

SAIS EUROPE

Journal of Global Affairs



Breaking the Fever



Volume 24
Spring 2021

Breaking the Fever

The SAIS Europe Journal of Global Affairs
Spring 2021
Volume 24

Published by
The Johns Hopkins University Paul H. Nitze School of Advanced International Studies
SAIS Europe

The SAIS Europe Journal of Global Affairs was established by the students at SAIS Europe in 1997 to provide a forum for the discussion and dissemination of ideas about current issues in the field of international relations. The Journal aims to provide a formal outlet for thought-provoking scholarship from students and faculty at SAIS Europe and other graduate institutions, and welcomes work from experts and practitioners. The Journal is published annually. The views expressed herein are solely those of the authors and do not represent the opinions of the Journal staff. Neither the Journal nor SAIS Europe itself guarantee the accuracy of the data included in this publication and accept no responsibility for the consequences of its use.

Intellectual Property Rights

The authors of the articles in this journal maintain the intellectual property rights of the contents. Anyone wishing to reproduce these articles must contact the individual authors to obtain their permission. Please contact the SAIS Europe Journal for Global Affairs for more information.

Submissions

Articles for submission to the Journal are accepted on a continuous basis. Article selection for the print edition takes place in March. Submissions will be judged according to the academic merit and relevance to the selected theme. Articles may be submitted at the Submissions Team to the address specified online. Authors should also include a current biography, contact information, and an abstract of the article.

Our website is www.saisjournal.eu

Copyright © 2017 The SAIS Europe Journal for Global Affairs

Published By: The Johns Hopkins university Paul H. Nitze School of Advanced International Studies
Via Beniamino Andreatta, 3, 40126 Bologna BO

Cover designed by Modus: www.moduscc.it

Acknowledgments

The SAIS Europe Journal for Global Affairs would like to acknowledge and thank those individuals who have provided assistance during the year. The Journal would not happen without their support. We would like to thank the SAIS Europe faculty, administration, Development office, and the student government for all their help, especially Director Michael Plummer, Professor Nina Hall, Professor Mark Gilbert, and Professor Erik Jones. A special thanks goes to Susannah Tilson and the Communications Department for their assistance in marketing the journal, and Childe Costa Stevens and the SAIS Europe IT Team. We also want to extend appreciation to the SAIS Europe community, including students and alumni, who have provided encouragement and lived with, and upto, our theme throughout the year.

2020 - 2021 STAFF

Editors-in-Chief

Bianca Getzel
Rahul Raju

Editor of Submissions

Jordan Martin

Editor of Content

Galen Shen

Editorial Staff

Pilar Bolognesi
Moritz Osterhuber
Alessandra Bonisconi
Christopher Cottle
Brittany Demogenes
Becca Hunziker
Anthony Laurita
Connor O'Brien
Sophia Stöckl
Hannah Sweering
Brenden Verloop

Marketing and Institutional Relations

Sahar Priano

Marketing

Arletys Gomez
Liv Heinrich
Jing Zhao

Publishing & Design

Jared Seth Umberger
Annie Kemmerer

Business

David Horner-Ibler

Table of Contents

<u>Letter from the Editors</u>	1
<u>Letter from the Director</u>	2
<u>COVID Capitalism in Raced Markets: An Interview with Robbie Shilliam and Ali Bhagat</u>	3
<u>European Academia is Ripe for Disruption: An Interview with Erik Jones</u>	13
<u>Early Trends in Digital Climate Activism During the 2020 COVID-19 Lockdown</u> <i>Sahar Priano</i>	17
<u>The Evolution of TARGET2 Positions in the Eurozone</u> <i>Moritz Osterhuber</i>	24
<u>Fishermen for Foot Soldiers: Repercussions of the War for South China Sea Fisheries</u> <i>Michael Hall</i>	38
<u>The Longevity of Populism in Brazil: COVID-19 Shock and the 2022 General Election</u> <i>Matthew A. Hughes</i>	49
<u>The European Union's Strategic Autonomy in Geopolitical Digital Struggle</u> <i>Giorgio Severi</i>	63
<u>Negotiation with Gangs: Adapting Pruitt to Explore State and Gang Negotiations</u> <i>Alexandria Polk</i>	73
<u>The Convergence of Political Values of Citizens Across EU Member States along EU Enlargement Rounds</u> <i>Victor Vorsatz</i>	81

Letter from the Editors

Dear Readers,

We are excited to present the 24th edition of the SAIS Europe Journal of Global Affairs at an extraordinary moment of reckoning. We have witnessed an unprecedented pandemic, and an unprecedented response. The vulnerabilities of international and domestic institutions have been laid bare. Protest movements, climate change, and development concerns have cast doubt on the sustainability of established systems. Policymakers have struggled to balance evolving economic, political, and social needs. Our theme, “Breaking the Fever”, is a reflection on this time of global upheaval. It is also, however, a personal reflection of our experience as a graduate student-run journal. Over the past year, we have scheduled in-person meetings, only to switch to a virtual modality as lockdowns were imposed. Our staff has been scattered to the four winds by health and travel concerns, and some have faced deep adversity and anguish. This edition is a product of our time and circumstances - a story of challenges, but also one of recovery and resilience.

Our pieces engage with the academic debates that the past year has brought to the fore, while situating them in broader scholarship. We open with two compelling and conversational interviews. The first, with Robbie Shilliam and Ali Bhagat, brings the lens of critical theory to the COVID-19 pandemic, interrogating how national responses reinforce social hierarchies, particularly in the Global South. The second, with SAIS Europe Professor Erik Jones, is a wide-ranging and engaging reflection on the pandemic, Europe, and the current academic discourse. Our selection of academic articles are marked by a remarkable diversity in research methods and formats, bringing different lenses even to similar problems. Some contend with the climate crisis, highlighting how the pandemic has changed activism and the interaction between securitization and resources. Others focus on technology, the stability and efficacy of the European Union is central to several pieces, including those that study monetary divergence and value convergence. We round out the edition with papers on topics ranging from Brazilian electoral politics, to methodological studies of gang negotiations, to the impact of microfinance on employment outcomes.

As a Journal, we continue to explore new ways to share insights with our readers and expand our readership, including boosting our engagement on social media. You can find all of these articles, as well as those from previous editions, on www.saisjournal.eu. As always, but especially this year, we are thankful for your readership.

Sincerely,
Bianca Getzel & Rahul Raju
Editors-in-Chief

Letter from the Director

Dear Scholars of International Affairs,

It is a great pleasure to open the 24th issue of the *SAIS Europe Journal of Global Affairs*. The Journal is organized entirely by SAIS students in Bologna. This Volume is led by an indefatigable editorial board and is composed of contributions from the SAIS community and external scholars. I am sure that you will agree with me that this year's issue tackles interesting, policy-relevant topics and exceeds the usual high expectations set for the Journal.

These days writing for and about policy presents an unprecedented challenge given the nature of the ongoing once-in-a-century pandemic. In 2021, any student of global politics and economics has been forced to consider policy responses to the short-run economic shock, as well as its implications for long-run structural change. It is clear that the pandemic will have pervasive economic and political implications. Thus, informed, thoughtful, and evidence-based policy will be essential in moving forward.

Indeed, I have realized over the past year, more than ever before, the need for us as scholars to approach policy through the multidisciplinary and interconnected realities that influence it. Personally, I have dedicated my life to teaching economics and must admit to seeing the world through that disciplinary lens. However, my years at SAIS have taught me the importance of a broader perspective. For example, the crisis of 2008-09 forced us to direct our efforts at correcting multifaceted policy shortcomings related to our system of financial governance - something that, alas, we have to do fairly regularly. Those underlying problems were far more straightforward than those associated with the current health crisis. COVID-19 is no ordinary recession, no mere collapse in market demand or supply shock. Instead, this pandemic has single handedly switched off economic activity and created great uncertainties as to when and how to turn it on again, with states taking a wide variety of approaches to dealing with the crisis. History provides few lessons. In any event, the policy debate has underscored that economics is only one of many consequences, and our response needs to be comprehensive in scope.

Quite appropriately, the theme of this year's Journal is, "Breaking the Fever". The contributions herein are not just impressive in terms of breadth and depth; they are brave. They present insightful critiques and analysis of cutting-edge topics, such as climate advocacy, the future of populism, and the moral convergence of European values. Moreover, the Journal's team has compiled a selection of articles which, despite their diverging topics, all prioritize providing tangible policy action. I cannot think of a more exemplary group of articles to reflect the unique, interdisciplinary nature of the SAIS mission.

In short, I am confident that this issue will be of great interest to serious students of international relations, continuing a long tradition of student-led scholarly work forthcoming from SAIS Europe. On behalf of the administration, I would like to thank everyone who contributed to this issue, especially its Editors-in-Chief Bianca Getzel and Rahul Raju, who ran this journal together across SAIS campuses in Bologna and Washington, D.C.. Having edited an academic journal myself for eight years, I know how much time and devotion it takes to produce a high-quality academic publication, no mean feat given the rigorous coursework that all SAIS Europe students have to shoulder with the added difficulties posed by the pandemic. Their dedication and that of the entire Journal team is much appreciated. Happy reading!

Sincerely,
Michael G. Plummer
Director, SAIS Europe

COVID Capitalism in Raced Markets: An Interview with Robbie Shilliam and Ali Bhagat

ABSTRACT:

Are any of us impervious to the pandemic's moral economy? As COVID-19 blurs the lines between the global north and global south, the standard centers of power are being provincialized and oriented toward the margins, where the majority of humanity lives. In this unfiltered dialogue between Professors Robbie Shilliam and Ali Bhagat, the post-pandemic international is examined through discussions on Necropolitics, the eugenicists' origins of the welfare state, and the demasculinizing effect of mask-wearing. Two critical questions emerge - whether welfare can today escape its origins as a process first meant for the preservation and purification of the race, and whether the development project can exist beyond a desire to halt a dysgenic degeneration of populations. The two scholars argue that the grammar operating at local, national, and global levels is just another stable representation of how raced markets shape the ethics of both giving life and letting die.

Bianca Getzel: Today I have the pleasure to present Robbie Shilliam, who is a professor of International Relations in the Department of Political Science at the Johns Hopkins University in Baltimore, Maryland. Professor Shilliam researches the political and intellectual complexities of colonialism and race in the global order. He is co-editor of Rowman and Littlefield book series and he also recently published two books on decolonizing politics. Meanwhile, Dr. Ali Bhagat is a Professor at the University of Manchester, UK. His most recent publications focus on refugee governance in Nairobi, Kenya, and Paris, France. Bhagat holds a PhD in Political Studies from Queen's University in Canada, and an MA in Political Science from McGill University. Let's begin.

So first off, I wanted to discuss "raced markets" and how our understanding of them has changed since COVID-19. To start off our conversation, could you both define what you believe raced markets are.

Dr. Robbie Shilliam: Raced markets, a term that Lisa Tilley and I have used, can be seen as a focus on expanded reproduction of capital that keeps front of mind how capital accumulation is always and has always been a racialized and imperial process.

Dr. Ali Bhagat: That is really succinct. I would just add that raced markets operate on multiple scales - the International, the National, the global, the local, and every day, and of course via the body as well.

Getzel: What new challenges do you think we have observed this year in our understanding of raced markets, and especially how they operate differently between a developing country context and a developed country context?

Shilliam: I don't think they operate differently.

"There is a certain politicized messaging that underpins a refusal to wear masks, which is surplus to the individual calculus behind the decision itself: it is better to be dead and white than alive and anything other than white."

I just think that what has become crystal clear once more is that the racialization of all market activity is and always has been global. Its instantiation, the unevenness of it, the inequality of it, the segregating nature of it, are all extremely clear when it comes to COVID deaths and vaccines. I don't think anything has changed; it's just become crystal clear for people who might have forgotten.

“To partake in socialized care is messaged as a blackening, and to partake in mask-wearing is seen to be de-masculinizing.”

Bhagat: The pervasiveness of raced markets has definitely intensified, especially thinking about vaccine inequality. Let's take India as an example. It is shocking not solely in terms of vaccines, but rather how quickly an authoritarian government went from celebrating its victory over COVID to running out of oxygen just some months later.

Now, there is a global push for charitable donations to get oxygen to India; this is really important and clearly needed to simply allow the country to breathe again. Meanwhile, Muslims and Dalits are blamed for the mutation, rallies are still being held, and there is a mass disregard for human life. I am interested in the ways that authoritarianism, capitalism, and COVID-19 have dovetailed.

In a sense, we are also seeing an intensification of Necropolitics around who deserves to die and who does not, and, in India, intertwined with this reality is that of nation-building operating through the selection of its own populous.

Shilliam: It is quite interesting how it has also given us a moment to think about what Necropolitics means. Beyond our standard conceptions, we are also seeing a self-inflicted Necropolitics emerge. In places like the US and the UK, there exists a clear intersection of race, climate, and health, wherein to show any kind of weakness is to somehow sacrifice or commit race suicide, in terms of one's whiteness.

Today, there is a certain politicized messaging that underpins a refusal to wear masks, which is surplus to the individual calculus behind the decision itself: it is better to be dead and white than alive and anything other than white. In other words, to partake in socialized care is messaged as a blackening, and to partake in mask-wearing is seen to be de-masculinizing.

Thus, there is this other racialized element to Necropolitics, where it's not just about letting others die. It is about preferring death to non-whiteness. It is an extreme moment, which has clarified certain things in our current articulation of political economy in terms of the racialization of welfare, as well as externalities like climate and immigration. It is, at base, this imperative to purify particular populations, even if it includes a death drive.

Bhagat: I wonder what the parallel between the death drive and this idea of fantasy; that some people believe that “we are impervious”, and almost untouchable *because* we are white or American, or some other conception of strength that ties to racial and genetic superiority.

People that were not wearing masks have now started to wear them because they do not wish to receive a vaccine. The flip we are currently seeing is fascinating. It gets back to the idea that vaccines are now cast as a welfare-related program tied to big government. And, of course, that is undesirable.

“The multi-layered aspect of COVID-19 is used as a vehicle of cleanse operating in both the front stage and backstage of capitalism .”

Shilliam: It is undesirable because you are supposed to be independent. It's possible that what we are seeing is the way in which eugenics always underpins political economy and policymaking in some way. Today, this is revealing itself in extremely stark languages, as in India.

Yet, of course, this rhetoric can be traced to the origin of eugenicists in the late 19th century who worried about the fact that civilization had created things like welfare and philanthropy such that those who would have “naturally” died out no longer did. So, the “worst” breeds reproduced, while the “good” breeds diminished in relative terms. In fact, it is very eugenicist the way in which people are currently linking government intervention with COVID and welfare, alongside the survival of these supposedly impervious populations.

Bhagat: It is interesting going back to my own work, looking at refugees in Paris. A lot of refugees live on the city's riverbanks, for years their homes and shelters have constantly been taken away from them, yet now the new excuse is that they must leave because they spread disease.

In a sense, the multi-layered aspect of COVID is used as a vehicle to cleanse. This operates in what Rajaram calls the front stage and backstage of capitalism. Paris has a long history of keeping away the working class if we think back to the era of Haussmann. The central contradiction, of course, is that the working class needed to build the grand boulevards and transform Paris in the city of modernity that it allegedly is today. Paris needs it workers but also wanted the streets free of them and for the working poor to be housed and held elsewhere. What we are seeing today is another way in which this very same idea of cleansing is getting redefined over and over again. What differentiates refugees, though, is that they are not even seen as workers in Paris - their lives are disposable. The logic of *disposability* and cleansing though persist.

Getzel: Speaking of the political calculation of who ends up living and who ends up dying, this narrative is not far from what we witnessed in 2016. At that time political parties in the UK, for instance, were owning the term “left behind”, yet now this wording is almost being rejected by those same parties as something that is to be completely ascribed to those susceptible to death or those who are receiving unemployment insurance. So, how do our changing narratives and rhetoric of how we classify our conceptions of the welfare state change and evolve, even though we end up using the same terminology for different people?

Shillam: I would say that the grammar is actually quite stable even if a lot of things change quite dramatically. There is always this reference to purification from the outside and purification from the inside.

In the Anglo West, the idea of a viable, productive, and orderly working class was always connected to two things. One was industrialization and urbanization, and the dysgenic effect that that would have on the so-called indigenous working class; and then the other, at the same time, was the fervid dysgenic effect of

immigration and race mixing in those same urban populations.

With this foundation in mind, the question of who is deserving of welfare and who is not always has a valence of both an internal purification and an external purification. Those who are

“Poor white people, it is assumed, can be trained out of their undeservedness whereas others, refugees, migrants, etc. are unredeemable, and thus must be excluded.”

deemed to be “indigenous” – meaning those who are racialized as a familial part of the nation – for example, the white working class, have always been seen as more deserving of welfare than the racialized “interloper”. But at the same time, amongst the white working class, there is always this sense that there are some who are deserving because they have habits of independence, orderliness, and patriarchy, and then others who are not. Remember, that before talk of the “left behind”, there was talk of the “white underclass”. The white underclass was considered to be totally undeserving.

