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The effectiveness of the EU economic governance framework

Stefan Marian DUMITRU*

Abstract

The purpose of this paper is to evaluate the effectiveness of the European Union’s (EU) economic governance framework as a key component and driver of the EU - Economic and Monetary Union (EMU). Considerable measures to strengthen the EMU have been undertaken in recent years. In spite of this, its effectiveness in tackling challenges that might appear especially in times of crisis, is still called into question. The creation or reformation of institutions seems to be the most efficient manner in which the Eurozone can advance policies and mechanisms meant to stimulate economic growth. We have found that the major obstacles to more efficiency are two components: 1. the political dimension of the EU – or better said political interference of MS’s to protect their own interests; 2. weak EU leadership and vision – this, together with political interests, dilutes significantly the building of institutions, creation and enforcement of policies. Ultimately the question of improving effectiveness of EU economic governance lies in the EU’s ability to build a stronger foundation for its institutions. As a modern political and economic entity, subjugated to the MS’s, the EU must maintain a balance between state powers and institutional powers, a legal and democratically accountable system of governance, the enforcement and respect of law, whilst also protecting economic growth and the right for a better future.

Keywords: EU, Economic Governance, Effectiveness, EMU

Introduction

After 8 years of economic crisis, the EU and EMU seem to have found some measure of a fragile stability. Policy changes undertaken between 2010 and 2012 have brought urgent revisions to the EMU. It has been transformed from a system of coordinated economic policies to a system of economic governance. The outdated architecture of economic policy coordination was based on the willing cooperation of Member States. This was done under the rational that the advantages of cooperation would outweigh the disadvantages. Economic governance changes the paradigm by institutionalizing the cooperation of economic policies. It is a much better and well welcomed improvement from the voluntary system utilised before. Even so, these efforts have not resulted in a more competitive market that can sustain growth, efforts must be multiplied to break from the lack of strong and sustainable growth.

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At fault is that time and time again the political discourse of leaders has not been met with the necessary impetus and clear objectives. The economic crisis has shown that the EMU requires new institutions with clear powers to implement the necessary reforms destined for the market. Under an unclear path and with numerous gaps exposed, the effectiveness of the EMU has produced a debate on what the further steps should be. On one side, we have community method, which argues that more resources and sovereignty must be given to the community. On the other we have the intergovernmentalist method which argues that MS’s must remain in control as the true benefactors of the policies. The community method, while preferred by institutions and academia, is a highly unlikely option in a time in which there is growing anti-EU sentiment which encourages MS’s to favour direct control.

Notwithstanding obvious political barriers, the long-term effectiveness of EU economic governance remains to be seen. The complexity, and need for pooling sovereignty for policies is often the friction point the sprouts other divergences and slows the reaction time of the EU.

The first part of this paper will be an overview of EU economic governance and some recent developments that can be said to have improved its effectiveness. The second, third and fourth parts address the effectiveness of the key elements that make up the system. The paper will use a mix of EU documents, studies and an extensive range of academic literature. Based on what is observed, we will evaluate and criticize the positive and negative features of EU economic governance, and how these affect its effectiveness.

1. EU Economic Governance

EU Economic Governance has been built on a pre-existing framework of the EMU. The most valuable contribution that it has brought to the system is the European Semester. Continuous supervision and monitoring from the Commission coupled with institutionalized cooperation between Member States, has created a much greater coordination of policies and a stronger check and balance system. Indeed, this has created a much more restraining system, but it is a necessary quasi-evil due to the penchant of Member States to follow their own interests to the detriment of the EU. We must understand that most shortcomings of the framework are due to its fragility at the hands of MS’s political interests, and not pure ineffectiveness on its part.

EU economic governance is a new framework, born out of the reforms undertaken in the 2010-2012 period to the EMU. Naturally it is prone to missteps and has had errors in design that might have been overlooked, but it has continuously improved since its inception. Institutional reforms have been most effective in tackling misgivings that have appeared.
Going back in time, to the signing of the Maastricht Treaty, economic governance was not even a concept. Instead, economic coordination was the mechanism envisioned to support the EMU. It could only be effective if MS’s consented to endeavouring in it. The design lacked power dynamics, policy processes and proper enforcement. MS’s sensed this deficiency, and proceeded to abuse the system which they had created. In time, new evolutions have redefined and streamlined the system, especially since the economic crisis: 1. by relying less on the Commission as leader of the framework; 2. more observance of imbalances between MS’s by putting more pressure to respect the country specific recommendations and Maastricht criteria; stronger fiscal observance and punishment of deviations. Important changes relate to the power dynamic: 1. an increased role of the Council of Ministers, specifically ECO-FIN and Council Presidency as decision makers and 2. the European Parliament taking on the position of mediator. In an amusing twist of events, the better inclusion of multiple institutions in the process of economic governance has actually given it more legitimacy and credibility as a coordinated and European effort. In the following sections, we shall see how these developments came to be.

Under the sovereign debt crisis, the misgivings and errors of the framework have been brought to light. With this, substantial undertakings have been implemented to make the system more credible and encourage growth and stability. Of the numerous measures adopted (too many to discuss in such a short essay) the one with the most impact targets the Stability and Growth Pact (SGP) thought the Six Pack and Two Pack (European Commission, 1998). In the following three parts, we shall analyse the EMU, ESFS/EMA and ECB as integral components and influencers of the ultimate effectiveness of EU economic governance.

2. The European Monetary Union
2.1. The framework of the EMU

The European Monetary Union is an indispensable tool which has not only regional but global ramifications. Its miss comings inherently affect the effectiveness of the EU Economic Governance. Two major deficiencies have been observed: 1. Its incomplete nature of the EMU; 2. The financial markets incentive scheme which would assure MS’s respected the Maastricht criteria.

First, the incomplete nature of the EMU can only be resolved by pushing forward with the Eurozone completion. It is ultimately a question of possibility (from an economic point of view) and willingness (from a political point of view) of MS’s (Chinn, 2012). Second, the poorly constructed framework of the 90’s was a major flaw of the system. The principle idea revolved around the financial markets incentive system. Under this, financial markets would punish countries that
disregard the Maastricht criteria. In reality it actually contributed to the creation and deepening of the sovereign debt crisis.

The concept was a double tiered one. First, it was expected that MS’s would adhere to these regulations as they would to their own policies, primarily due to the adverse reactions that breaking them would entail. Second, financial markets would act as a check and balance system by punishing states that did not adhere to the discipline imposed by treaty. In theory financiers, would expose bad credit practices and thus push the government in taking action to avoid proliferation of such behaviours, otherwise risk having higher costs in obtaining credit (Afxentiou, 2000). In all actuality, the process turned out to be in reverse, financial market did not send any signals of bad behaviour, and thus no cause for worry was observed. Governments did not feel any pressure from markets to employ self-discipline. Thus, these initial design aspects of the EMU were flawed and ineffective from the beginning. By basing itself on an incentive system and rational behaviour of markets, it did not discourage MS’s from breaking the Maastricht criteria, which happened quite soon after the switch to Euro. It created gold rush for cheap cash.

The EMU was born out of the necessity for more efficiency of the Single Market (European Commission 1986). Having dozens of currencies would act as a bottleneck to EU trade. This was validated by the Delores Report – One Market, One Money of 90 (European Commission, 1990). It brought into focus the need for the establishment of a single currency for the European project as a measure of liberating intra EU trade from the costs of running multiple currencies. As Dyson and Featherstone (1999) detail, there was a strong belief that a single currency could be manageable with the implementation of convergence criteria. The wide spread agreement of academia was that the mobility of capital was becoming more and more crucial to businesses and financial markets, as technology made it easier to implement and more efficient to administer, it would make business cheaper (Dyson and Featherstone 1999).

Thus, it was only logical for the EMU to be established under certain strict criteria that would maintain stability of the new currency by keeping MS’s financial behaviour in check. It was set it place through Articles 104 and 109 of the TFEU of the Maastricht criteria (European Commission, 2007). Under the Maastricht criteria, MS’s both in and outside (to avoid negative influence from their actions) the Eurozone, must maintain a debt of maximum 60% of GDP, with a maximum 3% deficit per year. Strict limitations were imposed on becoming a euro member. A non-euro MS must hold a stable inflation and interstate rate for two years, before being invited to join. But as we have previously stated, MS’s after joining the Eurozone, were quick to sway from the criteria.

In anticipation of this, the SGP entered into force in 1998 as an agreement between MS’s, as a measure of prevention to protect and maintain stable public finances (European Commission, 1998).
Without a doubt this was a sound decision, a control mechanism would naturally be needed. Even though in concept a good measure, political interests went beyond the SGP as we shall see further on.

Under Article 126 of the Treaty (European Commission, 2007), the SGP was provided with several tools to enforce its powers: 1.a preventive and corrective arm, 2. The Excessive Deficit Procedure (EDP). The EDP is a potent tool observance and guidance tool. It relates to the dissuasive dimension of the SGP, as it can culminate with sanctions for repeat offenders which run high deficits and do not remedy bad practices. As Machiavelli said, “it is better to be feared than to be loved” (Machiavelli, 1556). The EDP was meant to be feared, and rightfully so, as dissuasive measures are always necessary, if no punishments exist, then legislation is just writing on paper.

Thusly we have seen that the initial design aspects of the EMU were flawed and ineffective from the beginning. By basing itself on an incentive system and rational behaviour of markets. It led to MS’s in not respecting the Maastricht criteria immediately after few years of its implementation, running high debts and deficits, or even cooking the books as we have seen in the case of Greece (Allen Little, 2016), to enter the euro. Naturally, by ignoring the very rules MS’s helped to create, the system would become weaker and problematic.

2.2. The problems of the EMU

The problems of the EMU stem from a poor design and lack of vision on part of the creators. While this is mainly due to the incomplete nature of the policy, MS’s are equal contributors to the confounding of the spectrum as their short-term interests are valued for the fast results. This section of the paper will set under the microscope the EMU’s most visible problems and expose their implications.

Firstly, economic governance through the influence of market discipline is a very hopeful concept. Not only do markets seem uninterested in the Maastricht criteria, they mostly disregarded them. This is based on the fact that MS’s retained individual entities as creditors. With such individuality, as Schimmelfennig and Sedelmeier (2004) point out, MS’s preferred to retain high credit ratings and as such, without negative singles from the market, the lack of a bail-out clause would be no deterrent. All MS’s had ratings that would ensure good returns, and as risk was only seen at country level, not EU level, there was no cause for concern as long as ratings were unaffected. Naturally this created a false impression of the future for MS’s, actually encouraging them to spend more and take more loans. The rest would have been easy to observe. Of course, had the markets punished and not encouraged states to continue on taking credit. When the smoke vanished with the announcement by the Greek government in 2009 that its deficit would be 12% - double of what was
anticipated. Such a spike, as we can see in Figure 1 naturally caused markets to panic. Ushering in the full destructive nature of the global economic crisis and inaugurating the sovereign debt crisis.

**Figure 1. Greek debt and bond yield**

Secondly, the euro area has an inbuilt ineffective fiscal governance. The SGP was prevented from exercising its power of prevention. Only when the Six and Two Pack were inaugurated, did the prevention mechanism of the EMU start to truly work.

MS’s are susceptible to willingly disregard the Maastricht criteria if not properly enforced (Channel 4, 2015). Not only this, but short term economic gains impulse them to block the prevention of their actions through the SGP. The Commission faced procedural hurdles that States actively tried to set. The most common of which being that of diluting decisions of the Commission through their Commissioners. A second barrier can be observed in with the case of Ireland vs. The Commission (2001). In this, ECOFIN used its powers to block Commission actions through the procedural steps (Hodson, 2011). In 2001, the Council blocked a Recommendation for Ireland, pushed by the Commission, due to the fact that Ireland was experiencing growing economic imbalances (Hodson, 2011). As there were no signs of diminishment of said imbalance, three years later, the SGP threatened with sanctions. The response was shocking, ECOFIN amended the powers of the SGP so that it would include a differentiation of medium term economic targets, and not only short or long term (European Commission, 2005). Thus, its mandate against Ireland was nullified. This reform
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presented as giving flexibility to the SGP was, in the words of Schuknecht (2011) a means by which MS’s gained more control, thus making it even more haphazardly to monitor unruly states (Hagen and Schuknecht, 2011).

Thirdly, the EMU has difficulty in confronting numerous adverse situations at the same time (financial instability, higher debt, austerity). Compounded to this, there exists a clause that prohibits the European Central Bank from bailing out any country actually risking default due to deficit, thus adding to the destabilization of the system. The scene is 2010/2011, financial markets continue to panic more and more. Without an institution that would save the countries from defaulting, panic and uncertainty was flourishing (de Grauwe, 2012). This spiral in which the ECB was finding itself created more and more pressure (from academia, politicians, financiers, etc.) to provide liquidity to stabilize the markets. But it did not succumb to these pressures. The system found new flexibility not by renouncing the core tenants of monetary financial prohibition, but by reinventing and redesigning the existing systems, as we will see in the final section of this part. We observe further below, how it has become general knowledge and an expected feature of the EU to evolve under pressure.

2.3. The European Monetary Union adapting to the economic crisis

The decision to diligently respect the core tenants around which the ECB and EMU were built upon was central in shaping the evolution of the EMU in recent years. As Salinas, (2007) observes, the strategy chosen was to focus on the aspects that hindered institutions from becoming efficient. Essentially tackling poor frameworks and loopholes that permitted the hindrance of institutions. Leading to several positive outcomes.

First, the market is more transparent. Specifically, the ability of speculators to disregard risks and manipulate them to their advantage has been diminished by making economic conditions of MS’s more transparent. National statistic authorities must report under the Six Pack legislation specific information on the finances and economy (European Council, 2011). Added to this, the SGP can now use the Macroeconomic Imbalances Procedure (MIP) to showcase vulnerable aspects of the private sector. This information is analysed directly by the Commission and recommendations were given (European Parliament, 2011). The Two – Pack goes even further by gaining the ability for the Commission to warrant special surveillance of states which are under threat of financial duress (European Commission, 2011). Stress tests in the banking sector by the EBA (European Banking Authority) expose the vulnerabilities and threats of the banking sector and report directly to the ECB. Unsurprisingly numerous banks have either failed or had poor performance in the beginning, with some improvements seen recently (European Banking Authority, 2016).
Second, the SGP is more potent in prevention, correction and enforcement. Its reaction time is much faster. This is because the Council now takes decisions on applying financial sanctions by revers qualified majority voting. MS’s representatives have less control, and thus are must push for better application of recommendations.

Third, the adoption of the policy “keep all houses in order” shifts the attention to more vulnerable countries. All crises have a spill over effect, thus no country is immune to the decisions and actions of other countries. An intra-euro financial assistance framework has been built to motivate and make national governments more responsible to not only monitor their own economic practices but also that of neighbours and another MS’s. This has led to a stronger focus in Eurogroup discussion on more vulnerable countries (European Central Bank, 2014).

Last but not least, countries can now use a mechanism by which they give liquidity to financially struggling counterparts. As we shall see later, the EFSF/ESM has been established as an intergovernmental institution which can provide capital in need. It can do so under several mechanisms: loans, programs, market purchases, secondary market purchases, bank recapitalizations. The no bail out clause was not scrapped but a system acting similarly was set in place by MS’s, led by themselves. The ECB continues to cover the private sector by buying poor quality bonds. These measures have subsequently reinforced the position of the EMU and strengthened the notion for markets that they would not be allowed to fail. Arguably in the long run this could prove to be a decision that can come and bit back the EU. With such an assurance, there is always the potential risk that companies and markets would abuse the system, knowing that they could not fail.

3. The EFSF/ESM

The ESFS diminished the manoeuvrability of MS’s in taking individual actions against the crisis. From a coordination point of view, it imposes a much better system that impulses MS’s in acting together.

The European Financial Stability Facility (EFSF) was created due to the economic shocks which accompanied the Greek debt crisis in 2010 (European Council, 2010). Its goal was that of convincing markets that the crisis had been contained through the commitment of EU leaders. As a result of poor planning, it became evident after coming into operation that the initial capital of 750 billion (of which only 440 billion was raised) euro guaranteed by MS’s is insufficient. In the following parts, we will see how and why the ESFS evolved into the European Stability Mechanism (ESM) in 2012, arguably a form it should have been given from the beginning.
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The hasty creation of the ESFS is one of the major reasons for the diluted condition of the institution, and lead to its ultimate need for reformation. This naturally brings up the question of the reliability of the whole institution, one born out of panic from the Greek Crisis. To understand how the EFSF evolved into the ESM and subsequently how this is a reflection of the efficiency of EU Economic Governance, this section of the essay will analyse: the compromises between MS’s that rushed the creation of the ESFS; the initial form of the EFSF and lastly the transformation of the institution into the ESM.

3.1. Rushed creation of the European Financial Stability Facility

Fear of contagion and spread of the sovereign debt crisis led to the hasty creation of the ESFS. The European Monetary Union was never intended to manage a sovereign debt crisis for EU MS’s, never mind one in several countries. The outbreak of the crisis in Greece in 2008 with the fiscal revisions not only worsened the environment but spread it to other Southern states. As Gianviti (2010) observed at the time, if it spread, the absence of rules to manage such a situation would become ever more pressing, leading states to scramble a solution to curb market fear. And they did in the form of the EFSF.

The European banking sector is highly interlinked. As such, a Greek default would have had the potential to bring down the whole Eurozone. French and German banks had borrowed close to one trillion euro to the Southern Countries and Ireland (Clarke, 2016). A massive exposure on their part in a rush for riches. Naturally there was a high interest in managing the situation so that the contagion would not dissipate to the French and German banks. With the primary banking markets of the EU compromised, the contagion would disperse easily to the rest of the EU and beyond. Thus, it was not only in the interest of French, German and other states implicated, but of all MS’s, to remedy the situation. We can thus observe that European Economic Governance does not only spring from the desire to protect and regulate the euro and single market, but also the interdependence of MS’s economies.

3.2. How the Greek Bail-out was managed

Time was the main catalyst that lead to poor decisions, or lack of it. While initially reluctant to intervene, the possibility of contagion backed Eurozone leader into a corner to solve the problem. The reason, lack of a better option: either intervene and save the house or fail and let it burn. As the
ECB had no mandate to intervene and would not break the rules, a different kind of solution was found. In March 2010, the European Council declared that Germany (27.92%) and France (20.97%) would bypass the limitations of the ECB and finance loans directly to the Greeks, together with the IMF. Only a direct intervention from MS’s in a move of “solidarity” managed to appease the markets (European Council, 2011b). As we shall see further below, it would evolve into a Troika as the money and conditions were managed by the ECB, Commission and IMF, creating significant tensions and political exchanges.

The fact that the markets pushed the Eurozone leaders and IMF into a corner is a sign of weakness and poor credibility of EU Economic Governance. Initially a 45-billion-euro package was offered by the Eurogroup to Greece as bilateral loans (European Commission, 2010). The reaction was that of cornering the Eurogroup even more as a wave of scepticism towards Greece’s ability to avoid default hit even with the promised help. One month later in May 2010 with the ECB and Finance Ministers agreed that Greece would be offered a 3 year 110-billion-euro support package to prevent Greek default (European Commission, 2010). But yet again, the market reaction was not one of faith in the measure (E. Moore, 2010). Thus, it was recognized that a new mechanism or institution was needed to preside and tackle the spread of the contagion of the Greek crisis to other euro countries, for a short term. This led to a debate on the best possible solution, of which the options were not few:

1. **European Monetary Fund (EMF).** Was one of the first ideas proposed, initially by academia, but later on by others. It would be a European stability mechanism which would fund countries in need of aid, similar to the IMF, with a budget of 5-700 billion euro. Micossi (2008) interprets its failure due to the significant similarities it shared with the IMF, and the potential for it to evolve into a rival.

2. **A Commission led organization.** Proposed by the Commission, it would be a fund that would use bonds backed by guarantees provided by MS’s. Such a proposition had little chance of giving the Commission access to their own funds without the backlash of citizens.

3. **A European Debt Agency.** Proposed by the Prime Minister of Belgium at that time - Yves Leterme (2010). The European Debt Agency would have managed euro debt from a central point. Such a proposal would have created a common interest rate for all MS’s based on the pooled rating of all Eurozone states. This proposition had even less chance to pass as high rating states would have never agreed to see their ratings and thus costs be affected. Not only this, but as Leterme states, it would have also required a change in the treaties as it affected the fundamental functioning of EMU.
4. **An intergovernmental Special Purpose Vehicle (SPV).** Which would come to be known under the name of EFSF won the debate. After months, the SPV or EFSF was chosen as it would allow the raising of money through issuing of bonds supported by MS’s. Renaud - Basso (2011) identify the principal motive for accepting the SPV as the ability of MS’s to have direct control of the institution, and avoid another EU controlled or independent institution.

Markets did not consider enough the measures decided upon by Eurozone leaders with regards to Greece and containing the crisis. Thus, the EFSF emerged under pressure and panic of a potential default, not only of Greece but also of Spain, Portugal and possibly leading to a domino effect in the rest of the states.

### 3.3. Creation of the EFSF

The decision to utilise an intergovernmental SPV as the tool to tackle the crisis was not a surprise, not because of the intergovernmental aspect but because of the way it was managed. In the original statement, it promised 750 billion euro (guaranteed by the euro countries and IMF) as bail-out. Tsoukalis (2010) states that it would only be natural that the leading contributor to the institutions, Germany would have the highest influence on the rules of the EFSF. This proved to be a significant flaw. German sentiments were very negative towards the idea of using German money to bail-out Greeks, thus pushing for stronger more difficult reforms. A flaw that would create significant political tensions between the countries, a referendum on the Greek side and almost a default of the Greek economy.

France also plaid a role in the process as the second biggest economy of the euro. But it is often overlooked because its interests aligned with the Germany’s. Why? It shared a similar exposure as Germany towards southern banks. But initially, as Ludlow (2010) declares, the more favourable option for the French was for the ECB and Commission to take action directly. This measure would have likely been blocked by UK. The reason behind this being that it did not desire to provide further funds to EU mechanisms as the Eurozone problem was seen as one of euro countries (even if UK banks were also very much exposed). As Renaud - Basso (2011) argues, a community mechanism would have been much more difficult to pass, and control by MS’s, the clear reason why the intergovernmental method was preferred. In an increasingly anti-EU Europe, more powers to the EU can spell a recipe for disaster.
3.4. Implementing the EFSF

The shortcomings of the ESFS can be attributed to mostly political interests interfering with the framework of the institution. The EFSF is by no means a simple institution which has the mandate to protect EU financial stability. The concept of using capital markets to raise liquidity and fund loans sounds simple but it is deceptive.

As we have stated before, the EFSF biggest contributor was Germany, and subsequently German efforts to influence the institution prevailed. Set up in Luxembourg, the ESFS is a combination between an institution and a corporation and thus not under the control of either the Council or Commission. MS’s are in all actuality shareholders that preside the company and are observed by the ECB and Commission (Gianviti, 2010). This showcases the ingenuity demonstrated by EU economic governance through MS’s. It has created an entity that could be outside of any control of direct EU institutions, but be able to exert direct influence through its actions on them.

