

ADV

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Editorial

Welcome to Issue 29 of A Different View

Felipe Nunes
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Much has been written about Asia in the last years, especially on China, Japan and India. Thus, it comes as no surprise that we dedicated an issue to this important continent. When Japan began its rise on the international scene, politicians in America and Europe feared that this country of approx. 150 million inhabitants would come to dominate world trade, and might even upset the East-West relationship that was balanced so “perfectly” by Russia and the US. With the rise of the Asian Tigers (Singapore, Hong Kong etc.) new voices spoke out and warned of a collective of Asian countries, whose growth might undermine US world domination, and of course the same voices warned of China. Yet, when Japan finally reached the point where it could no longer copy and sell Western products back to the West, but reached the point of technological equality, and had to develop itself into a knowledge-based economy, instead of an industrial, manufacturing economy, it became apparent very rapidly that the West did not have to fear Japan. Indeed, Japan's growth slowed down, and was swallowed quickly by its extensive anti-cyclical spending policy, when Japan started to pump billions into its economy, trying to stimulate it out of multiple recessions. China, too, may be the world's product factory now, but the

cutting-edge technology is not invented there. Still, China is seen as a threat, while India is seen as a natural, strategic ally, with which nuclear deals can be done. Because it is a democracy! Although many Indians, who are eligible to vote, do not understand what they are voting for, the recent elections are still claimed to be democratic elections. Indeed, one may wonder, whether someone who cannot read and has no education can make an informed decision, or if they remain susceptible to party promises and clientelism. And one may even wonder, whether the politicians that are elected do actually understand the system, or if they just try to create their own little systems, of clientelist networks and corrupt elite businesses. Be that as it may, India's democracy will in a few decades be the decisive factor in India's internal stability, and its ability to compete with China over influence in Asia. In the recent elections, voters in India have shown that they cherish a stabile government in times of crisis. Although it takes longer to build a road in India compared to China, Indians can nourish on the feeling that they themselves made the decision that brought their country back on track after the financial crisis. If India continues to grow, and one day finds its place on the world stage, those voters can be proud that they

made the right choice, whereas the Chinese will simply have been steered through it.

In the opinion articles section our regular contributor Sven Brendel takes a fresh look at the Eurosclerosis argument. In his view, the 'common wisdom' that the US outperform old Europe because of its superior laissez-faire approach is slowly but surely crumbling. What lessons can Asia draw from that?

In the academic articles section this issue offers a very interesting article by Sayalee Karkare on Indian growth, and the democratic influence on it. Aconzc Avonzc's article focuses not on Asia, but on Kosovo, a region in the world that currently celebrates its first year of existence. An existence that set a precedent in international law that one day might also affect Asia and its many ethnic conflicts. André Zanetic's article looks at privatized security in Brazil, a sector, which also records enormous growth rates in Asian countries such as India. Bennet Strang draws our attention to the European Unions' Open Method of Coordination (OMC). He compares and illustrates OMC in different policy areas and tries to explain why OMC is more succesful in some areas while it fails in others. In how far can this approach be applied to Asian intergovernmental organizations like ASEAN? Tarvez Yann then discussees a thorny issue between the EU, Asia and Africa: the Common Agricultural Policy (CAP). To what extent can Asia and particular its poorer countries influence the EU in reforming their agricultural policy?

Opinion Articles

USA vs. EU Revisited A New Look at the Euroclerosis Argument

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Common wisdom has it that we Americans are richer than our Western European counterparts because we have adopted a more laissez-faire economic system. It has been common wisdom ever since the German and French economies started slowing in the 1990s while our economy grew at a relatively fast pace. Over the past decade our annual economic growth in America averaged 3%, versus 1%-2% in Germany and France. Our GDP per capita as of 2008 was \$48,000, versus \$35,000 in Germany and \$33,000 in France. When German unemployment hit the double digit range, we were at full employment (i.e. about 5% unemployment). Based on these data countless pundits on both sides of the Atlantic concluded that America has been rewarded with greater wealth for not strangling its economy with a massive welfare state. In Europe, pundits warned that unless governments trimmed their massive social safety nets, cut tax rates particularly on rich investors and lessened the regulatory burden on businesses they were destined to fall further behind the U.S. On this side of the Atlantic, pundits warned that if we expanded our social safety net and enacted new regulations we too could succumb to Euroclerosis. Few disagreed that Europeans traded growth and innovation for suffocating stability while we brave

Americans took risks, made our peace with inequality and instability, and were rewarded with fast growth and low unemployment. That common wisdom, turns out, was wrong.

Over the past two years that commonly accepted wisdom has been questioned more frequently. A recent editorial in Newsweek, America's second most popular newsmagazine, concluded that "Europe's tortoises [France and Germany being the examples] might well win the race." New unemployment figures have American unemployment at significantly higher percentages than in either Germany or France. My own neck of the woods here in Coastal California is a prime example. About a decade ago we had more jobs than residents. While the dot-com bubble burst in 2001 ended the era of 2%-3% unemployment, we enjoyed near full employment at about 4%-6% for the past few years. Today, Santa Clara County the center of Silicon Valley, home of giants like HP, Cisco Systems and Intel has 11% unemployment. A few miles to the south, Monterey County is now at 16%, while its biggest city, Salinas, is now seeing 22% unemployment. Even after a federal stimulus program, tax increases and painful spending cuts, the State of California is still so strapped for cash another 5,000 public servants will be laid off and the

school year shortened. Our nation now hardly seems like an economic role model.

But it would be wrong to reject the “be-more-laissez-faire-or-be-slow-like-Europe” argument solely because of the current recession. Not because laissez-faire is a viable economic strategy. No. It would be wrong, because the Eurosclerosis argument was completely fallacious to begin with. Is there really an inevitable trade-off between security and equality on the one hand and growth on the other? Cross-national evidence and U.S. history suggest no. Let's use Sweden and the U.S. for a quick comparison.

Pointing out that countries like Sweden have a large welfare state and lower income than the U.S., does not mean the former is the cause of the latter. The U.S. has had higher levels gross domestic product per capita than Europe since the early 20th century. Perhaps, our head start explains the difference. Furthermore, if the welfare state truly retards growth than why have expansions of the welfare state coincided with strong economic growth in both Sweden and the United States. Between 1965 and 1981 the American welfare state grew from 12.3% to 20.7% of GDP, and real GDP grew from \$3.1 trillion to \$5.3 trillion (in 2000 dollars). In other words, the 68.3% increase in social welfare expenditure as share of GDP, coincided with a 71% increase in real GDP! The next 15 years, on the other hand, saw the growth of the American welfare state virtually stagnate and GDP rising by a more modest 59%. In the U.S., the top marginal tax rate is also positively correlated (albeit slightly) with economic growth, i.e. over the past fifty years of American history higher taxes on the rich have coincided with more economic growth (figure 1). Last but not least, why have Denmark, Finland, Norway and Sweden seen an as much GDP growth between 1997 and 2007 as the United States (figure 2)? Why is worker productivity as high or higher in France, Norway and the Netherlands as in the United States, despite their big welfare states? Because big government does not automatically translate into less growth. As American economist Jeff Madrick has pointed out:

“America's productivity is 15 percent higher than the average of nation's in the Organization for Economic and Cooperative Development (OECD)... But it is lower than in a half dozen nations with much higher taxes and rates of social spending and roughly half of the OECD countries pay higher or equal wages to workers in manufacturing, and almost all produce substantially more benefits than does the United States.” (p. 20).