If you look at any surveys, which ask people to define their class, there is always a tendency for respondents to define themselves above their class: everybody is, apparently, middle class. Via self-definition, we assure ourselves that there's always someone who's more undeserving than us. Yet there's an important distinction to be made here. The undeserving white are seen as more redeemable than the non-white undeserving. Poor white people, it is assumed, can be trained out of their *undeservedness* whereas others, refugees, migrants, etc. are *unredeemable*, and thus must be excluded. For instance, no one talks about the black left behind; no one talks about the Muslim left behind. No one talks about the Bangladeshi left behind, or the First Nations left behind. The only left behind, it seems, are the white working class.

That valence between on the one hand inclusion under harsh manners and on the other complete exclusion - that valence is always there, tweaking forever back and forth. And this movement is not necessarily for the preservation of some expanding Empire but for the preservation of a system of rule, which runs along lines of race and exclusion.

Bhagat: I'm thinking also about the concept of the relative surplus population and the disciplining of these people in the context of COVID-19. Marx defined the relative surplus population in relation to the general law of capital accumulation. In following this logic, you need groups of people that actually are tied to capital and are easily put back into the system so the machine can always keep going. And then there is this other latent, floating, and stagnant group: the lumpenproletariat, who we don't even think about. These are what would be today homeless people or sex workers, deserving immigrants, or undeserving ones. I think this concept requires a lot of refining but the basic idea still resonates. Take refugees as an example which on one hand are accepted on humanitarian grounds, but then once they are here on the urban scale or the city scale, they become again undeserving. “We've let you in so the rest is up to you. Why are you taking our resources? Why can't you learn the language? Why are you stealing away our jobs?”

And it is through this very rhetoric that credit appears as a solution to say: “It doesn't matter if we have welfare because regardless it's definitely not for you. So why don't you use credit and become a business owner.”

Shilliam: Let us zoom out and look at what we understand today to be the development project. The development project is birthed actually not in the colonies, but in the industrializing

towns in the north in the mid-late 19th century. At that time, the quintessential debate over all forms of state intervention boiled down to the question of how you intervene in such a way that doesn't induce dependency on the subject that you are trying to help.

On the one hand, you had people who were saying that welfare can only and must only be charity and that it mustn't involve the state. The argument followed that the charitable model makes for a paternalistic relationship that is a directly personal and moralistic one, whereby the person who is giving the aid is also charged with training the moral fiber and character of the people who are receiving it – usually men – so that they can be good little patriarchs, and they can hold their own and become independent.

On the other hand, you had people arguing that the charitable personable model did not work. When people were trying to make ends meet in an economy that had become so nationalized and so globalized and so impersonalized, the question of poverty could only be solved from a much more centralized location, i.e. the state, whose anti-poverty measures would be guided by statistical analysis and surveys.

Nonetheless, even if the indicators we use are quantitative, such as GDP, the grammar of development is always a more moralizing one. After all, development policies are never simply about increasing GDP, they always implicate some sense of a civilizing process whereby beneficiaries become orderly and independent. For me, the fundamental issue when it comes to development is that it arises from Western elites' attempts to arrest the degeneration of their own populations, because of industrialization and migration, a process that we nowadays call the "globalization" of the economy.

"The fundamental issue when it comes to development is that it arises from Western elites' attempts to arrest the degeneration of their own populations"

Getzel: We've talked about how the role of the nation versus the role of globalized society within our understandings of both race and poverty, does that tension change when discussing one or the other? Or is it inherently intertwined?

Shilliam: So, if you think about someone like William Beveridge, famous for producing a report on Social Security during World War II, well he is widely seen as one of the models for what we would then call the welfare state in the West. Descriptively he is a eugenicist - he talks about preserving the British race. That's his concept of population, not class. And most of his interventions are about the preservation of the race from degeneration.

Child credit is all about that. Beveridge argues that one needs to give credit to every family that has a child. And it should not be means-tested. It must be universal, so that, for example, Harry and Megan can get child credit as well as the person in the poorest part of London. It should be universal, he argues, because the more able people, the more educated and the more skilled, are not going to be reproducing at the same rate as poorer ones. So, his solution is to give it to everybody; and even if poor people will then reproduce, at least the best of the stock, are reproducing as well. So in relative terms, you are preserving the best of the breed for the race.

The idea of universal benefit, which of course has so often been attacked by neoliberalism, has now been replaced with means-tested benefits. Despite being pro-universal welfare – I am - we must recognize that the people who created it were thinking about the preservation and the

purification of the race. So, my point is that there is little distinction in political language: when you're talking about race, you're talking about poverty, and when you're talking about poverty, you're talking about race.

Bhagat: I think this speaks to how we fetishize welfare today. In fact, what you are referring to we see in Denmark. Denmark is now saying “get rid of all the refugees, they can go back to Syria, we have a welfare state to protect.”

This might be a stretch, yet this abject kind of ethnic cleansing we may also be seen in Israel and Palestine. Israel has been so advanced vaccination-wise, and yet the Palestinian population still remains relatively unvaccinated. Thus, when we think about COVID vaccination as a welfare program, the argument about population control, and the welfare state, and who welfare is for is still kicking around in obvious ways today. It has not disappeared at all.

Getzel: Despite us having these conversations, how do both of you who at the end of the day, have the wonderful privilege of teaching 20-30-year-olds translate this type of conversation into the classroom? Robbie, you have spoken at length about how we can start to decolonize the classroom. How does this actually work?

Shilliam: So, I think there is actually a quite simple method. Let me explain what I mean. My experience over the last few years is that even when you're teaching a group of quite privileged students in terms of socio-economic status, issues to do with poverty, exclusion, violence, oppression - locally, nationally, and globally - are actually at the forefront of their mind far more than they would have been 10 years ago. And part of the reason is to do with shifts in the global economy, which had already been happening but became explosive during the last year with COVID.

“Which countries in the world have had the most deaths from COVID? US, Brazil, and India. So, in what way at all is the West unique or exemplary?”

Young people now see that a good job and a good wage is not going to protect you all that much from downward mobility. It's a very precarious time. The good jobs that you could have had in your parents or their parents' generation, which would have given you a house and a nice summer holiday, today no longer exist. Even a really good job is not going to afford you that. Then add in climate change to the mix. So, these intergenerational dynamics awake even socio-economically privileged students to the potentially precarious nature of their future.

So, with that in mind, it would be good to build curricula around the issues with which young people are already directly engaging. These shifting foci might decenter the curriculum that you learned and are teaching. The materials and issues through which the deeper fault lines are experienced could be different, as could the scales and the categories.

For instance, I teach in Baltimore, where there are significant disparities between vaccination rates amongst West and East Baltimore, predominantly populated by poor and black communities, and the North and Harbor areas, predominantly populated by richer and white communities. And that's not to do simply with vaccine refusal, but more tellingly implicates the whole infrastructure of actually getting vaccines to marginalized communities. Thus, it becomes speculatively plausible that a student can relate to what Ali was saying about vaccine rollout in Israel. Students in this moment

have gotten a sense that these things are connectable, across population groups, classes and countries. These are problems and challenges which they have to put at the forefront of their learning in order to grasp the world as they experience it and project it. Our job as instructors is to follow up with that via critical and creative guidance.

Getzel: Yet your phrasing of that answer, has made me wonder as to whether the decolonizing process can only be successful in so far as we center the classroom around the experience of the privileged student. To borrow from Dipesh Chakrabarti; how are we supposed to effectively *provincialize Europe* and our understanding of history as the West if our access point to these conversations is contingent on finding that one thing in the affluent student experience that might provide an anxiety through which we can talk to them about how they live and experience the world? Is that not already Western-centric? Can it lead to success? Or does this further propagate the narrative of us living through Europe?

Shilliam: I get what you're saying. Let's put it like this. Which countries in the world have had the most deaths from COVID? US, Brazil, and India. So, in what way at all is the West unique or exemplary? There's the opening.

That why I said before that it was simple, at least relatively speaking. In the past one might have had to do quite a few tricks to break the provincality that comes with privilege. Well, in order to provincialize something, it has to be held exceptional in the first place. But are people's living experiences now in any way so exceptional?

Bhagat: For a while we witnessed more affluent kids be really open to anti-poverty stuff and saving the world. They got on board, hook, line, and sinker particularly in development studies programs like the ones I was trained in. Now I think there is a switch here, where, in fact, everyone feels that they're in the same boat. This isn't to say that people aren't poor and there isn't a massive divide in terms of our student body. But, and particularly this year, we found that there is this intense anxiety. There are no jobs, there is no other planet, university and the promise of meaningful work is now again a fantasy. Nonetheless, university brochures love to state that "we will get you to meaningful employment if you take our course." It is nonsense, unfortunately. It is not true and students know it but are fed this idea of employment and a job in the UN or something else from studying politics.

Coming back to decolonization, I think it's not abstract. It's a lived reality. And we're seeing it in all these places. And also blurring what we think about as the global north and the global south. Because the US is really the Global South. The UK in various parts of the country, particularly racialized parts of it that are targeted and treated as though they are now prototype colonies of the center of London. The Global South is here. The inequalities are here, and we have to deal with them.

With this in mind if we think of International Relations, particularly International Political Economy, the Cold War stuff, and the lore of the discipline amidst great power politics - I mean who cares? Who is it speaking to? It is not speaking to anyone now, it's not lived reality. So political economy as the mother discipline is one way for us to connect these abstract concepts and scales to what students see as necessary.

Getzel: It's funny you mention that because here at SAIS there is a course titled "International Political Economy" as such, and despite a brief preface, the syllabus is composed of all readings around

the 1980s by white men starting with the likes of E.H. Karr and ending with Adam Tooze. Maybe us females will get lucky and see a work by Susan Strange. Courses like this are still being advertised as a summary of political economy at places like SAIS and many institutions like it – how do we move past this? How do we understand and move forward our understanding of IPE, while also recognizing that part of academia that still values IPE through its (partly) American origin within a white man's literature?

Shilliam: You could take a line from the feminists: if you're not looking at the gender dimension of political economy, you're just not doing very good political economy. It's simple. It's not an ideological thing. It's an intellectual thing: you're not undertaking rigorous analysis. And it's the same with race and colonialism. For example, a good deal of the financial instruments we are used to began as instruments of imperial expansion and trade. So that's first. Then the second element is that if you are teaching political economy, and if you've been hired to teach political economy, then political economy *is* what you teach. It's as simple as that.

I'm a political economist, and I teach political economy. Now, of course, there's power in the academy. Power is power because it survives you; power is inherited. How do you inherit power? Through institutions. So, we have to build institutions.

“If you are teaching political economy, and if you've been hired to teach political economy, then political economy is what you teach. It's as simple as that.”

Of course, the complicating factor is that none of this is driven simply by individual choice. Much of this is a confrontation with existing academic institutions – disciplinary and otherwise – which, to my mind, don't teach political economy adequately.

Bhagat: I think in the US, predominantly, there's, a discipline: this is what you do, this is what IPE means and it is still problem-solving theory. Thus, everyone that does anything different, is a critical political economist. Therefore, in the production of knowledge, those critical authors are over there, they produce, they write in these journals that we don't have to engage with, and there's a space for them – over there.

Getzel: So, are we stuck, or can we move forward and place critical theorizing into our mainstream?

Bhagat: Well, I mean, critical theory always needs something to rub up against, right? That is what is dialectical about the problem-solving vs. critical theory debate. And it's a wider commentary about the left and the right too. The goal posts are always shifting for better or for worse. So, I don't think we're ever stuck. I think we're moving.

Shilliam: That's a good way of putting it. To concretize this idea, let us say you have space for one reading on political economy in a class reading list. Who do you put? You can put in Ricardo as he will do lip service to the liberals. You could put in Marx, who engages with the liberals and provides the critique. You could, alternatively, put in Angela Davis because she critically engages with the liberals, the Marxists, the feminists and the Black radical tradition. So, in other words, some readings can be more adequate than others, even when you are hamstrung in terms of what you can put on a reading list.

For instance, when compiling our reading lists, how can we forget that today, the majority of people who labor in the world do so under some kind of direct coercion, not purely under contracts. If you are not teaching a political economy that can make sense of this basic fact, what world are you teaching about? If we want as academics to enable students to adequately and critically examine the world they live in, why are we giving them fantasy worlds?

European Academia is Ripe for Disruption: An Interview with Erik Jones

ABSTRACT:

The editors of this year's SAIS Europe Journal sat down (virtually) with Prof. Erik Jones who has been an integral part of the SAIS Europe campus and Bologna community for 20 years – his first semester teaching at SAIS was an adjunct course he offered in spring 2001. During that time, he has not only published widely on topics from Italian politics to European monetary and economic integration, but he also formed and educated generations of SAIS students who have a better understanding of European industrial relations or the global financial crisis as a result. In the fall of 2021, Prof Jones will join the Robert Schuman Centre of the European University Institute (EUI) in Florence as their new director. We asked him a set of work-related and personal questions to commemorate this moment of inflexion in his career. The result was a conversation about the post-pandemic world, the incomplete European integration process, and why academics need not necessarily strive for popularity to fulfil a vital role in public discourse.

Moritz Osterhuber: The theme of this year's SAIS Journal is *Breaking the Fever*. Do you have a good idea in your mind of what that entails and what kind of world we're headed for post-pandemic?

Erik Jones: Last weekend was our first out of lockdown [in Bologna] and yesterday [2 May], I chose to walk my dog down *Via del Pratello* [street in the Bolognese centre with many bars and restaurants]. Now, the day after May 1st the street showed all the signs of a huge party and I think that is what's going to happen: a huge release, but then, very quickly, people are going to remember that there's all this work that we need to do. We need to repair the horrific damage that the pandemic causes, much of which we don't see right now because it's hidden by government policy. And then we need to figure out a way to fix problems that we have had before to make sure that the next pandemic, disaster, or crisis doesn't cause even more damage because who knows what the next one's going to be. And for you as students this is going to be a central theme in your professional lives.

Looking forward, there will be huge opportunities but also significant challenges and uncertainties because of the changes that await us. Some things will inevitably disappear and that is going to come as a surprise to many of us. I have argued for almost a year now that the sector most ripe for dramatic disruption is higher education. We haven't changed our fundamental business model since the 19th Century; all we've done is to expand the range of services we offer and the number of students we reach. This business model is no longer sustainable, and I think we learned from the pandemic certain skills that will allow us to disrupt that model. If anybody is interested in going into academia, I would encourage that, but I would also plan multiple alternatives.

Osterhuber: Is this change going to be felt in European academia as well?

Jones: Oh absolutely, European academia is ripe for disruption. Don't get me wrong, governments need research and there will be a place for university education, but the whole sector will need to become more cost-effective. Do universities really need all these expensive buildings and teaching academics? I mean, we pretend we're all research academics, but we also know that's not true. We need to reorganize the higher education simply because it is really expensive right now and there is no natural political constituency arguing in favor of that expense. Nobody will vote the Prime Minister out of office for her university policy.

Pilar Bolognesi: A lot of your work focuses on Europe and monetary and financial integration. Given that the pandemic has caused similar financial market dynamics as the global financial crisis, what is needed for Europe to remedy the mistakes of the past and prevent financial instability in the future?

Jones: I think that's a great question and one thing that we should note is just how much better and more quickly policymakers responded, particularly in propping up the financial sector. And we should also note how much more robust the financial sector was before the current crisis because of the things they did after the last crisis. I think policymakers learned a lot, I think they applied those lessons, and I think we're in a much better situation because of it. I shudder to think of what this crisis would have looked like if we had not had the previous crisis to learn from. Having said that, we're only just starting the financial phase of this crisis. The last crisis started with finance and moved into the real economy. This crisis started in the real economy, it is only now moving into finance. We'll see the full implications by the end of the summer and beginning of the autumn, when the credit guarantees and regulatory forbearance start to lapse, and when the banks find themselves holding large stockpiles of non-performing assets that we need to dispose of. I think that problem is still to come; so, we'll see.

Osterhuber: In a 2016 paper, you argue that European integration 'fails forward': intergovernmental bargaining leads to incomplete policy outcomes and a search for the lowest common denominator that imposed a heavy toll on citizens during the Eurozone crisis. Jean Monnet had originally envisioned that Europe would be "forged in crises and be the sum of the solutions adopted for those crises". Is Europe still 'failing forward' during the current pandemic and if yes, is 'failing forward' a viable strategy for long-term survival?

Jones: The 'failing forward' paper was a team effort with two colleagues of mine, Sophie Meunier and R. Daniel Kelemen. It was actually they who came up with the alliterative name, which I pushed back against ferociously because I thought it was terrible. Now, of course, it is by far my most cited work. The answer to whether we are still failing forward is always going to be 'yes', because failing forward is not a conscious strategy, it simply happens and not just in Europe but everywhere. If you look at Next Generation EU [the EU's fiscal response to the COVID-19 pandemic] for instance: is the sum of €750bn and the mixture between grants and loans really optimal? And is it optimal that states have to ratify the 'own resources decision' unanimously for the program to start [this decision governs how the EU finances its budgets and allows the Commission to temporarily borrow up to €750bn inter alia]? I have argued that many of the EU-level loans are not going to be taken up and the Spaniards and, in fact, the Portuguese have already said that they are not going to borrow from the European Commission. And not even the grants of Next Generation EU may get spent. This is our experience with the EU structural funds as well. With such tight time schedules and such strong conditionality, it is simply unrealistic that countries get more than 50% of the money out the door on time.