The EFSF was initially accepted with positive reviews, but these would not stick. Even with this mechanism set in place, markets reacted again with worries that Greek default could still happen. This time it was a reverse of the previous situation. Bowley observed that the massive amounts promised were interpreted would be difficult or impossible to reach. A correct assessment (Bowley, 2012). Thus, the potential of the EFSF was negated by the markets. Added to this, its interest rates were not only the same as the ones of offered by markets, but also added charges to discourage other countries (a direct link to the ECB no bail out policy) from arriving in the same debacle. The German legal and political system is the main culprit in this case, as the German constitution would be unlikely to accept more ambitious plans. In a sad twist of fate, it resulted in the political conflict between Germany and Greece, which felt exasperated and cornered (Pisani, 2011).

The 2011 bail out of Ireland was successful, but it resulted in higher costs for borrowing for the southern Latin states. The reason? Markets did not trust in what was built. More panic ensued at the thought of having to bail out Portugal, Italy and Spain. The motivation as Atkins observes is simple: the EFSF did not have the funds all four southern states defaulting (Atkins, 2010). In the view of Atkins, Germany is once again the culprit as it wanted to retain AAA rating for the EFSF. Compounded to this, it was discovered that in fact, only half of the over 750-billion-euro lending capacity promised was actually available. Naturally another scramble to find a solution began ultimately leading to the transformation of the EFSF into the permanent ESM.

The fault for the failings of the EFSF came from the mix between economic necessities and political agendas pushed by MS’s. Thus, we observe one of the major inefficiencies of EU Economic
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Governance, the continuous mix of national interests to the detriment of supranational and economic needs, one which we will see time and time again.

3.5. From the EFSF to the ESM

What lead to the metamorphosis of the EFSF? An amalgam of factors: continued threat of Greek default, fear of contagion, a rush to create the institution and political interests in economic matters; All of these and others let to the necessity of transforming the EFSF from a temporary institution to a permanent one. This last section will examine the ESM in a similar fashion to the EFSF.

From the very beginning the inadequacies of the EFSF were recognised by the political spectrum, markets and academia. Debates on how to change and adapt it began and they were cantered mostly on the temporal permanence of the institution and decrease of interest rates. The problem lied in German reluctance to expand the EFSF. But they were in favour of Treaty change for a more permanent institution. In unconventional fashion as Peel (2010) presents, the ECB took a more direct approach in expressing its support of EFSF by acquisitioning bonds, supporting lower interest rates and a bigger fund. Naturally, the countries that would benefit from the EFSF very outspoken towards the pushes of evolving the institution. Not only this, but this period was marked by an increased activity of the Commission which was also in support of such actions (Peel, 2010).

Ultimately, with the reluctance of France and Germany, the pressure from MS’s, institutions and other parts of society prevailed. A formal increase in powers of the EFSF, transformed it into the ESM by 2013. It increasing the lending capacity and lowered interests rates it offered as well as making the institution permanent (European Council, 2011c). In atypical fashion the ESM was not hijacked by political interests and within a few months, new powers such as capitalizing banks, intervention in secondary markets and others were given (European Council, 2011d). In time, the ESM became more organized and structured.

The ultimate form of the intergovernmental institution known as ESM is that of a mechanism set up to avoid breaking the rules for the EMU set through the TFEU. It is a compromise solution, one to salvage both the credibility of institutions but also the Eurozone itself. Is it a model of the efficiency of EU economic governance? Yes and no. No because it exposes the fundamental flaws of the EMU system, which were inherently built in and ignored for decades, leading to an unprepared and weak system that could threaten the whole European project. But it is also a model of efficiency, not in the traditional sense of the word of a mechanism running as intended, but of an entity which experiences events, makes multiple faults and finally learns and adapts. The EU does thrive in adverse
conditions, and the evolution of the EMU and ESM is a testament to this and how efficient it is in doing so.

4. The European Central Bank

The European Central Bank (ECB) is one of the most efficient institutions of the EU and EMU. It is one that sticks religiously to its powers but also maximises them for full utility. The best example of this being its refusal to finance MS’s deficits. This would ensure that any thoughts by MS’s that the ECB would finance their deficits would not occur.

As stated in Article 2 of the ECB Statute, the mandate of the ECB is that of “maintaining price stability within the Eurozone, implement monetary policy of the Eurozone, conduct foreign exchanges, care for the foreign reserves of the European System of Central Banks and operate the financial market infrastructure. Most importantly it is the sole issuer of euro banknotes (MS’s can issue coins at certain ECB authorised amounts)” (European Central Bank, 1997).

Subsequently, within the system of the EMU, the ECB isn’t only an agency responsible with monetary policy, but also the principal actor that defends its interests and construction. A role that has proven crucial in the crisis. As the EMU is still incomplete (the target for its completion being 2025), the sovereign debt crisis has brought it, quite realistically to the brink of collapse. The ECB thus sees itself as the natural protector of the EMU, and principal driver. In the context of the economic crisis it has the highest authority in stepping in to avoid significant incidents. Leading to the ECB to take an active role in building up institutions that cover the gaps left by the incomplete EMU (such as the ESM). It will take all necessary precautions to protect the EMU. In 2012 the ECB fearing MS’s not respecting agreements, threatened to impose harsh conditions on them. Under the threat of sanctions, governments were coerced in becoming ready to activate the ESM when needed (European Central Bank, 2016).

In the view of the ECB, MS’s should be the principle economic contributors to the achievement of the EMU and Union objectives, stemming from its mandate given through the TFEU (European Commission, 2007). With the advent of the economic crisis the ECB took a much greater role in protecting the EMU and as such sees it as a special and strategic mandate (Mario Draghi – ECB, 2012).

With this in mind, it seems the ECB is strategically pushing for reforms in Eurozone countries (most visibly in Spain and Italy as well as Troika countries) through conditionality. This more than once has put it in close partnership with Germany, much to the dislike of states such as Greece. This
leads to the observation that the ECB acts very strategically with respect to other institutions but mostly the MS’s.

Under the authority of achieving its mandate of price stability with the Eurozone, in January 2015, the ECB mandated an asset purchase programme, also known as Quantitative Easing program. This would be done by purchasing risky private sector sovereign bonds as well as bonds from euro central governments, agencies and institution on the secondary market to ensure the avoidance of a deflationary path and stability of EU prices. It is a program that has been well welcomed by the markets and has maintained an upper inflationary trend for the EU, even if at a low level (0.6% expected for 2016) (Trading Economics, 2016). In 2016 the ECB mandated a continuation of the program. The study of the full effects and implications of the Quantitative Easing program could not be fully undertaken in this paper due to limitations of space, but it is an area which I will reserve for future research. What is clear is that the ECB is an efficient institution that has managed to bypass political interests better than most. It has a clear objective of its goals and how to achieve them, and utilizes its powers to their fullest extent. Quite frankly it would not be incorrect to say that the ECB is a model to be followed for good economic governance.

Conclusions

This paper has proceeded to demonstrate, by analysing at multiple levels and branches the EU framework of economic governance that it can and sometimes is indeed effective. The major obstacles to more efficiency are two components: 1. the political dimension of the EU – or better said political interference of MS’s to protect their own interests; 2. weak EU leadership and vision – this, together with political interests, dilutes significantly the building of institutions, creation and enforcement of policies. Ultimately the question of improving effectiveness of EU economic governance lies in the EU’s ability to build a stronger foundation for its institutions. Stronger leaders, which are better prepared are needed, but as MS’s are the ultimate decedents in this aspect, only a change in their attitude will change this. If not, it is highly likely that we will see a perpetuation of the trends we have seen time and time again in the EU. Crises seem to be indeed, in a weird fashion, the means by which the EU can evolve efficiently. Not out of desire, but out of need.

The economic and sovereign debt crisis has been an impulse not only for the European Union, but also for its economic governance, institutions and leaders to adapt and change. The result is a more intergovernmental approach with regards to managing debt problems between states. The Stability and Growth Pact has been upgraded and can now penalize MS’s much easier for deviations from the agreed economic reforms or imbalances then it could before. Such reforms have been pushed
in exchange for the debt relief offered to states such as Greece, Italy and Spain, and naturally they have been met with significant backlash. The result is a continued push for more Europe, but meanwhile inside, anti-European and far-right parties are becoming more and more popular due to the continued austerity. With and incomplete banking union and fiscal union, there remain sufficient points of tension for conflict and instability between states in the future.

The ECB remains a staunch support of the incomplete EMU, it is a driving force that has strengthened the frame of economic governance of the Eurozone. By aiding in the creation of debt relief institutions, by pushing reforms through conditionality, it has led to more resilient and respected institutions. With the EMU imposing regulations and conditionality, and by institutionalizing cooperation under the European Semester, the EU’s national government have now an extra impetus to keep their policies in check but also work with other states so that there are lesser overlapping effects.

The ECB is an actor that plays in a very strategic manner due to the circumstances in which it is. It derives its independence from the EMU, which is incomplete. Thus, it tries to legitimate its role and actions not only by guarding the EMU from the effects of the crisis, but also by maintaining a stable environment within the Eurozone. Under the mantra of “doing whatever it takes to preserve the euro, the ECB has gone to all the necessary steps to ensure its objectives and sustainability of the EMU: economic debates, conditionality of MS’s, institution building, etc. It is an efficient ad integral part of the EU Economic Governance, ensuring that steadily yet surely the EMU remains viable and working for its completion. It is not without its imperfections, but it is an institution that functions efficiently and sticks to the mandate it has been given.

The EFSF is a classic example of EU institution building, a process in which economics become tangled up with political interests and create an amalgam institution. Then for it to be reanalysed and reformed into a more and more efficient tool through subsequent amendments. Such a process is a strong testament to one of the most inefficient elements of EU economic governance, and to EU governance in essence. It is time consuming and wasteful as MS’s fight for power. This usually leads to a deepening of adverse conditions until the mechanism becomes more efficient. We cannot fully disregard national interests, they are part of the reason for which the EMU was built, as a better mechanism of economic exchange, and the resilience and flexibility of the system in such tough condition is a testament to its flexibility.

In this paper, we have observed a clear progress in the efficiency and legitimacy of European economic governance, led by the effects of the economic crisis. It is true that adverse economic conditions, debt crisis, political tensions have all been influenced by the incomplete system. But they are a testament to the inadequacies of EU governance, and we do not expect them to disappear.
The effectiveness of the EU economic governance framework

overnight, or ever completely. The EU is a melting pot of 28 different yet similar states, of which 19 share a single currency. EU economic governance cannot be regarded as inefficient under the existing adverse conditions, but praised for its continued resilience and flexibility to adapt even on the brink of potential collapse. As a modern political and economic entity, subjugated to the MS’s, the EU must maintain a balance between state powers and institutional powers, a legal and democratically accountable system of governance, the enforcement and respect of law, whilst also protecting economic growth and the right for a better future. The profound interconnectivity between the EU and Member States is the strongest element of EU economic governance, it ensures that in time the system must, and can become more and more efficient.

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The European Union measures taken to prevent and manage the recent migration flows – from survival to social and economic integration of migrants

Victor NICOLĂESCU*, Gabriela PETRE**

Abstract

Migrant’s crisis of 2015 affected the credibility of the social security system built and strengthened over the past three decades by the European Union. Adoption of the refugee quotas in order to be relocated by the Member States of the European Union is a current issue that requires at least two directions of analysis: increasing the efficiency of the European Union humanitarian aid addressed to destination countries and deepening the dimensions of the integrative process of social inclusion of migrants. This article proposes to review the state of implementation mechanisms for supporting measures addressed to migration flows developed by the European Union together with candidate states and the mechanisms developed by international institutions and organization in order to provide specific measures of humanitarian assistance to populations in affected areas war.

Keywords: social inclusion, humanitarian assistance, migration, European Union

Introduction

The approach of migration in recent years in analyses and scientific studies is a challenge that correlates with the global and European realities facing with new phenomena related to vulnerabilities, risks, social exclusion and terrorism. In the context of tested vectors to link humanitarian assistance with development cooperation in order to maintain an equilibrium at the level of effective interventions in migrants' countries of origin, new challenges need to be identified that require a rethinking of European policies on the integration of migrants (Nicolaescu, 2017).

In a more streamlined formula, at European level, migratory flows assessments should be carried out to highlight at least three effects of this phenomenon: effects of migration on the country of origin, on the population of the target country and on the migrants themselves (Nicolaescu, 2011, p. 114).

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The European Union measures taken to prevent and manage the recent migration flows

The European Union measures relating migration need to be assessed and implemented under more balanced principles to turn into effective and integrative interventions for migrants located in transition countries and to better link humanitarian aid with development cooperation. In this sense, the article analyses the recent evolution of humanitarian aid addressed to transit countries of migration flows and pay attention to the common objectives established by the European destination countries of migration flows in order to support the migrants and to manage the difficulties encountered by transit countries to respond to recent flows of migration. It also summarizes the new approaches and the main directions of valorisation and dissemination of policies, strategies and measures for social and economic inclusion of migrants in the European Union Member States. Social and economic inclusion of this vulnerable people raises multiple challenges, but also creates significant opportunities in the European construction plan of validation of a system articulated by the principles of justice, freedom and security.

The European space is more than ever affected by the recent migration flows originated from the countries affected by war or post-war conflicts. On the one side, the situation of victims of wars has become a problem which needs to be treated by taking into account the effects of war among people living in the neighbouring countries of conflict areas, people who are deeply affected in exercising their rights and their fundamental freedoms. On the other side, the social inclusion of migrants is a significant challenge for Member States of the European Union, meaning that article analyses the situation actually recorded on poverty, access to the labour market and the educational level of this vulnerable people and the set of measures proposed by European decision fora.

Migration is one of the major challenges faced by the European Union today, and the need for a more coherent policy is based on the solidarity of Member States in responding in a timely and flexible way (King and Sursa, 2016). From the perspective of international organizations, it is worthy to mention the UNHCR regional response to migration which is based on the following key elements (UNHCR, 2015, pp. 15-18): protection monitoring and advocacy; strengthening national asylum systems; people with specific needs; health care and reproductive health services; coordination with national medical services; child protection and assistance; family reunification and prevention of family separation; prevention and response to sexual and gender-based violence; registration; accountability and participation; communication with communities; relocation procedures; resettlement and alternative pathways to protection; assisted voluntary return and reintegration; prevention of sexual exploitation and abuse.

This article highlights the main trends of migration at international and European level, emphasizes the importance of humanitarian assistance in order to achieve effective interventions in the countries of origin of migratory flows, especially in the countries affected by armed conflicts /
war, highlighting the issues Social exclusion faced by migrants. In this process, a balance is achieved in the allocation of funds and the impact of the interventions made so as to ensure a more effective mechanism for diminishing the migration trends and to ensure the social inclusion of the migrants. The absorption of funds available at European level to support regional disparities is an endogenous issue located at the level of Member States' ability to adequately manage European funding mechanisms (Cace et al., 2010a), encouraging the bottom-up approaches to address the needs of vulnerable people (Cace et al., 2012). On the other hand, monitoring and evaluation in the field of measures for increasing social inclusion of refugees also has the role of promoting the social dimension through innovative transnational projects to test new approaches that could have positive influence at the European level (Neguț et al., 2011: 23).

1. The trends of migration flows towards EU Member States

Migration flows, by the magnitude of global and regional effects, are topics of interest to international and European organizations such as the United Nations - UNFPA, UNHCR, IOM, UNICEF, UNDP, OECD, World Bank, European Commission, European Parliament, Council of Europe etc. The increased interest in monitoring and assessing the causes and effects of migration shows that the data processed and provided to decision-makers and the general public have certain limits derived from the registration methodology, the status of migrants, the full identification of the phenomenon, the mobility of migrants, localization at the local level, etc. Of course, each data provider brings the required specifications to the limitations and constraints of data collection and processing, the most important aspect being that it provides evidence of trends in the data provided that fuel the decision-making framework for the development of effective policies and measures for the management of migratory flows.

At the UN level, it is estimated that in the year 2016 there were 244 million migrants, and in the period 1990-2015 their number increased by 91 million (60%) with a higher intensity in the period 2000-2010 when additional 4.9 migrants Compared with an annual average of 2 million between 1990-2000 and 4.4 million between 2010-2015 (United Nations, 2016, p. 1). According to other estimates of the United Nations institutions, there are estimated 232 million international migrants (UN DESA, 2013) and 740 million intern migrants (UNDP, 2009) in the world.

At regional distribution level, Europe and Asia account for nearly two-thirds of all migrants in 2015, with 76 million migrants in Europe and 75 million in Asia (United Nations, 2016, p. 2). More than half of international migrants in the world were in 2015 in ten countries: the United States of America hosted 47 million migrants in 2015 (19% of the total), Germany and the Russian Federation
The European Union measures taken to prevent and manage the recent migration flows

hosted the second and third largest numbers (12 million Each), Saudi Arabia indicated 10 million, United Kingdom revealed nearly 9 million, and United Arab Emirates hosted 8 million. (United Nations, 2016, p. 5).

As for asylum seekers, in 2015 there were 1.65 million new asylum seekers in OECD member countries, of which 1.3 million came to OECD member countries, and of these found that the Syrians were 25% of the applicants and 16% of the Afghans. Germany is the most targeted European country by registering 440,000 formal asylum applications in 2015 and more than one million pre-registrations, while Sweden received the most applications in proportion to its population (1.6%) (OECD, 2016, p. 9).

At European level, in the year 2016, 710,400 asylum seekers were protected, a doubling as compared to 2015, while Member States also reported 14,000 relocated refugees. The largest group of beneficiaries of protective measures in 2016 were citizens from Syria (405,600 persons, 57% of the total number of persons granted protection status in the EU Member States), followed by citizens of Iraq (9%) and those of Afghanistan (61,800 or 9%). Of the 405,600 Syrians benefiting from the protection of European measures, more than 70% were registered in Germany (294,700) (EUROSTAT, 2017). In this article, we will not address the issue of smuggling with migrants, taking into account the lack of global data on migrant smuggling and comparative analysis, as well as the ability to inform the development of effective responses (McAuliffe and Laczko, 2016, p. 1).

One of the main issue related to migratory flows is regarding the capacity of receiving states to integrate the new arrived population and to avoid developing social exclusion communities of migrants. Of course, using demographic arguments, different points of view illustrate the benefits of receiving and integrating migrants in the context of other measures to replace generations. Thus, the migratory population has the main trait that it is represented mostly by active and fit to work, so positive net migration can contribute to the reduction of the old-age dependency ratio. According to data provided by the United Nations institutions, during the period from 2015 to 2050, old-age dependency ratios are projected to increase from 26% to 48% in Europe (83 per cent increase), from 22 to 38 in Northern America (68 per cent), from 11 to 31 in Latin America and the Caribbean (170 per cent), and from 18 to 30 in Oceania (60 per cent). Only Africa is projected to have an old-age dependency ratio below 10 older persons for every 100 persons of working age by 2050, with the ratio nevertheless increasing by about 50 per cent between 2015 and 2050 (United Nations, 2017, p. 18).
2. Humanitarian assistance – supporting the chances to survive in conflict/war areas

Currently, the durable reality of conventional warfare indicates the mobilization of the armed forces to engage in theatres of operations, as well as carefully weighed, planned and implemented actions with the active and full participation of the parties involved in the conflict.

Beyond the borders, the outbreak of war in the world is recorded daily by living realities of war victims. Nowadays it is important to review the state of implementation mechanisms for supporting measures addressed to category of migrants from the war affected areas, the mechanisms developed by EU institutions and organisations in order to provide specific measures of assistance addressed to these categories of migrants and the effective ways to prevent to become victims, more specifically to be trapped into social exclusion situations. The situation of victims of war has become a problem which need to be treated by taking into account the effects of war among people living in the conflict areas, people who are deeply affected in exercising their rights and their fundamental freedoms, being defined by absence of means of basic existence and living. Humanitarian assistance is a field that attempts to correct situations actually negative in the areas affected by war, but is important to note the efforts needed at International and European level in order to rethink and implement under more effective principles to reach effective interventions for victims of war, including their particular situations as migrants in the European Union Member States.

The generally accepted international framework on humanitarian law aims at limiting the effects of armed conflicts on civilians, establishes responsibilities for state and non-state actors, regulating fundamental issues regarding the right to receive humanitarian assistance, the protection of civilians, refugees, inmates, injured or sick. In normative terms, humanitarian assistance applies 1949 Fourth Geneva Convention relative to the Protection of Civilians in Time of War and the 1977 and 2005 Additional Protocols. Today, more than ever, the need to report to international humanitarian aid legislation is highlighted by recent migratory flows from areas affected by armed conflict and war. Thus, as the number of asylum seekers doubled in the OECD member states in 2015 compared to 2014, we should point out that this unprecedented increase is partly due to the deterioration of the situation in Syria, Iraq, Libya, and a high level of insecurity in Afghanistan, Pakistan and North Africa (OECD, 2016, p. 29). The current framework of migratory flows is finding in the last decade a series of concerns and demarches at international and European level for the proper management of humanitarian aid.

The Joint Statement by the Council and the Representatives of the Governments of the Member States meeting within the Council, the European Parliament and the European Commission (2008 / C 25/01) on the European Consensus on Humanitarian Aid states that the European Union is
The European Union measures taken to prevent and manage the recent migration flows committed to respecting and promote the fundamental humanitarian principles of humanity, neutrality, impartiality and independence (European Consensus on Humanitarian Aid, 2008, p. 3).

### Table 1. Fundamental humanitarian principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.1. The Principle of Humanity</td>
<td>Human suffering must be combated wherever it occurs, with particular attention to the most vulnerable segments of the population. The dignity of all victims must be respected and protected.</td>
</tr>
<tr>
<td>1.2. The Principle of Neutrality</td>
<td>Humanitarian aid does not favour any party to an armed conflict or other dispute.</td>
</tr>
<tr>
<td>1.3. The Principle of Impartiality</td>
<td>Humanitarian aid must be provided only on the basis of necessity, without discrimination between affected populations or among them.</td>
</tr>
<tr>
<td>1.4. The Principle of Independence</td>
<td>Autonomy of humanitarian objectives in relation to political, economic, military or other objectives, and must ensure that the sole purpose of humanitarian aid remains to ease and prevent the suffering of humanitarian crisis victims.</td>
</tr>
</tbody>
</table>

Source: European Consensus on Humanitarian Aid, 2008, p. 2

Intervention systems in humanitarian assistance are based on evaluations carried out in two phases: 1. The first phase highlights **Index for Risk Management** (INFORM) and **Forgotten Crisis Assessment** (FCA); 2. The first phase applies **Integrated Analysis Framework** (IAF) which is an in-depth assessment carried out by European Commission's humanitarian experts. Regarding the implementation of concentrated and efficient interventions to manage migration flows in areas affected by armed conflicts / war, it is obvious that it is important to solve with a very specific aspect of the political dialogue and to carry out operations within the legitimate framework defined by the four Principles outlined above. In all areas of intervention for refugees and migrants, the response will remain focused on humanitarian interests, imperatives and principles (UNHCR, 2016, p. 15)

In fact, within the Implementation Plan proposed by the European Commission in 2015, at least three priority areas are set to provide added value in achieving the effectiveness and consistency of actions of both the Commission and individual Member States in the field of humanitarian aid: upholding humanitarian principles and International Humanitarian Law; a stronger needs-based approach; enhanced coordination and coherence (European Commission, 2015, p. 3).