These data clearly indicate that the argument against welfare states is a spurious one. High top

income tax rates and social welfare state expenditure correlate with high GDP growth, high worker productivity and high wages too often. Too often are European welfare state able to match America in regards to productivity and wages; and too often have high taxes and welfare state growth coincided with strong GDP growth in America's own history.

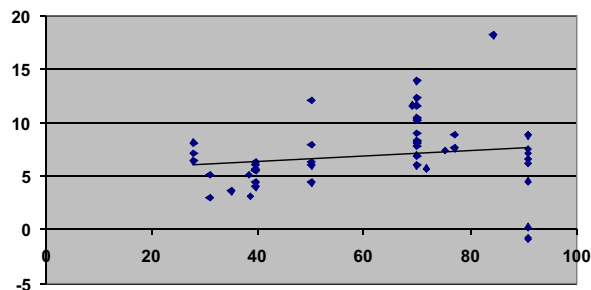


Figure 1: Slight positive correlation between higher top marginal income tax rate and GDP growth, 1950 2005 in the U.S. (Annual GDP growth is on the y-axis and the top marginal tax rate on the x axis).

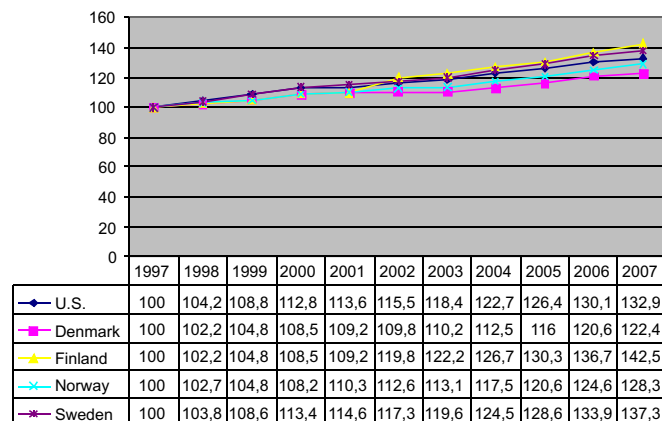


Figure 2: GDP growth (1997-2007) in Denmark, Finland, Norway, Sweden and the United States using 2000 as base year with a value of 100.

In sum, the argument that countries today are confronted with a choice of being either more laissez-faire or risk slow growth is a false dilemma fallacy. It was a fallacy when first popularized over a decade ago and still is today. The current recession, which has hit us Americans particularly hard, has caused pundits to rethink the Eurosclerosis argument. But to create a truly meaningful discourse about economic policy, both Europeans and Americans must recognize that the be-laissez-faire-or-be-poor-like-France argument was always false.

Academic Article

Jai Ho, Let there be Victory or What can a Democracy do for Growth?

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A few years ago, a popular CIA report titled “Mapping the Global Future” wrote of Asia that “In the same way that commentators refer to the 1900s as the 'American Century,' the 21st century may be seen as the time when Asia, led by China and India, comes into its own...” The report went on to predict that barring any global upheavals, India, China, Brazil, the East Asian Tigers would “have the potential to render obsolete the old categories of East and West, North and South, aligned and non-aligned, developed and developing.” This is high praise and indeed in the last few years, the whole world has been looking with curiosity on India and China and their capacity to transform the way the world does business.

In the aftermath of the financial crisis, the IMF made some dire predictions on Asian growth in its Regional Economic Outlook for Asia and Pacific, released in November 2008. The emerging economies of India and China as well as the NIEs (Newly Industrialised Economies) of Hong Kong, Taiwan, Korea and Singapore were feeling the effects of the crisis namely due to their trade and financial integration with the rest of the world. The sombre prognosis deflated the Decoupling Theory that held that the emerging economies would withstand crisis on

the basis of their strong domestic markets and prudent policies. However, in an unexpected turnabout, Decoupling 2.0 has made an appearance on the financial scene. Indeed, in the last quarter, the emerging economies of Asia, gathered steam and are showing signs of recovery even as America's output remains weak. Although Decoupling 2.0 remains a limited phenomenon, confined to the biggest and the least indebted of the emerging economies, the idea of decoupling lives on. China, as an example of this model, has a debt that is about 20 percent of its gross domestic product, compared to over 190 percent for Japan, nearly 100 percent for the United States and 60 percent on average for the European economies. As a result, China, which suffered last year because of its reliance on American demand, is rebounding quite nicely. State activism has an important role to play in the revival of the Chinese economy, although this growth will be sustainable only if there is a decisive shift from state-sponsored investment to private consumption. On the whole, however, things are looking positive and already there is much rejoicing in the official quarters amidst predictions that China is now set to meet its target of eight per cent growth for this year.

In the Indian corner, there is also much cause

for celebration but for a completely different reason: the Indian National Congress and its allies have recently emerged victorious after contesting the world's biggest elections, with a turnout of over 417 million people. As the world's largest democracy, elections in India have been watched with much interest all over the world. The re-election of the Congress Party for a second term, headed by Dr. Manmohan Singh has given reason to hope that the government will at last be able to play more of an active role in the growth to come. Dr. Manmohan Singh, famously known as the architect of the economic reforms that took place in India in 1991, is perhaps the best person yet to guide the Indian economy. What is also promising about the current victory is that although it is still a coalition, the Congress isn't beholden to the Leftist parties, which had abandoned the government last summer over the Indo-US nuclear deal and created much instability. Therefore, it is hoped that the government will get a reign that is freer in implementing policies and making changes. What worked in Congress' favour was that in the previous term, they increased the pay of government employees, forgave the small farmers their debts and implemented substantial public works schemes for the poor. The Indian voter, by re-electing the Congress has essentially proved that any party that delivers will be King and that the divisive politics resorted to by the Hindu nationalist Bharatiya Janta Party (BJP) will not go too far.

In December 2007, in a much discussed Forbes article, the former Prime Minister of Singapore, Lee Kuan Yew wondered "Even though the [Indian] economy's annual growth rate has been 8% to 9% for the last five years, India's peaceful rise hasn't led to unease over the country's future. Instead, Americans, Japanese and western Europeans are keen to invest in India, ride on its growth and help develop another heavyweight country." On the other hand, "Why has China's peaceful rise, however, raised apprehensions?" The answer to the question, according to Mr. Lee, may lie in the fact that India is a large, unwieldy democracy and China is still a One Party System. The ruling party in India often has over 10-20 electoral allies, making for an internal system of checks and balances whereas the Communist Party in China is showing little evidence of loosening its grip.

Yet, it will not do to gloss over the fact that whatever the difference in the political system of the two countries, poverty in India is far more wide-spread than in China. In other words, it is much better to be a poor person in China than in India. One considerable advantage of the One Party System is that the political unity enables China to pass laws and implement policies with relative ease. Indeed, the ability of the Chinese government to respond to crises has proved to be extremely commendable. It was lauded for its quick and efficient response to the Sichuan earthquake and

even during the financial crisis, it has reacted astutely and ensured a steady crawl out of the financial storm. Often described as a curious mix of Karl Marx and Adam Smith, the Chinese government has now resorted to Keynesian measures to revitalise the economy. There is also a lot of innovation in China with Chinese owned companies taking Western multinationals to court over patenting issues for the first time. Most of the thriving companies are an eclectic hybrid of the stability of state ownership as well as the dynamism of private enterprise. But for the most part, the Chinese success story has been scripted by its government whereas the Indian government's role in its growth is best explained with the popular saying amongst Indians that "the economy grows at night when the government is sleeping".