I think we'll get to a better situation, but are we in the right situation? I don't think so. We learned that we need the Commission to be able to borrow significant amounts of money. And we also learned that there is significant judicial opposition to borrowing by the Commission which we will have to address and find solutions for. Next Generation EU is significant in symbolic and in institutional terms. We got the desired compression of bond spreads that we've been benefitting from ever since already in May 2020 with the joint French-German proposal even before any money was spent. But it is incomplete, it is a partial success that we will need to build on going forward.

Bolognesi: You mentioned Next Generation EU, what do you think are the implications of a country like Italy if they accept the debt but then they fail to make productive use of it?

Jones: I think that's the right question and I think Mario Draghi has caught the tenor of the mood. If you listen to Sergio Mattarella's speech on Saturday [1 May], I think he's caught it as well: this is a once-in-a-generation opportunity for Italy to do things that it has struggled to do many times in the past. The Minister for infrastructure, Enrico Giovannini, has pointed out that the tight time schedule should help in contracting and in the management of subcontracts - I think he's optimistic in that regard. I think good things could happen, but if they don't happen here's what I would anticipate. First, we're going to have a centre-right government that's going to basically disown a lot of the infrastructural projects that were initiated in the south because they are going to blame any failure on alleged mismanagement down there. That would be bad and will set back the agenda to heal the north-south divide. Second, we're going to get an enormous amount of pressure from northern Europe about what Italy is doing and that's not only going to spoil the relationship between Italy and the European Union, but we're also going to struggle with another rise of Euroscepticism. Third, I think the likelihood that we'll ever see the European Council go back to the Commission for this kind of big borrowing program will be significantly impaired. Because if they can't get it to work this time, why would they try again? You already see voices saying that in Germany and in the Netherlands. I think there's a lot to play for here, and it could work out really well, but it could also work out badly.

Osterhuber: Steven D. Levitt of Freakonomics is still an academic at the University of Chicago but has dedicated most of his time to producing podcasts and writing books with broad appeal. Compared to most academics, Levitt reaches a truly enormous audience (15 million per month with the podcast alone) and gets to talk about economic concepts (and not only). In that context, what is the purpose of a modern academic and his/her role in society? What kind of influence should he/she strive for?

Jones: What you are really asking is what makes university or academia relevant to the real world. The short answer is that academia has to be relevant because we are spending a shocking amount of money on it. Put another way, the real question is how we can make academia most relevant for our stakeholders. Am I going to show academia's relevance by making myself a media star or by helping my students and colleagues to use their research and knowledge to engage in public discourse? My answer has always been that my primary objective is to help people who get an academic formation to see just how much value they can add. This is also a front-and-centre priority in my new position at the Schuman Centre [of the European University Institute in Firenze] since I will be working with PhD researchers and postdocs: helping them to see that academia is not the be-all and end-all and that having a conversation with lots of different audiences is absolutely vital. Even for research that you might not think is important, there are people out there who will be able to extract value from it, you just have to help them better to appreciate what it is you found. I'm a big believer that rather than leaving the Academy, we have an obligation to stay in the Academy and change it, so that it's much more open, much more accessible and doesn't lose any of the rigor that goes into careful meaningful research. We do, however, need to increase the rigor that goes into careful meaningful presentation because if we can't describe what we found then what was the point of all that research in first place?

With all due respect to Freakonomics, the key thing is not to spend an inordinate amount of time popularizing our own work as much as spending an inordinate amount of time helping everybody

popularize their work, because if it's not popular then it's not as relevant as it should be, and certainly not worth the sticker price.

Bolognesi: As an academic in IPE, what are the biggest areas of unfinished business? What's your favorite book that you've never written?

Jones: I have lots of favorite books I've never written. I have one about the euro as a political system and I had a contract on it, I lost sleep over it all the time, and then I never wrote it. I had another one that is probably much more important, which is the issue that we're struggling with right now, and that is democracy without solidarity.

I went to Oxford in 2010 with the intention of writing that book and I have been flirting with those ideas ever since but haven't really put it to paper. The basic problem is that if we don't build a political system and an economic system that includes people, then we shouldn't be surprised if there are large numbers of people who don't want that system to work. And if people who don't want the system to work get in power, they will make sure it doesn't work and unfortunately that's where we are. So, when you asked about the opportunities and prospects for Next Generation EU, the one thing that I think Mario Draghi has succeeded in doing is getting everybody to agree that this really has to work, and that gives me optimism. If, by contrast, people were to decide that it would be better for this to not work, which is what was happening under the Conte government, then I would be much less confident and much more apprehensive. Because the people who don't want things to work have a much easier job than the people who want things to work. The book that I would write would be about that: how do we get people to want things to work?

Osterhuber: Returning to the notions of popularity and relevance in academia, when we look for "Erik Jones" on Google, you're not the first result (we find an artist and a NASCAR driver), does that bother you at all?

Jones: As an academic, I'm not going to pretend for a moment that I'm either modest or not arrogant. I am a pop star in my own world when I come into a classroom, but in reality, nothing I write or do is going to have a major impact unless something really changes after I die, at which point I don't really care anymore. The biggest impact I will always have is by talking with you guys and so my goal is to have as many conversations like this as I possibly can. Those conversations with students and colleagues always make me a better academic, but hopefully you guys become better as well and so as a community we become better. Let's face it, the Enlightenment is something that came out of a community and what we need to do is to focus much more attention on building a community. When I look at these other guys, the Erik Jones auto racer and the Erik Jones artist, I am impressed with what they do, but that's just not what my goal in life is. In fact, I'm actually quite afraid of driving fast so in that sense, my goal in life is to hang out with you guys and as long as they don't take that away from me, I think I think I'll be happy.

Bolognesi: As an American working on European affairs broadly speaking, has that helped to retain an objective perspective as opposed to a European scholar who may come from a specific background and socialization, or has that position made things harder for you?

Jones: I'm not just an American, I'm a Texan and that's like the biggest cross to bear. Just kidding. Look at me, I'm a white middle-aged man. Every possible privilege has been offered to me at every step in my career. Was it challenging? Yes, I faced some of the most considerable challenge

that an ultra-privileged white middle-aged man has ever faced and I've overcome them against a ferocious competition of other white middle-aged men. I love my life, I feel tremendously grateful for all the things that I've been given but I'm deeply suspicious that my privilege has displaced others in ways that I would regret, if I was confronted with them. Rather than worry about how many challenges I faced, I really think hard - and I'm sure not hard enough - about how much I owe to the community to make sure that other people don't get displaced by people like me in the future.

Osterhuber: What do you look forward to the most in your new capacity as director of the Schuman Centre at the European University Institute in Florence?

Jones: First, I should clarify that I am taking a leave of absence from SAIS. Part of the reason that I am so excited about having new conversations at the EUI is so that I can build bridges to SAIS, help introduce people to what SAIS does, and strengthen the links between these two institutions. Most people I am going to work with will be PhD researchers or post-docs and this is an exciting opportunity for me to engage with new ideas and establish connections and networks with the students that I have taught in the past, the friends I made along the way, and to widen the community. I will work alongside 250 people that all do different things so my biggest fear looking at the future is that I will be so excited that I won't focus on anything. I feel like a little kid who got to inherit Willy Wonka's chocolate factory.

Early Trends in Digital Climate Activism During the 2020 COVID-19 Lockdown

Sahar Priano

ABSTRACT:

The environmental movement has long advocated in response to mounting concerns about global warming. However, in 2020, the climate movement faced a new challenge as the world confronted a second emergency: the global COVID-19 pandemic and subsequent lockdown. Yet, while life virtually stopped, climate activism did not. Instead, it moved online. This study aims to answer, 'Did digital organizing lead to transnational advocacy during the 2020 lockdown?' To answer this question, the study compares the online experiences of Italian activists from FFF and XR during the COVID-19 pandemic and lockdown with the definition of transnational advocacy established by Margret E. Keck and Kathryn Sikkink. I find that online organizing returns two out of the three characteristics of Transnational advocacy. While activists, bonded by shared information, deepened transnational networks, activism shifted from an organizational pursuit to an individual experience. Without their organizational resources, activists did not collectively frame and thereby channel their message to target international actors or issues. Therefore, online organizing in lockdown lead partially to transnational advocacy.

Introduction

The environmental movement has long advocated in response to mounting concerns about global warming. In the last few years, thanks to successful campaigns by social movement organizations (SMO) like Fridays For Future (FFF) and Extinction Rebellion (XR), millions more have taken up the call globally. Large SMOs like FFF and XR have uniquely scaled across borders into a transnational movement to address climate change. These organizations inspired their supporters to strike, coordinating in person marches internationally. However, in 2020, these movements faced a new challenge as the world confronted a second global emergency. In December 2019, when the contagious coronavirus spread across the world, strict lockdown measures precluded activists from gathering in person. In a matter of weeks, the COVID-19 crisis brought about the most severe suppression of personal freedoms in a European country since World War II.¹ Yet while life has virtually stopped, climate activism did not, instead it moved online. Yet, the impacts of the pandemic on the transnational strength of the climate movement remains to be seen. In this unique new reality, this study aims to examine: Does digital organizing lead to transnational advocacy?

Online organizing has been categorized as a “new power,” made by many, open, participatory, and peer-driven.² Online organizing can be a powerful tool to channel information to address international challenges. Whereas Margret E. Keck and Kathryn Sikkink in *Activists Beyond Borders* define transnational advocacy as dependent on transnational networks organized to promote principled ideas.³ These networks, bonded by sharing information across sovereign borders, target international actors and tackle international issues. To understand if online organizing led to transnational advocacy, I surveyed

¹ Donadio, R. (2020). “Italy Shut Down. Which Country Will Be Next?”, *The Atlantic*. Available at: <https://www.theatlantic.com/international/archive/2020/03/italy-coronavirus-covid19-restrictions-democracy/607729/> (Accessed on: 14 November 2020).

² Heimans, J. & Timms, H. (2014). “Understanding “New Power,” *Harvard Business Review Online*.

³ Keck, M.E. & Sikkink, K. (1998). “Introduction”, in *Activists Beyond Borders*. Cornell: Cornell University Press, p. 5.

10 youth Italian activists⁴ from FFF and XR. The interviews were conducted in two rounds. The first in March 2020 during the COVID-19 pandemic and lockdown and the second between July and August 2020. Living at the epicenter of the initial European outbreak, these activists provide significant insight on digital Italian climate advocacy and its implications for transnational movements when personal freedoms were restricted. I find that while online organizing during lockdown enhanced transnational networks, activism has shifted from an organizational pursuit to an individual experience. Without the organization and resources normally provided by SMOs, activists are unable to collectively frame and thereby channel their message successfully to target international actors and issues. Therefore, the new form of online organizing in the wake of lockdown leads to transnational networks. Yet, activism in lockdown did not yield a coordinated or renewed international target or issue. In this way, digital activism during the COVID-19 crisis only partially led to transnational advocacy.

Pre-Lockdown Activism

Prior to the 2020 COVID lockdown, the Italian environmental movement grew substantially. In the early 2000s, Italian climate activists focused largely on delaying infrastructural projects like No *Treno ad Alta Velocità* (TAV), a movement against a proposed tunnel connecting Italy and France via high-speed train. However, in 2018, organizations like FFF and XR united environmental activists with a new wave of energized youth galvanized in part by FFF's founder Greta Thunberg.⁵ Online tools became common in this most recent iteration climate activism.⁶ In this context, online organizing allowed activists to broadcast their decisions to participate in actions and increase the number of interested people.⁷ For example, FFF quickly scaled up online from Greta Thunberg's original Friday school strikes to an international movement. In 2019 alone, FFF organized four Global Climate Strikes on March 15, May 24, September 20-27, and November 29. The notable September strike reached a reported 185 countries with over 6,000 events and 7.6 million participants - the largest global protest to date.⁸

While keeping these global developments in mind, both FFF and XR claim to be nonhierarchical organizations where every chapter and its members have substantial autonomy. Each FFF and XR local chapter, delegated members to coordinate between local, Italian, and international chapters.⁹ Yet despite being international movements, none of the activists spoke about global networks as integral parts of their local SMO actions pre-lockdown. Instead, their local organizational allegiance was evident and FFF or XR would frequently collaborate with city-specific networks like a coalition of climate SMOs "*Milano per il clima*."¹⁰ For XR, this localized structure is imbued in their organization as each chapter is subdivided into smaller groups that autonomously create goals or focus areas.¹¹ Before the lockdown, the local FFF and XR chapters remained focused on local mobilization and decision-making.

Likewise, in person organizing methods remained important before the lockdown. XR's and FFF's pre-lockdown mobilization efforts were held almost exclusively offline. For example, XR Bologna

⁴ The individuals interviewed ranged from the ages of 20 to 32.

⁵ Somma, N.M. & Medel, R.M. (2019). "What makes a big demonstration? Exploring the impact of mobilization strategies on the size of demonstrations", *Social Movement Studies*, 18(2), pp. 233-251.

⁶ Hestres, L.E. (2015). "Climate Change Advocacy Online: Theories of Change, Target Audiences, and Online Strategy", *Environmental Politics*, 24 (2), pp. 193-211.

⁷ Ibid.

⁸ Chase-Dunn, C. & Almeida, P. (2020). *Global Struggles and Social Change*, Baltimore: Johns Hopkins University Press; de Moor, J., Katrin U., Wahlström, M., Wennerhag, M. & De Vrydt, M. (eds.) (2020). *Protest for a future II: Composition, mobilization and motives of the participants in Fridays For Future climate protests on 20-27 September, 2019, in 19 cities around the world*.

⁹ Interview with FFF Activist 3, Interview with XR Activist 3.

¹⁰ Interview with FFF 1, 3, XR Activist 2.

¹¹ Interview with XR Activist 2.

held an *aperitivo* weekly to integrate new members.¹² Although like FFF, XR activists reported that they relied on social media to publicize their mobilization efforts, one XR member stated that the clear majority of newcomers to the introduction events had in-person invitations.¹³ XR also held a variety of small online activities mostly for the purposes of mobilization of new members, publicizing events to the community, and information sharing between members. Similarly, while FFF excelled at employing online methods for a high turnout at low-risk events like the Climate Strikes, face to face and in person invites persisted as the most useful technique to garner turnout. One study found less than 3% of students and 20% of adults came without an in-person invitation.¹⁴ Pre-lockdown, the local FFF and XR chapters used mixed online and offline activism, yet in-person was highly favored and resulted in higher rates of physical engagement. In contrast, online mobilization techniques were employed for passive national and international engagement and communications.

Transnational Networks in Lockdown

In lockdown, online activism became obligatory. In this unique reality, activists retreated to the online space to communicate, share, and continue their operations. Contrasting how local FFF and XR chapters adapted to mandatory online organizing, this study aims to deduce if these organizations' new online activism translated into transnational advocacy. In the lockdown, digital advocacy advanced one out of the three components of Keck and Sikkink's transnational advocacy: the transnational network.

As all interactions moved online, the importance of location diminished while national networks grew. Some activists identified the absence of physical presence as an opportunity to involve new community members, especially those outside urban centers, which often host chapters.¹⁵ The lack of physical distance encouraged investment in existing networking channels. More specifically as social movement scholar Jen Schradie underlines, digital presence flattened communication networks, reduced the costs of membership and coordination, and thus increased the possibility for participation.¹⁶ Schradie's conclusion follows the academic consensus that online organizing presents new opportunities to create networks, as informal contacts can be scaled up to rally around a shared goal.¹⁷ In March the lack of physical activity aided mobilization efforts. A weekly onboarding meeting organized by the national XR Italy had over 1,100 people interested on Facebook each week. Whereas the comparable weekly event prior to the local down between October 2019 – January 2020 attracted only about 60 attendees interested on average. One XR activist stated, "We find ourselves in a limited, but also unlimited space."¹⁸ Activists agreed that their networks were expanding given the new online space.

These growing networks carried new information sharing capacity and methods. FFF Italy created a new campaign, "*Cameretta Tour*," where various celebrities spoke about climate issues on their Instagram. Furthermore, a particularly successful FFF venture named "*Quarantena for Future*" expanded the SMO's national site to function as a database of books, TV, film, and other materials on climate change. Activists from XR also spoke to the increase in information sharing with weekly online workshops and articles to

¹² Interview with XR Activist 2.

¹³ Interview with XR Activist 1.

¹⁴ Della Porta, D. (2005). "Multiple Belongings, Flexible Identities and The Construction Of "Another Politics": Between the European Social Forum and The Local Social For a", *Transnational Protest and Global Activism*, Boulder: Rowman & Littlefield Publishers, pp. 175–202.

¹⁵ Interview with XR Activist 3.

¹⁶ Schradie, J. (2019). *The Revolution that Wasn't, How Digital Activism Favors Conservatives*, Harvard University Press: Harvard.

¹⁷ Kahler, M. (2009). "Introduction", In *Networked Politics: Agency, Power, and Governance*, edited by Miles Kahler, Ithaca, NY: Cornell University Press, pp. 1-20.; Slaughter, A.M. (2017). *The Chessboard and the Web: Strategies of Connection in a Networked World*, New Haven: Yale University Press.; Owen, T. (2015). *Disruptive Power: The Crisis of the State in the Digital Age*, New York: Oxford University Press.