Another way to highlight the structure of interventions in the migration process is indicated by the principles proposed in IOM evaluation (2017): adhering to international standards and fulfilling migrants' rights; using evidence and whole-of-government approaches; developing strong partnerships; advancing the socio-economic wellbeing of migrants and society; addressing the mobility dimensions of crises; safe, orderly and dignified migration.
Interventions for providing humanitarian assistance are carried out by state and non-state actors in close collaboration with the institutions of the United Nations system, and the share of each party is different depending on the resources allocated and the actions taken. In this respect, in the hierarchy of the top donors for humanitarian assistance it is found that besides the institutions of the United Nations and the European Commission, there are also four European states with significant participation in this field (Sweden, Denmark, United Kingdom, The Netherlands).

Table 2. UNFPA Top Humanitarian Donors 2016 (hierarchy by country)

| 1.  | Canada                      |
| 2.  | United States              |
| 3.  | OCHA including CERF        |
| 4.  | European Commission        |
| 5.  | Sweden                     |
| 6.  | Japan                      |
| 7.  | Denmark                    |
| 8.  | Other UN Humanitarian Pooled Funds |
| 9.  | Saudi Arabia               |
| 10. | Australia                  |
| 11. | United Kingdom             |
| 12. | The Netherlands            |

Source: UNFPA, 2017, p. 10

The European Union adopted a Regulation (2016/369) on 15 March 2016 in order to be able to provide humanitarian assistance to member states in need due to the asylum crisis with an estimated budget of 700 million EURO for 2016-18 (OECD, 2016, p. 50). Complementary, the EU has also adopted The rules on humanitarian aid which allow the EU to spend money for humanitarian aid only outside its territory (i.e. in third countries). Another proposed recommendations for interventions for assistance of refugees and asylum seekers in Europe has been released by UNFPA, indicated several directions: align human resource capacity to deliver in humanitarian contexts; strengthen humanitarian advocacy and communications; increase investment in humanitarian data, risk/resilience/vulnerability analysis and information management, promote strategic partnerships; integrate funding mechanisms in UNFPA to effectively and efficiently finance humanitarian operations (UNFPA, 2017, p. 15). An important aspect of humanitarian assistance also relates to combating smuggling with migrants in close connection with humanitarian assistance so as to avoid tragedies as a result of crossing the sea (McAuliffe and Laczko, Frank, 2016, p. iii).

At the level of humanitarian assistance to the European Union, it is important to take into account the comparative advantages of the European Community derived from the European Consensus on Humanitarian Aid (2008, pp. 9-10) in the activities on the prevention and management
The European Union measures taken to prevent and manage the recent migration flows of migratory flows: a global presence; coherence of community policies; promoting good humanitarian practices; the ability to intervene more flexibly in delicate political situations; coordination with other donors and cooperation with the UN system.

3. The Burden of social exclusion brought by recent migration flows

Integration of migrants has been a widely debated issue at European level, in which, before confronting recent migratory flows, a set of rules have been established to achieve their integration. At the beginning, the issue of return seems to be a “vital and integral component” of the EU immigration and asylum policy (COM, 2002, p. 6). In November 2004, at the initiative of the Dutch Presidency, the EU Council adopted a set of Common Basic Principles on Integration (CBP) (see Table 3).

Table 3. The common basic principles (CBP)

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<table>
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<tbody>
<tr>
<td>1.</td>
<td>Integration is a dynamic two-way process of mutual accommodation by all immigrants and residents of Member States.</td>
</tr>
<tr>
<td>2.</td>
<td>Integration implies respect for the basic values of the European Union.</td>
</tr>
<tr>
<td>3.</td>
<td>Employment is a key part of the integration process and is central to the overall participation of immigrants in the host society.</td>
</tr>
<tr>
<td>4.</td>
<td>Basic knowledge of the host society’s language, history and institutions is indispensable for integration.</td>
</tr>
<tr>
<td>5.</td>
<td>Education is critical for preparing immigrants, and especially their descendants, to be successful and active participants in society.</td>
</tr>
<tr>
<td>6.</td>
<td>Access for immigrants to institutions, as well as to public and private goods and services, on a basis equal to national citizens and in a non-discriminatory way, is a crucial foundation for integration.</td>
</tr>
<tr>
<td>7.</td>
<td>Frequent interaction between immigrants and Member-State citizens is a fundamental mechanism for integration.</td>
</tr>
<tr>
<td>8.</td>
<td>The practice of diverse cultures and religions is guaranteed and safeguarded, unless these practices conflict with other inviolable European rights or with national law.</td>
</tr>
<tr>
<td>9.</td>
<td>The participation of immigrants in the democratic process and in the formulation of integration policies, especially at the local level, supports their integration.</td>
</tr>
<tr>
<td>10.</td>
<td>Integration measures and policies should be mainstreamed through all other relevant policy portfolios.</td>
</tr>
<tr>
<td>11.</td>
<td>Progress towards achieving goals should be regularly evaluated.</td>
</tr>
</tbody>
</table>


As we can see, the complexity of migrant integration is derived even from a principle that is generous in essence but difficult to put into practice. First of all, we must recognize that there are
differences between states on the interpretation of this concept at European level, and different perspectives on social policies in this area are reached. In the context in which the fight against social exclusion should cover a very wide range of areas (education, employment, vocational training, housing, health care and social protection), it is clear that immigrants and refugees are, in the European Union's view, groups at high risk of social exclusion (Mircea, 2006, p. 327).

Recognizing the social problems faced by migrants - refugees and asylum seekers do not automatically lead to the implementation of the most effective interventions. In this respect, there are a number of barriers for refugees and asylum seekers (discrimination, labour market restrictions linked to migration status, lack of recognition of qualifications, language). In the absence of integration plans that address racial discrimination in the labour market, they get to their employment in the grey economy or fall victim to exploitation (Nwabuzo, 2016). Besides, in correlation with the precarious situation in which these categories of population are found, the racist attacks targeting migrants, asylum seekers, refugees from eight Member States: Austria, Cyprus, Czech Republic, Finland, Germany, Greece, Ireland, and Sweden (Table 4).

Table 4. Racist attacks targeting migrants, asylum seekers, refugees

<table>
<thead>
<tr>
<th>Member States</th>
<th>Type of attack</th>
<th>Official data</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Austria</td>
<td>Attacks against asylum seekers’ accommodation</td>
<td>Yes</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Racially motivated violent incidents reported by non-Cypriots</td>
<td>Yes</td>
<td>5</td>
<td>n.a.</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Attacks against reception centres</td>
<td>No</td>
<td>47</td>
<td>n.a.</td>
</tr>
<tr>
<td>Finland</td>
<td>Right-wing motivated crimes targeting asylum accommodation</td>
<td>Yes</td>
<td>1031</td>
<td>988</td>
</tr>
<tr>
<td>Germany</td>
<td>Acts of violence against asylum seekers and refugees</td>
<td>Yes</td>
<td>n.a.</td>
<td>2545</td>
</tr>
<tr>
<td></td>
<td>Racist incidents targeting immigrants and refugees</td>
<td>No</td>
<td>75</td>
<td>n.a.</td>
</tr>
<tr>
<td>Greece</td>
<td>Racist incidents targeting ‘foreigners’ and refugees</td>
<td>No</td>
<td>9</td>
<td>34</td>
</tr>
<tr>
<td>Ireland</td>
<td>Arson attacks against asylum seekers’ accommodation</td>
<td>No</td>
<td>43</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Source: Nwabuzo, 2016, p. 40

Given that racist attacks against migrants, asylum seekers and refugees have been reported by civil society organizations across the EU, it is necessary to develop more effective policies to support their integration into European societies. It is also becoming more and more to report common threats to national security stemming from terrorism or cross-border crime, threats to the state’s right to control and regulate the entry and exit of people onto its territory (McAuliffe and Laczko, 2016).

In the last period, on the background of the social exclusion of migrants, refugees and asylum seekers in the European Union, there are centrifugal tendencies to make quasi-coercive returns / repatriations. Surely, we should see these counter-actions of European societies only as individual
The European Union measures taken to prevent and manage the recent migration flows approaches of member states. In this context, each EU Member State intends to preserve a certain degree of autonomy in dealing flexibly with removal procedures without being constrained to comply with common standards on return and readmission issues that are often viewed as being shaped by domestic security concerns (Cassarino, 2006, pp. 7-8).

4. The policies adopted by the EU to tackle migration

At the level of the European Union, it can be considered that the last three decades have been marked by a series of adaptations of immigration and asylum policies, the most important of which are indicated in the table below (Table 5).

Table 5. European policies on migration and asylum

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>Signing of the Schengen Agreement</td>
</tr>
<tr>
<td>1986</td>
<td>The Single European Act</td>
</tr>
<tr>
<td>1992</td>
<td>The Treaty of Maastricht</td>
</tr>
<tr>
<td>1997</td>
<td>The Treaty of Amsterdam</td>
</tr>
<tr>
<td>1999</td>
<td>European Council in Tampere</td>
</tr>
<tr>
<td>2000</td>
<td>The Treaty of Nice</td>
</tr>
<tr>
<td>2004</td>
<td>The Hague Program</td>
</tr>
<tr>
<td>2009</td>
<td>Stockholm Program (2010-2014)</td>
</tr>
<tr>
<td>2015</td>
<td>A European Agenda On Migration</td>
</tr>
</tbody>
</table>

Source: Alexe and Paunescu (2011), pp. 15-20
In the European Union, in 2015, the European Migration Agenda was adopted, as well as other measures aimed at addressing the causes and effects of recent migratory flows and reforming the Common European Asylum System (OECD, 2016, p. 9). In this respect, the Commission proposed a set of initiatives based on four pillars: reducing the incentives for irregular migration, strengthening border management, building a strong common asylum policy and establishing a new policy on legal migration (OECD, 2016, p. 47). The Commission proposed reforms on 6 April 2016 which include (OECD, 2016): a corrective allocation mechanism in order to ensure a fair sharing of responsibility between member states in line with the Treaty of Lisbon; once a member state has been considered responsible for 150% of its fair share, the corrective allocation mechanism is automatically triggered and the asylum seekers relocated among the member states below that threshold; the fair share of each member state is calculated based on the size of each member state’s population (50% weighting) and the GDP (50% weighting) relative to that of the entire EU; compensating the member state that has taken responsibility, at a cost of EUR 250 000 per asylum seeker.

The illegal immigration at EU level stood permanently to the attention of the EU institutions that have been required to be integrated and associated with cooperation agreements, particularly the countries of the Mediterranean basin (MEDA program) and partnership agreements with the new independent states (NIS) of Central Europe and Central Asia (TACIS Programme), the Balkans (CARDS program) and the ACP (Africa, Caribbean and Pacific) (Rodier, 2006). Also, the European Commission (2002) stated need to reflect the new priorities of foreign policy of mutual aid addressed to the regions which traditionally providing immigrants.

At the European Union there are four main types of financing activities to support asylum seekers and refugees for the financial period 2014-2020 (Table 6), and in the countries most affected by the refugee crisis, expenditure on education and language courses has been increased in countries with large inflows of asylum seekers and refugees, including in Austria, Finland, Germany, Norway and Sweden (OECD, 2016, p. 61).

**Table 6. EU funding sources**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong></td>
<td>European Social Fund (ESF) - according to Regulation N°1304/2013, the ESF's main mission is to improve the employment opportunities of the workers living in the Union. Asylum seekers and refugees are eligible under the ESF: &quot;attention should be paid to the participation of those seeking asylum and refugees&quot;;</td>
</tr>
<tr>
<td><strong>2.</strong></td>
<td>Fund for European Aid to the Most Deprived (FEAD) – according to Regulation N°223/2014 has the specific objective to alleviate the worst forms of poverty in the EU such as homelessness, child poverty and food deprivation and in this way contribute to eradicating poverty in the Union in line with the Europe 2020 strategy. Asylum seekers and refugees are not explicitly targeted and must be mentioned in the operational programme to</td>
</tr>
</tbody>
</table>
The European Union measures taken to prevent and manage the recent migration flows

be eligible, but FEAD can take the forms of food and/or basic material assistance operational programme or social inclusion operational programme;

Asylum, Migration and Integration Fund (AMIF) – has aims at strengthening and developing all aspects of the Common European Asylum System, by supporting actions which can relate to the different stages of the asylum procedure and to the different aspects of the asylum policies (reception conditions, asylum procedure), with particular attention is paid to the needs of beneficiaries of international protection and vulnerable groups of migrants (unaccompanied minors, women, youth and children, the elderly, etc.).

European Regional Development Fund 2014-2020 and Territorial Cooperation – ERDF 2014-2020 included a Urban Innovative Actions programme with the topic of migration and EU Territorial Cooperation (Interreg V in the period 2014-20) funded mainly by the ERDF would covered migration management and mostly socioeconomic integration.

Source: CPMR, 2016

Following the consultation with host governments, civil society, local communities, donors, as well as the refugees and migrants it has been proposed, as a result of field-driven planning which bringing together 74 appealing organizations, the 2017 regional RMRP is valued to the sum of 690,935,694 USD (UNHCR, 2016, pp 21-22).

In an assessment by the International Organization for Migration it was revealed the effective funds spent by each country part to the European space in order to offer support for migrants, refugees and asylum seekers (Table 7).

Table 7. European Economic Area Country contribution (migration policies)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional initiatives</td>
<td>6,380,000</td>
</tr>
<tr>
<td>Austria</td>
<td>3,570,524</td>
</tr>
<tr>
<td>Belgium</td>
<td>6,227,120</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2,215,000</td>
</tr>
<tr>
<td>Croatia</td>
<td>2,760,000</td>
</tr>
<tr>
<td>Cyprus</td>
<td>2,179,000</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>1,779,592</td>
</tr>
<tr>
<td>Denmark</td>
<td>3,546,030</td>
</tr>
<tr>
<td>Estonia</td>
<td>460,000</td>
</tr>
<tr>
<td>Finland</td>
<td>4,041,600</td>
</tr>
<tr>
<td>France</td>
<td>2,450,000</td>
</tr>
<tr>
<td>Germany</td>
<td>61,281,669</td>
</tr>
<tr>
<td>Greece</td>
<td>56,795,035</td>
</tr>
<tr>
<td>Hungary</td>
<td>1,351,500</td>
</tr>
<tr>
<td>Iceland</td>
<td>436,000</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,498,663</td>
</tr>
<tr>
<td>Italy</td>
<td>18,700,000</td>
</tr>
<tr>
<td>Latvia</td>
<td>300,000</td>
</tr>
<tr>
<td>Lithuania</td>
<td>882,700</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>688,448</td>
</tr>
</tbody>
</table>
Malta 942,369
Netherlands 14,289,884
Norway 7,760,000
Poland 3,050,000
Portugal 1,505,791
Romania 2,927,000
Slovakia 2,100,000
Slovenia 445,000
Spain 6,742,000
Sweden 15,423,000
Switzerland 6,766,104
United Kingdom 9,704,077
Total 249,198,105

Source: IOM (2017, p. 24)

The realization of specific activities of social inclusion of migrants also refers to the planning and implementation of integration actions on the labour market, recognition of the qualifications obtained in the countries of origin, as well as the acquisition of new competences in the countries of destination. The investment in human resources in the sphere of social inclusion is an approach that is widely discussed in the countries of destination in the European Union and the development of an investment process in education is closely related to the educational objectives (Cace et al., 2012). It is also important to provide a more generous framework for the involvement of local authorities in the countries of destination and to provide opportunities to access the jobs available in the communities in which they live. Another aspect is to capitalize on the potential of the social economy in promoting social inclusion, starting from positive models already recognized at European and national level (Nicolăescu et al., 2011; Nicolăescu, 2012; Nicolăescu, 2013).

At European level, a medium-term horizon is emerging in order to record as clear as possible the social inclusion of migrants, in the context of socially aggravated social problems in other socially excluded categories (children, young people, minorities, elderly people, etc.). In this respect, based on the models of collecting best practices using innovative methodologies (Cace et. al., 2010 b) it would be meaningful to provide positive models and evidence-based results on increasing social inclusion of migrants as a current challenge that needs to be solved in the coming period.

Conclusions

The European Union has been confronted with unprecedented events, record migration flows and terrorist attacks over the past two years, while parallel movement registered at the structural level: the UK's decision to leave the European construction was a point to realize the acute need to reform
The European Union measures taken to prevent and manage the recent migration flows policies relating migration and asylum. Undoubtedly, the well-being of European space is a target for migratory flows, which makes us understand that the European Union needs to carefully plan and monitor complementarity with humanitarian assistance and development cooperation for countries of origin. After the global economic crisis, recovery tends to be blocked by external migration factors and some tendencies to radicalize debates within the political discourse that may affect the stability of European construction. From this perspective, the standard discourse on the solidarity of the Member States of the European Union is actually the operational platform from which the idea of the united Europe will continue.

The recent migratory flows that have affected the European Union area have indicated at least two contradictory aspects: first, the argument of harnessing the potential of positive migration and of compensating for the demographic decline is the pressure and at the same time the result of poorly social policies oriented to young people and socially excluded people from the Member States of the European Union; secondly, the overlapping of a new category of population with obvious social problems due to the migratory situation in which they find themselves has led to uncertainties and questions about European construction, and in particular on the management of migration, humanitarian and management of community funds.

The solutions adopted in the destination countries indicate a variety of activities designed to ensure the social inclusion of migrants, but from the perspective of the change vectors, there is an increased pressure on the communities in which the migrants are actually relocated. From this point of view, it is appropriate to identify the most effective mechanisms for ensuring the reduction of social exclusion of migrants, to start adjust the external and internal policies for migration (Nicolăescu, 2017) and to share these evidences with other active factors in this field in the European states. Surely, balancing migration policies in line with humanitarian assistance in countries of origin will ensure a fair framework to prevent the worsening of social problems already existing at the level of migrant groups.

References


CPRM (2016), *Background note Funds that can be used to support actions targeting migration*, Conference of Peripheral Maritime Regions of Europe, pp. 1-3, retrieved from: http://www.cprm.org/pub/agenda/3020_background_note_-_migration_funds.pdf


The European Union measures taken to prevent and manage the recent migration flows


Migration as part of the state’s foreign policy: Case study Slovakia

Martina BOLEČEKOVÁ*, Barbora OLEJÁROVÁ**

Abstract

Border protection and the right to decide about entry and residence of foreign nationals on the state’s territory are regarded as the most important manifestations of the state’s sovereignty and usually fall under the control of the police forces and ministries of interior of individual states. Yet, in some cases, the migration flows heading to or by-passing the state’s territory can transform from the issue of domestic policy to the foreign policy realm. The paper will outline conditions which have to be met for such transformation, as well as the consequences of this process on the example of a particular state – the Slovak Republic.

Keywords: domestic policy, foreign policy, migration, security, Slovak Republic

Introduction

Activities aimed at regulation of the international migration flows are an integral part of functioning of the modern national states. States regulate entry of foreigners into their territory from several reasons including security, economics and also political aspects. The current migration crisis of people from the Middle East and sub-Saharan Africa hit the European Union (EU) at the end of 2014 and caught public attention in the Slovak Republic since 2015. Before its outbreak, the issue of migration was considered to be part of the state’s domestic affairs and wasn’t deemed as a keystone of the Slovak foreign policy. The right to decide on entry of foreigners to the state’s territory has always been understood as a form of manifestation of the state’s sovereignty. Therefore, it seems obvious to regard the Ministry of Interior as the key institution involved in shaping of each country’s migration policy. However, the interconnection between international migration and foreign policy is becoming more and more evident over the last few years and migration is changing from the solely movement of people to the phenomenon which is able to determine not only the state’s foreign policy, but also its perception by the other partners on the international level.

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Main aim of the submitted paper is to identify major factors that conditioned process of transformation of migration from an issue of domestic policy into one of the crucial realms of the Slovak foreign policy, as well as the specific time periods of this transformation. Furthermore, we aim to point out to specific examples of how migration shapes foreign policy of the state and its formation. Following analysis of the current development, the paper concludes with recommendations for the policy makers regarding topic of approaching the most burning issues stemming from the current migration crisis in the European Union so that the enforced policies would contribute to fulfilment of the Slovak foreign policy goals and domestic priorities.

Regarding the listed objectives, the paper is structured as follows: First, we analyse the nexus migration-foreign policy on the theoretical level. Based on the theory of Michael S. Teitelbaum, demographer dealing with international migration movements, the chapter approaches several levels of the reciprocal relation of the cited factors analysing foreign policy as a potential driver of migration movements on one hand and international migration as a factor determining state’s foreign policy on the other hand. In relation to foreign policy, we analyse also the issue of security as a factor that can facilitate internationalization of migration and subsequently, the other chapter identifies particular phases of this process in the Slovak environment. In our context, we perceive “internationalization” as a process in which an issue (migration) transforms from the domestic policy to the foreign policy realm. Generally, we can identify two periods of the internalization process, with the first phase beginning in the 1990s and going on more intensively after 2000, when Slovakia strived for membership in the EU and the Schengen area and the second phase after 2014 reflecting the migration and refugee crisis in Europe. Finally, the last chapter deals with political impacts of migration on the Slovak foreign policy in the most recent months. These can be observed on the regional level reflecting the V4 countries attitudes towards the crisis and the emerging potential for reinforcement of the group’s position in the region but also on the European level reflecting the Slovak Presidency in the Council of the EU in the second half of 2016.

The paper is based on the available literature and scientific studies, research papers but also internet sources as published on the websites of the relevant Slovak institutions and organizations, including the Statistical Office of the Slovak Republic; Ministry of Interior of the Slovak Republic and Eurostat – statistical office of the European Union.¹

¹ It is important to note, that migration is a dynamically developing topic and the issue we deal with in this research paper reflects the conditions until September 2017.
1. Nexus migration – foreign policy

The state’s foreign policy and international migration are intensively interconnected and they influence each other: migration flows condition adoption of measures for regulation of population movements by the nation states and they affect also the internal affairs such as provision of social services (basically health care, housing and education). Migration does affect also the population structure of the country and although significant population change demands long-lasting and continual immigration flow, also shorter but more intensive immigration waves can influence demography and cause security concerns of the original population. On the other hand, state disposes with quite effective tools to affect the migration flows\(^2\), especially from the legal point of view. These tools include both restrictive immigration laws and border controls (Bogdan et al., 2014).