Clearly, democracy in India comes at a price. Despite being the second-fastest economy, India also suffers from deep, intractable developmental problems. With some of the worst rates of malnutrition, illiteracy and poverty in the world, it will not take much for the rising tide of expectations to turn to rising frustrations against the government. Yet, the current election results have the potential to bring about a much needed change. After Jawaharlal Nehru, this is the first time that a Prime Minister in India has been re-elected at the end of a five-year term, demonstrating a nation-wide preference for the Congress. Its sweeping win of 206 seats out of 545 proves that the Indian voter has given Dr. Singh a strong, no-excuses mandate. In a country the size of the EU, with double its population and many more languages, that is about as strong a mandate as any party can aspire to get. Perhaps this time, there is reason to hope that the Indian economy will also grow during the day.

Academic Article

Private Security in Brazil: some aspects related to the motivations, regulation and social implications of the sector

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Introduction

There has been a boom in several different countries, as from the middle of the 20th century, in the activities of private security services. This raises serious questions as to the responsibility of the State for security, as to the mechanisms for the regulation and control of these services and their social, political and economic impact. In Brazil, where the most notable growth in these activities has taken place over the last two decades, little is known regarding the true dimensions of the sector, or as to the way in which the activities function or their impact on crime or in terms of the feeling of security thus engendered.

From this context, important changes are happening due to the transferring of the responsibility for security from the public sector to the private sector. These changes have reflected, especially, an economic logic of the expansion of this kind of services, which is creating important changes in the regulatory framework, in the authorization and provision of the policing and in the spaces under jurisdiction of the police.

Since their official beginnings in 1969, the private security services have presented linear growth in this country. Their main period of expansion has occurred since the 90s, and has been characterized by

the increasing number of private security companies, of the number of watchmen on the streets and the evident development of the electronic security device industry. There has been a similar growth in the number of related training courses, of firms dedicated to the transport of values, as well as a proliferation of unofficial security companies and of electronic security services.

These changes have brought up some important questions that have been discussed by researchers, policy makers and society in general: In what way does the expansion of these private security services affect the exercise of the individual rights of the users of the areas under the surveillance of those companies (factories, company offices, organs of government administration and semi-public spaces such as shopping malls, residential estates and others)? What is the relationship between private security companies and the public in semi-public spaces? From the point of view of public security, what is the cost/benefit ratio regarding the sharing of responsibility for the policing of the areas and installations with private firms? Does more private security means less crime for society in general, or only for those who pay directly for these services? Does the increase in the activities of the private

security services constitute a new threat to the rights of less favored groups in such a profoundly socially differentiated society as we have in Brazil? What is the effect of private security on the public's sense of insecurity?

In order to discuss some of these questions, this article has two central issues: the spread of private security, not only in terms of its size (in number of companies, officials and segments), but mainly about the assumptions and motivations of the spread of this services; and the regulatory framework that gives the regulation, control and supervision of the sector, paying special attention to the social implications regarding to some of the most important features.

The spread of private security

Only to locate the general set of the private security industry, the services that are officially allowed to operate are compounds:

1. by companies selling services of surveillance, patrolling or escorting;
2. by departments and divisions of internal security created into companies, institutions and other public or private spaces (which is named "in house security"); and also
3. by companies that offer training to professionals who work in the area of security.

Officially, there are six distinct segments in this area: Surveillance; Transport of Values; Security Personnel; Training Courses; Armed Escort; and In-house Security. Beyond these segments defined by law, it is also important to emphasize that the evolution of technology and social dynamics have changed very quickly the possibilities of protection. So, there is today a lot of new equipment for crime-prevention, like the great variety of equipments of electronic security.

While private security grows linearly in the country since its official appearance in 1969, there are some important gaps related to the numbers that represent the dimensions of the sector, particularly with regard to the number of existing guards.

According to the Federal Police Department, which is formally responsible for the authorization, supervision and control of the sector, at the end of 2005 the country had about 1.28 million of private guards officially registered. Meanwhile, according to the National Federation of Enterprises of Private Security and Transport of Values - FENAVIST, considering the most common areas of activity of private security - surveillance and in house security, there are 557.5 thousands of private guards in the same year.

While data from the DPF consider all registered professionals, including those who were dismissed from their duties, the data of FENAVIST consider only the professionals who are actually in

operation, thus representing a more realistic estimate. The difference in the data shows, therefore, unemployment and the high turnover of professionals in this sector, which is marking its low professionalization in a general way.

Both sources, however, presents only the formal universe of private security, excluding therefore the entire numbers represented by the illegal universe of companies, like collective groups that act outside the law and police which have worked as private guards (which is also illegal in Brazil). By comparison, in 2003, according to the Ministry of Justice, the contingent of public security forces was about 506,411 people.

Despite important gaps to be filled with regard to the organization of such information, the rapid expansion of the sector is significantly convincingly. According to the literature and other available information on the sector, attention should be called to three aspects which may be seen as the main factors leading to the growth of the security market: i) the increase in criminality (especially in the specialization of criminal activities); ii) the perception of violence and the increase in insecurity, and iii) the changes in the use of the urban space and the circulation of the population in the great cities.

The development of urban and of corporative crime, as also the perception of violence and the increase in insecurity as from the 80s are themes frequently referred to in the academic literature specializing in the field of crime (Pinheiro e Almeida, 2003; Kant de Lima, Misse e Miranda, 2000). In the Latin-American context the decade of the 80s was characterized by the epidemic proportions of the increase in cases of murder, by the increase in violence associated with criminal action, by the intensification of corporate crime and also by the increasing awareness of violence and crime.

Seeing these points more closely and reviewing some relevant data on these issues, it was possible to identify some fundamental processes responsible for the expansion of private security. Besides the development of urban crime and the perception of violence, factors that are more present in the literature, there are at least three other key:

- Firstly, the development of new patterns of trade, housing, work and leisure, with the emergence of large private spaces open to the public (such as shopping malls, cinemas, nightclubs, stadiums, etc.) and the vast spread of residential condominiums, which require large private investment in security.

Secondly, the large growth of the safety business, which relates primarily to the specialization of crime and can be seen on the intense specialization of resources and security technologies used in industrial and commercial centers.

- Thirdly, the fact that the public sector is one of the main contractors of private security services,

concentrating about 40% of guards hired.

Thus, according to other data of the National Federation of Private Security Companies and Transport of values FENAVIST, on the year 2005, the public sector, the banks, factories and the services sector together account for 86,1% of the watchmen hired in 2005. The public sector accounts for 38.3% of the hiring of guards, followed by banks, with 21.4%, other private sector companies, with 13.9%, industries, with 13.7%, and finally the services sector, with 12.7% (among the service sector are included residential condominiums, 4%, shopping malls, 3.2%, hospitals and laboratories, 2,3%, schools and educational institutions, 1.8%, and business condominiums, 1.5% - related to the total contracts).

Another relevant issue is that the security features used individually (or residentially), according with some victimization surveys, are effectively equipments consumed by a considerably smaller portion of the population of large cities, contrary to what might think.

The most important question that arises of these observations is that they seem to contradict the view of the concentration of such services in large homes and condominiums, as pointed by most of the Brazilian literature, which characterized this process as the existence of a trend of dominant groups to the gradual isolation of the poorest parts of society. In summary, beyond the increase in crime and in the feeling of insecurity, private security has as the presuppositions of its expansion the existence of new patterns of the use of and circulation of the population in the urban space which has motivated the creation of spaces under surveillance for which reinforced full-time security is felt to be desirable.