¹⁸ Interview with XR Activist 3. Translated from original: "ci ritroviamo in uno spazio limitato e allo stesso momento illimitato"

enrich their supporters' knowledge on the environmental movement.¹⁹ XR expanded their 'empathy circles,' a structured dialogue covering politics, identity, and climate.²⁰ In the lockdown, these circles expanded past their normal confines and included members from peripheral locations whose participation was reinforced by shared information. When limited to the online space, information sharing became the principal action of SMOs. Consequentially, transnational networks are characterized not only by their growth out from their local origin, but by information sharing, which forms the core of the advanced network.²¹

Networks were further developed transnationally. Unable to protest on February 28, 2020, FFF Milan decided to post their strike online. On March 13, 2020, the digital strike grew from Milan nationwide and the subsequent week, Greta Thunberg launched the digital strike internationally as the world began to face the same predicament as Milan had weeks before. Supporters posted photos of themselves holding protest signs on social media, sharing information, articles, and thoughts, coining the hashtag #DigitalStrike. This online action grew as a direct result of the pandemic. In the first weeks of the lockdown, activists saw a surge the use of #DigitalStrike. Unlike physical protests, FFF extended its reach quickly online through easily digestible content. Keck and Sikkink assert that framing, through a collective identity, which employs a higher level of organizational resources, is the mechanism by which transnational networks can channel information sharing to influence international issues and target international actors. Functionally, framing an issue is the relationship between the movements' interpretive work and its ability to influence broader public understanding.²² A common action frame, such as #DigitalStrike, is key to "broker and bridge organizational differences" to expand beyond local borders and create resonance with audiences.²³ Furthermore, some members autonomously participated in international calls organized by the United Nations with dozens of activists globally. In these calls, activists not only shared ideas for actions, but also exchanged information about their countries' responses to the pandemic.²⁴ These calls can be characterized as a 'frame bridging operation:' a strategic tool that allows one issue to be translated into a different context, vital to create a "common frame mechanism" to unite the cultural diversity implicit in transnational advocacy.²⁵ Uninhibited by physical mobilization, transnational networks developed in lockdown.

Decoupling Activism from SMO

Employing this digital "new power" to accomplish a transnational goal requires organizational hierarchy and resources. The most successful organizations use online tools to mobilize more participants as well as offline tools to invest and develop the capabilities of the members.²⁶ What ultimately distinguished organizers was their ability to recognize the members' individual drive for action is based on the intra-organizational relationships.²⁷ Organizers are successful because of their hierarchical organizational system that keeps members accountable and thus systemized. However, the organizers

¹⁹ Interview with XR Activist 2, Interview with XR Activist 3.

²⁰ Empathy Circle Website

²¹ Keck, M.E. & Sikkink, K., 1998.

²² Keck & Sikkink, 1998.

²³ Ibid.; Bennett & Segerberg, 2012.

²⁴ Interview with XR Activist 2, 3; Interview with FFF Activist 3.

²⁵ Snow, D. A., Rochford, B. Jr., Worden, S. K. & Benford, R. D. (1986). "Frame alignment processes, micromobilization, and movement participation", *American Sociological Review*, 51, pp. 464–481; Snow, D. A. & Benford, R. D. (1988). "Ideology, frame resonance, and participant mobilization", *International Social Movement Research*, 1, pp. 197–217; Keck & Sikkink, 1998; Benford, R. D. & Snow, D. A. (2000). "Framing processes and social movements: an overview and an assessment", *Annual Review of Sociology*, 26, pp. 611–639.

²⁶ Han, 2014.

²⁷ Ibid.

identified as the linchpin for successful online organizing by scholars was precisely what was missing from the lockdown space. Instead, organizations and their members were decoupled, which obstructed the path from online organizing to transnational advocacy.

As physical location became a prohibited component of engagement, the online space flattened and decoupled individuals from their organizational allegiance. The principal action online, information sharing, was not done collectively, but instead individually. These personalized and often technologically enabled interactions that define Bennett and Segerberg's 'connective networks' revealed that casual online relationships and information sharing were inherently individual endeavors. The logic of connective action is common online where formal organizations play a smaller role and are replaced by large-scale, fluid social networks. Centrally, these connective action networks are dependent on content in the form of personalized ideas on the campaign theme.²⁸ Each post of the #DigitalStrike or attendance to a workshop was an independent venture that did not require a long-term or previous engagement with the formal SMO. Instead, individualized online organizing allowed participants to create and sustain various and diversified identities as opposed to stagnant group membership.

The online space that at the beginning of lockdown was marked with online workshops by SMOs and transformation of their organizations' physical activities gave way to decentralized actions, decoupled from their previous institutional banner. During a second round of interviews, many activists revealed that they had stopped participating in collective action and instead focused on varied individual projects. In the online space, the definition of a member to these organizations blurred with attendees performing the same action. For example, while several FFF activists in Milan kept ties with others in their SMO, some began a specialized organization with an action-oriented mission. During the pandemic, they volunteered as aids for the elderly confined to their homes. Still others broke ties completely with their SMOs citing the limited use of their organization as their message could be spread online easily without organizational resources.²⁹ One FFF member claimed that activists became "not entrepreneurs, but intra-preneurs," meaning they were looking inward for self-reflection rather than strategic communication with their organization.³⁰ Hanrie Han characterizes this type of activist as a lone wolf who is set apart by their knowledge accumulation and individual activism, only strategizing scantily with other members of the organization.³¹ Consequentially, the ambition of activists had separated from the communal issues and targets of their transnational organizations.

The central hindrance of connective action is that it favors short term, voluntary engagement over the creation of a collective frame that inspires long-term, transitional action or targeting. While transnational networks have emerged with the influx of shared information, individuals have become decoupled from the organizational resources, vital for long-term collective framing. This failure to create a collective frame denotes a lack of strategic organization to generate politically usable information.³² Following, participation in the #DigitalStrike has declined since March 2020. Academics claim that although online community is the largest source of new ideas and information, these causal ties seldom directly lead to high risk or committed activism.³³ This decline was echoed in participation rates in XR, who without a comparable online campaign to #DigitalStrike, saw their onboarding numbers sharply

²⁸ Ibid.

²⁹ Interview with XR Activist 2, 3; Interview with FFF Activist 3.

³⁰ Interview with FFF Activist 2.

³¹ Han, H. (2017). "Want Gun Control? Learn From the N.R.A", *New York Times*, 4 October.

³² Keck and Sikkink, 1998.

³³ Hestres, L.E. (2015). "Climate Change Advocacy Online: Theories of Change, Target Audiences, and Online Strategy", *Environmental Politics*, 24 (2), pp. 193–211.

decrease in the Summer.³⁴ Moreover, the transnational ground that was gained in lockdown was not accessible to all activists. Schradie affirms that the “individualized internet cannot combat institutionalized marginalization.”³⁵ For example, new international dialogues were underscored as independently sought out and separate from their SMOs precisely because of the lack of organizational affiliation and English language barrier.³⁶ Importantly, while the online space yields new frontiers for greater reach, the digital activism cultivated in lockdown, without collective action frames supporting transnational goals or targets, falls short of Keck and Sikkink’s definition of transnational activism.

Conclusion

The unique reality of online organizing in lockdown demonstrated the casualties between the digital space and transnational advocacy. In pre-lockdown, both FFF and XR enjoyed a mixed mobilization technique utilizing both offline and online tools. In lockdown, the landscape changed. Transnational networks blossomed from increased information sharing brought about by digital organization.³⁷ However, sharing information was simply not enough to warrant transnational advocacy, which only follows when transnational networks manage to channel information to address issues or target international actors. Principally this partial realization of transnational advocacy was a consequence of the separation between SMOs and their members. The SMOs restricted in lockdown to an online world are left with only connective networks foraged by personal, individualized frames for their messages to address climate change. Individuals are no longer tied to organizational resources or strategies, which developed their capacities for framing their messaging aboard. Without successful organizational management or tools, participation faltered, and mobilization of new members dwindled. Individuals are framing their messaging from their own personal perspective, rather than coordinating with their SMO to form a cohesive collective action frame. Therefore, while information sharing enabled transnational networks, the climate activism of these local groups did not manage to coherently address international actors or issues. In conclusion, apart from transnational networks, digital organizing during the COVID-19 did not lead to transnational advocacy.

Sahar Priano is an MA candidate at Johns Hopkins School of Advanced International Studies. Priano has also held roles at the European Bank for Reconstruction and Development as well as at the Department of Statistics and the Department of Political Science at the University of Bologna. Previously, she has completed research on European immigrant labor markets at UC Berkeley. Priano holds a Master’s Degree in Development Studies and Human Rights from the University of Bologna and a Bachelor’s Degree in Peace and Conflict Studies from UC Berkeley.

References

- Benford, R. D. & Snow, D. A. (2000). “Framing processes and social movements: an overview and an assessment”, *Annual Review of Sociology*, 26, pp. 611–639.
- Bennett, W. L., & Segerberg, A. (2012). “The Logic of Connective Action”, *Information, Communication & Society*, 15(5), pp. 739–768.
- Chase-Dunn, C. & Almeida, P. (2020). *Global Struggles and Social Change*, Baltimore: Johns Hopkins University Press.

³⁴ Interview XR Activist 2.

³⁵ Schradie, 2019, p.18.

³⁶ Interview with FFF Activist 1, XR Activist 3.

³⁷ Keck & Sikkink, 1998

- de Moor, J., Katrin U., Wahlström, M., Wennerhag, M. & De Vydt, M. (eds.) (2020). *Protest for a future II: Composition, mobilization and motives of the participants in Fridays For Future climate protests on 20-27 September, 2019, in 19 cities around the world*.
- Della Porta, D. (2005). "Multiple Belongings, Flexible Identities and The Construction Of "Another Politics": Between the European Social Forum and The Local Social For a", *Transnational Protest and Global Activism*, Boulder: Rowman & Littlefield Publishers, pp. 175–202.
- Della Porta, D., Zamponi, L., Baukloh, A., Bertuzzi, N., Chironi, D. & Portos, M. (2020). In: Joost de Moor, Katrin Uba, Mattias Wahlström, Magnus Wennerhag and Michiel De Vydt (eds.), (2020), *Protest for a future II: Composition, mobilization and motives of the participants in Fridays For Future climate protests on 20-27 September, 2019, in 19 cities around the world*.
- Donadio, R. (2020). "Italy Shut Down. Which Country Will Be Next?", *The Atlantic*. Available at: <https://www.theatlantic.com/international/archive/2020/03/italy-coronavirus-covid19-restrictions-democracy/607729/> (Accessed on: 14 November 2020).
- Empathy Circle Website. (2020). GoogleSites, www.empathycircle.com/
- Experience Is. (March 12, 2020) *Andare Alle Manifestazioni Non è L'unico Modo: Facciamo Un Digital Strike per Il Clima!*. VanityFair.it www.vanityfair.it/experienceis/sostenibilita/2020/03/12/no-manifestazioni-fridays-for-future-greta-thunberg-digital-strike-coronavirus-emergenza.
- Facebook Events (2020). Available at: www.facebook.com/events/1045260215813907/, (Accessed on: 14 November 2020)
- Han, H. (2014). *How Organizations Develop Activists: Civic Associations and Leadership in the 21st century*, Oxford: Oxford University Press.
- Han, H. (2017). "Want Gun Control? Learn From the N.R.A", *New York Times*, 4 October.
- Heimans, J. & Timms, H. (2014). "Understanding "New Power," *Harvard Business Review Online*.
- Hestres, L.E. (2015). "Climate Change Advocacy Online: Theories of Change, Target Audiences, and Online Strategy", *Environmental Politics*, 24 (2), pp. 193–211.
- Interview with FFF Activist 1. (2020, March 20). Skype.
- Interview with FFF Activist 2. (2020, March 20). WhatsApp Audio Call.
- Interview with FFF Activist 3. (2020, March 30). Skype.
- Interview with Italian Climate Network Activist. (2020, March 21). Skype.
- Interview with Professional Activist. (2020, March 19). Skype.
- Interview with Resilient GAP Activist 1. (2020, March 21). Skype.
- Interview with Resilient GAP Activist 2. (2020, March 21). Skype.
- Interview with XR Activist 1. (2020, March 5). In person.
- Interview with XR Activist 2. (2020, March 15 and 18). Skype.
- Interview with XR Activist 3. (2020, March 22). Zoom.
- Interview with XR Activist 4. (2020, August). Zoom.
- Kahler, M. (2009). "Introduction", In *Networked Politics: Agency, Power, and Governance*, edited by Miles Kahler, Ithaca, NY: Cornell University Press, pp. 1-20.
- Keck, M.E. & Sikkink, K. (1998). "Introduction", in *Activists Beyond Borders*. Cornell: Cornell University Press.
- Owen, T. (2015). *Disruptive Power: The Crisis of the State in the Digital Age*, New York: Oxford University Press.
- Quarantena: Fridays For Future Italia*. 2020. FridaysForFutureITA www.fridaysforfutureitalia.it/quarantena.
- Schradie, J. (2019). *The Revolution that Wasn't, How Digital Activism Favors Conservatives*, Harvard University Press: Harvard.
- Segerberg A. & Bennett, W.L. (2011). "Social Media and the Organization of Collective Action: Using Twitter to Explore the Ecologies of Two Climate Change Protests", *The Communication Review*, 14(3), pp. 197-215.
- Slaughter, A.M. (2017). *The Chessboard and the Web: Strategies of Connection in a Networked World*, New Haven: Yale University Press.
- Snow, D. A. & Benford, R. D. (1988). "Ideology, frame resonance, and participant mobilization", *International Social Movement Research*, 1, pp. 197–217.
- Snow, D. A., Rochford, B. Jr., Worden, S. K. & Benford, R. D. (1986). "Frame alignment processes, micromobilization, and movement participation", *American Sociological Review*, 51, pp. 464–481.
- Somma, N.M. & Medel, R.M. (2019). "What makes a big demonstration? Exploring the impact of mobilization strategies on the size of demonstrations", *Social Movement Studies*, 18(2), pp. 233-251.

The Evolution of TARGET2 Positions in the Eurozone

Moritz Osterhuber

ABSTRACT:

TARGET2, the Eurozone's large-value payment system, is as contested as it is essential. It ensures that euros are treated equally in the entire Eurozone and underpins common monetary policy. Critics however hold that growing TARGET2 positions during the financial crisis and beyond are a covert bail-out mechanism for Eurozone countries with chronic trade deficits. This argument presented in this article thus draws a connection between trade patterns and financial flows in the Eurozone whose policy implications have the potential of breaking up the monetary union. Overall, it is concluded that risk assessments and liquidity preferences, not trade, determined the evolution of TARGET2 positions since 2008.

Introduction

TARGET2 (T2) is the Eurosystem's cross-border settlement mechanism for large-value payments. The system provides a central infrastructure for financial institutions to make cross-border payments and settles emerging net balances after every trading day. A little-known technical feature before 2011, the T2 system became the subject of fierce academic debate throughout the course of the Eurozone crisis. Whereas the European Central Bank (ECB) describes T2 as "essential for the smooth processing of [cross-border] payments,"¹ German economist Hans-Werner Sinn described it as a covert bail-out mechanism for distressed Eurozone countries.² His argument struck a chord with lingering Euroscepticism in Germany and eventually led to an unlikely entrance of the T2 system within the political limelight.

Following Sinn's first intervention, scholars have produced an impressive amount of work in an attempt to clarify the role of T2. Although few of them supported Sinn's original argument of a 'stealth bail-out,'³ the conclusion that critics of Sinn's position have "won the scholarly argument hands down" against him may be premature.⁴ In fact, the "wonkiest web debate ever" seems far from over.⁵ Arguments that T2 transforms the Eurozone into a 'shadow transfer union'⁶ and silently bails out otherwise insolvent Eurozone countries⁷ continue flaring up regularly. Somewhat expectedly, German media was ripe with criticism of T2 when the Bundesbank's claims edged closer to the magical number of a thousand billion in 2018.⁸ In 2019, the debate reached the finance committee of

¹ ECB (2011). Monthly Bulletin October 2011. Issue 10/2011. Frankfurt am Main: European Central Bank, p.35.

² Sinn, H. W. (2011). The ECB's stealth bailout. VoxEU.org, 1.

³ Cecioni, M., & Ferrero, G. (2012). Determinants of TARGET2 imbalances. Bank of Italy Occasional Paper, (136).

⁴ Schelkle, W. (2017). The political economy of monetary solidarity: understanding the euro experiment. Oxford University Press, p.275

⁵ Alloway, T. (2011). The wonkiest web debate ever – Germany's 'stealth bailout'. The Financial Times. Retrieved from: <https://www.ft.com/content/d8a2e310-021c-36ca-83f3-6796ad7b6c00>.

⁶ Stephens, P. (2019). Germany hides the awkward truth about the euro. The Financial Times. Retrieved from: <https://www.ft.com/content/7a43c4ae-d496-11e9-8367-807ebd53ab77>.

⁷ Blake, D. P. (2018). Target2: The silent bailout system that keeps the Euro afloat. Available at SSRN 3182995.