Migration flows can influence the foreign policy of the state and vice-versa – the foreign policy acts in many cases as determinant influencing establishment and heading of new migration flows. The relation among migration and foreign policy is of a multi-level character. An integral part of the foreign policy is therefore also creation of an effective border regime, introduction of stricter asylum procedures, control of irregular migration, or repatriation. Teitelbaum (1984) analyses four levels of relations between migration and the foreign policy. First, foreign policy as a factor stimulating international migration, although not always intentionally. An example can be military or political interventions that endangered stability of the target country and caused emigration flows from the particular regions. Second, international migration as a tool of foreign policy. Both the sending and the receiving countries can use migration flows as a tool for destabilization of their foreign enemies by means of granting asylum to migrants from the antagonistic regimes, or by encouraging civilian or military movement to the claimed territories in order to establish effective control of those regions – the so called unarmed conquest. Third, migration as a factor influencing foreign policy of the state. The foreign policy of the receiving country is in many cases influenced by the presence of a large numbers of refugees, immigrants or diasporas within the state borders; not only regarding the relations towards the home country of migrants, but also because of the fact, that the home country can strive for mobilization of its emigrants in the receiving state to reach the local government’s support for its goals, such as support for membership in an international organization. Fourth, the foreign policy priorities, for example the security, can influence the form of the immigration/asylum policy. Thus, different forms of migration policy in different states result into unequal treatment of the same groups

\(^2\) Yet, international migration is interconnected with the process of globalization. Therefore, states efforts to control migration flows collide with the main globalisation tools – communication technologies and new means of transport.
Migration as part of the state’s foreign policy: Case study Slovakia

of migrants in particular countries (Gokalp-Aras and Sahin-Mencutek, 2015). There is no universal definition of the term foreign policy\(^3\), and also delimitation of its implementing tools is subject of many concerns. Liďák (2000) classifies wide variety of means that are used in the process of accomplishment of the foreign policy goals, such as diplomatic, economic, geographic, demographic, national, historical and cultural tools but also the military power of the state. As there is no uniform specification of the foreign policy tools, one can include to the list basically any activity of the state that has potential to influence its relations with the other actors of the international system. Based on this assumption, attempts to influence migration flows undertaken by the national states can be deemed as the foreign policy tools, as well.

As already mentioned, foreign policy can be understood as the means for realization of the state’s national interests\(^4\) and its heading depends on the power-political group ruling the country at the particular moment (Liďák, 2000). In the Slovak settings, each government draws up its foreign-policy goals in the document called Manifesto of the Government of the Slovak Republic. Since establishment of the independent Slovak Republic in 1993, there were nine governments ruling the country, including the current one, which was created after the general election held on 5 March 2016. Next part of the paper analyses six recent Manifestos, beginning with the one from 1998. The temporary limitation is based on the fact, that in 1998 Slovakia labelled its pro-European and pro-Atlantic orientation as a primary national interest of the state for the first time and the European Union and NATO have remained elementary partners for the Slovak foreign policy ever since. Particular attention of the following analysis is paid to the migration-foreign policy nexus as expressed in the analysed documents. Table no. 1 analyses the six documents from the qualitative and quantitative point by comparing frequency of the migration-related comments; classification of the migration issue to the paragraphs dealing with domestic or foreign policy and the general attitude of the government towards the issue.

\(^3\) Tayfur (1994, p. 117) defines foreign policy as “...the official activity formulated and implemented by the authorized bodies of the sovereign states by means of orientations, plans, commitments and actions, that are directed towards the external environment of those states.” Another quite complex definition comprehends the foreign policy as “...a complex set of priorities and directives for the activities in certain conditions; it represents the basics of the country’s behaviour towards other states and includes elementary goals which the national government wants to enforce on the international scene, as well as the tools used for achievement of these goals” (Pearson and Rochester, 1992, p. 73).

\(^4\) The national interest is for this purpose explained as “...the complex of most general requirements of the state stemming from its geographic position, historical experience and actual relations towards the other centres of power.” (Krejčí, 2001, p. 260); according to the criteria of relevance, time and generality, it is possible to divide national interests into primary and secondary interests; permanent and flexible interests; universal and specific interests.
Table 1. Migration-foreign policy nexus in the Slovak government’s manifestos

<table>
<thead>
<tr>
<th>GOVERNMENT</th>
<th>FREQUENCY OF THE MIGRATION RELATED COMMENTS</th>
<th>MIGRATION DEEMED AS FOREIGN POLICY (FP)/DOMESTIC POLICY (DP) ISSUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mikuláš Dzurinda</td>
<td>2</td>
<td>DP</td>
</tr>
<tr>
<td>30.10.1998</td>
<td>15.10.2002</td>
<td>Migration is mentioned in terms of state borders protection. The government declares to “...create mechanisms to prevent infiltration of criminal organizations and their activities to the Slovak territory... It will review legal basis of the visa-free programs to prevent state borders violation and threat of migratory waves crossing our territory.”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slovakia commits itself to implement its migration policy in accord with the standards of the EU.</td>
</tr>
<tr>
<td>Mikuláš Dzurinda</td>
<td>1</td>
<td>DP</td>
</tr>
<tr>
<td>16.10.2002</td>
<td>4.7.2006</td>
<td>Migration is addressed only in a limited scope in relation to the future EU membership of Slovakia. The government pledges to draw up new concept of the Slovak migration policy and adjust its visa policy to the EU legislation.</td>
</tr>
<tr>
<td>Robert Fico</td>
<td>1</td>
<td>DP</td>
</tr>
<tr>
<td>4.7.2006</td>
<td>8.7.2010</td>
<td>Document includes only two sentences on migration in the chapter dealing with internal security. First of them deals with further adaptation of the Slovak law to the European acquis; the other one with creation of the Immigration and Naturalization Office of the Slovak Republic (which has never come into being).</td>
</tr>
<tr>
<td>Iveta Radičová</td>
<td>4</td>
<td>DP + FP</td>
</tr>
<tr>
<td>9.7.2010</td>
<td>3.4.2012</td>
<td>Migration is analysed in the context of the Slovak membership in the Schengen area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The government declared that Slovakia will engage in the process of migrants’ resettlement and relocation from the most burdened EU Member States respecting the principle of solidarity.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slovakia commits itself to participate on creation of the Common European Asylum System and conclusion of readmission agreements with Russia and Ukraine.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Migration has been labelled as a new global challenge Slovakia needs to face.</td>
</tr>
<tr>
<td>Robert Fico</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>4.4.2012</td>
<td>23.3.2016</td>
<td>Manifesto of this government does not include any single mention of migration.</td>
</tr>
<tr>
<td>Robert Fico</td>
<td>6</td>
<td>FP</td>
</tr>
<tr>
<td>24.3.2016 nowadays</td>
<td>The Slovak Republic considers a belt of persisting instability along the EU border, which gives rise to mass migration and international terrorism, as one of the most acute external challenges.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The government is prepared to support constructive solutions to the unprecedented migration crisis, respecting the specificities and capabilities of individual Member States.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The government will actively support implementation of the European Agenda on Security for the years 2015 – 2020, focusing in particular on illegal and uncontrollable migration.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The government will further intensify its fight against trafficking in human beings.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The government will strengthen its cooperation with the European Union in securing the external borders of the Schengen area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>One of the priorities of the Slovak Republic’s presidency of the Council of the European Union is to support a swift build-up of the necessary personnel and technical capacities for the new European Boarder and Coast Guard Agency.</td>
</tr>
</tbody>
</table>

Source: Úrad vlády SR [Government office of the SR], 2017

Present research in the field of international migration and foreign policy indicates significant impact of the security aspects of migration on the internationalization of the issue – especially with regard to perception and presentation of migration as the potential or immediate security threat. Nexus
Migration as part of the state’s foreign policy: Case study Slovakia

migration–security can be analysed on two levels – connecting migration with the national security\(^5\) and relating migration to the human security. We do not aim to prove or deny the claim that migration is a security threat. On the contrary – we take for granted, that securitization of migration has become the social reality over the last few decades in the public, on the political level and also on the scholarly level.

A detailed study of the migration-security nexus would require analysis of a wide range of factors reflecting the complexity of both terms. Considering the aim of this paper, we will narrow down the research of this topic to the aspect of securitization, which is understood as the theoretical reflection of the Copenhagen school\(^6\) and the theory of constructivism in international relations. Securitization is defined as the process of transforming actions, processes or actors present in an international environment into security threats based upon language, interpretation or perception.

However, it is not right to uncritically accept perception of migration as a security threat, whether on the level of theory or the practical level. First of all, migration is a process that can have uncountable number of forms. Therefore, it is important to distinguish which particular form of migration might cause potential security concerns. Most scholars agree on the fact, that it is mainly irregular migration which can be treated as the matter of concern. Interestingly, the public also deems especially the increase of irregular\(^7\) migration flows as the security threat. Nevertheless, even more important than rising numbers of irregular migrants is (for the issue of securitization) lack of information on who and for what particular reason comes to the state. Therefore, the term “irregular” connotes casting off the state control and thus, it is perceived as dangerous for the state. The core of the problem is the supposed connection of migration and terrorism, organized crime and endangerment of human life and health. Although most experts agree that it is not possible to prove direct connection in these areas, assumptions and expectation often prevail over reality which results into establishment of new policies targeted against this “threat”. The policies include diverse restrictive measures, which can finally negatively influence the human security of migrants themselves (for more see Koser, 2011).

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\(^5\) Scholars emphasize the fact, that discussions on relation between migration and (national) security are much more concerned with the security of the developed states (mainly receiving states of migrants) than the one of the developing countries (mostly sending or transit countries of migrants). Paradoxically, the migration management is a security challenge more for the poor states than for the rich, developed ones (Wohlfeld, 2014).

\(^6\) Traditional definition of security referring to the direct armed clashes of two belligerents is unsufficient in the modern world. For the topic of migration, it is important to horizontally discern especially the narrow – mostly military comprehension of security and the wider concept perceiving security as the phenomenon involving not only military, but also economic, societal, political, environmental and other factors (Lasicová, 2006; Ušiak and Nečas, 2011).

\(^7\) The causes for rising numbers of irregular migrants include the general increase of mobility in the world as the consequence of globalisation and modernisation of transportation and communication technologies; but also growing restrictions of legal migration possibilities; discrepancy between labour market demand and supply and also the fact that mass migration is often caused by a severe abuse of human rights and conflicts in the world (Wohlfeld, 2014, p. 67).
2. Phases of “internationalization” of the Slovak migration policy

International migration always affects at least two countries – home countries of migrants and the receiving states. Therefore, its sole core has an international character. However, when comparing the structure of ministries and distribution of their responsibilities in the Slovak Republic, but also in most of the EU Member States (Bolečeková and Olejárová, 2016), we can conclude that most migration issues fall within the competencies of ministries for interior and they are thus deemed as the issues of domestic policies and security. We suppose this can be subscribed to the perception of the state sovereignty, but also to the fact that the process of crossing the state borders by international migrants is intertwined with the state’s responsibility to protect its internal borders and its citizens by monitoring the coming and stay of foreigner on the state’s territory.

Control and protection of the state borders, as well as the particular phases of entry and stay of foreign nationals on the Slovak territory, beginning with granting residence permit to the granting of citizenship in the Slovak Republic fall within the responsibilities of the police forces under control of the Ministry of Interior of the Slovak Republic. Yet, migration is a cross-sectional field and therefore, there are many other governmental agencies and state administrative bodies taking part in process of formation of the Slovak migration policy and performance of tasks emerging from the key documents. These include – Ministry of Foreign and European Affairs of the Slovak republic; Ministry of Labour, Social Affairs and Family of the Slovak Republic; Ministry of Education, Science, Research and Sport of the Slovak Republic, Ministry of Health of the Slovak Republic and the Slovak Statistical Office. In the future, it is expected that the Ministry of Economy of the Slovak Republic would become more involved in the process, as well as the other local authorities and municipalities (Migration Policy of the Slovak Republic – Perspective until the Year 2020).

2.1. First phase: establishment of the state and entry to the EU and Schengen

Due to the socio-political development of the country, Slovakia was almost half a century isolated from the natural international migration flows and also from this reason still belongs to the EU Member States with one of the lowest immigrants per capita. Shortly after establishment of the new state in 1993, the Slovak Republic was forced to react to the growing immigration flows but also rising numbers of emigrants leaving the country. The need and general demand to formulate positions and define attitudes to particular types of international migration has become even more intensive following the Slovak efforts to integrate into the EU. This striving was also shaping course of the
Slovak government in particular areas of the migration management. There are two breaking points for the Slovak migration policy – year 2004, when Slovakia became a member of the EU and year 2007 when the country joined the Schengen area. The legal migration in the state started to rise – on one hand because of the movement of Slovak nationals to the other EU countries, on the other hand due to the rising numbers of the EU Member States’ citizens in the Slovak Republic (Divinský, 2009).

After the EU accession, Slovakia continues with systematization of the legal acts dealing with migration and coordinates the Slovak migration policy with the existing legislation on the European level. This period can be labelled as the first phase of “internationalization” of the migration policy in the Slovak milieu. In the same period, the Slovak authorities detected decrease in irregular migration referring to attempts at illegal border crossings, as well as illegal stay of the foreigners on the Slovak territory. This development can be subscribed to the Slovak membership in the Schengen area and associated increased protection of the EU external borders from irregular third-countries migrants. Therefore, the first phase of internationalization of the Slovak migration policy is generally regarded as bringing mostly positive impacts for the country.

2.2. Second phase: Slovak migration policy after the 2014 migration crisis

The migration crisis that hit the EU in 2014 and more intensively in 2015 did not impact the Slovak Republic in a significant way from the quantitative point of view. Although Slovakia was not the main destination state of migrants and asylum seekers from the Middle East and sub-Saharan Africa, the country has caught the attention of the entire EU following highly negative attitude of the Slovak political leaders towards migration. The most politicians based their argumentation mostly on the “security concerns”.

In regard to the migration crisis, we can conclude conformity of all relevant political parties in Slovakia concerning their attitude towards the issue of granting asylum and other forms of protection of non-citizens from the third-countries on the Slovak territory; as well as towards the proposals for
solution of the migration crisis and its origins, which should proceed in cooperation with the countries of origin of migrants. Based on the previous analysis, it is possible to identify several proposals for the crisis solution common for most of the Slovak political parties:

1. protection of the EU external borders;
2. refusing of the EU obligatory quotas on migrants;
3. creation of detention facilities outside of the EU territory which should concentrate migrants heading to the EU in order to review their asylum request, assort them into groups and redistribute successful asylum seekers to the EU receiving countries;
4. stabilization of situation in the home countries of migrants, especially in Syria, Libya and Iraq;
5. precise selection of asylum seekers and economic migrants, who are not eligible for the refugee status, subsidiary protection, temporary protection or any other form of protection in the EU.

It is undeniable, that the current situation and development of the migration flows significantly impacts the issue of perceiving migration as the security threat by the public. Yet, it is questionable, to what measure is the public opinion influenced by the international reality and what impact have the official political statements of the parliamentary representatives, that were highly negative since the outbreak of the crisis until nowadays. Twice a year, always in May and November, the EU conducts a general survey of the public attitudes towards different social, political or economic issues in all EU Member States. The survey aims to discover and compare statistical data regarding EU citizens’ position towards Union’s institutions; perception of the general heading of the EU as a whole and prioritization of problems that the EU and its Member States have to face. By comparing results of Eurobarometer 83 (May 2015) and Eurobarometer 85 (May 2016), it is possible to observe gradual “internationalization” of the topic of migration of the third-countries citizens in the Slovak setting. The topic of migration has been indirectly included in two Eurobarometer questions: 1. What do you think are the two most important issues facing our country at the moment? 2. What do you think are the two most important issues facing the EU at the moment? Whereas in the spring 2015, only 4% of the Slovak citizens responded “migration” to the first question and 35% of them to the second question – in May 2016 the percentage raised to 17% in the first case and 59% in the second case (European Commission, 2016). Increase of negative attitudes of the Slovak citizens certainly reflects escalation of irregular migrants coming to the European Union in the second half of 2015, when the migration crisis reached its peak – the Frontex agency detected 978,338 irregular border crossings in the EU over the last quarter of 2015, which is ten times more than over the last quarter of 2014 with 79,819 irregular border crossing (Frontex, 2016).

Based on the stated facts, we can conclude that “internationalization” of migration in the Slovak Republic has been conditioned by the recent development of migration flows over the present
migration crisis along with its increased negative presentation by the influential political elites. The period 2015-2016 is considered to be the most important phase since establishment of independent Slovak Republic regarding migration. In this period, migration has become important and crucial part of the Slovak foreign policy. This statement would be verified in the following part.

3. Impacts of migration on the Slovak foreign policy

Taking into concern the one-party government ruling the country in 2012-2016, the political decision making including foreign policy priorities depended mostly on decisions of the government party. Position of the Slovak Republic towards the crisis can be defined by two attitudes: first, support of voluntary relocations and second, rejection of the quota system as adopted in the Council Decision (EU) 2015/1601 establishing provisional measures in the area of international protection for the benefit of Italy and Greece on 22 September 2015. Pursuant to the proposed scheme, 120,000 migrants are to be relocated to the EU’s Member States following the size of economy and population of the particular Member State. According to the Annex I and II of the cited Decision, Slovakia would be required to take 802 refugees – 190 from Italy and 612 from Greece. Out of the 28 Union’s Member States only the Czech Republic, Hungary and Romania were also against the quota system and Finland abstained in the ballot. Slovakia – under the then one-party government of SMER - reacted by filling an action for annulment to the Court of Justice (case C-643/15), challenging the legality of the Asylum-Seekers Relocation Decision from 22 September 2015 establishing provisional measures in the area of international protection for the benefit of Italy and Greece.10 Hungary, which was asked to take 1,294 asylum seekers, joined the Slovak action three months later. Process at the CJEU started on 10 May 2017. On 6 September that year, the Court has rejected a challenge by Hungary and Slovakia. This step significantly contributed to change of perception of the Slovak Republic abroad to the country that does not want to accept refugees, neither to express solidarity with the other EU Member States.11 Yet, unlike in case of Hungary and Poland, which refuse to take any migrants under the relocation mechanism; Slovakia was aware of its legal obligations under the EU law and relocated

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10 Through the action for annulment brought before the Court of Justice of the European Union, the claimant requests the annulment of an act adopted by a European Union institution, body, office or organisation. Consequently, the Court reviews legality of an act and may annul the act based on one of the four grounds: lack of competence; infringement of an essential procedural requirement; infringement of the Treaties or of any rule of law relating to their application; misuse of powers (EUR-Lex, 2010).

11 Except of accusations against Slovakia from unsolidarity (towards migrants seeking international protection on one hand and towards the other EU Member States which admit asylum seekers on its territories), there is another negative connotation regarding Slovakia and migration – linking the country with discriminatory rhetoric. The reason was mainly a decision of the Slovak government to accept only Syrian asylum seekers of Christian religion.
16 migrants from Greece until July 2017 despite political refusal of the Decision (EU) 2015/1601 (European Commission, 2017). Thus, consequences of the Court decision on the action have more political than legal impact for the country. This can be reflected on the EU level in case of future talks on different political agenda issues including the EU budget. There are concerns over the potential attempts of some EU Member States to retaliate to Slovakia for its attitude towards the quota system despite the official proclamations, that the stance on migration will not affect other realms of cooperation among the states on the EU level. If the country continues to stand up to its legal duties, it does not have to fear any legal measures from the EU unlike Hungary, Poland and the Czech Republic. These countries face an infringement procedures initiated on 14 June 2017 for their non-compliance with their obligations under the 2015 Council Decisions on relocation.12

Despite the fact that Slovak politicians refused mandatory quotas they emphasized readiness to help “according to our own possibilities” Slovak help over the course of the migration crisis took form of sending police units, which were helping (and they still do) on the borders in countries facing most intensive migration pressure (including the EU Members States, as well as the third countries). Furthermore, the government of Slovakia concluded bilateral agreement with Austria about temporary relocation of asylum seekers from Austria to the recently re-opened asylum centre in Gabčíkovo in the Slovak Republic over the course of the entire asylum procedure in Austria until the final decision is made. In cooperation with the civil society Pokoj a Dobro (Peace and the Good), Slovakia granted asylum to 149 Assyrian Christians from Iraq. However, part of them decided to return back to their home country after several months. In October 2015, government allocated 500,000 € from the sources of the national lottery company TIPOS for humanitarian projects of non-governmental organizations rendering assistance in the refugee crisis (Úrad vlády SR [Government office of the SR], 2015). During the UN Summit for refugees and migrants13, that took place on 19 September 2016 in New York, the Slovak Republic assumed commitment to grant 550 governmental scholarships for refugees until 202114. After the end of the summit, Minister of Foreign and European Affairs of the Slovak Republic Miroslav Lajčák stated: “I take the result of this summit and our participation in it to be a success. It has been confirmed, that we do not stand aside when global problems are solved and we are ready to become involved in a constructive way” (SITA, 2016).

12 Neither Hungary, not Poland relocated anyone since the scheme started. The Czech Republic has not relocated anyone since August 2016 (with 12 migrants relocated until that date) and not made any new pledges for over a year (European Commission, 2017).
13 Information on course of the summit and its conclusions can be found online at http://refugeesmigrants.un.org/.
14 Minister of Foreign and European Affairs of the Slovak Republic stated, that this is an unprecedented number within the scope of our country and at the same time very useful investment, because the refugees, who get education in Slovakia, will be able to make use of it later by helping with restoration of their home countries.
Another particular impact of the migration crisis on the Slovak foreign policy is visible on development of relations in the V4 group. Central European countries manifested relatively high degree of unity regarding solution of the current crisis. A common sign is refusal of mandatory quotas on relocation of asylum seekers in the EU; solution of the current situation on voluntary basis; increase of protection of the Schengen external borders and cooperation with the sending and transit countries in the Middle Eastern region and sub-Saharan Africa. Another common sign is a high degree of anti-immigration and above all anti-Muslim sentiment typical for all V4 states both on the highest political level just like as in the general public of the particular states, as shown from the opinion polls. Most striking parallels are to be found when comparing stand of the Slovak and Hungarian government regarding mandatory quotas – as noted earlier, only three months after the Slovak reaction, Hungary also filled an action for annulment against Decision from 22 September 2015 (Case C-647/15). 15 On the other hand, Poland voted in favour of the Council Decision (EU) 2015/1601 and thus, set off another path compared to the other V4 countries, although the current Polish government reflects the general V4 attitude16. Certain differences can be found by comparing stands of the political leaders of the particular V4 countries. The president of the Slovak Republic is considered to be the most liberal over issues of migration among the leaders of the other Central and Eastern European countries, whose approaches are more clear-cut. Yet, generally, Central Europe is deemed as the most radical opponent of the common EU measures aimed at the third-countries migration and the V4 states are often criticized for unwillingness to manifest solidarity with countries in the southeastern Mediterranean and Western Balkans, who face the biggest migration pressure in respect of their geographical location at the EU external borders.