Although this aspect may have been understood as the occupation, by private security activities, of spaces whose responsibility pertains to the public sector, little comment has been made on the presence of the new security resources as a need created by the multiplication of the number of these spaces, where, despite their belonging to the jurisdiction of the State, the responsibility for the security has been attributed to the owners.

Thus, contrary to the image disseminated by the means of communication, and shared by some researchers, who have dealt with the problem (Caldeira, 2000; Kowarick, 2001), private security activities have grown mainly in the corporate sectors and public institutions, to a much greater extent than in contracts with residential estates or in individual expenses with protection resources and services.

In view of these new needs, private security firms offer their services to attend to the existing and ever more frequent social demands of our contemporary world, particularly in the large urban centers, in which they have taken on functions more and more similar to those of the public security

services, thus raising important and problematic questions regarding the regulation of the sector.

Regulatory framework

With regard to the regulating of the private security, the main finding was that, contrary to what we might expect, the model that exists in Brazil is very similar to the existing regulatory models for the sector in several contexts that we've found in the international literature. If we hoped to find an anomaly in the juridical organization of private security, given the rapid proliferation occurred in the last twenty years, what we find, by contrast, was a model that keeps the key attributes in terms of norms and international standards.

As in most countries studied, in which the specific regulatory model of the security services has been organized by any government agency in the area of justice or security, in Brazil the regulation is conducted by the Ministry of Justice through the Federal Police Department.

The profile of safety regulation in Brazil allows consider the model existent in the country as comprehensive, but with low regulatory capacity. That is a model where the state not only regulates industry workers, but also introduces substantive regulation to increase the standard and quality of services, create safeguards to protect the public and to protect national firms from foreign competition.

Despite the gradual expansion of the scope of the model, Brazil has a great weakness in the operation of its regulatory activity on the control and supervision of the sector in its various segments. The problematic characteristics are not a few, and range from problems related to the doubtful practical results, engendered by the legal structure of security regulations, to the absence of a qualified structure, especially about investments in human and technological resources, on the part of the organs responsible. It has leading to serious challenges concerning the efficacy of the services, constitutional safeguards and the guarantee of citizens' rights.

Among these problems, we can emphasize: the spread of illicit businesses, which represent a major problem both for the safety of the population as to the business of regulated companies; and the issue of lack of training and qualification of guards, generated by the difficulty in regulating and efficient control of the activity, which created, at the beginning, a market of low professionalism, education and income.

Conclusion

This information shows some points that deserve attention. Beyond giving new contours to the complex demands by the existing security services, where everyone seems to express concern about the issue, they also provide important clues about the various aspects that arise from the question of private

security. The accurate understanding of the allocation of resources and specific forms of action for private services for the protection is necessary to face challenges related to the sector, constituting itself as one of the dimensions upon which one should focus on the research and actions related to the topic.

These challenges relate, on the one hand, to the guarantees of rights with respect to services, in particular against arbitrariness of the firms and their employees, and the way it gives the relationship with the public. On the other hand, challenges are related to the quality and efficiency of such services, with special attention to its impact in preventing crime, the gains obtained by contractors and the general public and the possibilities of collaboration between public and private forces, on which very little is known.

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Academic Article

KOSOVO

The Birth of a nation

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“The painful secret of gods and kings is that men are free”

“The kings have another secret.... Once liberty has exploded in the soul of a man, the Gods can do nothing against that man. It is a matter for men to handle amongst themselves, and it is up to other men and to them alone to let him flee or to destroy him.

Les mouches (The Flies) 1943, Jean Paul Sartre

Independence Day celebration is a very special day in every country. Large fireworks, street parties and concerts; the world is surprised and I consider myself a fortunate witness watching this miracle: how the young state of Kosovo celebrates its first birthday.

The headline itself, spreading the news of a nation's birth, implies a marvelous miracle. Births are unpredictable by nature, moreover if we bear in mind that Kosovo, unlike the other six former Yugoslav countries, was a province of Serbia in the old bloody Yugoslavia, not a republic.

For that reason, as soon as Kosovo unilaterally declared its will of being independent Serbian Prime Minister Vojislav Kostunica solemnly declared: “Kosovo will never be the object of any sort of trade or any sort of deal” in his speech addressed in Brussels on September 2007.

Every childbirth, eutocic or not, implies a separation, pain and tears, a wound and a scar give account of it; similarly, exodus, suffering, war and hunger, split, heroism and martyrdom, are the painful words that cover

the pages of any treaty of history at the time of considering the birth of every nation.

We have written a vast collection of inspiring quotes and sayings coming from the most important popes in the vast spectrum of the philosophic and political science proving our firm determination to get freedom, but at the same time the history clearly shows how able we were to find clever excuses and arguments in order to block it, if it implies a menace to our interests.

I consider Kosovo the most important leading case that will surely provoke the feared “domino effect” and open the “Pandora's box”, inspiring and allowing more countries to recognize their cultural identity and self determination among diversity, overcoming exclusion, isolation, racist stereotypes and ethnic catastrophes.

For many reasons, some politicians have seen this independence as a convenient gift but we must remember Kosovo's background in order to better understand its uncontrollable desire of being a new nation: a devastating conflict supported by the majority ethnic Albanians - most of whom are Muslim followed by an open rebellion against Serbian rule. The ethnic cleansing began by Yugoslav President Slobodan Milosevic against the Kosovo Albanian population, the NATO intervention in 1999 with a bombing campaign to push back Serbian forces when finally Kosovo remained under UN control. Milosevic was the first head of state in history to face an International Criminal Tribunal charged with genocide, and war crimes.

An exhaustive consideration of the excuses given by Russia trying to block the United Nations resolution on the surprising Kosovo's status, and the hesitation of five European countries to recognize Kosovo's independence, only reflects the paradox of how threatening and inconvenient freedom can be, letting me understand why Kosovo expressed frustration at the length of time being taken to decide its status.

Unfortunately, many governments appear to forget, deny or not to learn anything from history lessons and tragedies. Severe violations and genocides are needed to trigger humanitarian intervention. Apparently governments are more united in grief at the tragedy caused by natural disasters instead of the atrocities committed by man against man.

A newborn cannot survive just because of our joy; he needs a certain amount of love, support and to be fed often during the first step of life, if we want him to survive, grow and mature; a new nation needs the same. That is the main reason to accept support of NATO, countries and international institutions help forming this embryo of an independent country.

Moreover, we cannot deny the status of independence based on its condition of poverty, weak administration and bad image abroad due by Serbia's highly effective diplomatic campaign against it.

Before talking about Kosovo or every other nation struggling to gain international support for independence, we should take apart stereotypes and widely believed prejudices about the people and their socioeconomic conditions. Even though Kosovo is one of the poorest and underdeveloped economies in Europe, we should not establish any relation between poverty and corruption with ethnics and religion. I understand how easy it is to fall into the trap that was written about Kosovo's corruption and its drug-trafficking route and at the same time how easy it is to fall for the argument of racism and its devastating consequences leading to genocide in many cases that has wiped out entire native peoples and cultures in its way.

We are not able to state evidences of a developed world, free of corruption, drug-trafficking routes or racism outside the underdevelopment territories. This is just a false belief that only allows us to justify discrimination and our government's lack of actions toward a world free of corruption and firm decisions to support vulnerable democracies.

One of the most important issues regarding Kosovo's independence is relating to religion: It is an Islamic country that expressed its conviction of being a secular state.