⁸ Mayer (2018). Ein Wahnsinn namens Target 2. Frankfurter Allgemeine Zeitung (14 July 2018). Retrieved from: <https://www.faz.net/aktuell/wirtschaft/mayers-weltwirtschaft/target-2-und-bundesbank-einenormes-risiko-15691158.html>; Sinn, H. W. (2018a). Fast 1 000 Milliarden Target-Forderungen der Bundesbank: Was steckt dahinter?. ifo Schnelldienst, 71(14), p.26-37; Sinn,

the Bundestag, where the Eurosceptic, right-wing *Alternative for Germany* (AfD) demanded that collateral be posted to guarantee T2 liabilities.⁹ Similarly, Sinn at various junctures¹⁰ proposed to impose a ceiling on T2 balances or to devalue currencies of individual Eurozone countries. At best, these policy proposals would fragment money markets and trigger large-scale capital flight. It is anyone's guess whether common monetary policy could prevail under such conditions. Therefore, it is important to shed further light on the functioning of T2 since technical aspects have long given way to political considerations.

Why did persistent T2 balances emerge in the Eurozone after 2007? This essay revisits the debate around the mounting T2 balances between 2008 and 2012, discussing the claim that T2 balances arise from trade deficits and represent trade-financing credit from public monetary institutions. T2 is a constitutive component of monetary union. T2 balances reflect relative liquidity preferences and grow in response to asymmetries, failures, and blockages in the financial architecture of the Eurozone. Therefore, rather than a cause for concern, the T2 system is an insurance mechanism that acts as a surrogate for a more complete fiscal and financial union while also facilitating common monetary policy.¹¹

The first section of this contribution describes the functioning of T2 by tracking an example transaction. It also describes the system's multilateral settlement procedure that may lead to net balances as an accounting identity. The second section outlines the centrality of T2 for money markets and payments in monetary union. Section three dissects the argument that T2 liabilities financed trade deficits and argues that current account data cannot effectively account for the emergence of TARGET balances. Section four subsequently presents evidence that T2 balances between 2008 and 2014 were driven by financial flows reacting to (perceived) differentials in default, liquidity, and redenomination risk across the Eurozone. Finally, section five analyzes the evolution of T2 balances after 2015, arguing that renewed divergence is attributable to the direct and indirect effects of ECB asset purchases.

The TARGET System

TARGET stands for *Trans-European Automated Real-time Gross Settlement Express Transfer System*. It is the Eurozone's large-value payment system and has been in operation since the introduction of the Euro in 1999. Following an update in 2007, the system acquired the suffix '2' to denote the migration from a network of national real-time gross settlement mechanisms to a single shared platform. Beyond gains in efficiency and security, this change had little effect on the fundamental role of the system for the financial architecture of the Eurozone. By integrating money markets and capital flows, the T2 system enables the uniform transmission of common monetary policy and promotes the integration of European financial markets.¹² For financial institutions, T2 provides a central infrastructure to make cross-border payments from one central bank area of the Eurozone to another.

H. W. (2018b). Irreführende Verharmlosung. Frankfurter Allgemeine Zeitung (05 August 2018). Retrieved from: <https://www.faz.net/aktuell/wirtschaft/konjunktur/bringen-die-target-salden-deutschland-ingefahr-15723567.html>

⁹ Bundestag (2019). Fraktionen kritisieren AfD-Antrag zu Target-Forderungen. Drucksache 19/9232. Retrieved from: <https://www.bundestag.de/dokumente/textarchiv/2019/kw15-de-target-forderungen-633722> and <https://dip21.bundestag.de/dip21/btd/19/092/1909232.pdf>.

¹⁰ Sinn (2011); Sinn, H. W. (2012). Fed versus ECB: How TARGET debts can be repaid. VoxEU.org, 10; Sinn, H. W. (2014a). The Euro trap: On bursting bubbles, budgets, and beliefs. OUP Oxford.

¹¹ Schelkle (2017)

¹² Deutsche Bundesbank (n.d.). From TARGET to TARGET2. Frankfurt am Main: Deutsche Bundesbank. Retrieved from: <https://www.bundesbank.de/en/tasks/payment-systems/target2/from-target-to-target2/fromtarget-to-target2-620620>.

Eligible commercial banks hold money in the form of central bank liquidity in accounts at their National Central Banks (NCBs). The ECB, on behalf of the Eurosystem, acts as ‘common settlement agent’ and banks make payments “by exchanging the liabilities of this settlement [agent].”¹³

As of 2019, more than one thousand credit institutions were direct participants of the integrated platform, connecting almost 45,000 banks globally through various branches and subsidiaries.¹⁴ These banks perform T2 transactions when they transfer capital between branches located in different countries to manage cash flow and liquidity, purchase foreign assets like sovereign bonds, or decide to repatriate funds after a change in risk outlook. Banks may also use T2 on behalf of private and corporate customers to purchase foreign goods and services or invest abroad. In 2019, the T2 system processed 88 million of these transactions with average value of €5.2 million and a median of just €7,400, indicating that T2 is increasingly important for smaller retail transactions.¹⁵

The T2 system settles cross-border payment orders in the sense that it “discharges obligations in respect of funds [...] transfers between two or more parties.”¹⁶ In an example related to the current account, a firm in France that purchases cybersecurity services from a software developer in Spain would trigger a T2 transaction. First, the importing French firm instructs its commercial bank, *Crédit Agricole*, in France to wire payment for the cybersecurity services to the bank of the software developer, *Banco Santander*, located in Spain. To effectuate the payment, *Crédit Agricole* sends a SWIFT¹⁷ message via the T2 system, which automatically associates the origin and destination of the transfer with the NCBs of the involved commercial banks. In this case, the transaction runs from the jurisdiction of the Banque de France (BdF) to that of the Banco d’España (BdE). After receiving the payment message via T2, the BdF debits the current account that *Crédit Agricole* holds in the Eurosystem with the value of the payment. Moreover, in order to preserve the accounting identity of matching assets and liabilities on its balance sheet, the BdF acquires a temporary liability on the BdE.¹⁸ The BdE reciprocates and confirms the transaction by reporting a corresponding claim on the BdF and credits the current account of *Banco Santander* with the value of the payment order. The exchange of temporary claims and liabilities between the NCBs is necessary to offset the disequilibrium arising from the transaction which decreases the liabilities of BdF vis-à-vis *Crédit Agricole* and increases the liabilities of the BdE vis-à-vis *Banco Santander*.

For commercial banks *Crédit Agricole* and *Banco Santander*, settlement is seamless. They debit (credit) the reserve account of their customer in France (Spain) and see an equivalent amount of liquidity eliminated (created) in the current account they hold with their NCB. Because gross-settlement happens in real-time, commercial banks can immediately reuse liquidity obtained via a T2 transfer in subsequent transactions. For the French and Spanish NCBs, final settlement is more complicated and involves a two-step clearing process. First, T2 clears (‘nets out’) all intra-day gross transactions (one of them arising from the cybersecurity services purchase) between central bank

¹³ BIS (2003a). The role of central bank money in payment systems. Committee on Payment and Settlement Systems. Basle: Bank of International Settlements, p.2

¹⁴ ECB (2020). TARGET Annual Report 2020. Frankfurt am Main: European Central Bank.

¹⁵ Ibid.

¹⁶ BIS (2003b). Glossary. Basle: Bank of International Settlements. Retrieved from: <https://www.bis.org/cpmi/publ/d53p17.pdf>, p.517.

¹⁷ Society for Worldwide Interbank Financial Telecommunication

¹⁸ Jobst, C., Handig, M., & Holzfeind, R. (2012). Understanding Target2: the eurosystem’s euro Payment System from an economic and Balance Sheet Perspective. Monetary Policy & the Economy Q, 1, p.81-91.

areas into bilateral net balances between pairs of NCBs. Second, after every trading day, the T2 system clears or ‘nets out’ these balances multilaterally between NCBs. In this way, the BdE’s claim on BdF could be partially or fully offset by the claim of another NCB. The emerging net balances are multilateral in nature and reflect for every NCB the net outflows or inflows of liquidity vis-à-vis the entire Eurozone. In order to settle these multilateral net balances, NCBs in surplus acquire a permanent T2 claim and NCBs in deficit acquire a permanent T2 liability on the Eurosystem as a whole. The daily emerging multilateral net balances are carried forward as claims and liabilities on the balance sheet of the ECB. It is through the interplay of cross-border claims and liabilities between NCBs and the subsequent multilateralization of positions that T2 discharges obligations between agents.

TARGET2 System and Monetary Union

The T2 system is what differentiates the Eurozone from an area with fixed exchange rates.¹⁹ While fixed exchange rate areas maintain decentralized monetary policy where foreign reserve management is imperative, monetary union does away with the monetary foreign constraint. This means that a shared agent is responsible for deciding and implementing common monetary policy. Also, exchanges of domestic currency for foreign currency are unlimited, which relieves the NCB of foreign reserve management, the threat of speculative attacks, and the specter of devaluation.

The crucial feature that “irrevocably unifies the former national currencies,” however, is a union’s payment system.²⁰ In fact, Mazzocchi and Tamborini argue that a monetary union is “first and foremost a payment union.”²¹ This is because the payment mechanism is the instrument that ensures that all forms of money (domestic, foreign, banknotes, liquidity) are treated equally and settled at par. In the Eurozone, by indiscriminately settling payments, T2 makes it immaterial where a euro originated. Yet, by leaving traces in the form of intra-Eurosystem claims and liabilities on the ECB’s balance sheet, it signals asymmetries in the payments it settles. These asymmetries give clues about relative liquidity preferences in central bank areas and the volume of refinancing operations by individual NCBs. Thus, while T2 ensured the integrity of monetary union, the information it produced inspired criticism. This criticism was all the more pungent as it aligned well with a pro-German bias and a stigmatization of the Eurozone’s periphery. In this context, it is unfortunate that the Eurosystem inherited the national boundaries defining the European Union²².

T2 Balances and the Current Account

Because T2 net balances represent cumulative flows over time, they emerge when individual Eurozone countries are either net liquidity importers or exporters over a sustained period. A country is a net liquidity exporter if its credit institutions with access to central bank refinancing transfer more liquidity to other institutions in the Eurozone than they receive. As a consequence, the country’s NCB accumulates net liabilities vis-à-vis the Eurosystem in T2. Importantly, T2 balances need not emerge even when countries run large current account (CA) deficits. This is because the T2 transactions associated with a CA deficit can be offset by those associated with the Financial Account

¹⁹ Bindseil, U., & König, P. J. (2011). The economics of TARGET2 balances. Humboldt-Universität zu Berlin, Wirtschaftswissenschaftliche Fakultät.

²⁰ Garber (2010) cited in Bindseil & König (2011)

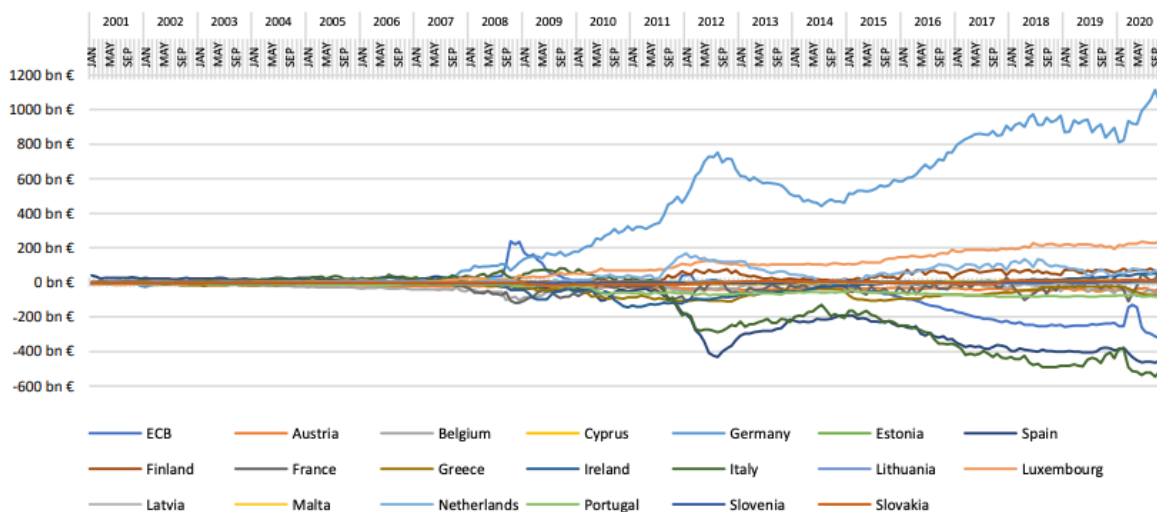
²¹ Mazzocchi, R., & Tamborini, R. (2019). Current account imbalances and the Euro Area. *Alternative views*. *Alternative Views* (January 2019), p.15.

²² Wolman, A. L. (2013). Federal Reserve interdistrict settlement. *FRB Economic Quarterly*, 99(2), 117-141

(FA). For instance, private investors may export capital to central bank areas with CA deficits, creating gross T2 claims on the balance sheet of the receiving NCB. Similarly, commercial banks in a central bank area with net liquidity inflows may use these funds to lend them back to their counterparties experiencing net outflows via the interbank lending market.

Since CA- and FA-related T2 transactions interacted smoothly, no significant TARGET imbalances emerged in the Eurozone before the end of 2007 (Figure 1). This happened not for a lack of CA imbalances. Spain, Portugal, Greece, Cyprus, and to a lesser extent Italy, all ran sizeable trade deficits before the global financial crisis. On the other hand, countries including Germany and the Netherlands were net exporters (Figure 2). At first sight, the group of countries with CA deficits roughly intersects with those countries that developed sizeable T2 deficits after 2007. This observation led Sinn²³ and Tornell and Westermann²⁴ to associate T2 balances with trade deficits and therefore structural Eurozone imbalances. In their view, profitable private capital flows to net importers gave way to public credit via T2 because interest rates in these countries were not high enough to account for credit and redenomination risk. Rates on the interbank market, a measure of credit risk of financial institutions, indeed went up from little over 2 percent in 2006 to over 5 percent in 2009 (Figure 5). This, however, does not prove that causality runs from structural imbalances to a withdrawal of private trade finance. It merely attests to the decreased willingness of commercial banks to lend funds to their counterparties in distressed countries, interrupting the FA-related flows that had offset liquidity outflows until 2007.

Figure 1: TARGET2 Balances²⁵



When T2 imbalances emerged in late 2007 they did so with a significant time lag to CA deficits which were present since the formation of Economic and Monetary Union (EMU). Moreover, during the financial crisis, T2 imbalances rose above and beyond what would have been necessary for countries to finance trade.²⁶ A more systematic assessment of T2 balances in context of the CA yields

²³ Sinn (2014).

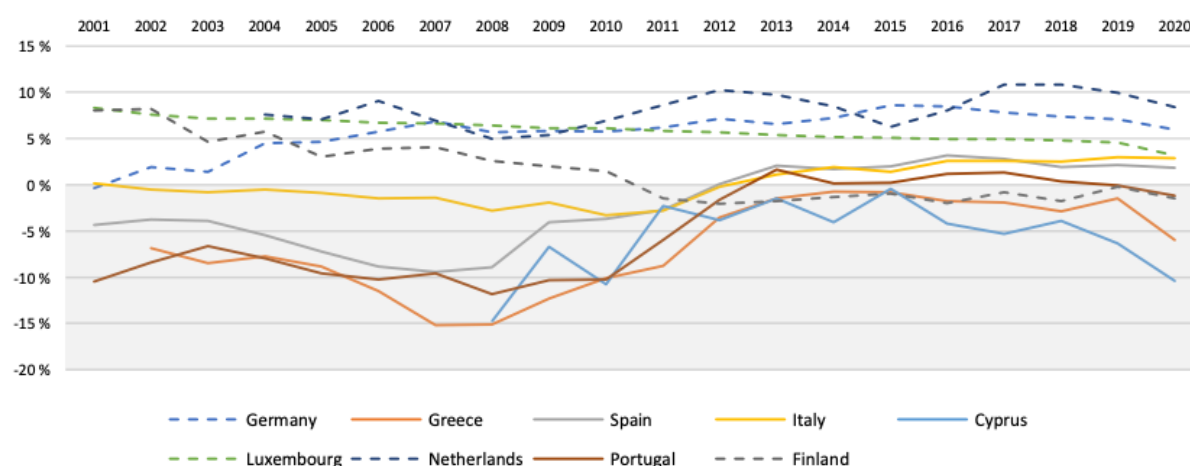
²⁴ Tornell, A., & Westermann, F. (2012). Greece: The sudden stop that wasn't. In CESifo Forum (Vol. 13, No. Special Issue, pp. 102-103). München: ifo Institut-Leibniz-Institut für Wirtschaftsforschung an der Universität München.

²⁵ Euro Crisis Monitor, Osnabrück University

²⁶ Sinn (2014).

scant evidence of an association: there was no significant correlation between changes in the CA and changes in T2 balances between 2005 and 2007. For the period from 2008 to 2010 the relationship was positive but turned negative for 2011-2013.²⁷ If growing T2 imbalances replaced private trade finance, it is puzzling that both Spain's and Italy's T2 liabilities rose as they reduced their trade deficit between 2010 and 2012 (Figures 1&2).