Despite listed negative connotations on the European level, migration crisis had certain positive impacts – it has confirmed conformity of opinions of the V4 states and the general importance of the existence of the V4 as a platform facilitating enforcement of the common interests of the Central European countries in the EU. Migration crisis created an opportunity for the V4 and thus, Slovakia,

15 At the beginning of October 2016, there was a referendum in Hungary dealing with migration. The question was formulated as follows: „Do you want the European Union to be able to mandate the obligatory resettlement of non-Hungarian citizens into Hungary even without the approval of the National Assembly?” The referendum was invalid due to low turnout (41.32 % of valid votes and 6.17% invalid votes), however, overwhelming majority (98.36% i.e. 3.643,055 out of 8,272,625 qualified voters) who voted in the referendum was in favour of the government’s anti-quota position (Aktuality.sk, 2016).

16 Compared to the other V4 countries, Poland was always specific in the issue of migration. The reason is on one hand incomparably larger territory and population in comparison with the Czech Republic, Slovakia or Hungary; on the other hand it is the different historical experience with migration (especially presence of the Ukrainians and Byelorussians on the territory of the state). These differences appeared already in 2005 in an opinion poll dealing with the issue of migrants and foreigners that took place in all V4 countries. The Polish people were much more opened to the foreigners compared to the rest of the V4 states. Statistically, 62% of Polish citizens perceived settlement of the foreigners on their territory positively. Positive reaction to the same question expressed only 34% of people in Slovakia, 26% of people in the Czech Republic and 23% of people in Hungary (Visegrad Group, 2016).
to prove its influence in the process of making decisions and solving problems on the European level. Refusal of the common EU measures and differentiation of opinions on how to solve the crisis contributed to change of perception of Slovakia (and the V4), which started to be treated as a relevant actor and fully-fledged member of the EU that has to be taken into account in the process of formation of the European policies. As noted by Terem and Lenč (2015, p. 681), migration crisis has become “...certain indicator of whether the Central Europe is ready to reinforce its position in the system of international relations, or whether it will remain only an object of great powers interests.”

Last but not least, change of the intensity of migration flows was reflected in formulation of priorities of the Slovak Presidency in the Council of the EU, beginning on 1 July 2016. Slovak Presidency had four priorities: economically strong Europe; modern single market; sustainable migration and asylum policies; and globally engaged Europe. In the field of migration Slovak Presidency strived to “...encourage the Union to develop more sustainable migration and asylum policies...” because “...the current migration crisis is putting enormous pressure on the EU’s external borders and on the asylum systems of the Member States” (Priority slovenského predsedníctva [Priorities of the Slovak Presidency], 2016). Paradoxically, in 2014, when the Slovak authorities started with the preparatory phase for this important task; nobody expected that migration would become one of the most important topics of the Slovak Presidency. One of the first documents outlining program priorities of Slovakia for the Council Presidency was a report called Preparing Presidency of the Slovak Republic in the Council of the EU 2016 – basic platform and current priorities, drafted in 2012. The report proposed that national priorities should reflect Slovak long-term strategic goals and interests – cooperation with the non-members of the EU in the Eastern Europe and in the Balkans; enlargement of the EU; Strategy EU 2020; or the issue of treatment of water resources in the EU as the topic stressing particularities of Slovakia as the presiding country (Úrad vlády SR [Government office of the SR], 2016). The topic of migration, refugees or border protection – despite location of Slovakia at the EU external borders – was completely absent in 2014 and turned into most fundamental issues of the Slovak Presidency only in 2016 despite the fact that the impact of migration crisis in Slovakia was (at least regarding amount of asylum seekers and irregular migrants) compared to the other Member States relatively moderate.

17 Little known fact is, that 85% of each state’s Presidency agenda results from the common program document of the Presidency Trio; 10% are the priorities reflecting current development in the European Union and only 5% is set up by the presiding state itself.

18 Regarding number of asylum applications submitted by the third-countries migrants in the EU Member States in 2015, Slovakia was on the 25. place out of 28 EU countries. Asylum application was submitted only by 330 persons from the third-countries (including 149 asylum seekers from Iraq as mentioned above in the text). On the other side of the chart were the states most burdened by asylum applications in 2015 - Germany (441,800), Hungary (174,400), Sweden (156,100), Austria (85,500), Italy (83,200) and France (70,600) respectively (Eurostat, 2016).
Conclusions

International migration was for the long time perceived as the matter of domestic policy of the Slovak Republic. In the second half of the 20th century, the migration flows on the territory of the contemporary Slovak Republic consisted almost solely from Slovak emigrants leaving abroad in order to find work or run away from the regime and political leadership in their home state. After establishment of the sovereign Slovak Republic, there was only negligible number of foreigners living on the state’s territory – most of them were citizens of the neighbouring countries, whose stay in Slovakia was conditioned by economic purposes – they were working in the state; or by family ties. Slovakia was never a traditional final destination for third-countries migrants coming to Europe, what is apparent on the number of granted asylums in Slovakia. However, migration is currently important factor influencing foreign policy of the Slovak Republic and its relations with the other subject of international law – especially the European Union and its Member States.

Following the first aim of the study as outlined in the introduction of the paper, the three main factors which significantly contributed to internationalization of the migration topic in the Slovak Republic are the Slovak membership in the EU; Slovak membership in the Schengen area and the outbreak of the migration crisis in 2014. Besides, we managed to provide sufficient evidence for the claim that securitization of migration in the Slovak setting has also helped to transformation of migration from the domestic to an international agenda. Public fears from influx of irregular migrants, threat of physical and cultural security or imperilment of the economic stability of the state were an important impulse that forced political representatives to adopt an official stance towards the issue on an international level, which would reflect public opinion and the attitude of Slovak citizens. Paradoxically, negative public position towards migration was pretty much brought about by the political discourse taking place as part of the 2016 pre-election campaign; as well as insufficient objectivity when informing general public about the on-going migration and refugee crisis.

Internationalisation of migration can be observed also when comparing Manifestos of the last six Slovak governments. Whereas the first three documents (1998-2002, 2002-2006, and 2006-2010) treated migration solely as a matter of domestic policy and did not pay any particular attention to this phenomenon; the Manifestos after 2010 started to perceive migration as an integral part of the state’s foreign policy with an exemption of the 2012-2016 government’s Manifesto, which does not mention migration at all. The Radičová government (2010-2012) labelled migration as a new global challenge and the current government of Robert Fico (2016 – nowadays) deems migration as one of the most current external challenges Slovakia needs to face. Yet, despite general conformity that was reached across the political spectrum in Slovakia regarding transformation of migration from the domestic to
the foreign policy realm; there are still severe differences on how to approach this topic, depending on the current ruling elite in the state. Whereas Radičová government supported solidarity, conclusion of resettlement agreements and relocation of migrants from the most burdened states on the EU borders; the recent government of Robert Fico proclaims in the Manifesto that the government is prepared to support constructive solutions to the migration crisis, yet respecting the specificities and capabilities of individual Member States.

In an attempt to identify particular areas of Slovak foreign policy which were most intensively influenced by migration, we have to point out to the impact of crisis on the V4 countries resulting into closer cooperation among its members. Besides, Slovakia started to be deemed differently – not anymore as a newly integrated member of the EU, but as an equal actor, that respects the foreign policy lines as created by the older Member States but that must be taken into account in the process of creation of the new EU policies. On the other hand, negative consequences on the European level include widely spread perception of Slovakia as the state that refused to share common responsibility and solidarity with the countries located at the borders with the Middle East region as the source region of migrants coming to the EU. Another negative aspect is presentation of the Slovak Republic in context of discrimination of asylum seekers related to the governmental decision to accept only Syrian Christian families. Migration crisis affected also Slovak Presidency in the Council of the EU – whereas the first conceptual documents drafted in 2012 did not make any provision for migration as the topic of the Presidency Trio; it has finally become one of the four program priorities of the Slovak Presidency.

Regarding impact of migration on the foreign policy of the Slovak Republic, it is possible to formulate recommendations on the general level and recommendations related to the solution of the current migration crisis. On the general level – in case there will not be any radical changes in legal migration flows affecting demographic development of the EU Member States including Slovakia, the priority of the country remains support of labour immigration of qualified workers and thus, effective implementation of the Council Directive 2009/50/EC on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment (Blue Card Directive). Slovakia, but also the other so called new Member States need to pay attention to the “brain drain”, seek instruments and take steps to prevent people from leaving abroad (although this might seem contradictory to the free movement of people, especially workforce, in the EU). The other goal should be maximization of drawing of the EU funds allocated for the field of migration and management of external borders. Finally, despite rise of irregular migration from the Eastern and Southern Mediterranean, Slovakia cannot focus all of its sources on the new challenges but has to live up to its obligations of protecting the Slovak-Ukrainian border (external Schengen border),
among others because of the on-going instability in Ukraine and unsure development of the situation in the future.

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Revisiting the Ukraine crisis: realist reflections on causes and consequences

Vasif HUSEYNOV*

Abstract

This paper presents a realist reflection on the crisis in Ukraine from the perspective of the Western powers, in particular, that of the United States. Its theoretical argumentation is built on the basis of thoughts of contemporary realist minded scholars and geopoliticians, but, concomitantly, criticizes the contradictory nuances in their approaches. The paper analyses the consequences of the Ukraine crisis as an accomplishment from the Western point of view and diverges from other realist scholars who consider it as a mistake of the West. It argues that the United States has successfully completed its geopolitical mission concerning Ukraine by breaking it away from Moscow’s sphere of influence, therefore, now it can seek to de-escalate tensions with Russia over Ukraine and re-direct its focus on other threats, such as the rise of China.

Keywords: Geopolitical Realism, the Ukraine Crisis, EU, United States, Russia

Introduction

This paper is drawn on the conviction that “Geopolitics will remain relevant as long as individual states and their associations continue to be the principal actors on the world arena” (Trenin, 2001, p. 29). Here the term “geopolitics” refers to the belief that the interaction between geography and power determines all the international relations. This theoretical stance underpinned by the realist premises of international relations provides some useful tools to comprehend the rationale of the abrupt breakout of the Ukraine crisis and the subsequent escalation of tensions between Russia and West (i.e. the European Union and the United States). Not many Western political analysts and politicians recognize that the driving forces of the West – Russia confrontation over Ukraine are primarily geopolitical and as such have little to do with the personality of the leaders (Sperling, 2015), the inaccurate perceptions of each other’s intentions of the conflicting sides (Rieker et al., 2016), differences in values (Burnell, 2010; Krastev, 2014) or regime preferences (Smith, 2015). Besides, most of those, who have done it, have failed to capture the whole picture and blamed only one of the conflicting sides for geopolitically motivated foreign policy making (Wilson, 2014; Götz, 2015; 2016; Krastev, 2014).

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Rutland, 2015; Raik, 2016), while only a few scholars have produced more objective analyses (Müllerson, 2014).

The paper argues that the outbreak of the Ukraine crisis and the events that led to it were significantly affected by the geopolitical ambitions of Russia and the Western powers. Hence, the paper follows the analysis of John Mearsheimer (2014), one of the leading advocates of structural realism, who argues that Russia is not the only player to be blamed on the eruption of the Ukraine crisis. However, it questions the background of the West’s role in this geopolitical event: Was the Ukraine crisis really a mistake the West had made, as many observers, including Mearsheimer (2014) and Henry Kissinger (2014) suggested? Or was its inception a well-thought and ultimately successful geopolitical strategy by the Western powers to force back Russia’s attempts to reinstate its hegemony over the neighbouring post-Soviet countries? If so, what can be expected to be observed in the West’s impending policies concerning Ukraine and Russia?

This study is conducted on the basis of the analytical logic of structural realism which is one of the most influential and sophisticated approaches to the international politics (Waltz, 1979; Mearsheimer, 2001). The anarchic system of international politics is chosen as the independent variable and regarded as objective reality out there which is distinct from the observer. The lack of overarching supranational Leviathan in the system urges its actors to act in accordance with the rule of self-help and survive in the hostile environment of the international relations. The behaviours of the great powers in this environment, their ambitions to maximize their power and security, and their corresponding policies to achieve this goal constitutes the dependent variable of the study. The exploration of the causal relationship between the two variables allows the study to identify the sources of the West - Russia rivalries over Ukraine and the geopolitical outcomes of the recent crisis. The paper is to build its empirical argumentation by analysing a wide range of sources, particularly in the academic literature, but also the publications of think-tanks, official documents, and news media articles.

The paper proceeds as follows: The next section, discussing the combination of the premises of structural realism and classical geopolitics, is to build a theoretical framework for the study. This is to be followed by a brief discussion on the recent historical background of the West – Russia rivalries over the countries that constitute the “common neighbourhood” between the European Union and Russia: Ukraine, Belarus, and Moldova. The section serves the aim of briefly depicting the geopolitical context in which the Ukraine crisis flared up in early 2014. The two sub-sections in this section assess the sources and some consequences of the crisis from the perspective of geopolitical realism. The paper ends with a short conclusion.
1. Theoretical Framework

The analysis of this paper is based on the realist understanding of the international political system and the relationships within it. Realism posits that states, particularly the great powers, are the most important and influential actors in the anarchic structure of the international political system. Under the circumstances of the absence of an overarching global authority, states are primarily concerned about their security in the inherently hostile environment of international relations (Morgenthau, 1948, p. 13). Realism underscores the struggle for power and survival as the underlying motivation of states' behaviours in the international sphere. Notwithstanding the fact that the sources of this struggle are calibrated in different ways by realist scholars, they come to terms in the interpretation of it as the guiding principle of international relations. Realism, particularly structural realism, of which one of the most prominent advocates is John Mearsheimer who has regularly commented on the Ukraine crisis, treats states as “billiard balls” and singles out the impact of their internal structures on foreign policy (Waltz, 1979). According to realism, states are concerned about the distribution of relative power capabilities in the system and are particularly focused on the relative gains. They act with the “zero-sum game” logic in their approaches to the changes in the balance of power (Powell, 1991).

Realism and geopolitics are inherently connected. Geopolitics dictates that the geographic location of a country, its topography, resources and capabilities define its policies and place in the structure of international politics. This approach is, academically, based on the conviction that the methods of natural sciences are applicable also in the social sciences. It regards the international system and the relationships within the system as objective reality and does not pursue a critique of them. Instead the objective in this case is to explore solutions to the immediate problems within the system and between the actors therein.

From the standpoint of the combination of structural realism and classical geopolitics the great powers seek to dominate their neighbourhood. The encroachment of rival powers into the neighbourhood tends to be treated as a direct threat to the national interests of the regional powers. Shaping the immediate external environment according to its own interests is sine qua non in order to ensure the great power status and take part in great power politics. The states that dominate their region continue to seek to maximize their power and security by expanding their sphere of influence and inhibiting rival hegemonic states from “their” region. This struggle might allow states to become the unchallenged hegemon in a certain region. However, the scope of the prizes this struggle promises is bounded. Realist scholars agree that no great power has ever been able or is likely to be able to become a global hegemon anytime soon due to the “stopping power of water” (Mearsheimer, 2001).
This is why undermining the emergence of a regional hegemon overseas, not evolving to global hegemony, is considered as the uppermost objective for the regional hegemons. The “fear that a rival great power that dominates its own region will be an especially powerful foe that is essentially free to cause trouble in the fearful great power’s backyard” (Mearsheimer, 2001, pp. 41-42) urges the regional hegemon to seek to prevent others from dominating their respective regions.

2. The Transatlantic Alliance and Russia: Continued Rivalries over the “Common Neighbourhood”

The fall of the Soviet empire in the early 1990s opened the doors of the Central/Eastern European and South Caucasian countries, which had hitherto been dominated by Russia, to an influx of geopolitical influence of the Western powers. In a relatively short period of time most of the post-communist countries in the region became members of the European Union and NATO. The eastward expansion of NATO’s sphere of influence changed the balance of power in Europe substantially. In the 1990s, Russia could only miserably observe this process due to the dramatic decline of its military and economic capabilities. Russia was also ignored as an influential international actor and treated as a defeated, declining, and secondary power by the Western states. Russia was consistently side-lined and never accepted as an equal power in the Western military and political structures. The cooperation between the two sides in the form of Russia’s participation in NATO’s Partnership for Peace initiative (1994), the signing of the NATO – Russia Founding Act (1997), and eventually the establishment of the NATO – Russia Council (2002) were of a relatively minor significance. Meanwhile the borders of the Alliance reached the countries of the former Soviet Union, which are presently known as a “common neighbourhood” between Russia and European Union – Belarus, Moldova, and Ukraine. The NATO leaders, especially the United States, were not willing to stop there. Instead they declared their support to the integration of the regional post-Soviet states into the Alliance. This coincided with the resurgence of Russia from the misery of the 1990s and its regaining of international prominence. The rising Russia launched its own integration projects to offer to the regional post-Soviet countries as an alternative to the Western military and political structures. The most prominent one of those Russian projects was the Eurasian Economic Union which was seen by the Western leaders as an attempt to “re-Sovietize the region” (Radio Free Europe & Radio Liberty – RFE&RL, 2012). They regarded it as a dangerous development and vowed to take effective measures “to slow down or prevent it” (RFE&RL, 2012).

The collusion of the geopolitical interests of the two powers provoked one of the most intense confrontations in the modern international political system. For the Kremlin, its southern neighbours,
particularly Ukraine and Belarus, are of supreme geostrategic significance and losing them to rival powers would pose a serious existential threat to Russia. The fact that these countries are situated less than 500 kilometres away from the Russian capital and they border Russia’s industrial hubs considerably raise their importance for the Russian strategists. Although they are not in the equally vital interests of the European Union and are even of lesser importance for the United States, these two Western powers have since the early 1990s sought to acquire control over them. The acquisition of this control was regarded as highly important to push Russia further eastward and avert its possibility to re-emerge as a great power challenging the West’s interests in Europe and in the wider region. The United States, being itself a regional hegemon in the Western hemisphere and lacking the necessary power resources to become a global hegemon (Mearsheimer, 2001, p. 40; Hyde-Price, 2007, pp. 44-45), demonstrated a determined desire to prevent Russia from becoming a hegemonic power in its neighbourhood. These conflicting objectives of the two rival geopolitical centres constituted the rationale of their integration projects which addressed the “common neighbourhood” countries, which aggravated the mutual confrontation and pushed the sides to the brink of a military clash. Crimea’s annexation, the violent instability in Eastern Ukraine, and the ongoing international crisis over Ukraine took place in this geopolitical context.

2.1. The Ukraine Crisis

Ukraine, the largest country located entirely in Europe, comprises the most important territories in the “common neighbourhood” from the geopolitical point of view. Up to Crimea’s annexation, Ukraine hosted one of Russia’s two warm water ports – the Black Sea Fleet base which was founded in the late 18th century – in Crimea (the other one is located on the Mediterranean coast of Syria). Ukraine is a country without which Russia’s plans to re-integrate the post-Soviet countries under the Eurasian Union would lose most of its value. Therefore, it has been the primary target of Russia’s integration projects invariably. Master minds of geopolitics have commonly assigned a very high importance to this former Soviet country. Zbigniew Brzezinski’s (1994, p. 80) famous dictum that “Without Ukraine, Russia ceases to be an empire, but with Ukraine suborned and then subordinated, Russia automatically becomes an empire” is a prominent example. This geopolitical reality outweighed all the other spheres of bilateral relations between the West and Russia when the two sides’ interests met at loggerheads over Ukraine.

Russia first came to see geopolitical nightmare of losing Ukraine to the West coming true prior to the presidential elections in 2004. The elections had turned out to be a race between the two geopolitical foes impersonated by the two leading candidates – Russia-supported Viktor Yanukovych
and the West-supported Viktor Yushchenko. The two sides spared no effort to back their respective candidate in the elections. Eventually, the Orange revolution, in which both Russia’s and West’s interference is widely documented (Traynor, 2004; Beissinger, 2007; Brucker, 2007; Lane, 2009; Wapinski, 2014, p. 49) – brought Yushchenko to power. The Western influence over Ukraine reached its highest level historically during Yushchenko’s presidency. He was a passionate supporter of the Euro-Atlantic integration and a determined opponent of Russia’s influence over his country. President Yushchenko made a series of moves to gradually minimize Russian influence over Ukraine. Towards this end, he made a decision that arguably stripped the sleep of the Russian political elite for a while: Kiev refused to launch the negotiations on the extension of Russia’s deployment of the Black Sea Fleet in Crimea which was to expire in 2017 and required the Kremlin to withdraw its forces by the end of that year. On the other hand, Yushchenko requested NATO to grant membership to Ukraine, which, if had happened, might have brought NATO to Crimea and to other strategically important Ukrainian territories. The countries present at the Bucharest summit of the Alliance in 2008, having the support of the United States, came very close to granting the Membership Action Plan (MAP) to Ukraine and Georgia. Although this did not happen due to the opposition of France and Germany, the alliance declared that “These countries will become members of NATO” (The Official Website of the NATO, 2008).

However, Yushchenko’s incapability to act efficiently in internal politics inhibited him to realize his plans in the foreign sphere. His pro-Western approach failed to meet the expectations of the Orange revolution (Kuzio, 2011). The revolution did not end the influence of the oligarchic groups on the Ukrainian politics, the economy did not mark a noteworthy growth, the unemployment rate further increased, and against this background the popularity of President Yushchenko plummeted to 4% towards the end of his term (Wapinski, 2014, p. 59). The disillusionment of the Ukrainian people with the Orange government resulted in an electoral loss for Yushchenko in the 2010 presidential elections which was won by Viktor Yanukovych. Yanukovych reversed most of the moves of his predecessor in foreign policy. Most importantly, in 2010, Ukraine’s new Law on Foreign and Domestic Policy adopted the so-called non-aligned status in international sphere, prohibited the participation in military alliances, and thus ruled out the accession to the transatlantic alliance (Law of Ukraine: About the fundamentals of domestic and foreign policy, 1 July 2010). This was a fundamental change to the 2003 Law on the Fundamentals of National Security which had declared NATO membership as the country’s foreign policy goal.

During his presidency, Ukraine reached an agreement with Russia on the stationing of the Black Sea Fleet in Crimea. Kiev extended the contract until 2042 in return for a 100$ discount in gas imports (Shapovalova, 2014, p. 252). This extension was another move that was meant to prevent Ukraine’s
NATO membership, as this *de-facto* limited Ukraine’s sovereignty over Sevastopol and Crimea (Shapovalova, 2014, p. 252). Yanukovych, however, demonstrated a serious reluctance towards Russia’s integration projects. Until the end of his power, he remained committed to his strategy playing the two geopolitical poles against each other and seeking to extract as many benefits as possible from each of them (Samokhvalov, 2015, pp. 1379-1380). Hence, he was also interested in the development of relations with the European Union and the United States, pursued integration into the EU and initialized the Association Agreement. This was most likely the reason why the Russian political elite, as the US embassy cables released by WikiLeaks revealed, “hated” him (Götz, 2015, p. 5).