Hashim Thaçi, the Prime Minister of Kosovo, a modern young politician, who graduated in Switzerland, has declared to be a friend of Israel, and that he accepts all cultures as having equal rights, favoring multiculturalism although Islam is an important part of their identity. This declaration fits the idea of a secular society on the European continent that is still unable to answer the question whether European unity should be defined by the common heritage of Christianity and Western civilization or by its modern secular values: liberalism and human rights. Even though Turkey was the first Muslim country to knock on the

European Union's door, this discussion still remains, making Turkey fear that the EU is indeed a "Christian club". "But many that are first shall be last; and the last shall be first.", the Bible says; could Kosovo be the first Muslim country to join EU?

The birth of Kosovo will open a new page in the history of the development of humanity, inevitably, showing us its permanent movement like their protagonists; in spite of the big effort done by diverse philosophers, regimes, political parties and factions trying to prevent humanity's movement, deciding vainly that history is written in a single way, arbitrarily, according to their interests, ideologies, desires, or simply nostalgia in open opposition to the idea of liberty as the big engine of history, being impossible for many of them to conceive the sprouting of new states from the already established nations.

A year on, Kosovo deserves our recognition for succeeding and for the world's surprise, for overcoming the most pessimist predictions of dire consequences: the Serb minority would leave, the region would see a new round of violence, Serbia would fall into the hands of extreme nationalists. Against all odds and skeptics, the seventh state has emerged from the bloody breakup of Yugoslavia.

As Hegel said, "...all individual is son of its town, in a determined stage of the development of this town. Nobody can jump over the spirit of its town, as it cannot jump over the Earth..." Clearly, Kosovar people deserve this emotional moment, shared with the whole free world.

As a new nation needs protection a non-hesitant godfather will be chosen.

Kosovo's call for help will force Europe to better define its rules of accepting new countries to be part of it, because five EU members (Spain among others) did not recognize Kosovo's independence. I don't know what Spaniards, especially Basques and Catalans think about it, but I know what Kosovars think about the role of the EU. At the time of independence the Kosovar flag was followed by the US's, being the third EU's sign.

Who carried the Spanish flag? I saw it covering the shoulders of many Serbians reluctant to accept the independence of Kosovo, denying reality. Today, just after the one year anniversary, Spain announces in an unilateral decision to withdraw its troops. The main reason is: "Spain and the Spaniards are against Kosovo independence" accepting that they have their own separatist issues to deal with, in the form of Basque and Catalan nationalism; "the mission has been completed, and it's time to return home", Spanish Defense Minister Chacón said.

"Pandoras box" has been opened. Let's be prepared to face it.

Academic Article

The Open Method of Coordination

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Introduction

What are the central features of the Open Method of Coordination (OMC)? Why are people so divided about it? In the aftermath of the scandal about the Santer Commission, the Union's mismanagement of the BSE food crisis and the ever growing perception of a democratic deficit, the Commission's 2001 governance agenda became the symbol of a new start into a brighter regulatory future (EC Commission, 2001). Although already formally launched at Lisbon in 2000, the OMC was regarded as a practical instrument to achieve this. Since then, the OMC has been applied to sixteen policy areas (Laffan/ Shaw, 2005). This makes it necessary to differentiate between different OMCs and account for their merits on an individual basis.

This essay will argue that the OMC in general suffers from numerous shortcomings and in-built deficiencies. However, the reason why it has not been completely abandoned yet is that particular OMCs do have a comparatively good record. The divide is thus due to the fact that those who still believe in it point to the successful examples (and implicitly generalise them) (Chalmers, 2008), while others disregard the OMC completely for its deficiencies.

The argument proceeds in the following steps. Firstly, the central features of the OMC will be presented. Secondly, its general deficiencies are going to be analysed. Thirdly, the successful OMCs will be looked at and the

reasons for their workings accounted for. The last section concludes.

The central features of the OMC

Formally, the OMC works as follows (Chalmers/ Lodge, 2003; Chalmers et al., 2006). First, pan-European guidelines, indicators and objectives are being jointly defined by the Member States in the European Council for each policy sector to which the OMC is applied. Subsequently, timetables are set up and each Member State develops an individual National Action Plan (NAP) on the basis of the guidelines. The idea is that those plans are to be specifically tailored to the individual needs of each Member State. Third, the NAPs are subjected to peer review, periodic monitoring and naming and shaming in the light of previously agreed benchmarks. Zeitlin (2005) accordingly enumerates the constitutive elements of the OMC: "...benchmarking, peer review, monitoring, evaluation, and iterative design" (p. 483). Member States are expected to share best practices and engage in and profit from mutual learning. In turn, individual NAPs shall then be revised in the light of the feedback received (European Council, 2000; Trubek/ Trubek, 2005). The OMC is thus more a decentralised, iterative process, respectful of the principle of subsidiarity, than an outcome (Hodson/ Maher, 2001).

The general deficiencies of the OMC

The heads of state and government agreed at Lisbon to pursue closer cooperation in sensitive policy areas according to the aforementioned OMC process. These processes have, however, revealed shortcomings in practice with regard to the impact of soft law, the democratic character of the OMC and its structural characteristics.

The OMC's heavy reliance on soft law without credible sanctions risks to undermine the credibility of the process itself by offering Member States the possibility of engaging in selective compliance (Hodson/ Maher, 2001). Soft law is defined as "rules conduct which, in principle, have no legally binding force but which nevertheless may have practical effects" (Snyder quoted in Chalmers et al., 2006, p. 137). Even though it might be argued that hard law also contains no guarantee for actual compliance, the Commission still has the possibility to enforce implementation legally via the European Court of Justice (ECJ). Furthermore, natural persons can rely on Community law in national courts. The OMC deliberately does not provide for judicial review. Accordingly, the lack of enforcement in addition to a lack of precision and clarity, poor accountability and selective compliance have been singled out by Chalmers et al. (2006) as major shortcomings of soft law. The latter is even more pertinent given that the OMC depends on all Member States to sincerely participate in it. If promises are being made but Member States do not 'deliver', the overall process cannot but lead to disappointing results. Additionally, naming and shaming may backfire as it "...can provoke resistance from Member States to using European indicators in their NAPs..." (Zeitlin, 2005, p. 476).

Second, even though the OMC carries the word 'open' in its name and has been devised in response to the crises of the late 1990s as a new governance mode with an emphasis on participation, it is neither open nor democratic. First, it is unrepresentative, elitist and not transparent (Zeitlin, 2005). National elites deliberate upon NAPs of which the public barely takes notice because the OMC in any given policy area does not receive much media coverage (ibid.). The lack of transparency is particularly striking given that this very feature constitutes a premise for effective policy learning (Hodson/ Maher, 2001). Instead of genuinely being an open process, the OMC puts a premium on epistemic communities of experts, who are neither accountable to the public (Cohen/ Sabel, 2003), nor to the ECJ. Even though supporters of the OMC consider it to be an example of deliberate polyarchy, the process rather seems to rest on a technocratic conceptualisation of the EU. Deliberative problem-solving itself undermines the OMC's claims to participation and democracy. The democratic deficit is rather being exacerbated than tackled by it (ibid.).