*Figure 2: Current Account Balances of Selected Eurozone Countries (in percent of GDP)*²⁸



Arguments that CA deficits acted as drivers of T2 divergence are typically presented in two steps. First, EMU all but eliminated risk premia previously applied to peripheral countries, which made foreign capital plentiful and made borrowing cheap.²⁹ The result was an unsustainable catch-up process with excessive risk-taking and growing bubbles.³⁰ Second, the financial crisis exposed a systematic competitiveness problem in countries with CA deficits as “prices and wages rose beyond the level [of] sustainable economic development.”³¹

Yet, evidence for a structural competitiveness problem is patchier than this narrative suggests. Real unit of labor costs, a measure of aggregate wages as a share of output, have declined in all countries except Portugal since 1990 (Figure 3). Reductions in Spain, Italy, Ireland, and initially Greece were larger than in Germany, suggesting that wages alone cannot explain a competitiveness problem. Overall, the real wage rate, a measure of labor compensation, rose slower than labor productivity throughout the Eurozone.³² This underlines that wage growth did not give rise to structural imbalances that precipitated T2 balances during the financial crisis.

²⁷ Auer, R. A. (2014). What drives TARGET2 balances? Evidence from a panel analysis. *Economic Policy*, 29(77), 139-197; Schelkle (2017), p.286-291.

²⁸ AMECO Database, European Commission

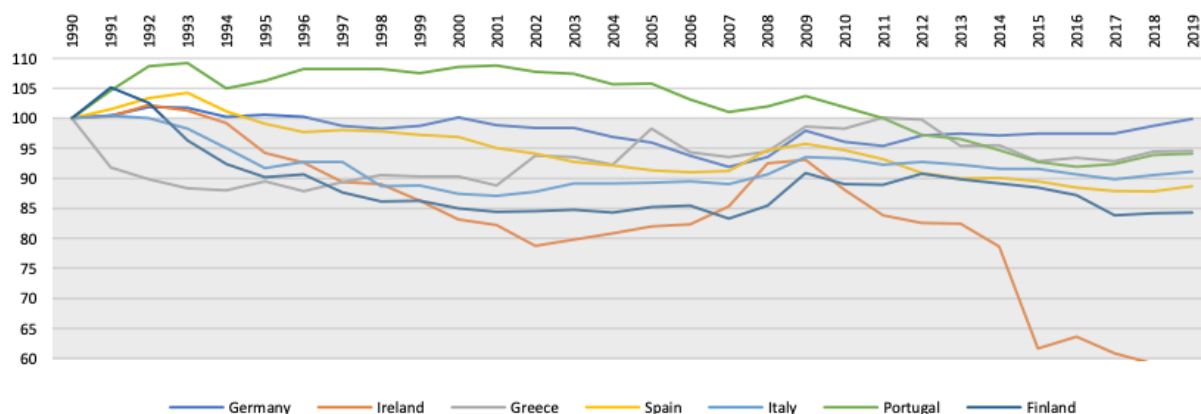
²⁹ Sinn (2014), p.41-47.

³⁰ Fahrholz, C., & Freytag, A. (2012). Will TARGET2-Balances be Reduced again after an End of the Crisis? (No. 30). Working Papers on Global Financial Markets.

³¹ Sinn (2014), p.117.

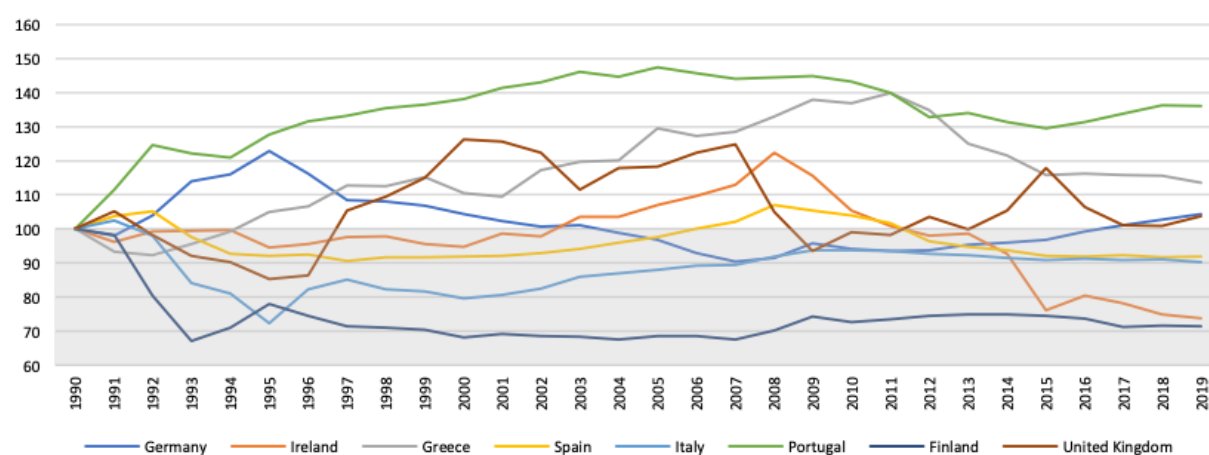
³² Felipe, J., & Kumar, U. (2014). Unit labor costs in the Eurozone: the competitiveness debate again. *Review of Keynesian Economics*, 2(4), 490-507.

Figure 3: Real Unit of Labour Cost - Selected Eurozone countries Index (1990 = 100)³³



Felipe and Kumar note that except for Greece, increases in the unit labor costs stemmed primarily from a rise in the price index.³⁴ At first sight, this seems to suggest that inflation rather than growing wages was the cause for a loss in competitiveness. Yet, evidence for systematically higher inflation in countries with T2 liabilities and a competitiveness problem is once more unconvincing. Differentials in price increases are captured by data on the real effective exchange rate (REER), a measure of price competitiveness vis-à-vis trading partners that is deflated by the consumer price index. REER data shows that among the selected Eurozone countries, only Portugal and Greece experienced a systematic appreciation of prices since 1990 (Figure 4). After EMU, Spain, Ireland, and Italy also appreciated notably. Yet, employment in manufacturing was constant in these countries, suggesting that arguments about a systematic deterioration in competitiveness are overblown.³⁵

Figure 4: Real Effective Exchange Rate - Selected Eurozone countries and UK Index (1990 = 100)³⁶



³³ AMECO Database, European Commission

³⁴ Ibid.

³⁵ Jones, E. (2009). The Euro and the financial crisis. *Survival*, 51(2), 41-54.

³⁶ AMECO Database, European Commission

A final point on the CA explanation for T2 balances is theoretical. Although the CA and FA are cleared by an accounting convention in the Balance of Payments (BoP), it is misleading to describe financial flows in terms of CA deficits and surpluses. First, CAs in the Eurozone may not be the primary determinants of financial flows. Indeed, Gabrisch finds evidence for reverse causality, showing that liquidity preference determines financial flows (FA), which in turn affect trade patterns in the real economy (CA).³⁷ Second, even if the FA accommodates trade imbalances, the CA is ‘silent’ about the direction of gross financial flows and the associated distribution of risk therein.³⁸ In fact, in an integrated market like the Eurozone, CA data may not even reflect net financing flows. This is because the actual financial flows depend on the origin of capital and the location of the credit-providing intermediaries. A net-exporting country is therefore not automatically a net provider of credit to net-importing countries. In the Eurozone for instance, large financial institutions in Germany, France, and the Netherlands channeled savings from outside the Eurozone into euro countries with future T2 liabilities.³⁹ Hence, there was no clear-cut creditor-debtor relationship based on the CA within the Eurozone. In fact, causality may have run from the FA to the CA.

T2 Balances 2008–2014: Emergence and Attenuation

The findings that there is no significant correlation between T2 balances and CA deficits and no systematic deterioration of competitiveness in countries with T2 liabilities directly challenge the view that T2 balances emerged due to structural imbalances. Moreover, the lacking theoretical relation between the CA and financial flows is at odds with Sinn’s claim that T2 balances constituted trade-financing credit flow from surplus to deficit countries.⁴⁰ An explanation better suited to available data is that T2 balances are primarily determined by dynamics on financial markets and the resulting capital flows. Auer finds evidence for a sudden stop in private capital inflows in peripheral countries, which was particularly stark in 2011.⁴¹ The main drivers of this stop were decreasing volumes in interbank funding (Figure 5), fire sales of peripheral government bonds, and deposit flight. During this time, portfolio investments, including those in derivative contracts, remained mostly stable.⁴² In the context of Ireland, Buiter et al. argue that T2 deficits emerged as a function of changes in deposit levels after non-residents withdrew funds post-2009.⁴³

Not all funds that investors withdrew from peripheral countries originated or remained in the Eurozone after the sudden stop in 2007 and 2008. Indeed, Hale and Obstfeld demonstrate that before the global financial crisis, banks in core countries channeled savings from international financial centers into the Eurozone’s periphery.⁴⁴ When panic struck, many international investors repatriated funds, giving rise to T2 claims in central bank areas of their intermediaries. Finally, in a monetary union, even essentially domestic transactions may give rise to T2 balances, blurring the line between

³⁷ Gabrisch, H. (2017). Explaining trade imbalances in the euro area: Liquidity preference and the role of finance. *PSL Quarterly Review*, 70(281).

³⁸ Borio, C. E., & Disyatat, P. (2015). Capital flows and the current account: Taking financing (more) seriously. *BIS Working Papers*. Basle: Bank for International Settlements.

³⁹ Hale, G., & Obstfeld, M. (2014). The Euro and The Geography of International Debt Flows. <https://doi.org/10.3386/w20033>

⁴⁰ Sinn (2014).

⁴¹ Auer (2014).

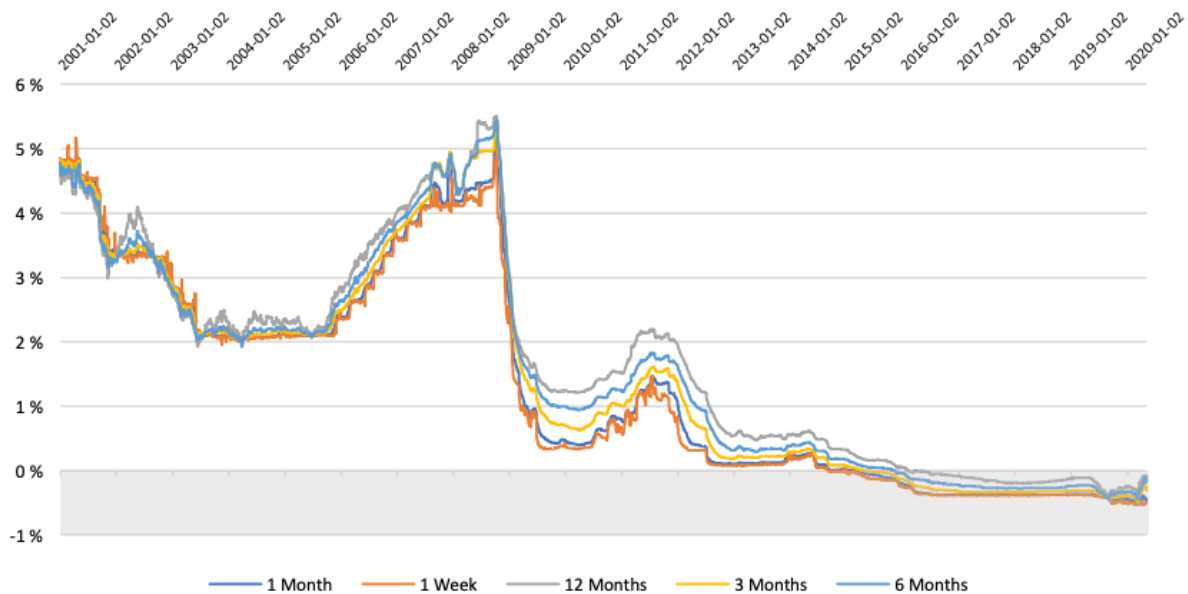
⁴² Ibid; Cecchetti, S. G., McCauley, R. N., & McGuire, P. (2012). Interpreting TARGET2 balances. *BIS Working Papers*. Basle: Bank for International Settlements.

⁴³ Buiter, W. H., Rahbari, E., & Michels, J. (2011). The implications of intra-euro area imbalances in credit flows. *CEPR policy insight*, 57, 1-14.

⁴⁴ Hale & Obstfeld (2014).

cross-border and domestic transactions. For instance, a subsidiary of a French bank in Italy may send a loan to another Italian bank via its headquarters in France. This would give rise to corresponding claims and liabilities in the T2 system for the central banks of both France and Italy, even though the creditor-debtor relationship remains essentially Italian.

*Figure 5: Euro Interbank Offered Rates*⁴⁵



Between 2012 and 2014, T2 balances showed a moderate trend toward convergence due to recovering interbank markets, official transfers, trade adjustments, and the gradual repayment of longer-term refinancing operations (LTROs) by commercial banks. By 2013, Portugal, Spain, and Italy all posted positive current account balances, while Greece and Cyprus lowered their trade deficits by more than 13 percent of GDP after 2008 (Figure 2). This trend decreased the need for trade finance in these countries and arguably assuaged risk-averse investors anxious to see structural adjustment. Private interbank lending recovered as Spanish and Italian banks experienced no further contraction in cross-border loans after 2012.⁴⁶ Interbank loans could also be rolled over at relatively cheap prices after Euribor rates dropped below 1 percent in 2013, relaxing funding pressure on commercial banks (Figure 5). Finally, official assistance and bailouts decreased the pace of capital outflows by limiting the effects of the banking crisis and rebuilding confidence in banks' creditworthiness.⁴⁷

T2 Balances since 2015: Renewed Divergence

Since 2015, there has been a renewed trend of divergence particularly in the T2 balances of Germany, Spain, Italy, and that of the ECB (Figure 1). Reassuringly, T2 changes were not correlated with spreads between credit default swaps, indicating that investors were not responding to perceived

⁴⁵ IHS Markit

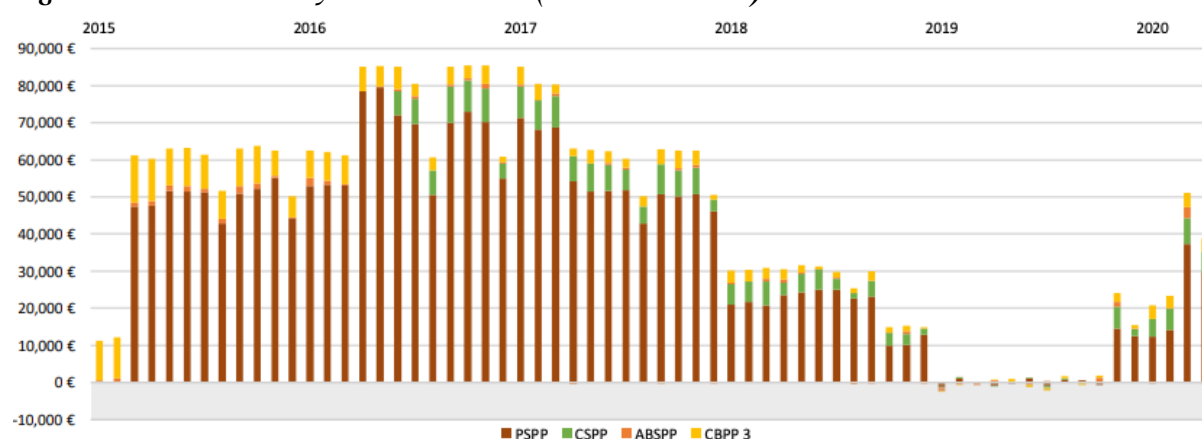
⁴⁶ Minenna, M. (2017). Guest post: The ECB's story on Target2 doesn't add up. FT Alphaville (14 September 2017). The Financial Times. Retrieved from: <https://www.ft.com/content/5216d3c8-18de-364f-b688-649fc315d636>.

⁴⁷ Ibid.

sovereign default risk in individual Eurozone countries. However, Minenna reports a strong association between the ECB's Asset Purchase Programmes (APPs), launched in mid-2014, and the evolution of T2 balances: APP volumes are linearly correlated with T2 liabilities in Spain, Portugal, and Italy and T2 claims in Germany, the Netherlands, and to a lesser extent Finland. In a 2017 assessment, the ECB ascribed 80 percent of the divergence in T2 balances that had occurred since 2015 (100 percent in the case of the ECB's T2 balance) to the 'mechanical effects' of asset purchases. Similarly, Germany's Bundesbank attributed its growing T2 claims to a flare-up of financial uncertainty in Greece in 2015 (and the resulting liquidity contraction) and the effects of the ECB's asset purchases.

The ECB bought assets via the Eurozone's NCBs to the tune of 60 to 80 billion between 2015 and 2017, the bulk of which were public sector debt securities (Figure 6). Because of the prohibition of direct monetary financing of sovereigns, these purchases happen on secondary markets from private actors and never from the issuing authority itself. While the volume of assets purchased by each NCB is determined by the Eurosystem capital key, in the short term the composition of the purchased asset portfolio may deviate from the capital key. In this context, T2 balances remain flat if all NCBs purchased assets exclusively from domestic counterparties or if the value of assets purchased abroad exactly equaled the value of assets purchased by foreign NCBs. However, banking relations in the Eurozone remain asymmetric. 25 percent of market participants hold 98 percent of liquidity.⁴⁸ Additionally, particularly large (foreign) investors tend to cluster in a small number of multinationals in the most liquid markets. Therefore, asset purchases are geographically concentrated and tend to inject liquidity into central bank areas that host large financial institutions with foreign capital. For instance, if the *Banca d'Italia* purchases more assets (on behalf of the ECB) from non-resident counterparties in Germany than vice versa, the Bundesbank credits the T2 accounts of asset sellers with the value of the payment and reports a net T2 claim. As a result of its geographic concentration, the implementation process of asset purchases thus provokes a divergence of T2 positions. Only in a monetary union with balanced banking institutions and channels where investors' liquidity preferences do not depend on geography would asset purchases by the central bank be inconsequential for a cross-border payment system.