This geopolitical balance Yanukovych built ended abruptly in the wake of his refusal to sign the Association Agreement with the European Union in November 2013 which triggered massive anti-government upheaval. From the very beginning of these protests, the Western powers interfered in a way that some experts in international law characterized as the violation of international law in a form of interference in Ukraine’s domestic affairs. For example, Rein Müllerson (2014, p. 135), the President of the Tallinn Law School, at Estonia’s Tallinn University, in his article titled “Ukraine: Victim of Geopolitics,” highlighted that:

...*[I]*t was the representatives of Western states who completely ignored one of the cornerstone principles of international law – the non-interference in the internal affairs of other states. Such unconditional support of the opposition not only constituted a flagrant interference in the internal affairs of Ukraine, but it also raised expectations and made uncompromising revolutionaries even more intransigent.

It is true that, the Euromaidan protestors were seriously emboldened by and became more determined thanks to the clear support of the European Union and United States. The protests toppled down President Yanukovych and brought to power the leaders who were favoured by Washington. The Russian leaders worriedly observed the developments related the Euromaidan. The formation of a pro-Western government in Kiev and Russia’s heedless reaction to it would inevitably result in a complete loss of Ukraine to the Western bloc. This forced a dilemma on Russia: to make a choice between reconciling with the fact that Ukraine was to be part of the NATO’s sphere of influence or risking at all costs and intervening to prevent it (Sakwa, 2015, p.100). The Kremlin opted the latter and made an intervention, in clear violation of international law and bilateral agreements between

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19The role of the United States in the formation of the post-Yanukovych government “became embarrassingly clear” in a leaked telephone conversation between Assistant Secretary Victoria Nuland and US ambassador to Ukraine, Geoffrey Pyatt (Sparrow, 2014, p. 328). On the phone the two American politicians assessed the skills of the Ukrainian opposition leaders to lead the government and agreed on the fact that Arseniy Yatsenyuk is a more suitable candidate to govern the post-Yanukovych government. (See: BBC, 2014).
Russia and Ukraine in order to secure its control over Crimea and prevent Ukraine’s accession to NATO.

In the wake of Yanukovych’s overthrow, Ukraine massively intensified its relations with the Western powers. The Association Agreement and DCFTA, which imply “a comprehensive ‘Europeanization’ of Ukraine’s economy, political system, and public administration” (Umland et al., 2016) were signed shortly after Yanukovych’s departure. The country has already launched the implementation of these agreements. The volume of trade with the EU currently accounts for 40% of Ukraine’s foreign trade, while the share of Russia has dropped from 27.3% to 11.5% over the last three years (Lb.ua, 2017). Ukraine has obtained a visa-free regime with the EU which will certainly increase the integration of the Ukrainian society into the European community. The range of integration with the West expands beyond the borders of Europe: In 2016, Kiev signed a free trade agreement with Canada (CUFTA). In the same year of Yanukovych’s fall, the Ukrainian parliament revoked the law on neutrality and declared the country’s goal to obtain NATO membership. A state programme for the adoption of NATO standards by the Armed Forces of Ukraine by 2020 has been accepted and is being implemented (Interfax Ukraine, 2017).

On the other hand, the gap between Russia and Ukraine is increasingly widening at both governmental and societal levels. Russia’s intervention devastated its image in the eyes of millions of Ukrainians and cultivated hate against Russia’s leaders and their policies vis-à-vis Ukraine. The post-Euromaidan government took a series of actions in order to accelerate this process and minimize the Russian cultural influence on Ukraine. Towards this end, the government imposed restrictions on the Russian language textbooks, Russian media, Russian language, Russian symbols, and the promotion of the Soviet heritage. The weakening of Russian soft power in Ukraine against the background of the growing soft power of the EU and the United States is supremely important in the context of the modern international relations. The fact that the two geopolitical poles are forced to focus on non-military spheres, due to inter alia the mutually assured destruction possibility, makes the superiority in soft power a decisive element in their rivalries (Huseynov, 2016). Very tellingly, while just 4% (ICPS, 2010) of the respondents rated Russia unfavorably in Ukraine in 2010, the percentage of these people went up to around 60% (Pew Research Center, 2014) in 2014. A similar trend was felt in other regional countries, even in Belarus, Russia’s closest ally in the region: after Crimea’s annexation, fearing that Russia’s “green little men” would be deployed also against Belarus, President Lukashenko sought to normalize its relations with the West (Wilson, 2015). He also underlined Minsk’s “independence” from the Kremlin and stressed that “Belarus is not part of the Russian World” (Ukraine Today, 2015).
2.2. Realist Reflections on the Ukraine Crisis

Contrary to the commonly held view, there is not in fact a significant conceptual difference between the policies of the West and Russia concerning Ukraine. The policies of both of them have been motivated by their national interests and geopolitical imperatives, although the Western powers put emphasis on liberal ideas in their narratives. It is important to note that some scholars, including many realists, have argued differently, in a way that is in fact contrary to realism itself. For example, Mearsheimer (2014) argues that in the context of the Ukraine crisis

the two sides have been operating with different playbooks: Putin and his compatriots have been thinking and acting according to realist dictates, whereas their Western counterparts have been adhering to liberal ideas about international politics. The result is that the United States and its allies unknowingly provoked a major crisis over Ukraine.

Mearsheimer and like-minded scholars seem to overlook the fact that the struggle for power and security is the primary motivation of all states in their external policies notwithstanding their possible differences in domestic structure. It has been widely established by the realist scholars that both the United States and the European Union are acting in their policies concerning the former Soviet space in accordance with the realist principles despite the fact that it is not directly acknowledged in the narratives of their leaders (Zimmermann, 2007; Hyde-Price, 2007; Smith, 2016). For instance, Smith (2016, p. 43) has famously and rightfully argued that the EU’s foreign policy approach with regard to its eastern neighborhood appears “far more Machiavellian than Kantian”.

From the perspective of geopolitics, the Ukraine crisis can be in fact interpreted as a great victory for the West. It is true that NATO is unlikely to grant membership to the three countries in Eastern Europe and South Caucasus – Georgia, Moldova, and Ukraine – that have chosen the Euro-Atlantic integration. In fact, the existence of these countries as a West-controlled buffer zone – not their admission into the Alliance that could spiral into a military clash or even a nuclear war with Russia – is more advantageous for the West (Cohen, 2016). The West’s victory lies in the fact that without any military operation the goal to prevent the Kremlin’s plans to pull Ukraine under its domination has been accomplished. On the other hand, the Ukraine crisis also contributed to the growing controversies amongst the Eurasian Economic Union and accelerated its break-up (Galstyan, 2017). Therefore, much of the analyses that criticize the West for making a mistake or failing to learn
the lesson of the previous events, such as the Georgia War of 2008, (e.g. Kissinger, 2014, Mearsheimer, 2014) are misleading.

The present status-quo in the region is certainly not pleasant for the Kremlin, although many Russian experts glorify the Kremlin’s “victorious” foreign policy over the last three years (Karaganov, 2017). Russia’s annexation of Crimea and its intervention into Eastern Ukraine was the last nail in the coffin of Kremlin’s plans to pull Ukraine into its orbit. Although Russia took over Crimea and transformed Donetsk and Lugansk into satellites akin to Abkhazia and South Ossetia, it lost Ukraine. The Ukraine crisis further shrunk Russia’s sphere of influence and marred its desire to emerge as a regional hegemon. However, another nuance of the Ukraine crisis is the fact that Russia is apparently satisfied with the existing status-quo which is why the Russian experts interpret the outcomes of Russia – West stand-off over Ukraine as a victory for Russia (Karaganov, 2017). The reason for this enthusiasm is the fact that Russia has rolled over obstacles before Ukraine’s accession into Euro-Atlantic blocs. Although it is very hard for Russia, if not outright impossible, to reverse the Euro-Atlantic path of Ukraine, it is equally improbable for the West to risk accepting it into the EU or NATO, as long as the territorial conflicts in Eastern Ukraine are not resolved and the threat of nuclear Armageddon remains relevant.

Thus, the status-quo over Ukraine established over the last three years satisfies both Russia and the Western powers at varying degrees. Presumably, this is why no serious reaction to Russia’s annexation of Crimea or its support to the separatists in East Ukraine has been made by the United States and the European Union. Although the two powers have imposed a wide range of sanctions on Russia, they seemingly do not affect Russia’s foreign policy (Movchan, 2017). George Friedman (2014), in the aftermath of Crimea’s annexation, made an accurate observation that “The U.S. sanctions strategy is […] not designed to change Russian policies; it is designed to make it look like the United States is trying to change Russian policy.” Likewise, the German Die Zeit newspaper wrote in May 2015 that “Anyone attempting to measure the gap between the Ukrainian wishes and American response will see that there hasn’t been anything more than gestures and symbolism so far” (Bota et al., 2015). During the ensuing two years, under the presidency of Barack Obama, no serious changes happened to this strategy. In this respect, President Donald J. Trump’s statements calling for a de-escalation of the tensions with Russia are not at odds with America’s hitherto foreign policy strategy concerning Eurasia and are in line with its national interests in this region. The United States, having completed one of the most important parts of its geopolitical mission in Europe by tearing Ukraine away from Russia’s sphere of influence, now can redirect its focus on increasingly militant China, the goal which will need Russia’s support, too. This “Nixon strategy” has been supported by realist-minded experts and politicians (Bandow, 2017). Kissinger, one of the founders of Nixon’s
strategy to drive a wedge between China and the Soviet Union, highly valued the importance of such a rapprochement between Washington and Moscow which he found necessary for the United States to effectively offset China’s rise (RT, 2016). Likewise, for Mearsheimer (2016), positive relations between the two would eventually lead Russia to join “the balancing coalition against China”.

Conclusion

This paper analysed the Russia – West rivalries over Ukraine from the perspective of the West, especially that of the United States. The intersection of the premises of structural realism and classic geopolitics within the framework of geopolitical realism guided this research. The paper has found out that the outbreak of the Ukraine crisis was inherently related to the geopolitical interests of the Western powers and Russia. The Western fear of and distrust in the resurgence of Russia as a strong regional power has generated a desire to tear away Ukraine from Russia’s sphere of influence and thus to undermine its projects to re-integrate the post-Soviet countries. Russia’s determination to push back the expansion of the Western military and political structures and to reinstate control over its immediate neighbourhood brought it into a stand-off with the West over Ukraine. The research found out that Ukraine has been integrating increasingly deeper into Euro-Atlantic community in the aftermath of Yanukovych’s fall. This integration has not only covered the inter-governmental relations but also has been reflected in the opinion of the general public about West and Russia. Hence, contrary to the observers who think that “Russia is winning” in the crisis over Ukraine (Mearsheimer 2015), the paper argued the outcomes of the crisis have been so far more in favour of the West rather than that of Russia. The paper finalized its argumentation by supporting the views of those politicians and experts who argue that the existing status-quo over Ukraine allows the United States to de-escalate the tensions with Russia and get the Kremlin involved in its policies to offset China’s rise.

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The emergence of environmental factors as catalysts for tourism demand: a case study on Romania

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Abstract

The paper assesses the role of social, economic and especially environmental factors in determining general, as well as ecotourism demand in Romania. In order to provide in-depth insights, we utilize a two-step approach: cross-sectional analysis for 2013 and a fixed-effect panel analysis for the 2000-2013 timespan (employing a total of 22 explanatory variables). Each of these methods was applied considering the counties of Romania. The main results show that, over the last 15 years, social and economic factors have contributed to the evolution of tourism demand more than aspects related to the environment. However, the emerging trend observed in 2013 shows a significantly stronger impact of ecological determinants on both general, as well as ecotourism demand. In order to encourage the attractiveness of the tourism sector, local and regional authorities should channel their policies in a balanced manner towards all of the three components of an integrated and sustainable system.

Keywords: cross-section analysis, ecotourism, environmental determinants, panel data analysis, Romania, sustainable tourism, tourism demand

Introduction

Tourism contributes significantly to the economy’s GDP and it is one of the most rapidly growing sectors in the world, especially when referring to the developed countries. Tourism came into the global spotlight as a significant economic activity since the second half of the 20th century (Huybers and Bennett, 2003; Kadir and Sibel, 2014), while in Romania it is still struggling to improve its attractiveness for national and international travellers and become a relevant option that can compete with other European destinations (Surugiu et al., 2011). Although Romania does provide a diverse array of touristic attractions (e.g. mountainous areas, seaside, cultural, religious and historical

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landmarks, urban centres with a dynamic nightlife), Romania’s tourism sector traversed various ups and downs after the ‘90s. The demand for these kinds of services has been affected by various economic, as well as non-economic, factors (of social, political, technological or of environmental nature). Whether they have an inhibiting effect or a stimulating one, the various factors that influence tourism demand have nurtured the development of three main trends in the Romanian tourism industry: sustainable tourism, ecotourism and cultural tourism. While the responsibility of harnessing and stimulating the country’s tourism potential falls onto policy makers, it is the duty of academics to research and offer valuable policy recommendations with regard to the determinant factors of such tourism activities.

The aim of the paper is to assess whether the determinant factors of tourism demand (TD) in an Eastern European country, such as Romania, support a sustainable, long-term development of the sector. Specifically, we seek to gauge the strength and relevance (if any) of the environmental dimension in attracting tourism consumers (aside from the social and economic aspects).

The paper is structured as follows: section 1 includes a short review of the existing literature and some thoughts on sustainability in the tourism sector; section 2 presents the data collection and the analysis approach; section 3 includes the results of the analysis and some discussions; the conclusions are in the final section.

1. Emerging trends and determinants of tourism

The literature to date that looks into the tourism demand (TD) and its determinant factors is very broad, revealing significant efforts from various fields of study to quantify and forecast it – for an extensive literature review see Surugiu et al. (2011). As explanatory variables, most of the existing works focus on: price variables (Hanafiah and Harun, 2010; Kadir et al., 2013; Leitão, 2009) cost variables, generated mainly by distances and transportation (Leitão, 2009; Muhammad and Andrews, 2008; Zhang, 2015), income variables, such as the income level of the tourist or of the tourist’s country of origin (Kadir and Sibel, 2014; Leitão, 2015), international trade flows (Leitão, 2010; Zhang, 2015), exchange rate (Hanafiah and Harun, 2010; Leitão, 2009) and others. As one can easily notice, the majority of the determinant factors are of economic nature. Nevertheless, there are also important works that reveal the influence of non-economic factors on TD, such as infrastructure capacity with regard to roads (Phakdisoth and Kim, 2007), accommodation (Seetanah, 2006) or accessibility (Aranburu et al., 2016; Kadir and Sibel, 2014), population and migration (Seetaram, 2012; Zhang 2015), or social conflict and terrorism (Kadir et al., 2013).
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Unfortunately, there are very few studies that look into the environmental determinants of TD which we hypothesised that are growing in importance, especially in the tourism sector of an economy aspiring towards sustainability. Among others, Zeng et al. (2011) focus on various natural resources (landscape, green space, ecological infrastructure, biodiversity) to study the determinants of sustainable development of coastal ecotourism. A specific example of how forested areas affect the trip-taking behaviour of recreation service consumers is provided by Bartczak et al. (2012) for the case of Poland. A recent study of Islam (2015) focuses on the negative outputs in the environment (including air and water pollution, soil erosion, oil spills, disposal of wastes etc.) to determine the factors affecting and/or influencing tourism. As the environment became a growing concern in connection to the tourism sector (as a motivational factor for TD, as well as a qualitative result of tourism), a new concept emerged in the early ‘90s – ‘sustainable tourism’ (Zamfir and Corbos, 2015).

With regard to the econometric methods used to assess the determinant factors of TD, the existing portfolio is very diverse as suggested by Surugiu et al. (2011): simple or multivariate regressions (Allen and Yap, 2009), panel or pool data analysis using the co integration procedure (Seetanah 2006), gravity models (Leitão, 2010), trends extrapolations, data mining and neural network model (Law and Au, 1999).

Finally, one aspect that has been discussed over the last few years is that, while tourists tend to express favorable attitudes towards green tourism and eco-friendly hotels, they are not necessarily willing to visit such establishments (Line and Hanks, 2016). The reasons for this apparent contradiction can be related to comfort or financial aspects. Regardless of motivations, recent studies suggest that using declared preference for environmental and eco-friendly tourism practices may not constitute an adequate proxy for estimating the actual green TD (Baker et al., 2014; Line and Hanks, 2016).

Traditionally, research in the area of sustainable development has generally focused on the set of three generally accepted dimensions (‘economic’, ‘environmental’ and ‘social’). More recently, there is a preference demonstrated by numerous studies for a four dimensional approach in the assessment of sustainability (adding ‘culture’ to the three traditional components mentioned previously). Furthermore, when looking at research concerned with the sustainability of tourism, Agyeiwaah et al. (2017) identifies the four dimensions (classified as “core”) as well as three others: ‘political’, ‘management/institutional’ and ‘technology’, considered to be “peripheral”.

The role of the environmental component in sustainability research has generally been emphasised above the others, as ecological issues at a global level have played a key role in the scientific and political debates that have given rise to the concept of sustainable development at the end of the 1980's. However, as argued by Huybers T, Bennett J (2003), Agyeiwaah et al. (2017) and Mathew
(2017), tourism sustainability needs to be considered from a holistic perspective, encompassing all the relevant aspects mentioned above. The end goal of tourism activities needs to be the nurturing of harmonious development along each of the three/four core dimensions, ultimately leading to a better quality of life for both tourism consumers and the communities providing the service.

2. Methods and data

Our quantitative analysis seeks to assess the relationships that exist between TD and various environmental, social and economic (ESE) indicators. Based on the literature review presented in the previous section, as well as on the researcher’s intuition regarding the Romanian tourism sector, we have generated three hypotheses:

- **H1**: The environmental component has a higher impact on tourism demand compared to the social and economic components.
- **H2**: Environmental factors are more relevant to ecological tourism demand, rather than to overall tourism demand.
- **H3**: Environmental, social and economic components have a higher combined impact on tourism demand than if analysed individually.

In order to verify these hypotheses, our analysis must take into consideration a spread of the ESE determinants of TD. We also seek to identify a means of separating travel that is ecologically motivated from the overall/general tourism.

2.1. Data selection

Considering that this study focuses on tourism in Romania, the sections used in the analysis are the administrative divisions of the country. The cross-sections include 39 of the 41 counties of Romania. We have excluded two outliers: Ilfov-Bucharest, because business travel is the predominant form of tourism in this area, and Constanța, because tourism is overwhelmingly motivated by the presence of the Black Sea.

In order to identify the relevant ESE variables at a county level, the Tempo database provided by the Romanian National Institute of Statistics was used (Institutul National de Statistica, 2016). For most variables, the period of the analysis refers to annual data from 2000 to 2013. This time frame was chosen mainly due to availability and reliability issues. Annual data was preferred to avoid seasonality problems.
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The choice of variables and the analysis itself were complemented by several case study visits by the authors within the urban and suburban areas of Cotnari, Vatra Dornei and Piatra Neamț. These locations were chosen based on recommendations made by representatives of regional business support entities (e.g. Regional Development Agency, chambers of commerce, NGOs etc.) regarding areas which bring together businesses that benefit from a high quality of natural resources. The case study visits included meetings with entrepreneurs, business representatives and local officials and the onsite discussions confirmed that the three locations do rely on environmental quality in order to nurture socio-economic development: Cotnari is known for offering wine tourism services, Vatra Dornei provides various nature related entertainment services for a diverse array of tourists, while Piatra Neamț fosters the establishment of partnerships and natural tourism development projects, being the meeting place for various stakeholders in Neamț county. The case study visits mentioned above were conducted as part of the DEVEUROMD project funded through a research grant provided by the Romanian National Authority for Scientific Research and Innovation (42/BM/2016).

A. Tourism and ecotourism demand

In most survey based studies on environmental preference of tourists, the stated intentions to purchase leisure services are assessed. While the survey approach does allow for a more in-depth understanding of motivations and causal factors, the reliability of stated preferences is limited, especially in the case of ecological preference studies, where a socially desirable response may be provided.

The dependant variable of ‘tourism demand’ has been defined as the number of overnight stays by tourists within one county over the course of one year (nightsall). This indicator shows the observed behaviour of tourism consumers, rather than their stated intentions.

As mentioned previously, overall demand does not discriminate between tourists on the basis of their travel motivation (e.g. business or work, visiting family, hiking). In order to identify the more environmentally motivated trips, we have selected only those overnight stays which occurred in establishments predominantly located in natural surroundings: villas, cabins, guest houses, camping areas, holiday villages and bungalows. The resulting variable (nightseco) provides a proxy image of the demand for lodging in natural surroundings in Romania (which we have associated with a form of ‘ecotourism’ demand).
B. Determinants of tourism demand

Based on the data available, 18 potential environmental determinants were identified, along with 2 social and 2 economic determinants (see Table 1). A higher number of environmental components have been considered due to the exploratory nature of this study. For consistency purposes, most of the data was collected from the National Institute of Statistics (Institutul National de Statistica, 2016). The data regarding parks was collected from the official websites, while the data regarding mineral water springs is provided by Feru (2012). The presence of commercial mineral water springs within the county was chosen as a proxy indicator of water quality – a highly relevant natural public good, as confirmed by recent research developed within a Horizon 2020 Project (Provide, 2017).

Table 1. A general view of the variables used in the analysis

<table>
<thead>
<tr>
<th>Category</th>
<th>Coding</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>forest diversity</td>
<td>divers</td>
<td>Diversity of forest landscape, calculated as $1 - \sum S_i^2$, where $S_i$ = the share of forest areas covered by meadows, hardwood and coniferous trees respectively</td>
</tr>
<tr>
<td>use of fertilizers</td>
<td>fertizs</td>
<td>Share of county surface treated with fertilizers (%)</td>
</tr>
<tr>
<td>use of pesticides</td>
<td>fungis</td>
<td>Share of county surface treated with fungicides (%)</td>
</tr>
<tr>
<td>natural landscape</td>
<td>forest</td>
<td>Share of county surface covered by forests and forest vegetation (%)</td>
</tr>
<tr>
<td>natural surface</td>
<td>trees</td>
<td>Share of county surface covered by forests (%)</td>
</tr>
<tr>
<td>natural parks</td>
<td>parksall*</td>
<td>Total surface of national and natural parks within the county borders (ha)</td>
</tr>
<tr>
<td>water quality</td>
<td>minwater*</td>
<td>Presence of commercial mineral water springs within the county (0/1 dummy)</td>
</tr>
<tr>
<td>social</td>
<td>rural</td>
<td>Share of county population living in rural areas (%)</td>
</tr>
<tr>
<td>economic</td>
<td>GDP</td>
<td>GDP at the county level (million lei)</td>
</tr>
<tr>
<td></td>
<td>young</td>
<td>Share of county population below 35 years old (%)</td>
</tr>
<tr>
<td></td>
<td>roads</td>
<td>Total length of modern or modernized roads in the county (km)</td>
</tr>
</tbody>
</table>

* - variables used only in the cross-sectional analysis

All variables from the environmental, social and economic categories were chosen based on principles suggested in existing sustainability research (Cloquell-Ballester et al., 2006; Morrison-Saunders et al., 2015). Availability of data is a key factor that was taken into consideration by the cited researches, as well as ourselves.
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2.2. Analysis approach

The collected data has been analysed in two different ways. First, an OLS linear multiple regression analysis was used in order to provide a cross-sectional assessment of the relationship observed in 2013. The data was analysed using the SPSS statistical software. Second, a panel data analysis with fixed effects was used to verify the consistency of the relationship across the 2000-2013 time span, while accounting for the differences between counties. The data was processed using the EViews econometric software and the recommendations in the User Guide of the program (QMS 2010).

