the introduction of the reward reserve, Italy added another 6% reserve to benefit the building of institutional capacity.

On a subregional level, territorial pacts and territorially integrated programmes constituted a new form and a new level of territorial governance. Territorial pacts were developed in the Italian context at the same time (starting in 1996) when the Commission promoted Territorial employment pacts. Both were designed to encourage economic entities encompassing one or several provinces to elaborate common agreements for development projects with all relevant public and non-public actors. These should include commitments by the administration, employer organisation and trade unions to increase efficiency and flexibility in their co-operation. Accordingly, the resources spent on territorial pacts have been described as the "public incentive for local communities, which want to change the

rules of the game and of territorial governance" (Cersosimo and Wolleb 2001: 221-222; cf. Trigilia 2001). The EU-supported pacts turned out to become the example of "best practice" in the Italian debate. They provided more resources in particular to employ technical staff, and established at the same time stricter regulations for the commitments of all participating actors (Cersosimo and Wolleb 2001). Territorially integrated programmes, which followed the same scheme, became an important part in the period 2000 to 2006, encompassing around 20% of the regional expenditures.

The aim of this new form of governance is evidently to replace the informal rules of co-operation in the common practice of dividing the spoils, and to encourage deliberative processes aiming at producing public goods. Territorial pacts and territorially integrated programmes became a large-scale experiment in "new modes of horizontal governance." This attempt still has to be evaluated in detail, and differences within the regions have to be analysed. The conception of evaluation units in all regional governments is an example that demonstrates that the new concepts and ideas in administrative practices had been developed in the domestic context (as early as in the failed reforms of 1981). However, European policies provided some innovative procedures and the external bounds to enforce new rules. European policies conferred the approach of the DPS, in the words of Fabrizio Barca, "credibility and legitimacy."[9]

With the period 2000 to 2006, the responsibility for territorial integrated programmes and territorial pacts was handed over to the regions. The relation between the regions and territorial pacts became a new level of vertical governance. The regions were assigned a similar function for these pacts as the central government to the regions, that is to set framework conditions and evaluate and monitor the results. The DPS attempted to diffuse this new mode of governance in the relation between the central government and the regional governments, and encouraged regional governments to establish the same relationship between regional governments and subregional territorial pacts and territorially projects and pacts.

Whereas the DPS demonstrated a high degree of policy convergence and the institutional capacity to promote the reforms in vertical governance at a regional and subregional level, it is rather dependent on the institutional capacity and the policy convergence of regional and local actors whether these reforms will be a period of policy innovation or transformation. However, the institutional void and the emergence of a new policy broker led to the use of European policies to reform administrative practices and institutional relations. In the Italian case, it concerned

[9] Personal interview in September 2003.

the relations between regional and subregional entities as well as within these subregional entities.

CONCLUSION

The case studies have demonstrated considerable differences in the use of European policies. In Germany's co-operative federalism, the Länder in eastern Germany have been empowered as they replaced the federal ministry of economics in the position of gate-keeper to the Commission. They are to decide as to which of the competing domestic institutional frames they use European funds, either within the co-operative policy-making in the joint tasks or within their own regional policies of the Länder. This process of empowerment came close to the mechanism multi-level governance approaches have evoked: the coalition of pressure from below and from above on national policies. In contrast, no informal rules existed in Germany that would have allowed the federal government to use the contractualisation in European programmes to "invade" the regional policies of the Länder. In fact, even the demands of the federal government to have its say in the spending of the resources, which the solidarity pact transferred to the eastern Länder, have been point-blank refused by the eastern Länder.

In addition, European policies led only to limited policy change, as the eastern regions were not willing to accept European limitation on the inward-investment policies. Furthermore, as uncontested institutions existed at the regional level both with regard to the process of policymaking and in terms of administrative practices, informal rules dominated policy-making in the area of "Europeanised" policies.

Vertical governance in Italy was, from the inception of European regional policies, based on contested institutions. Centralised policy-making in vertical governance and a strong investment-orientation in economic development policies were executed by the Cassa per il Mezzogiorno and the state-owned holdings. Regional governments were not able to use in this situation the position as gate-keeper due to a lack of institutional capacity and policy convergence. Subsequently, in the aftermath of the Italian political and economic crisis in 1992, the national government was empowered by the use of European policies to enforce the ending of inward investment policies. It was only in the resulting situation of an institutional void that the position as gate-keeper was assigned to the newly established DPS in Italy. The DPS used European policies to push for the diffusion of a new mode of governance and strongly endogenous-development oriented economic policies. A new mode of governance is rather characterised by contractualisation in vertical governance and deliberation in horizontal governance on a subregional level. In addition, the conceptions have been developed in the

domestic context but European policies provided the detailed procedures and the "external bounds" to put them into practice.

Do European policies foster or even lead to a convergence of development paths in regional policies? There is a common tendency in Western Europe towards the adoption of the endogenous development approach and the establishment of some form of regional authorities. However, these developments are clearly the result of domestic economic and political changes and differences remain considerable. Despite increasing criticism, Germany and in particular eastern Germany still hold a strong inward-investment orientation in addition to endogenous development policies. Somehow ironically, the strong position of the regions in the German co-operative policy-making, which exceeds the degree of decision-making power in the Commission's contractualisation approach, has further been strengthened. However, given the increasingly contested poor results in eastern Germany, co-operative federalism might turn from strength to weakness in the German domestic context.

As far as horizontal governance is concerned, a tendency toward result-oriented administrative practices can often be found, but is far from universal. As demonstrated, German administrative tradition shows considerable resistance. Even more so, policy-making in networks remains a vision. Moreover, it is debatable whether the regional level is the appropriate territorial dimension to develop a dense net of actors for the direct co-operation in economic development projects, when "economic regions" are usually much smaller (McAllevy and de Rynck 1997). Subregional territorial pacts in Italy are an interesting policy experiment in this respect; it still has to be fully evaluated.

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