Interestingly, Cohen and Sabel (2003) set out five conditions for the OMC to be seen as democratic, all of which it fails. Hence, it does poorly with regard to the protection of participation and speech because the OMC does not create legally enforceable rights. Second, it is not transparent, as already outlined. Third, lack of media coverage results in the process not giving rise to public discussions. Fourth, its key actors cannot be held accountable. Fifth, individuals do not enjoy the right to contest decisions taken according to the OMC. To this adds

itself the fact that they do not have knowledge about those in the first place. The OMC can thus be said to be characterised by a "...wildly optimistic and empirically unfounded faith in the power of technocracy..." (p. 355). There is wide cross-country variation in participatory possibilities. Centre-right governments generally consult fewer civil society actors in the drawing up of their NAPs than centre-left governments (Zeitlin, 2005). This has negative implications for the legitimacy with which the instrument is perceived (Hodson/ Maher, 2001). Given the salience of the areas in which the OMC is made use of and the potentially redistributive consequences involved, it might be questionable whether one can live with these shortcomings.

In addition, the OMC suffers from numerous significant structural deficiencies. Cohen and Sabel (2003) hold that "[a] process as formal as the EES [European Employment Strategy] offers numerous occasions for self-protective interventions" (p. 365). Thus, Member States can selectively choose what best practices to adopt in accordance with their domestic particularities (Zeitlin, 2005). As they do not necessarily have an intention to expose their policy choices to naming and shaming, there is a tendency to select the best national programmes for peer review (ibid.). With regard to mutual learning, even persistent OMC advocators such as Zeitlin (ibid.) admit that "...there are relatively few concrete cases at national level of direct or first-order [mutual] policy learning..." (p. 472). In addition, there is little evidence of concrete NAP impact on national policies and the time period attributed to peer review of the NAPs is generally too short (Zeitlin, 2005). To this adds itself the substantial variation in national data collection techniques and statistical methodologies. The danger of comparing apples and pears is inherent in the absence of a common European methodology. Meaningful cross-national comparisons become impossible and any ensuing conclusion doubtful. Moreover, the OMC suffers from a lack of empirically verifiable results, difficulties with impact evaluation and problems of causality and traceability (ibid.). Even if comparisons were possible, the (politically motivated) inflation of indicators and guidelines leads to confusion and risks to turn the process into empty proceduralism.

Why some OMCs work better than others and a few not at all

The best-performing OMCs are those with a strong Treaty basis (Laffan/ Shaw, 2005), a lack of national budgetary deficits (cf. compare the weak welfare area OMCs) and no policy learning (Chalmers, 2008). Amongst them are those in the area of macroeconomic policy, employment and social inclusion. It is even more interesting to note that these three OMCs are more or less economic ones. This makes it worth to look at their central actors. Thus, ECOFIN assumes a vital function with regard to macroeconomic policy, as it formulates the BEPGs for an OMC which is subordinated to the achievement of an economic agenda (ibid.). This OMC neither provides for peer review, nor is it characterised by best practice (Laffan/ Shaw, 2005). The reason is that finance ministers are not keen on exposing themselves to these mechanisms. An additional example is employment. Two things are

noteworthy: First, most input comes from the national finance and economic ministries (ibid.). Second, the abovementioned structural deficiencies (eg with regard to the EES) do not necessarily prescribe whether or not the respective OMC works in practice. Hence, what is striking is that the best-performing OMCs do not seem to be the most 'genuine' ones.

According to Lodge (2007), the reason why most OMCs fail to meet the expectations with which they were imbued is because this governance method makes strong demands with regard to standard-setting, information-gathering and behaviour modification. Standard-setting "...is about a clear knowledge as to what preferred state of the world one seeks to achieve or maintain..." (p. 347) and about the means which are necessary to achieve this. It becomes problematic if there is neither ideational convergence on what should be achieved, nor a consensus on the necessary means. This is certainly the case for OMCs applied to the classic welfare state areas. Second, information-gathering denotes "...all the ways in which the system receives good information about the current and changing 'state of the world'" (p. 348). The centrality of this aspect (and its absence with regard to particular OMCs) has already been elaborated upon in the preceding section. Member States must be willing to supply accurate and meaningful information. This excludes 'beauty contests' and presupposes common methodologies and the intention to make a sincere effort. Finally, behaviour modification assumes that Member States must be willing to adjust their behaviour in light of the insights gained from the peer review process (Lodge, 2007). This aspect in turn presupposes sincere peer review and takes the existence of administrative capabilities implicitly for granted. Given that the pure OMCs in pensions and information society fail these demands (ibid.) underlines that the only working OMCs seem to be the less genuine ones.

Conclusion

The OMC's start was accompanied by high expectations with regard to its transformative potential. However, it lacks teeth with regard to enforcement and overestimates the Member States' willingness to sincerely participate in the process in addition to the absence of a common methodological basis. The shortcomings have been extensively addressed and they explain why some observers have turned their back to the method. There is thus a divide. Why this divide exists is because of those, who point to the successful OMCs and justify their continued hope in the method on this basis. What is striking is that the best-working OMCs are not really the genuine ones.

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Academic Article

The International Role of the CAP: Consequences upon Past and Future Reforms

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Introduction

Since the creation of the European Community and the single European market by the Treaties of Rome, the modalities of a common market of foodstuffs had been a central concern in European affairs. As Robert Ackrill points out: “the CAP is one of the most pervasive of all EU policies, one of the most infamous and perhaps one of the most misunderstood” (Ackrill, 2000, p. 16). First designed in order to avoid future food shortages that had been known during the Second World War and to protect an agricultural sector, vital for the well functioning of European States, the Common Agricultural Policy eventually came to surpass its initial objectives. Thus by the 1970s, Europe had transformed its status of net importer of foodstuffs to become a net exporter toward third countries (Hennis, 2008, p.331). Since then, market protectionism, production of surpluses and export of subsidized agricultural products started affecting the global food chain. In an increasingly globalized world, effects of CAP's instruments that prevented market access by the use of import tariffs barriers and distorted global trade by the use of export subsidies, became unbearable for other countries. Whereas some might have benefited from the CAP's implications for global trade, many, and especially third world countries heavily depending on agriculture, have suffered from it (Borrel and Hubbard, 2000). This situation eventually led to an increased criticism from third countries that therefore came to use multilateral negotiations on trade liberalization

among the GATT/WTO to influence reforms of the CAP. After having briefly introduced the creation and the objectives of the Common Agricultural Policy, this paper will describe the mechanisms that affect the global trade of agricultural products in order to understand its evolution. Thereafter, an assessment will be made of the external pressures that have affected the recent developments of the CAP in considering two particular examples: the MacSharry reform of 1992 and the 2003 Fischler reform.

Creation and objectives of the CAP

The CAP can be considered as one of the most prominent policies of the European Union. Not only because it accounts for the larger part of its budget, 46,7 % as of 2006 (European Commission; 2007), but also because it constitutes one of its oldest policies. Indeed, the convergence toward a free market agreement on foodstuffs had been on the decision table since the Treaty of Rome of 1955 where the EC6 (France, West Germany, United Kingdom, Italy, Belgium and the Netherlands) agreed on a greater cooperation of their country in economic matters. Thus establishing the European Economic Community, allowing for the free movements of goods and the harmonization of external customs, induced a legitimate questioning among signatories upon the place devoted to agricultural products within the agreement. Still concerned by the food shortages that took place during the Second World War, governments of the six were preoccupied by securing an important

economic sector in post-war reconstruction period. Thus, in order to extend the Common Market just agreed to foodstuff, they included in the Treaty of Rome the framework for further development on a Common Agricultural Policy: "The Common Market shall extend to agriculture and trade in agricultural products ... The functioning and development of the Common Market in respect of agricultural products shall be accompanied by the establishment of a common agricultural policy among the Member States" (The Treaty establishing the European Economic Community, 1957, Art. 1-4).