Figure 6: ECB – Monthly Net Purchases (in million euros)⁴⁹



⁴⁸ ECB (2020).

⁴⁹ European Central Bank

While the presence of a mechanical effect is largely undisputed, its importance and impact on T2 positions is not. Authors including Dor,⁵⁰ Minenna,⁵¹ and Febrero et al.⁵², using national BoP data, argue that the direct effect of asset purchases alone cannot account for the renewed T2 divergence since 2015. Their main argument revolves around rising T2 liabilities of Spain and Italy and the fact that roughly 50 and 65 percent of Spanish and Italian sovereign debt, respectively, is held domestically. Thus, for T2 balances to be the effect of asset purchases, the Spanish and Italian NCBs would have had to buy from an unrepresentative sample of investors. Yet, ECB asset purchases not only have a direct mechanical effect but also a time-lagged indirect effect on the T2 positions of the involved NCBs. The indirect effect comes in form of a second-round capital flight, whereby liquidity injected by asset purchases in the periphery flows toward financial institutions in the core. This reinforces the direct effect and amplifies T2 claims and liabilities in the process.⁵³

The divergence of T2 positions after 2015 is not a distinct phenomenon. While more recent T2 imbalances largely originated from ECB asset purchases, they remain a symptom of persistent financial fragmentation and banking asymmetries in the Eurozone.⁵⁴ The persistence of T2 claims and liabilities shows that large investors prefer to hold liquidity in a limited number of financial institutions and central bank areas. It also suggests that institutional investors and commercial banks associate higher liquidity, credit, and redenomination risk with holding liquidity in countries with T2 liabilities. Importantly, if investors (partly) base their decisions on where to hold liquidity on T2 positions, T2 liabilities, like credit and redenomination risk, are not only self-fulfilling but self-reinforcing.

Conclusion

The debate around T2 net balances made an unlikely entrance into the political limelight during the financial crisis in the Eurozone. Authors enmeshed a valid endeavor to better understand the nature of rising T2 balances with biased arguments about excessive trade deficits and profligacy in the Eurozone's periphery. They argued that fueled by foreign capital inflows after the formation of EMU, wages, prices, and trade deficits rose in peripheral countries and compromised competitiveness vis-à-vis the rest of the Eurozone. In their view, public monetary institutions stepped up and financed excessive trade deficits via T2 after private capital withdrew in 2007. However, empirical evidence for this argument is patchy. Data on real unit of labor costs and real effective exchange rates do not show a systematic loss of competitiveness in peripheral countries. Moreover, there is little evidence for a systematic correlation between changes in the current account and changes in T2 positions. In fact, theoretical inspection of the Balance of Payment shows that current account data is 'silent' on the direction of financial flows and the resulting distribution of risk.

The real drivers behind T2 balances were of a financial nature. During the crisis, (perceived) risk differentials between Eurozone countries fragmented money markets and gave rise to large

⁵⁰ Dor, E. (2016). Explaining the surge of TARGET2 liabilities in Italy: less simple than the ECB's narrative. Available at SSRN 2860545.

⁵¹ Minenna (2017).

⁵² Febrero, E., Uxó, J., & Álvarez, I. (2019). Target2 imbalances and the ECB's asset purchase programme. An alternative account. *Panoeconomicus*, 1-21.

⁵³ Minenna (2017).

⁵⁴ Deutsche Bundesbank (2016); DNB (2016). Target2 imbalances reflect QE and persistent fragmentation within the euro area. *DNBulletin* (16 June 2016). De Nederlandsche Bank. Retrieved from: <https://www.dnb.nl/en/news/news-andarchive/dnbulletin-2016/dnb342673.jsp>.

differences in liquidity preference. Investors and commercial banks subsequently disengaged from markets in distressed parts of the Eurozone. The resulting cross-border flows were often routed via large intermediaries concentrated in the most liquid markets. National central banks in countries like Germany, Finland, or the Netherlands thus reported large T2 claims while the liquidity-exporting central bank areas in Ireland, Spain, Portugal, Italy, and Greece reported corresponding liabilities. After a period of ‘normalcy’ between 2012 and 2014, T2 balances diverged again due to the Asset Purchase Programmes of the ECB. Implemented by national central banks, asset purchases have direct and indirect effects that create excess liquidity in Germany and Netherlands where large-scale investors and bondholders are clustered.

T2 is a constitutive feature of the Eurosystem because it acts as guarantor that euros are settled at par value irrespective of their origin in the monetary union. Understanding the fundamental role that the payment system plays for the integrity of the Eurozone can help inform the policy debate around mounting T2 balances. If implemented, current proposals to impose limits on T2 liabilities or collateralize them with eligible assets would only aggravate the financial fragmentation they supposedly attempt to fix. Crucially, in a future crisis, constraints on T2 would incentivize investors to bet against an NCB’s capacity to comply with the conditions imposed on T2 liabilities. Thus, modifications to T2 threaten to turn the Eurozone into a monetary union with asterisk because money could cease to be fully fungible across all central bank areas.

Moritz Osterhuber is a graduate student in International Economics at SAIS Europe in Bologna, Italy. His research interests lie in macroeconomics and European economic and monetary integration. He has dedicated the last five years to studying the intersection of politics and economics, gaining an understanding of how the two fields influence each other and co-determine the world we live in. He has gained professional experience in journalism, the private sector, and in government, where he worked on global monetary developments during the COVID-19 pandemic.

References

- Alloway, T. (2011). The wonkiest web debate ever – Germany’s ‘stealth bailout’. *The Financial Times*. Retrieved from: <https://www.ft.com/content/d8a2e310-021c-36ca-83f3-6796ad7b6c00>.
- Arestis, P., & Sawyer, M. (2011). The design faults of the Economic and Monetary Union. *Journal of contemporary European studies*, 19(01), 21-32.
- Auer, R. A. (2014). What drives TARGET2 balances? Evidence from a panel analysis. *Economic Policy*, 29(77), 139-197.
- Auer, R. A., & Bogdanova, B. (2017). What is driving the renewed increase of TARGET2 balances?. *BIS Quarterly Review March 2017*. Basle: Bank for International Settlements.
- BIS (2003a). The role of central bank money in payment systems. Committee on Payment and Settlement Systems. Basle: Bank of International Settlements.
- BIS (2003b). Glossary. Basle: Bank of International Settlements. Retrieved from: <https://www.bis.org/cpmi/publ/d53p17.pdf>.
- Bindseil, U., & König, P. J. (2011). The economics of TARGET2 balances. Humboldt-Universität zu Berlin, Wirtschaftswissenschaftliche Fakultät.
- Blake, D. P. (2018). Target2: The silent bailout system that keeps the Euro afloat. Available at SSRN 3182995.
- Borio, C. E., & Disyatat, P. (2015). Capital flows and the current account: Taking financing (more) seriously. *BIS Working Papers*. Basle: Bank for International Settlements.
- Buiter, W. H., Rahbari, E., & Michels, J. (2011). The implications of intra-euro area imbalances in credit flows. *CEPR policy insight*, 57, 1-14.
- Bundestag (2019). Fraktionen kritisieren AfD-Antrag zu Target-Forderungen. Drucksache 19/9232. Retrieved from: <https://www.bundestag.de/dokumente/textarchiv/2019/kw15-de-target-forderungen-633722> and <https://dip21.bundestag.de/dip21/btd/19/092/1909232.pdf>.

- Cecchetti, S. G., McCauley, R. N., & McGuire, P. (2012). Interpreting TARGET2 balances. BIS Working Papers. Basle: Bank for International Settlements.
- Cecchetti, S., & Schoenholtz, K. (2018). Sudden stops: A primer on balance-of-payments crisis. VOX, CEPR Policy Portal.
- Cecioni, M., & Ferrero, G. (2012). Determinants of TARGET2 imbalances. Bank of Italy Occasional Paper, (136).
- Cesaratto, S. (2013). The implications of TARGET2 in the European balance of payments crisis and beyond. *European Journal of Economics and Economic Policies: Intervention*, 10(3), 359-382.
- Chmielewski, T., & Sławiński, A. (2019). Lessons from TARGET2 imbalances: The case for the ECB being a lender of last resort. *Economics and Business Review*, 5(2), 48-63.
- De Grauwe, P., & Ji, Y. (2012). What Germany should fear most is its own fear: An analysis of Target2 and current account imbalances. CEPS Working documents.
- Deutsche Bundesbank (2011). Annual Report 2011. Frankfurt am Main: Deutsche Bundesbank.
- Deutsche Bundesbank (2016). Monthly Report March 2016. Frankfurt am Main: Deutsche Bundesbank.
- Deutsche Bundesbank (n.d.). From TARGET to TARGET2. Frankfurt am Main: Deutsche Bundesbank. Retrieved from: <https://www.bundesbank.de/en/tasks/payment-systems/target2/from-target-to-target2/fromtarget-to-target2-620620>.
- Dullien, S., & Schieritz, M. (2012). German savers should applaud the growing TARGET balances. Vox, Retrieved from: <http://www.voxeu.org/article/german-savers-should-applaud-growing-targetbalances>.
- DNB (2016). Target2 imbalances reflect QE and persistent fragmentation within the euro area. DNBulletin (16 June 2016). De Nederlandsche Bank. Retrieved from: <https://www.dnb.nl/en/news/news-andarchive/dnbulletin-2016/dnb342673.jsp>.
- Dor, E. (2016). Explaining the surge of TARGET2 liabilities in Italy: less simple than the ECB's narrative. Available at SSRN 2860545.
- ECB (2011). Monthly Bulletin October 2011. Issue 10/2011. Frankfurt am Main: European Central Bank.
- ECB (2017). Monthly Bulletin March 2017. Issue 03/2017. Frankfurt am Main: European Central Bank.
- ECB (2020). TARGET Annual Report 2020. Frankfurt am Main: European Central Bank.
- Fahrholz, C., & Freytag, A. (2012). Will TARGET2-Balances be Reduced again after an End of the Crisis? (No. 30). Working Papers on Global Financial Markets.
- Febrero, E., Uxó, J., & Álvarez, I. (2019). Target2 imbalances and the ECB's asset purchase programme. An alternative account. *Panoeconomicus*, 1-21.
- Felipe, J., & Kumar, U. (2014). Unit labor costs in the Eurozone: the competitiveness debate again. *Review of Keynesian Economics*, 2(4), 490-507.
- Gabrisch, H. (2017). Explaining trade imbalances in the euro area: Liquidity preference and the role of finance. *PSL Quarterly Review*, 70(281).
- Hale, G., & Obstfeld, M. (2014). The Euro and The Geography of International Debt Flows. <https://doi.org/10.3386/w20033>
- Hristov, N., Hülsewig, O., & Wollmershäuser, T. (2020). Capital flows in the euro area and TARGET2 balances. *Journal of Banking & Finance*, 113, 105734.
- Jobst, C., Handig, M., & Holzfeind, R. (2012). Understanding tarGet2: the eurosistem's euro Payment System from an economic and Balance Sheet Perspective. *Monetary Policy & the Economy Q*, 1, 81-91.
- Jones, E. (2009). The Euro and the financial crisis. *Survival*, 51(2), 41-54. Mayer (2018). Ein Wahnsinn namens Target 2. *Frankfurter Allgemeine Zeitung* (14 July 2018). Retrieved from: <https://www.faz.net/aktuell/wirtschaft/mayers-weltwirtschaft/target-2-und-bundesbank-einenormes-risiko-15691158.html>.
- Mazzocchi, R., & Tamborini, R. (2019). Current account imbalances and the Euro Area. *Alternative views. Alternative Views* (January 2019).
- Minenna, M. (2017). Guest post: The ECB's story on Target2 doesn't add up. *FT Alphaville* (14 September 2017). *The Financial Times*. Retrieved from: <https://www.ft.com/content/5216d3c8-18de-364f-b688-649fc315d636>.
- Potrafke, N., & Reischmann, M. (2014). Explosive Target balances of the German Bundesbank. *Economic Modelling*, 42, 439-444.
- Schelkle, W. (2017). The political economy of monetary solidarity: understanding the euro experiment. Oxford University Press.

- Sinn, H. W. (2011). The ECB's stealth bailout. VoxEU. org, 1.
- Sinn, H. W. (2012). Fed versus ECB: How TARGET debts can be repaid. VoxEU. org, 10.
- Sinn, H. W. (2014a). The Euro trap: On bursting bubbles, budgets, and beliefs. OUP Oxford.
- Sinn, H. W. (2014b). Responsibility of states and central banks in the Euro crisis. In CESifo Forum (Vol. 15, No. 1, pp. 3-36). München: ifo Institut-Leibniz-Institut für Wirtschaftsforschung an der Universität München.
- Sinn, H. W., & Wollmershäuser, T. (2012). Target loans, current account balances and capital flows: the ECB's rescue facility. International Tax and Public Finance, 19(4), 468-508.
- Sinn, H. W. (2018a). Fast 1 000 Milliarden Target-Forderungen der Bundesbank: Was steckt dahinter?. ifo Schnelldienst, 71(14), 26-37.
- Sinn, H. W. (2018b). Irreführende Verharmlosung. Frankfurter Allgemeine Zeitung (05 August 2018). Retrieved from: <https://www.faz.net/aktuell/wirtschaft/konjunktur/bringen-die-target-salden-deutschland-ingefahr-15723567.html>.
- Stephens, P. (2019). Germany hides the awkward truth about the euro. The Financial Times. Retrieved from: <https://www.ft.com/content/7a43c4ae-d496-11e9-8367-807ebd53ab77>.
- Tornell, A., & Westermann, F. (2012). Greece: The sudden stop that wasn't. In CESifo Forum (Vol. 13, No. Special Issue, pp. 102-103). München: ifo Institut-Leibniz-Institut für Wirtschaftsforschung an der Universität München.
- Ulbrich, J., & Lipponer, A. (2012). Balances in the TARGET2 payments system—A problem?. In CESifo Forum (Vol. 13, No. Special Issue, pp. 73-76). München: ifo Institut-Leibniz-Institut für Wirtschaftsforschung an der Universität München.
- Westermann, F. (2012). Two types of capital flight: Will a common deposit insurance help to stabilise the TARGET2 imbalances?. Banking Union for Europe, 57.
- Westermann, F. (2014). Discussion of 'TARGET2 and central bank balance sheets' (No. 99). Working Paper.
- Whelan, K. (2014). TARGET2 and central bank balance sheets. Economic Policy, 29(77), 79-137.
- Wolman, A. L. (2013). Federal Reserve interdistrict settlement. FRB Economic Quarterly, 99(2), 117-141.

Fishermen for Foot Soldiers: Repercussions of the War for South China Sea Fisheries

Michael Hall

ABSTRACT:

What are the consequences when the only accepted expression of sovereignty is the exploitation of resources? This article frames South China Sea conflicts as the product of a tragedy of commons, whereby decreasing fish stocks are the problem undergirding the machinations of the surrounding nations, especially China. It then examines the body of water's role as a battlefield of sovereignty and military flexing and how this exacerbates environmental consequences. Reducing fish stocks, mangrove destruction, pollution, and the destruction of coral reefs and their associated microbiomes are all cited as grave consequences that put in question the future of the South China Sea. In the face of eroded security and fierce vying for control of the sea, aquaculture is also raised as an alternative to satiate South China Sea nations' intense domestic demand for fish and its economic importance. The environmental consequences of this are also explained.

Introduction

Naval vessels patrol the waters, aerial exercises are routinizing, military bases are being effectively erected throughout the sea as if it were a computer game; an unstudied observer might conclude that a war is being waged in the South China Sea. They wouldn't be entirely wrong. Explosives are being used regularly, and missiles often fired.⁹² The only caveat is that the war at-large is fought not with automatic firearms, but trawler nets. Fishermen are the foot soldiers in the war over the South China Sea's fisheries.

Accounting for 12% of the world's fish supply, the South China Sea is a pivotal resource for bordering countries. If one factors in the estimated 190 trillion cubic feet of natural gas, 11 billion barrels of oil, and the passage of almost a third of all international shipping vessels, it is easy to understand why it is considered the world's most hotly contested body of water, and therefore, also the perfect stage for a nation to assert itself in the global eye.⁹³ China's aggressive machinations centered around dominating the region's fisheries - which have led to conflicts with most surrounding countries - are a heavy-handed demonstration of its economic, political, and military might. How other Southeast Asian nations react to China's incessant flexing is paramount to containing - or laying the path for - China's quest for regional hegemony.

Although Vietnam, the Philippines, and other middle-income countries may not be able to compete with China's blue water navy, fishing is a different matter. Economically and nutritionally important in the nations surrounding the South China Sea, China's competition has accrued centuries of experience navigating and fishing. Lost, however, in the metaphorical reading of the fervent war for the South China Sea's fisheries is the rapidly degrading state of the body of water itself.⁹⁴

⁹² Myers, S.L. and Bradsher, K. (2020). "China Fires Missiles Into South China Sea, Sending U.S. a Message," *The New York Times*, 27 August, Available at: <https://www.nytimes.com/2020/08/27/world/asia/missiles-south-china-sea.html>, (Accessed on: 8 January 2021).