3. Results and discussion

3.1. Cross-section identification of trends in tourism demand

The first phase of our analysis looks at the situation in 2013 (the latest year for which a full data set could be compiled). This cross-section assessment is meant to identify the emerging trends with regard to the determinants of TD in Romania. A Spearman correlation analysis was performed in order to illustrate the relationship between the two demand variables and the proposed determinants.

Table 2a. Correlations of tourism demand with environmental determinant factors

<table>
<thead>
<tr>
<th></th>
<th>divers</th>
<th>fertiz</th>
<th>fertizq</th>
<th>fertizs</th>
<th>pest</th>
<th>fungiz</th>
<th>fungiq</th>
<th>herbiz</th>
<th>herbiq</th>
<th>insectiz</th>
<th>insectiq</th>
<th>forest</th>
<th>trees</th>
<th>green</th>
<th>natural</th>
<th>parkall</th>
<th>parkbig</th>
<th>minwater</th>
</tr>
</thead>
<tbody>
<tr>
<td>N-all</td>
<td>Srho</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.51</td>
<td>-.06</td>
<td>-.12</td>
<td>-.11</td>
<td>-.26</td>
<td>-.26</td>
<td>-.31</td>
<td>-.13</td>
<td>-.24</td>
<td>-.28</td>
<td>-.30</td>
<td>.48</td>
<td>.53</td>
<td>.48</td>
<td>.45</td>
<td>.23</td>
<td>.23</td>
<td>.58</td>
</tr>
<tr>
<td></td>
<td>.00</td>
<td>.72</td>
<td>.47</td>
<td>.49</td>
<td>.11</td>
<td>.12</td>
<td>.05</td>
<td>.40</td>
<td>.14</td>
<td>.08</td>
<td>.06</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>.16</td>
<td>.16</td>
<td>.00</td>
<td></td>
</tr>
<tr>
<td>N-eco</td>
<td>Srho</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>.60</td>
<td>-.22</td>
<td>-.28</td>
<td>-.30</td>
<td>-.40</td>
<td>-.40</td>
<td>-.45</td>
<td>-.30</td>
<td>-.40</td>
<td>-.38</td>
<td>-.45</td>
<td>.60</td>
<td>.63</td>
<td>.62</td>
<td>.60</td>
<td>.30</td>
<td>.37</td>
<td>.51</td>
</tr>
<tr>
<td></td>
<td>.00</td>
<td>.19</td>
<td>.08</td>
<td>.06</td>
<td>.01</td>
<td>.03</td>
<td>.00</td>
<td>.06</td>
<td>.01</td>
<td>.02</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>.00</td>
<td>.07</td>
<td>.02</td>
<td>.00</td>
<td></td>
</tr>
</tbody>
</table>

Sign\(^1\) + - - - +/ - - +/ +/ + + + + + + + + + +

Notes: N-all = 'nightsall'; N-eco = 'nightseco'; \(^1\) = expected sign of the correlation; Srho = Spearman’s rho

As seen in Table 2a, nightsall is correlated with several environmental determinants, and the sign of the Spearman coefficient is consistent with the theoretical expectations. In the case of nightseco, significant correlations of varying intensity can be observed with nearly all the environmental determinants. This provides evidence to support hypothesis H\(_2\) and suggests that ecologically motivated tourism may have been successfully captured through the proposed approach (through the nightseco variable).

The presence of natural parks is less relevant for overall tourism (including business travellers). The use of most pesticides, as well as fertilizers is more difficult to be directly observed (their...
presence being felt nonetheless in an indirect way through the effects on the surrounding environment) and thus has, at most, a limited impact on TD. However, landscape and water quality show significant correlations with all types of TD.

Table 2b. Correlations of tourism demand with socio-economic determinant factors

<table>
<thead>
<tr>
<th></th>
<th>rural</th>
<th>young</th>
<th>GDP</th>
<th>roads</th>
</tr>
</thead>
<tbody>
<tr>
<td>nightsall</td>
<td>Spearman’s rho</td>
<td>-.54</td>
<td>-.09</td>
<td>.65</td>
</tr>
<tr>
<td>p</td>
<td>.00</td>
<td>.59</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>nightseco</td>
<td>Spearman’s rho</td>
<td>-.47</td>
<td>-.01</td>
<td>.56</td>
</tr>
<tr>
<td>p</td>
<td>.00</td>
<td>.96</td>
<td>.00</td>
<td>.00</td>
</tr>
</tbody>
</table>

Expected sign of the correlation

With regard to the socio-economic determinants, GDP, roads and rural show medium to strong correlations with TD (see Table 2b). The strength is lower in the case of ecotourism, for which other factors (including environmental) may be more relevant.

An OLS regression was performed for both TD variables. In order to generate the best possible models from all existing combinations of the 22 predictor variables, the Backwards method was used, as described by Field (2009). This type of stepwise regression starts by including all relevant predictors in an initial model after which the ones that do not meet the significance threshold for the t-test are successively removed and the model is computed again. The process is halted when all predictors have been eliminated or a suitable model has been identified.

\[ \text{Nights}_i = c + \text{Environmental}_i + \text{Social}_i + \text{Economic}_i + \epsilon_i \]  

(1)

Where Nights is the dependent variable (nightsall or nightseco), Environment, Social and Economic represent the ESE independent predictor variables, i is the cross-section unit (county), c is the constant and \( \epsilon \) is the error term that captures unobserved factors that change according to county and tend to affect the dependent variable.

Three models were generated for each TD variable (see Table 3 and Equation 1): A1 and B1 include the environmental determinants, A2 and B2 the social and economic predictors, while models A3 and B3 provide a combined view of all three dimensions. In the case of A3 and B3, some predictors from the previous models, which did not meet the 10% probability threshold for A3 and B3, have been, nonetheless, included using the traditional Forced entry regression method (Field 2009).
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Table 3. Cross-section regression models for 2013 data

<table>
<thead>
<tr>
<th>Variable</th>
<th>Nightsall</th>
<th>Nightseco</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model A1</td>
<td>Model A2</td>
</tr>
<tr>
<td>Constant</td>
<td>15616</td>
<td>491131</td>
</tr>
<tr>
<td></td>
<td>(.167)</td>
<td>(1.623)</td>
</tr>
<tr>
<td>divers</td>
<td>747126***</td>
<td>589653**</td>
</tr>
<tr>
<td></td>
<td>(2.775)</td>
<td>(2.328)</td>
</tr>
<tr>
<td>minwater</td>
<td>365973***</td>
<td>245203**</td>
</tr>
<tr>
<td></td>
<td>(3.773)</td>
<td>(2.514)</td>
</tr>
<tr>
<td>herbiq</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>rural</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>30.648***</td>
<td>16.537**</td>
</tr>
<tr>
<td></td>
<td>(2.896)</td>
<td>(2.130)</td>
</tr>
<tr>
<td>No.</td>
<td>39</td>
<td>39</td>
</tr>
<tr>
<td>R²</td>
<td>.401</td>
<td>.363</td>
</tr>
<tr>
<td>Prob.</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>D. -W.</td>
<td>2.563</td>
<td>1.764</td>
</tr>
</tbody>
</table>

significant at the: *10% level; **5% level; ***1% probability level

By looking at the R² value of each model, we find evidence to support both H₁ and H₃, but not H₂. For both general, as well as ecological TD, the explanatory power of the environmental determinant models (A1 and B1) is higher than that of the socio-economic determinant models (A2 and B2). In addition, the combined ESE predictor model has an R² well above that of either one of the two previous models. These results suggest that, in 2013, the demand for tourism was primarily determined by environmental factors, rather than social or economic ones. This means that tourists are aware of environmental issues and have an increased preference for travelling to areas where they can be more connected to the natural environment. This is an encouraging trend, which promotes a sustainable outlook for the tourism sector in Romania.

3.2. Panel data analysis on determinants of tourism demand

As we have seen in the previous section, variables referring to the environment, besides social and economic factors, tend to encourage tourism in Romania’s counties in 2013. But could this be generalized for a longer period of time? Has the environment always been a determinant factor of tourism (besides socio-economic determinants) in Romania?

Such questions can be answered by means of a panel data analysis. Prior to performing it, we have investigated the correlations between the TD variables (nightsall and nightseco) and the full set of ESE predictors mentioned above (using the Spearman’s rho coefficient). Table 4 illustrates the results of the analysis.
As seen in Table 4, almost all of the predictors are correlated with both dependants at a level of significance of 1% (with some exceptions). The direction of all the correlations fits with the generally accepted theories (e.g. reflected in the ‘expected sign’ row). The strength of the relationships varies between weak (with variables describing the harmful effects on the environment of fertilizers and pesticides), to medium (with socio-economic variables) and strong (especially with variables that reflect positive environmental aspects – diversity and quality of the natural landscape). Another important issue worth mentioning is the fact that the forest, green, natural and trees variables are strongly correlated with each other, so they will not be used jointly in the panel data analysis.

Economic variables are often found to be non-stationary. For this reason, in general, regression models that use non-stationary variables give potentially fatal issues of spurious results. This is why we have strong reasons to verify if stationarity occurs. Unit root tests were performed for each variable, considering the following methodologies: Levin, Lin and Chu, Im, Pesaran and Shin W-stat, ADF - Fisher Chi-square, as well as PP - Fisher Chi-square (for a 10% significance level). The majority of tests showed that most of the variables were non-stationary at level and stationary at first difference. Also, the data was checked for serial correlation and heteroscedasticity in order to ensure the most reliable results. Therefore, to avoid spurious results, the variables in first difference were used in the panel data analysis. This is further supported by the fact that, when using the variables in absolute values, the very low values of the Durbin-Watson statistic indicate positive autocorrelation of residuals. Thus, the resulting generic model is illustrated in Equation 2.

\[
\Delta \text{Nights}_{it} = c + \Delta \text{Environment}_{it} + \Delta \text{Social}_{it} + \Delta \text{Economic}_{it} + \alpha_i + \epsilon_{it} \tag{2}
\]

where \(\Delta\) is the first difference, \(i\) is the cross-section unit (county), \(t\) denotes the time period (2001-2013), \(c\) is the constant, \(\text{Nights}\) is the dependent variable (nightsall or nightseco), \(\text{Environment}, \text{Social}\) and \(\text{Economic}\) represent the three dimensions of the independent variables, \(\alpha_i\) captures the fixed effect of
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the county (this value is fixed over time) and \( \varepsilon_{it} \) is the error term that captures unobserved factors that change over time and county and tend to affect the dependent variable.

With regard to the model estimation, a pooled OLS model cannot be used given that such an approach neglects the cross-section and time series nature of the data. Therefore, given that we need to control for county specific individual effects, the model must take the form of a panel data regression with fixed-effects or random-effects. A decision between the two types of model was taken after performing the Hausman-test (QMS 2010), which indicated a fixed-effect model to be the appropriate type of model. The most revealing models for each of the two dependent variables were selected by applying an adaptive version of the Backward technique (see section 3.1) and Forced entry, where necessary (see similar approaches in the cross-section analysis).

Three models were produced for each TD variable (see Table 5): C1 and D1 include the environmental determinants, C2 and D2 the social and economic predictors and models C3 and D3 provide a combined view of all the three dimensions. When looking at the models that use nightsall as the dependent variable, no significant explanatory factors of environmental nature could be identified, leaving the model only with one constant and county fixed effects (model C1). When looking at the socio-economic dimension, the county’s GDP has a strong and significant impact, positively influencing the number of visitor stays (model C2); although the rural component is not significant, it comes very close to the threshold of 10% significance and has the expected sign (as seen in the ‘static’ models in section 3.1). When adding all the ESE variables in the same model, and after applying the Backward technique, the explanatory power (R\(^2\)) and significance (Prob.) of the model increases, resulting in a strong influence of the GDP and a weak influence of the natural (model C3). The main conclusion of these models is that the socio-economic dimension has an important impact on TD (nightsall) while the environmental components are not clearly motivating the tourists to visit a county.

Table 5. Fixed-effect models for tourism demand in Romania’s counties (2000-2013)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Nightsall</th>
<th>Nightseco</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model C1</td>
<td>Model C2</td>
<td>Model C3</td>
</tr>
<tr>
<td>Constant</td>
<td>3396.26</td>
<td>-7147.62**</td>
</tr>
<tr>
<td></td>
<td>(1.601)</td>
<td>(-2.248)</td>
</tr>
<tr>
<td>herbiq</td>
<td>-9127.27</td>
<td>(-1.113)</td>
</tr>
<tr>
<td>forest</td>
<td>309679***</td>
<td>(2.664)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>natural</td>
<td>376274*</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1.635)</td>
<td></td>
</tr>
<tr>
<td>rural</td>
<td>-208650</td>
<td>-198535</td>
</tr>
<tr>
<td></td>
<td>(-681)</td>
<td>(-650)</td>
</tr>
<tr>
<td>young</td>
<td>-792946***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(-2.886)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variable</td>
<td>Nightsall</td>
<td>Nightseco</td>
</tr>
<tr>
<td>----------</td>
<td>-----------</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td>Model C1</td>
<td>Model C2</td>
</tr>
<tr>
<td></td>
<td>(4.343)</td>
<td>(4.371)</td>
</tr>
<tr>
<td>roads</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td>507</td>
<td>507</td>
</tr>
<tr>
<td>R²</td>
<td>.007</td>
<td>.114</td>
</tr>
<tr>
<td>F-stat.</td>
<td>1.038</td>
<td>1.504</td>
</tr>
<tr>
<td>Prob.</td>
<td>.410</td>
<td>.027</td>
</tr>
<tr>
<td>D-W.</td>
<td>1.825</td>
<td>1.837</td>
</tr>
</tbody>
</table>

significant at the: *10% level; **5% level; ***1% probability level
fixed effects were applied for county level data

When looking at the number of overnight stays of people who are more likely to practice ecotourism (*nightseco*), we found that the socio-economic dimension still plays an important role: the $R^2$ of model D1 (environmental dimension) is smaller than the $R^2$ of model D2 (socio-economic dimension). In model D1, only forest remains statistically significant, reflecting the fact that the environment has some influence on nightseco; it also bears the expected sign (positive influence). The quantity of herbicides (*herbiq*) tends to influence the number of ‘eco-nights’ negatively, but the significance level is above the 10% threshold. The second model (D2) reveals that both a social (young) as well as an economic (GDP) variable tend to influence TD (negative and positive signs respectively); the infrastructure tends to positively influence the number of ‘eco-nights’, with an associated significance level slightly above 10%. After including all the ESE explanatory variables in the model and after eliminating those which are not statistically significant, we were left with model D3 (with an $R^2$ that is higher than those of its predecessors). This shows that components referring to all of the three dimensions have an important influence on the *nightseco*: the environment (forest), the socio (young) and economic (GDP and roads) aspects. In conclusion, although we used the *nightseco* indicator as a proxy for ecotourism, the socio-economic dimension remains the main game maker of the model while the environmental component (approximated through multiple indicators) has a weak influence contributing insignificantly to the $R^2$ of the model (a difference of only .029 between the $R^2$s of models D2 and D3). We are nevertheless cautious with regard to the influence of the young, given that, in Romania, in the last two decades, a stable trend in the aging of the population has been observed.

Although the inclusion of the environment among the determinant factors of TD creates a somewhat higher explanatory power for the model (thus supporting H3), the results of the panel analysis contradict hypothesis H1, showing that, over the 2000-2013 time span, the social and economic factors had a stronger contribution to the development of TD (compared to environmental factors) in Romania.
In addition, by examining the effect size of models C1 and D1, we find evidence to support $H_2$ – given that a statistically significant environmental component model for $nightsall$ cannot be generated with the existing data, while in the case of $nightseco$, a statistically significant model with an $R^2$ of .13 is identified. These results also support our proposed method of separating ecotourism demand from overall tourism demand through the $nightseco$ variable (also confirmed by the correlation analysis).

Overall, when employing the cross-section regression models for 2013 data, evidence on the $R^2$ value of each model inclined to support both $H_1$ (the demand for tourism was primarily determined by environmental factors, rather than social or economic ones) as well as $H_3$ (the combined explanation power of the environmental, social and economic components impact greater the tourism demand than if analysed individually). Nonetheless, it looks like $H_2$ cannot be supported given that, for the ecological tourism demand, as oppose to the overall tourism demand, environmental related factors are not as relevant as expected. When using the fixed-effect models for tourism demand in Romania’s counties (2000-2013), $H_1$ can be clearly rejected, based on the fact that the social and economic factors, as opposed to the environmental factors, had a stronger contribution to the development of TD within 2000-2013. Nonetheless, $H_2$ and $H_3$ can be supported and, moreover, provides evidence to support the proposed method of using the $nightseco$ variable as a form of measuring ecotourism demand.

Conclusions

The study has sought to assess whether the determinant factors of tourism demand in an Eastern European country, such as Romania, support a sustainable, long-term development of the sector. Special attention has been given to observing the role played by the environmental factors (e.g. landscape quality and diversity, water quality, use of pesticides) in catalysing or discouraging tourism demand across the various counties of Romania.

The analysis looks at the relationship between social, economic and environmental factors and the number of overnight stays in tourism establishments. One of the original contributions of the work is that the assessment is performed both from a stationary cross-sectional perspective (looking at the year 2013), as well as through a panel data analysis (for the 2000-2013 time span). An additional component of added value is represented by the proposed method of extracting eco-tourism demand from the overall tourism service consumption (through the $nightseco$ variable). The analysis was complemented by several case study visits by the authors within the urban and suburban areas of
Cotnari, Vatra Dornei and Piatra Neamţ, the visits being conducted as part of the DEVEUROMD project funded through a research grant provided by the Romanian National Authority for Scientific Research and Innovation (42/BM/2016).

Our results show that, while social and economic factors have had a stronger impact than environmental components on tourism demand over the last 15 years, the emerging trend (observed in 2013) shows that environmental determinants are becoming significantly more relevant to tourists. These results confirm the existing trend of promoting and developing sustainable tourism and rural ecotourism across Romania. It is, however, noteworthy that neither the social, economic, nor ecological dimension can decisively explain the trend of tourism demand by itself. A satisfactory prediction model can only be generated by looking at a synthesized ‘socio-eco-enviro’ approach. The motivational factors of consumers cannot be clearly split along the three familiar dimensions, but must be assessed in a unified sustainability approach.

In order to encourage the attractiveness of tourism, local and regional authorities should channel their policies in a balanced manner towards all the three components of an integrated and sustainable system. Some possible directions could include: development of transportation and accommodation infrastructure, regulations that encourage employment in the tourism sector, governance mechanisms that promote the provision of public goods. By neglecting one dimension, the sector itself could be progressively pushed backwards in time, fostering volatility in the demand for such services.

Acknowledgement: This work was supported by a grant of the Romanian National Authority for Scientific Research and Innovation, CCCDI – UEFISCDI, project number 42/BM/2016 (DEVEUROMD).

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Specifics of the Polish-Belarusian economic relations in the 21st century

Łukasz WOJCIESZAK*

Abstract

The article deals with the relations between Poland and Belarus in the 21st century in the light of the recent events showing the re-rapprochement between the two countries. The aim of the paper is to present the importance of economic cooperation and the development of trade relations for the strengthening of the relations between these countries. The author emphasizes cooperation in the energy sector. He describes how crucial trade and economic cooperation is in overcoming crises in political relations. The author stresses the role of Poland in supporting the economic transformation of Belarus creating an alternative to the cooperation between Belarus and Russia. In this article the author uses descriptions, as well as the predictive methods.

Keywords: Poland, Belarus, economic relations

Introduction

In Polish-Belarusian relations periods of relatively deep cooperation have been interwoven with phases of poor collaboration for years. In the first decade of the 21st century, the conflict around the Union of Poles in Belarus has negatively influenced the Polish-Belarusian relationship and has hindered the rapprochement between the neighbouring states for several years. At present, a certain thaw in bilateral relations can be observed, with economic factors playing a special role aimed at supporting the weakening Belarusian economy and at limiting the Russian influence as much as possible. The purpose of this paper is to present Polish-Belarusian relations in the 21st century, thus showing both periods of good co-operation as well as apparent lack of collaboration.

A change in the relations between the European Union and Russia triggered by Russia's involvement in the conflict in Ukraine was crucial for a certain rapprochement between Poland and Belarus in 2016. Poland's policy towards Belarus is part of a broader concept of Polish Eastern policy, reflected in the Eastern Partnership program. Belarus, as a state linked relatively closely with

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Łukasz WOJCIESZAK

Russia, stands out, however, against other former Soviet Union republics. This is one of the fundamental reasons why Poland's policy towards Belarus faces many difficulties.

Poland has been trying to pursue an active policy towards the former Republics of the Soviet Union for years (an example of such an action is the Eastern Partnership or the Three Seas Initiative). Poland is one of the important trade partners of Belarus, this is supported by the close proximity as the countries are neighbours. The following thesis can be stated: the Polish-Belarussian relations became warmer at the beginning of the second half of the present decade. The relations between Poland and Belarus have partially improved mainly because of the economic cooperation.

1. Fundamentals of cooperation

The relations between Poland and Belarus have faced recurring crises since 1991. They occurred mainly because both sides were influenced by the historical legacy, numerous stereotypes and reminiscences of the conflict between neighbouring Poland and Belarus. Both the objective factors, arising from e.g. geopolitical determinants, as well as subjective ones, originating in cultural differences, fuelled the reluctance of both sides. The requirements of the current domestic and foreign policies of both countries had further impact. The stereotypes about the political system of power in Belarus, and specifically the attitude of the society towards President Alexander Lukashenko, played a particularly negative role. The perception of Belarus as a "seasonal state" was also problematic (Gieorgica, 2012, pp.12-13).