The objectives to be accomplished by the Common Agricultural Policy were also defined within the Treaty of Rome aiming to: increase agricultural productivity, ensure a fair standard of living for agricultural populations, stabilise market, guarantee regular supplies and ensure reasonable prices for consumers (Ibid, Art. 39: 1). Yet those objectives agreed upon, the way toward an effective common agricultural market, involving harmonization - rather than elimination- of external trade policies, had still to be paved. Thus, the CAP's instruments were negotiated among the six partners since the Stressa conference of July 1958 to finally reach an agreement in 1962. The system had therefore been designed in order to fulfil the requirements expressed in the Treaty of Rome by providing a price support mechanism. That interventionist system was destined to guarantee farmers a minimum price for their agricultural production, encouraging them to produce more and modernize their infrastructures.

Evolution and mechanisms affecting the global market

During the first decade after its creation, the CAP system was performing rather well to fulfil the requirements given by the Treaty of Rome. Member states were encouraged to produce more and more domestically and therefore were to achieve the aim of self-sufficiency within the European Community. However, since the 1970's, the policy of market and price support was engendering surpluses of production and started affecting the global food chain (Hennis, 2008, p. 331). In parallel to the United State that had developed the same model earlier in the 1930s as part of the New Deal, the situation of overproduction was to be fixed by "the export of surpluses and parts of the production process to other regions of the world" (Ibid, p.332). Thus, considering the agricultural sector being more and more interlinked, the situation of subsidised overproduction had the logical consequence of artificially depress the world market prices. As a matter of fact, the CAP turned the European Union from a net importer to a net exporter of food by the eve of the 1980s. Developing countries were, regarding to that situation, the first to suffer from that unfair competition. Whereas their economies were likely to depend on commodities exports, those were limited as an indirect consequence of the CAP. First, their exports toward European countries were highly reduced by the tariffs policy that prevented their products from competing with European ones. Secondly, the export of European surpluses on the world market at prices artificially lower than their actual value, were hurting third countries' exports toward other parts of the world. Consequently, by "the 1990s, the effects of the CAP were mostly felt outside the EU, leading to trade conflict over

agricultural goods" (Grant, 1997, p.75 in Hennis, 2008, p. 331). Even if during the past fifteen years, the CAP had seen numerous reforms that contributed to a less trade-disturbing scheme, it is still criticized by developing countries and non-governmental organizations for its unfairness under the WTO rule (Oxfam, 2002). Thus, the 1992 MacSharry reform, the 1999 agenda 2000 reform and the 2003 Luxembourg agreement on the midterm review of the CAP brought significant changes to the policy. As Allan Matthews points out: "While (these) figures indicate that the CAP continues to distort trade, it does so to a considerably smaller extent than two decades ago" (Matthews, 2008, p. 384).

It appears important to describe the mechanisms that still prevail under the CAP regime in order to better understand the effects that they produce on the globalized food market. The system as we know it today is not far from the one that was initially designed when the CAP was created. It is still based on a price support mechanism and implies the use of import tariffs, market interventions and export subsidies. Thus, each year, the Council of Agricultural Ministers establishes a target price for each commodity that is produced within the EU. That target price directs the use of diverse instruments in order to keep the European market price around that level. The "target price" policy is used to ensure farmers that they will be able to sell their products at a price that provides them a fair income, even if that price is higher than the world market price for that commodity. First, import tariffs are defined to guarantee that no agricultural product that is produced outside the European Union would be able to compete with European products. As long as the EU is producing a commodity, its farmers are ensured that they would be able to sell it at a price that corresponds to their costs and provide them benefits even if they appears to be uncompetitive on a world scale. The phenomenon was further reinforced with the apparition of an intervention price that was able to deal with surpluses. The intervention price is set usually between 10 and 30 per cent under the target price and constitutes the price for which governmental agencies will pay producers in exchange of their surpluses. Surpluses were thereafter to be stocked and sold either on the European market once price had risen or as exports on the world market with the help of export subsidies that allowed them to compete with prices of the global chain. Considering that the EU became more and more self-sufficient in most commodities, greater reliance was put on "export subsidies", also called "refunds" (Matthews, 2008, p. 383). However, it is important to note that after the series of reforms that started with the 1992 MacSharry reform, market supports have been significantly cut in favour of direct payments to farmers with no direct link to the quantity they produce, therefore impacting indirectly on the production of surpluses (Ibid, p. 384).

Implications in a globalized world

We have seen earlier that the system of subsidies used by the CAP had some trade-disturbing effects when one considers the global economy of foodstuffs. The first remark to be made in that regards is that the Common Agricultural Policy does not affect all countries to the same level. As a matter of fact, one may considers that there is

some losers and even some winners among third countries. To begin with, it appears that countries that are net exporters in CAP products are undoubtedly disadvantaged in two main ways. First the existence of high import tariffs within the European Union prevent developing countries' producers from a lucrative access to European markets that could help them develop their agricultural infrastructures and productions. Secondly, the existence of subsidised European exports on the world market reduce also their ability to sell products to third countries that would have buy them without the existence of artificially cheaper European products. However, some preferential accesses to European markets are granted by the European Union to specific countries on specific products and therefore case-by-case analysis depending of the country and the type of commodity must be conducted. Thus, "where exporters supply both the EU market (at the higher preferential price) and the world market (at the lower depressed price as a result of CAP support), whether they gain overall depends on the relative importance of the two market and the size of the price effects" (Matthews, 2008, p. 390). Winners under the CAP regime are most likely to be net importers of agricultural products. In that particular case, consumers can enjoy cheaper supplies coming directly from the EU or indirectly benefit from lower prices on the world market due to European products' pressures. However, when one considers that the developing countries' economies are mainly based on agriculture, it appears that the category of countries benefiting from cheaper imports is limited.

External pressures for reform

There is an ongoing debate among scholars regarding to the pressures exerted on the process of reforming the Common Agricultural Policy. The questions to be asked are why the CAP had been reformed when it did, but also to what extent different factors have influenced the negotiation process and therefore the outcome of the different reforms. The main factors that are usually highlighted in the present literature are the budget pressures that tend to ask for less spending in the CAP and call generally for an intergovernmentalist analysis in one hand, and the external pressures made by third countries through the GATT/WTO in another hand. Recent enlargements of the European Union toward eastern countries with a large agricultural sector have also to be taken in consideration for the latest and future reforms. The greening of the CAP agenda (Nilsson, 2003, p. 463) and public concern over the development are also factors of growing importance. However, in the present paper, emphasis will be addressed to the external effects of the Common Agricultural Policy as a vector of changes. In this regards, we will highlight the role played by the GATT and WTO over the CAP reforms. Among those multilateral institutions, the European Commission was acting as the only representing body to negotiate and to conclude agreements on behalf of the Member States. Therefore, based on Putnam's two-level game analysis, Lee Ann Patterson argues that when one analyses the CAP reforms, he must consider a three-level game analysis: "Thus the unique structure of the EC requires that Putnam's two-level game be expanded to a three level interactive game in which negotiations at the domestic, Community, an international levels affect policy options at each of the other levels" (Patterson, 1997, p.

141). The same kind of approach with a particular focus on the effect of the international level on internal negotiations will be used to analyse the 1992 and the 2003 CAP reforms.

Uruguay Round and the 1992 reform

The Uruguay Round of the GATT started in 1986 with, for the first time, ambitions over liberalisation of agricultural trade. The two main players in those negotiations were the two main trading blocks, as known as the United States and the European Community. The United States started the negotiation process calling for the 'zero option' target that called for an elimination of all farm subsidies within ten years and that had the "intended effect of raising the political stakes on agriculture" (Woolcock and Hodges, 1996, p. 310). After the midterm review of 1988, the negotiations had seen little progress when the United States introduced a system of colour boxes to describe and categorize the domestic policies following their level of trade-distorting effects. By then, the unacceptability of the first radical proposal was relativized. Policies that were considered highly trade-distorting were to be placed in the red box and completely eliminated within the ten following years, the amber box policies were to be subject to 'GATT discipline' whereas policies placed in the green box were not considered to be trade distorting and could be conserved (Ackrill, 2000, p. 97). Thus, the EC that had have the possibility of not engaging serious negotiation using the pretext that the US proposal was obviously unfeasible had to move on toward more compliance with external pressure. MacSharry was appointed as European Commissioner for Agriculture at the start of 1989 to propose and achieve a CAP reform that was needed in order to satisfy internal demands for budget reduction in one hand, and to comply with international expectations that were not satisfied at the time of the 1988 mid-term review of the GATT in another hand. Although, for different reasons that will not be discussed here (see Tangerman, 1998 and Kay, 1998 for different points of view), a GATT agreement over agriculture was not reached by the end of 1990 and the Uruguay Round collapsed partly because of the impossibility of an unreformed CAP to comply with third countries exigencies particularly the US. However, the CAP was finally being reformed in May 1992 with a considerable shift from market support to direct aid payments that transferred number of policies from the red to the green box under GATT negotiations' terminology. Thus, what was then called the 'MacSharry reform' sought to comply with internal and external pressures, taking into consideration the necessity of reforming features that prevented the GATT agreement from being signed. Lee Ann Patterson identifies three developments at the international level that have pressured the MacSharry reform: "First, the EC and the rest of the world realized that the stabilizer program put in place in 1988 had done nothing to mitigate the stress that the CAP was placing on the EU budget or on world trade relations ... Second, countries were becoming aware that unless some compromise could be made in the agriculture negotiations, the entire Uruguay Round would collapse, resulting in the elimination of an estimated \$270 billion in increased world welfare that would result from trade liberalization", and third that considering US domestic context with forthcoming elections and expiration of the 'fast-track' procedure,

participant countries felt that “time was running out in the spring of 1992”. To conclude that “pressure for agreement was strong, many negotiators felt that if the Uruguay Round was to be saved, some progress had to be made in the agriculture negotiations” (Patterson, 1997, pp. 153-154). Thus, after the CAP was reformed in early 1992, the 'Blair House Accord' - a bilateral agreement between the US and the EC over agriculture- was signed in November 1992 and permitted to remove “the most important obstacle for reaching a decision in the GATT negotiations” (Hennis, 2008, p. 337). Agreement over agriculture was finally reached within the Uruguay Round in December 1993 and the complete agreement was signed in Marrakesh on 15 April 1994. Even if much of the expectations of the US were not completely complied with as, for example, the disappearance of the red box and the exclusion of certain commodities from the agreement show-, following Robert Ackrill, “there is considerable evidence to indicate the 1992 reform was shaped not by budget pressure, but by external pressures through GATT” (Ackrill, 2000, p. 105).

Doha Development Agenda and the 2003 CAP reform

On June 2003, the European Union's Council of Agricultural Ministers agreed on further reform of the Common Agricultural Policy. Following the steps forward achieved in 1999 under the 'Agenda 2000 reform' that introduced the two pillars model differentiating production support and rural development, EU farm Commissioner Franz Fischler launched the new set of negotiations in July 2002. The main objectives of the 2003 reform were the decoupling of agricultural subsidies toward less price and income supports and the allocation of more funding for rural development. Thus an important shift regarding the budgeting of the CAP from pillar 1 to pillar 2 was achieved by the implementation of the Single Farm Payment (SFP). The SFP is “linked to the respect of environmental, food safety, animal and plant health and animal welfare standards, as well as the requirement to keep all farmland in good agricultural and environmental condition” (Commission, 2003). The WTO multilateral talks over the Doha Development Agenda started in November 1991 with once again, an important concern over agricultural products' trade liberalization. Furthermore it is important to note that the European Union stated since almost the beginning of the talks that strong emphasis should be put on developing countries during those negotiation (Swinbank and Daugbjerg, 2006, p. 59). It is therefore arguable that WTO talks put a certain kind of pressure over the EU to reform the CAP. Furthermore, the blue box had been created during the Blair House Accord to qualify policies that were only partially decoupled and that should have been completely decoupled after the end of Uruguay Round. In reality, those policies were still widely used when the Doha Round started and fell under a growing criticism at the international level. The EU was then under strong pressure to submit its offer to the WTO by January 2003. Thus, in displacing a wide number of domestic policies that were still considered belonging to the blue box toward the green box, the Fischler reform had been designed to comply with WTO limits on the use of the blue box and therefore to accommodate third countries' pressures. However, it can be argued that even if the EU did reform the CAP taking into some of the WTO concerns, it did little to moderate its

position on market access and export subsidies that constitute some of the most trade distorting effects for developing countries' producers. Nevertheless, and as Swinbank and Daugbjerg argue: “keeping the round running was, in itself, an important objective of the EU” and that “a breakdown caused by an unconstructive EU would have seriously hurt the EU's credibility among developing countries” (Ibid, p. 59). In that sense, it makes little doubt that the external context had affected the orientation of the 2003 CAP reform among EU's policy makers.

Conclusion on the future of the CAP

The Common Agricultural Policy has considerably evolved since its creation in 1962. It has done so under different pressures than can be taken into consideration among which its budget and its international impacts appear to be the most important ones. Thus, as the global trade of agricultural products have become increasingly important thorough the 1990s, coupled with an outstrip of its initial objective, its trade distorting effects over third countries have proportionally increased. In reaction to that phenomenon, countries affected by the CAP had been encouraged to pressure the EU to modify its protectionist policies whereas they were hurting their commercial interests. Multilateral negotiations that occurred under the GATT and the WTO regimes were therefore the privileged forums that gave the opportunity to third countries to pressure the European Union. They could thus play over the high cost of not reaching a global agreement on trade liberalization for the EU (Patterson, 1997, p.153). As shown earlier, the United States had successfully been able to influence the MacSharry reform of 1992 that allowed one of the most important shifts in the CAP's development. Similarly, the 2003 reform that provided more decoupled policies, did so restraining the international visibility of domestic supports by transferring them from the blue box to the green box. Such reform undoubtedly was undertaken by policy makers considering the necessity of providing advancements toward a less trade-distorting European scheme that was adjured by the Doha Round of negotiations of the WTO. What can be drawn from the past influence of the international impact of the CAP considering the current international context? After the collapse of the Doha Round of negotiations on July 24 of 2006, times augurs for a decrease in international pressures for reforms. The recent dismiss of multilateral institutions promoting trade liberalization such as the IMF or the WTO in front of their inability to manage and prevent the recent economic crisis may provide them with less power in influencing further reform toward an increase in trade liberalization. In addition and consequently to the food crisis of 2008, the argument of food security is now advanced by developed nations in order to promote more protectionism and subsidies, and therefore may also reduce external provisions for change in agricultural policies (Grant, 2008). It can therefore be concluded that external effects of the CAP will led to less pressure reforms in a next future. However, budgetary concerns will undoubtedly weight in future negotiations and may engender a new decrease in farmers' support, which would consequently lessen its distorting effects on global trade and third world countries.

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