Its location makes Belarus an arena for a clash between the EU and Russia. Both the EU and Poland are concerned about the possibility of the annexation of Belarus by Russia's via military means, thus it is important to minimize the risk of this scenario taking place. Economic support for Belarus aims to increase the stability of this country and this could prevent Belarus to have the same fate as that of eastern Ukraine. The relations between Poland and Belarus are not stained with conflicts that have often started few hundred years ago as in the case of Russia, Ukraine or Lithuania (Iwańczuk, 2009, p. 130). The shared past becomes a connecting factor rather than a separating one. The joint statehood in the First Polish Republic and close cultural ties strengthen the mutual relationship. In the independent states, Poland and Belarus, periods of improvement intersperse with phases of deterioration in the bilateral relations. Thus, the Polish-Belarusian relations can be divided into four periods:

1. First period (1990 – 1994) – includes the time when the treaty base was build and a good neighbourly cooperation was developed;
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3. Third period (2008 – 2012) – contains symptoms of normalization and the development of neighbourhood co-operation, including the framework of the Eastern Partnership proposed by the EU (Zięba, 2010, 225);

4. Fourth period (2012 – 2016) – marked by a strong deterioration of the relations and the lack of action that could actually improve them.

5. Is there going to be another period? – it remains an open question. It could be initiated by economic rapprochement between the states while political issues are put aside.

The Declaration on Good Neighbourhood, Mutual Understanding and Cooperation signed between the Republic of Poland and the Republic of Belarus in October 1991, thus constituting the basis for future collaboration, was the first significant step towards closer relations between Poland and the independent Belarus. Another important agreement was the Treaty of Good Neighbourhood and Friendly Cooperation between the Republic of Belarus and the Republic of Poland, signed in Warsaw on June 23rd, 1992 (Traktat między Republiką Białoruś a Rzecząpospolitą Polską o dobrym sąsiedztwie i przyjaznej współpracy, 1992). In the relations with Belarus, Poland was mainly concerned about tightening political cooperation in order to move the country away from Russia (like Ukraine) and link it to the West. To achieve this, Poland supported democratic and independent activities in Belarus. The authorities in Minsk, however, were more interested in the pragmatic economic cooperation with Poland, in particular in obtaining the possibility to transit their goods through the territory of Poland to Western Europe. The bilateral relations developed so dynamically that the cooperation was even extended to the area of defence (Zięba, 2010, pp. 227-228). However, in the first half of the 1990s, problems related to the well being of the Polish minority in Belarus came to light.

The deterioration of Polish-Belarusian relations was caused by several factors, among which the most important ones were related to closer cooperation between Poland and the West (and especially with NATO) and the integration of Belarus with Russia. Both states maintained dialogue, although mutual relations got worse when the dictatorship of Alexander Lukashenka consolidated. Poland's attitude towards Belarus is referred to as "critical dialogue" (the president of the Polish-Belarusian Association Bolesław Chmieliński defined this concept as a policy of psychological pressure on a neighbouring country) (Czachor, 2011, p. 140).

Poland's strategy towards Belarus was based on the assumption that closer relations with that country should be linked to the respect for democratic principles and human rights by the Minsk
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authorities. Poland sought different ways to influence the governance system in Belarus, including via the European Union. The authorities in Warsaw have sought to intensify a revival of bilateral contacts, but expected democratic changes to be introduced in that country. However, this hasn’t led to the expected breakthrough, and Belarus remained internationally secluded. Even though Belarus agreed to a dialogue with Poland, it rejected Polish "interference" in its internal affairs. It is worth emphasizing that at the beginning of the first decade of the 21st century trade between Poland and Belarus developed well, and in April 2004 the countries signed a new economic cooperation agreement. A significant deterioration of bilateral relations took place in 2005, when a dispute over the Union of Poles in Belarus broke out, and Polish diplomats were removed from the Republic of Belarus (Zięba, 2010, p. 236-238).

The breakdown of bilateral relations made Poland the main target of Belarus's attack. There were several reasons to choose Poland as the main opponent:

- historically and culturally Poland is the most active and influential European state when it comes to shaping a common EU and NATO policy towards Belarus;
- Poland is the main supporter of the Belarusian opposition (also within the EU),
- there is a relatively large and well organized Polish Diaspora in Belarus, which is supported by the Polish authorities,
- in Poland many Belarusians can most easily learn and work, and also move to Western Europe, which makes the Polish life style competitive for the Belarusian one (Gieorgica, 2012, p. 15).

In 2008 the Polish-Belarusian relations began to slightly improve. One of the most important problems at that time was the Polish Card, but the dispute around it was mitigated relatively quickly. Moreover, the Belarusian authorities ceased to repress the political opposition at that time and to limit the freedom of media, and also declared their desire to improve relations with the West (Zięba, 2010, p. 239). This created an opportunity for cooperation with Belarus, also within the framework of the Eastern Partnership. Such kind of activity was linked to multi-vector politics and it was included in the official documents of the state (Об утверждении, 2005).

As George Paweł Gieorgica observed, Polish policy towards Belarus did not have any strategy, doctrine, or clearly defined objectives. Polish political elites seemed to regard for a long time the “Solidarity” approach leading to the free market and democracy, as in case of Poland, as the only natural approach for the transformation of Belarus. This understanding of the possible systemic changes indicated the complete ignorance of the different geopolitical conditions, political

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20 The Independent Self-Governing Labour Union Solidarity became a symbol of democratic changes in Poland, which were possible after opposition and communists reached an agreement.
culture issues as well as various economic determinants. According to the aforementioned researcher, this could have been a reason why the Eastern policy of Poland remained astonishingly inconsistent in defining and realizing its national interest as well as in executing its own objectives towards Belarus within the EU less actively (Gieorgica, 2012, p. 14).

Poland's policy towards Belarus has been multidimensional for many years. First and foremost, close relations between the Polish and Belarusian societies are important - Poland seeks to issue more visas for Belarusian citizens. An important element of the Polish policy towards Belarus is the development of contacts at the technical level between non-governmental organizations (in the area of culture and regional cooperation), financing scholarships for Belarusian students who cannot study in Belarus for political reasons (the Konstanty Kalinowski program) as well as conveying objective information to the Belarusian society - in this respect Belsat TV and Radio "Racyja" play a significant role (Polityka Polski). The situation of the Polish minority in Belarus has been a problem for years and its position has been weakened by the dispute over the Union of Poles in Belarus. Another issue in the bilateral relations was the Polish Card confirming the belonging to the Polish nation. The government of Law and Justice (PIS – Prawo i Sprawiedliwość)21, created in 2015, placed an emphasis on improving relations with Belarus, supporting pragmatism in mutual relations. During his exposé, the Polish Foreign Secretary Witold Waszczykowski, stated that Poland hopes to intensify cooperation in the field of infrastructure, including the enhancing of the border crossing capacity and simplifying traffic rules, mainly through the implementation of the agreement on the local border traffic (Pełna treść, 2016).

2. Economic relations as an important area of cooperation

The cooperation between Poland and Belarus has been subject to numerous changes since the early 1990s, as a result of the influence of political and economic factors, primarily due to the fact that these two countries had different integration centres: Poland – the West (EU) and Belarus – the East (Russia). Despite the level of cooperation between the two states at the government level, which has been dependent on political turmoil, the cross-border collaboration has developed well over the years, with Belarus and Poland participating in the Euro regions Bug, Neman and Bialowieża Forest (Wojcieszak, 2010, pp. 169-171). The prospects for economic cooperation between Poland and Belarus have been detailed by their governments in the following way:

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21 A conservative party, created 2001.
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a. cooperation to stabilize the Polish-Belarusian border, including the modernization and opening of new border crossing points, and winning EEC funds for these aims,
b. opening of new possibilities to settle trades through the introduction of settlements in Polish złoty (PLN),
c. joint activities to create infrastructure on the East-West freight corridor, the Europe-Asia railway connection, and the development of shipping using Polish seaports,
d. development of cross-border co-operation in Euro regions "Bug" and "Neman",
e. co-operation in the area of fruit and vegetable processing, electrical engineering, agricultural machinery, medical apparatus or construction materials (Żukowska, Żukowski, 1999, pp. 26-27).

The positive results of the trade between Poland and Belarus in the mid-1990s confirmed the growth trend, that started in 1994. It was important for the co-operation of the two countries that the Polish investors were increasingly interested to be present on the Belarusian market. As a result, Polish-Belarusian companies and representative offices fully owned by Polish investors were created. In 1995 the turnover of goods between Poland and Belarus amounted to 471 million USD, including exports from Poland to Belarus - 233.6 million USD, and imports from Belarus to Poland - 237.4 million USD (Żukowska and Żukowski, 1999, p. 27). In 2015 trade turnover between Belarus and Poland reached over 1.8 billion USD (Ambasada Republiki). In 2008, before the Eastern Partnership was launched, Poland was among the most important trading partners of Belarus, and imports included a variety of goods (Малашенкова, 2009, pp. 149-150). In 2015, according Belarusian sources Poland was in the eighth place among countries exporting their goods to Belarus (Chouneiko, 2016). Currently, however, according to the economist Jaroslaw Romańczuk, the import of Belarusian goods to Poland, as well as the demand for it, is small (Гапеева, Марчук, 2016).

The working group on energy within the framework of the commission for Belarus-Poland trade and economic cooperation resumed its activity in the autumn of 2014, after a four-year break. In November 2014 in Brest there were discussions at the level of deputy ministers about cooperation in the field of electricity, energy efficiency, renewable energy sources, oil and gas as well as mining and mining machinery.

Such cooperation seems to be of more interest for Belarus. The authorities in Minsk hope to sell a part of the nuclear power produced in the Astravyets nuclear power plant to Poland. In this regard, it would be possible to launch two inactive power lines (Białystok – Roś overhead power line with operating voltage of 220 kV and Brześć – Wólka Dobryńska line with an operating voltage of 110 kV), but they are not really significant for Belarus. However, it is more important to renovate
and expand the first of these lines. It is worth noting that the Belarusian authorities gained support of the Polish businessman, Jan Kulczyk, for the investment, but he withdrew from the cooperation in early 2011, resigning also to build a coal power plant in the Grodno region. According to the plan, the electricity from the power plant was to be delivered to both the Belarusian and Polish markets (Czerniewicz 2015). Belarus wanted to build a cross-border line with operating voltage of 400kV but the Polish side was not interested in its construction.

Belarus got into a long-term economic crisis as a result of a prolonged economic recession in Russia, the main economic partner for Belarus, as well as a drastic drop of fuel prices on the world markets, which is one of the key items of Belarusian exports. A further significant issue was the failure of the Belarusian economic model. In the middle of the second decade of the 21st century in Belarus, the symptoms of the crisis were very strong, especially because, for the first time in almost twenty years, the GDP fell, which was mainly a consequence of a significant decrease in the production and exports. As a consequence, the foreign-exchange reserves were significantly reduced and the Belarusian ruble was more and weaker (Kłysiński 2016).

The import of Belarusian energy to Poland may become an important field of cooperation between the countries. This might be encouraged by the nuclear power plant in Astravyets as one of its two units is planned to be completed in 2019. The Belarusian administration reported that after the launch of the facility they intend to stop the imports of energy from Russia. A further result is an energy surplus that might be exported on a broader scale in the north-west direction including Poland. The Belarusian Energy Minister, Vladimir Patupczyk, said that Warsaw is interested in importing electricity, and the aim is to turn this plan into tangible projects. A noteworthy idea is to build an efficient power line with Belarus. The existing Białystok – Roś line has low capacity and is currently not in use. The Kulczyk Holding was interested in this investment as a part of the investment plans for the Belarusian energy sector and the plan was to build a new power plant together with the state-owned Bielenergo Group and to sell electricity produced to Poland. For this purpose, however, it was necessary to build an energy bridge, which the state-owned operator objected to as this would generate significant costs (Maciążek 2015).

3. Significance of Russia's policy

When analyzing relations between Poland and Belarus, it is important to mention Russia's role. Belarus is of a great geopolitical significance for Russia, mainly thanks to its transit role (Snapkowski, 2006-2007, p. 64) and this determines its position in the Russian foreign policy strategy. Under Alexander Lukashenko Belarus and Russia have integrated more closely and a more
institutionalized result was the establishment of the State Union of Belarus and Russia. However, the Eurasian Economic Union is of much more practical significance and it also integrates among others both countries. Notwithstanding any political and legal aspects of the cooperation, Belarus operates in a very serious dependence on Russia. In particular, this manifests in the Belarusian dependence on the supply of energy resources from its eastern neighbour. Whilst the co-operation between Belarus and Russia is multidimensional, it is not free from tensions, which, together with growing opposition to Russia's numerous international actions (especially in relation to Ukraine), allow the Minsk administration to reorient its foreign policy.

Since the independent Belarus has been created, there have been frequent conflicts with Russia regarding the imports of natural gas and crude oil. Supplies of cheap energy resources are essential for the Belarusian economy (Zawadzki, 2010, p. 122). Belarus processes Russian oil (refineries are located in Mazyr and Novopolotsk), and exports it to the West, which constitutes a very important source of the state income. Meanwhile, Russia gradually reduces supplies of raw materials, which is a serious blow for the Belarusian economy. Another problem is the Russian embargo on food imports from Belarus, which re-exports to Russia many products that the Kremlin authorities embargoed claiming that these products were Belarusian products (Były radca Ambasady RP, 2017). However, the military cooperation between Russia and Belarus develops well, which often disturbs Poland, in particular (especially exercises that take place near the Polish borders simulating a fight against the western enemies). Nevertheless, the growing distrust between Belarus and Russia, makes the Zapad-2017 exercise and the associated presence of significant Russian forces a threat for the state governed by Alexander Lukashenko.

The idea to lift the visa requirements for the citizens of 80 countries (including Poland), which constituted a rather unexpected step taken by the Minsk government, alarmed Russia, which had closed its border with this western neighbour (Były radca Ambasady RP, 2017). In the context of this next phase in the relations of Belarus to the West (or its "play on two fronts"), it is therefore possible for an "ideologically struggle" for that country to take place, and one of the main opponents of Russia might be Poland (Kłysiński and Żochowski, 2016, p. 21). A very significant drop in oil prices has seriously undermined Russia's economic potential, and this drop does not make Russia an attractive partner for Belarus today, as it has been so far. This peculiar "rivalry for Belarus" brings significant benefits to President Lukashenko, who has kept his power for many years skilfully playing with both the East and the West partners while being the de facto guarantor of the Belarusian separateness from its Russian neighbour. Any attempts to weaken ties between Belarus and Russia, regardless of the effects of these efforts, would provoke in the present reality more or a less strongly articulated opposition of the Moscow authorities.
4. Examples of cooperation development in 2016

In 2016, several important senior Polish officials visited Belarus and other events took place as well confirming the rapprochement between Poland and Belarus. In May 2016, the Polish Minister of Agriculture and Rural Development Krzysztof Jurgiel met his Belarusian counterpart in Shanghai. The Ministers reaffirmed their willingness to deepen cooperation between the two countries in the field of agriculture and to support actions to increase mutual trade in agri-food products. The Polish Minister Krzysztof Jurgiel emphasized that Belarus is a very important economic partner for Poland, and that the proximity of the two countries and the existing traditional ties should be used to strengthen the partnership. The Polish Minister also indicated the need to lift restrictions imposed by Belarus on imports from Poland (Rozmowy polsko, 2016). In June 2016, Minister Jurgiel took part in the "Belagro 2016" exhibition in Belarus. The Polish minister, among other initiatives, opened a stand promoting Polish food (it should be noted that in the first quarter of 2016 the exports of Polish food products to Belarus increased by 56% compared to the same period of the previous year (Opłaca się, 2016).

Another important event was the meeting of the Polish Minister Witold Waszczykowski with the Belarus Deputy Foreign Minister Alena Kupczyna as it was an opportunity to discuss bilateral issues (including economic relations and problems of the national minorities in Poland and Belarus), regional security and the rearrangement of the treaty basis. Moreover, the parties discussed issues in the relations between Belarus and the European Union, also in the context of the ongoing works to reform the European Neighbourhood Policy (Polsko-bialoruskie, 2016). This meeting prepared the ground for further diplomatic activities of both states. It should, however, be noted that a number of important issues were not clarified.

In October 2016, the Deputy Prime Minister and the Minister of Development and Finance, Mateusz Morawiecki, visited Belarus. The trip of the Polish minister was a sign of positive changes in Polish-Belarusian economic relations. These relations continued despite the nearly frozen diplomatic relations and Poland became Belarus’s third largest trading partner, ahead of Germany and China. The expected increase in investment is remarkable - as many as 230 Polish entrepreneurs came to Minsk for the 20th Economic Forum “Good-Neighbourhood 2016” in Minsk. At the same time there are currently about 350 companies with Polish capital and about 2800 with Russian assets (Międzymorze: Romaszewska, 2016). It would be important for Polish companies to engage in privatization processes of companies in Belarus, but it is currently difficult to predict what results such actions may bring.
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During his visit in Belarus, the Deputy Prime Minister Morawiecki met, among others, with President Lukashenko and with Prime Minister Andrei Kobyakov, and he also participated in the opening of the 20th Belarusian-Polish Economic Forum “Good-Neighborhood 2016”. When concluding his visit to Belarus, he stated for “Sovetskaya Belorussiya-Belarus Segodnya” newspaper Morawiecki that the Polish government was taking steps to develop Polish-Belarusian cooperation, which was a part of the process aimed at improving relations between the European Union and Belarus and, more broadly, between the West and Belarus. According to Minister Morawiecki, Poland believes that the normalization of mutual relations should be comprehensive and should cover all aspects; and even in the cases of the more difficult issues, it would be possible to develop the most promising areas as well as solve all problems. Furthermore he mentioned that over the past 25 years, “there were various periods in our relations, but one fact did not change: Poland and Belarus were, are and will be neighbours that respect each other” (Prus, 2016).

When referring to the importance of Polish-Belarusian cooperation, the Minister Morawiecki pointed out that in the first half of 2016 Poland was Belarus's third trading partner, third among exporters and the ninth in terms of investment. For Belarus, Poland is the sixth largest export market. At the same time, exports of Polish agri-food products increase, and the logical consequence should be investment in the food processing sector, the creation of joint enterprises and the transfer of equipment and technology. Moreover, the Polish politician mentioned the good prospects for cooperation in the logistic and transport areas, due to the geographical location of Poland and Belarus: the development of communication routes linking the East to the West and the North to the South. He also indicated that there was a possibility to join together the China’s New Silk Road as well cooperate locally (the project to build the Dnieper-Vistula Canal and facilitate the access of Belarusian goods to Polish ports). Further Morawiecki stressed that more than 100 Polish companies took part in the Polish-Belarusian Business Forum "Good Neighbourhood 2016" including many that still do not operate in Belarus, but saw great potential in the Belarusian market (Prus, 2016).

When summarizing the meeting of Polish and Belarusian representatives, the journalist Dzmitry Krat, stated that then it was justified to talk about a new level in the quality in Belarusian-Polish economic cooperation. According to Krat, business circles collaborated successfully, as confirmed by the growing trade, but until recently economic cooperation had not been correlated with the official diplomatic relations between the countries. That fact, however, in his view, didn’t negatively affect the cooperation and then when the official relations between Belarus and the West were warmer, the economic collaboration between Belarus and Poland developed well, as proved by the meeting of President Lukashenko with Deputy Prime Minister Moraviecki. Both politicians
agreed that the economy should be the foundation of a new rapprochement between the two states, and via the Minister Morawiecki “Poland sends a signal of its constructive attitude” (Prus, 2016).

Belarus regards Poland as its nearest western state and the Belarusian authorities want to show that they have very good relations with a representative of the West. Moreover, Belarus wishes to send a message to Russia that it will now work more closely with the West, i.e. with Poland. As Russia is currently in a poor economic situation, it is not particularly willing to financially support Belarus. The authorities in Minsk use this situation and show that they are free to act. On the other hand, there is a problem to introduce local border traffic, although the relevant agreement has been concluded and ratified by both states. Another matter of dispute is the situation of the Poles in Belarus or the difficulty to contact the Polish consul. The situation of the Poles in Belarus or the difficulty of accessing the Polish consul is a matter of dispute. Teaching Polish is a further problematic issue. (Wandas, 2016).

In December 2016, the Marshal of the Polish Senate, Stanislaw Karczewski, went on a three-day trip to Belarus. This visit, in addition to the earlier visit of the Deputy Prime Minister Morawiecki, represented a "new level of quality" in relations with Belarus. During the meeting Marshal Karczewski and President Lukashenko discussed issues of economic, commercial, scientific and cultural cooperation. Further, they talked about the situation of the Polish minority in Belarus (President Lukashenko suggested to unite both unions of Poles: the legal one and the one not recognized by the Minsk authorities). For Belarus that struggles with economic difficulties, it is essential to tighten economic relations. The Belarusian authorities approved the proposal to organize an economic forum of the regions (Bielecki, 2016). Furthermore, it was important that the agreement reached between Poland and Belarus on cooperation in educational matters was unanimously ratified by the Belarusian Parliament. For Belarus, the TV channel “Belsat”, criticized by the Belarusian authorities, created a problem. Following the suppression of protests in Belarus in March 2017 the bilateral relations partially worsened. However, hopefully, progress made in the Polish-Belarusian relationship will help to solve problems in the future.

Conclusions

As presented earlier in this paper, there is a warming up of relations between Poland and Belarus and the thesis stated in the introduction has been confirmed. A certain rapprochement between the two states is another opportunity for closer cooperation, however, it is not clear how the relations will develop in the long run. The Polish-Belarusian relations have improved to some
extend because the confidence in Russia has declined and the prospect of further favourable cooperation between those two countries has worsened. The repression of the protesters who demonstrated against the policy of the Belarusian authorities in March 2017, however, has significantly slowed down further efforts to strengthen relations between the countries.

The relations between Poland and Belarus bring significant challenges for both states. Poland has sought to support democratic activities in Belarus for many years, however, notwithstanding these objectives, economic cooperation is of particular importance. At the same time, as indicated, in the bilateral energy relations (and more strictly, in the power sector), there are still difficult problems to solve. Belarus recognizes how important the collaboration with Poland is and perceives this country as a potentially important partner to enable cooperation with the West. For Poland it could be an opportunity to get involved in the re-privatization processes taking place in Belarus.

As indicated, both authorities have sought to emphasize the warming of bilateral relations. In particular, the meetings of high officials and the interests of business circles are noticeable. It can be assumed that the tightening of economic ties could lead to a closer rapprochement between the two countries. In this context, it is important to highlight the great commitment of the Polish diplomacy to improve mutual relations. Poland has managed to succeed only partially in this regard, this commitment, however, constitutes a basis for further activity.

When referring to the thesis, it should be noted that economic cooperation plays an important role in the improvement of relations between Poland and Belarus, and its role could continue to grow in the future. However, both the influence of Russia and the internal conditions of Belarus create obstacles. It is currently difficult to foresee how realistic it is to intensify the bilateral relations, or how feasible it is that Poland will participate in the privatization of Belarusian companies. However, the Polish efforts to warm up relations with Belarus need to be recognized.

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