⁹³ Asia Maritime Transparency Initiative (2021). "South China Sea Energy Exploration and Development", Available at: <https://amti.csis.org/south-china-sea-energy-exploration-and-development/>. (Accessed on: 8 January 2021).

⁹⁴ O'Shea, P. (2012). "Sovereignty and the Senkaku/Diaoyu Territorial Dispute", *Stockholm: European Institute for Japanese Studies*, 18 September, Available at: <https://swopec.hhs.se/eijswp/abs/eijswp0240.htm>, (Accessed on: 8 January 2021).

The myopic pursuit of control for the South China Sea fisheries has led to a reduction in fish stock, marine health, as well as future profitability. With this in mind, this paper will explain how fishing as an exploitative expression of sovereignty has led to the sea's current dilapidated state. Thereafter, to demonstrate how interconnected - and fragile - the network of nations, economies, and environment is, the reaction by the Philippines provides an example response to the reduced fish stocks and their security. This analysis entails a look into the Philippines' shift towards aquaculture and the advantages and disadvantages offered for both the economy and environment to that end. The goal is thus to provide insight on the sustainability of a peripheral nation's response to China's aggressive exterior posture – which is unlikely to change in the future.

Relations in the South China Sea

Conducting a routine aerial exercise on April 8th, 2012, a Filipino reconnaissance aircraft noticed a peculiarity: the five rocks - the tallest of which protrudes only three meters above water - that mark the Scarborough Shoal were not lone specs in a turquoise sea, but rather five rocks accompanied by an equal number of Chinese fishing vessels. Only 120 nautical miles west of the Philippine island of Luzon, the Scarborough Shoal is clearly within the Philippines' Exclusive Economic Zone (EEZ). Manila dispatched a naval vessel to investigate, and after discovering illegally collected giant clams, corals, and live sharks, the Philippines attempted a naval arrest of the Chinese fishermen. Beijing, shocked by Manila's decision to send not a coast guard but a naval vessel, responded with two marine surveillance ships of its own, and the arrest attempt was swiftly blocked. A stand-off ensued whereby the number of ships ballooned beyond ten.

Although in the eyes of Western observers, the confrontation may have seemed dire, students of the South China Sea recognized the event as the manifestation of long-conflicting interests. Three decades after the United Nations Convention on the Law of the Sea's (UNCLOS) establishment of EEZs, boundaries have remained subjective. The result: the gradual erosion of the region's security. Norms of respecting territorial waters were thrown out the door and custom dictated nothing; the Scarborough Shoal standoff was eventually mediated by the United States, but this mediation attempt accomplished little. China would quickly double back on its promises and claim de-facto sovereignty. In 2021, over eight years later, China still remains in control.⁹⁵

Lessons from the Scarborough Shoal Standoff

The Scarborough Shoal standoff touches on two themes relevant when studying the South China Sea: sovereignty claims and domestic needs (both economic and dietary). First and foremost, the theme of sovereignty undergirds any discussion of the South China Sea. In theory, sovereignty should only arise as a point of conflict in a minority section of the sea. Under the UNCLOS' establishment of EEZs, 200 nautical miles is the legal extension of a country's sovereignty. The Scarborough Shoal standoff, however, demonstrated that not all countries respect EEZ boundaries.

Sovereignty can be explained as dependent upon both international recognition and physical force.⁹⁶ China's blatant disregard for UNCLOS-established borders would be irrelevant if it were unwilling to buttress its claims with physical action. Instead, China's refusal to leave the Shoal after the US-brokered deal is a physical declaration of sovereignty. Other countries may not recognize

⁹⁵ Asia Maritime Transparency Initiative (2021). "Scarborough Shoal", Available at: <https://amti.csis.org/scarborough-shoal/>, (Accessed on: 8 January 2021).

⁹⁶ O'Shea, 2018.

China's "nine-dash line," its historical claim to the majority of the South China Sea due to historical precedent, but at day's end, Chinese vessels occupy the Shoal.

In setting a precedent of not observing UNCLOS, China has undermined the international recognition aspect upon which sovereignty is contingent. This results in countries extracting resources to exert sovereignty. As follows, the South China Sea has become an anarchic arena where official EEZs have no meaning and sovereignty, and the ownership of precious resources falls to any nation bearing superior military muscle and/or fishing capacity. This explains the regions eroded security. Indeed, it is a free-for-all where international arbitration holds no weight and gunboat diplomacy dominates the waters.

The second issue embodied within the Scarborough Shoal standoff deals with what Filipino officials found aboard Chinese fishing vessels. The South China Sea is a rich fishing ground, on which many of the surrounding economies - including China's - depend. Fishing revenue accounts for 3% of China's annual GDP (US\$ 279 billion) and 2.7% of the Philippines'. Employment in fisheries in China exceeds 14 million, and in the Philippines, that number is 1.5 million.⁹⁷ This explains why EEZs were erected in the first place, to protect coastal economies and communities; "as 90% of all fish stocks are within 200 miles of shore, the EEZ was designed to safeguard a basic human right to food security."⁹⁸

The South China Sea also helps feed surrounding countries. Filipino fish consumption per capita was 40kg in 2017. Fish and fish products accounted for 12.8% of total caloric intake, and nearly half of all animal proteins consumed.⁹⁹ For reference, per capita fish consumption in the same year was 7.5kg in the US, 23.7kg in France, and 26kg in Australia; this to show that fish consumption in Southeast Asian island countries isn't simply the product of rising incomes, it is culturally enshrined as a dietary staple. Rising incomes, however, have also played a role in China. In fact, fish consumption grew 6% annually between 1990 and 2010.¹⁰⁰ The country now consumes 34% of the global fish supply, and in 2015, the per capita fish consumption was 14.3 kg in urban areas and 5.3 kg in rural.¹⁰¹

Environmental Consequences of Competitions for Sovereignty

The South China Sea spans 3.5 million square kilometers with one of the highest levels of marine biodiversity on earth, home to over 6,500 marine species, 571 of which are just corals.¹⁰² The abundance of coral reefs is one of the sea's most notable features and plays a vital role in its ecosystem.

⁹⁷ Greer, A. (2016). "The South China Sea Is Really a Fishery Dispute", *The Diplomat*, 20 July, Available at: <https://thediplomat.com/2016/07/the-south-china-sea-is-really-a-fishery-dispute/>, (Accessed on: 8 January 2021).

⁹⁸ Ibid.

⁹⁹ Lamarca, N.S.J. (2017). "Fisheries Country Profile: Philippines", *Southeast Asian Fisheries Development Center (blog)*, 2017, Available at: <http://www.seafoodsource.com/news/supply-trade/higher-seafood-consumption-predicted-in-china>, (Accessed on: 8 January 2021).

¹⁰⁰ Greer, 2016.

¹⁰¹ Godfrey, M. (2019). "Higher Seafood Consumption Predicted in China", *SeafoodSource*, 22 February, Available at: <https://www.seafoodsource.com/news/supply-trade/higher-seafood-consumption-predicted-in-china>, (Accessed on: 8 January 2021).

¹⁰² Mora, C., Caldwell, I.R., Birkeland, C. and McManus, J.W. (2016). "Dredging in the Spratly Islands: Gaining Land but Losing Reefs", *PLOS Biology*, 14(3).

Coral reefs function as breeding grounds for a variety of marine life and thus help sustain the sea's fish population. These reefs also function as 'roadside cafés,' where fish can stop during their migration to and from the Indian Ocean. The resulting diversity in fish keeps the system in harmony and is necessary for attracting and sustaining larger catches, like tuna.¹⁰³ Moreover, deep ocean currents pull and deposit phytoplankton - the food of most fish - at coral reefs and shorelines, further attracting fish towards shallower waters. This explains why 90% of the commercially viable fish stock is concentrated near-shore and thus within EEZs.¹⁰⁴ This enables small and medium-scale fisheries that are unequipped with the technology or capital necessary for deep sea fishing to sustain themselves and their communities. Given the combined coastal populations of South China Sea countries of 270 million, it is clear how important the health of coral reefs is to fish-based economies.¹⁰⁵

How are marine systems affected when sovereignty is expressed through resource extraction? In the South China Sea, the rapidly deteriorating health of the marine environment is the consequence. Coral reefs, along with mangroves, and seagrasses, are declining in coverage by 1.6-3% annually.¹⁰⁶ Along China's mainland coast and that of the Hainan Island, coral abundance has fallen by 80% over the last three decades. Around the atolls and islands throughout the sea, claimed by various nations, coral coverage fell from an average greater than 60% to just 20% within the last 15 years.¹⁰⁷ While climate change and ocean acidification (the changing pH balance of waters as consequence of excessive carbon-dioxide in the atmosphere) have damaged these environments, the rapid economic and population growth of South China Sea countries, and thus coastal development, are also important factors.¹⁰⁸ As coasts develop, agricultural, urban, and industrial run-off are all sources of contamination.¹⁰⁹

The South China Sea's role in global trade also bears delirious effects. The greater density of ships traversing the sea subjects the environment to compounds released from anti-fouling paints which are used to protect ships' hulls. These can be toxic to marine creatures. The high volume of shipping also subjects waters surrounding ports and harbors to the discharge of ballast water. Ballast water is the water taken on by cargo ships between ports (after having unloaded heavy cargo) to provide stability, especially when seas are rough. Ballast water, however, often contains high concentrations of crude oil or other pollutants found offshore in shipping centers. When discharged, these pollutants permeate the surrounding sea environment.¹¹⁰

In the context of the South China Sea's conflict, the region's dwindling fish supply undoubtedly exacerbates existing hostilities. While expressions of sovereignty might serve as exercises in chest-puffing between nations, they would be rendered useless should they not imply

¹⁰³ Ives, M. (2016). "The Rising Environmental Toll of China's Offshore Island Grab", *Yale E360*, 10 October, Available at: https://e360.yale.edu/features/rising_environmental_toll_china_artificial_islands_south_china_sea, (Accessed on: 8 January 2021).

¹⁰⁴ Krasca, J. (2015). "The Lost Dimension: Food Security and the South China Sea Disputes", *Harvard National Security Journal (blog)*, 26 February, Available at: <https://harvardnsj.org/2015/02/the-lost-dimension-food-security-and-the-south-china-sea-disputes>, (Accessed on: 8 January 2021).

¹⁰⁵ Suh, D. and Pomeroy, R. (2020). "Projected Economic Impact of Climate Change on Marine Capture Fisheries in the Philippines", *Frontiers in Marine Science*, 7 (2020).

¹⁰⁶ Teh, L.S., Cashion, T., Alava, J.J., Cheung, W.W. and Sumaila, U.R. (2019). "Status, trends, and the future of fisheries in the East and South China Seas", *Fisheries Centre Research Reports*, 27(1), pp. 1-101.

¹⁰⁷ Hughes, T.P., Hui Huang and Young, M.A.L. (2013). "The Wicked Problem of China's Disappearing Coral Reefs", *Conservation Biology: The Journal of the Society for Conservation Biology*, 27(2), pp. 261-69.

¹⁰⁸ Ibid.

¹⁰⁹ Yuan, X., Guo, Y., Cai, W.J., Huang, H., Zhou, W. and Liu, S. (2019). "Coral responses to ocean warming and acidification: Implications for future distribution of coral reefs in the South China Sea", *Marine pollution bulletin*, 138, pp.241-24

¹¹⁰ UNEP (2007). "Land-Based Pollution in the South China Sea." UNEP/GED/SCS Technical Publication. UNEP.

access to lucrative fisheries. Between Brunei, China, Indonesia, Malaysia, the Philippines, Taiwan, and Vietnam, billions of dollars are generated annually from the 16.6 million tons of fish caught.¹¹¹ The summation of vested interests explains the gross expanse of overfishing; “some waters have less than one-tenth of the stocks they did six decades ago. High-value fish such as tuna and grouper are becoming scarcer.”¹¹² Of the 3.2 million marine fishing vessels worldwide, over half (1.77 million) operate in the South China Sea. Considering that the region accounts for less than 20% of global catch, inefficiencies and ship congestion are serious problems. The region’s peak catch was in 2003 with 14.52 million tons and Catch Per Unit Effort (CPUE) has declined between 3-4 times since.¹¹³

Waters off the coast of Palawan, a southwestern province of the Philippines, once plied by thirty-some fishing vessels now routinely witnesses up to a hundred fishing boats (many Chinese) on two-week excursions. In such situations, countries may wish that others abided by their specific fishing laws but as no country is willing to accept another nation’s jurisdiction over the region, it is a free-for-all to catch anything and everything that remains. One consequence of this is known as “fishing down the web” whereby fishermen increasingly catch smaller species (as the high-price natural predators become endangered).¹¹⁴

Apart from depleting fish stocks, fishing down the web forces fishermen to venture beyond EEZs into more remote, difficult-to-navigate waters. Fishermen thus incur greater fuel costs, potentially pricing out small- and medium-scale fishing operations. Even more worrisome from an environmental standpoint, however, are the fishermen who turn to practices like blast fishing, whereby homemade bombs are detonated underwater to kill large swaths of fish. While the immediate return is high, it decimates fisheries and the collateral damage to coral reefs further jeopardizes fisheries and their supporting ecosystems.¹¹⁵

Highlight: Island Building

A discussion of the South China Sea’s environment would be incomplete without mention of how the landscape might change moving forward. As alluded to earlier, physical presence appears to be the ultimate decider of sovereignty in the South China Sea. Nations can invest in expanding their naval capacity, as has China, which now has the largest navy in the world in terms of the number of vessels. Nations also may provide fuel subsidies so ships can venture deeper into the South China Sea for longer periods (in 2009, total South China Sea fishing subsidies amounted to US\$ 1.89 billion). These, however, are quick, short-term solutions.¹¹⁶ To ensure sovereignty over disputed territory, a permanent physical presence is an ideal solution. Especially considering that sovereignty is communicated as control over the sea’s fishing stocks and energy resources (both crucial to the region’s economies) boat activity is very high. To have boats perennially patrol the waters (part in fear that if absent another nation may insert itself in an area) erecting concrete features to support naval activity, was only a matter of time.

¹¹¹ Bale, R. (2016). “One of the World’s Biggest Fisheries Is on The Verge of Collapse”, *National Geographic News*, August 29, Available at: <https://www.nationalgeographic.com/news/2016/08/wildlife-south-china-sea-overfishing-threatens-collapse/>, (Accessed on: 8 January 2021).

¹¹² Ibid.

¹¹³ The et al., 2019.

¹¹⁴ Greer, 2016.

¹¹⁵ Bale, 2016.

¹¹⁶ The et al, 2019.

China's endeavors in island building are unprecedented. With seven naval bases finished (and more on the way), China is estimated to have constructed around 3,200 hectares of land.¹¹⁷ Reef area, consequentially, has declined. Today, these structures are concentrated in the Spratly Islands, a disputed archipelago west of the Philippines. Some of the largest environmental consequences can be traced to the practice of island building.

Island building begins with dredging, a process that alters the ocean's topography. Dredging can be done various ways; in the South China Sea, it is most common where a boat drops arm-like features equipped with heavy weights onto the ocean floor. The heavy weights - up to 55 tons each - are equipped with vacuum-like suction so as the boat moves, dragging the weights along the ocean floor, sand is dislodged and sucked up into the ship which has hoppers that can store up to 35,000 yards of ocean bottom.¹¹⁸ The idea is to reallocate the sand from the periphery to the center of an existing ocean floor peak (typically a sandbar or coral reef).¹¹⁹ After being laid on an existing, shallow ocean floor feature, concrete can be laid, and permanent construction begins.

Dredging has extensive environmental ramifications. In the case of the Spratly Islands, island building has always occurred on top of coral reefs. Therefore, when sand is laid atop coral reefs, their access to sunlight is blocked, effectively killing off corals, as well as other marine life. The surrounding areas, where dredging took place and soil was excavated, also suffer from a lowered seafloor. This will change wave patterns and impede the depositing of red algae, essential to reef construction.¹²⁰

Plumes and large clouds of suspended sediment from dredging can also bury nearby reefs, killing those as well. Where corals aren't buried, the sediment can still overwhelm them, resulting in damaged corals highly susceptible to diseases. The abrasive sands literally "sand off" living tissues of diverse species and prevent the growth of new coral larvae, hence why dredging sites tend to show no signs of recovery once damaged.¹²¹ One study found that a dredging project in the U.S. entirely destroyed 440 hectares of coral reef, but also severely affected over 2,800 hectares of those surrounding.¹²² It is thus no surprise that China's construction atop seven atolls in the Spratly Islands is predicted to have negatively affected over 10% of the Spratlys' shallow reef area.¹²³

Responses to Crises in Security and Environment: The Philippines

Confronted with the increasing pollution, trawl fishing having reduced once-robust fisheries, and militarization in the South China Sea has rendered what was once an easily accessible pool of resources for the Philippines arduous to exploit. The costs associated with fishing are rising as nearshore fisheries shrink and fishermen are forced to venture into deeper water where the CPUE is lower and fuel and equipment costs quickly add up. How does a country with the longest

¹¹⁷ McNamara, R. (2020). "The Environmental Collateral Damage of the South China Sea Conflict", *Wilson Center: New Security Beat (blog)*, 13 October, Available at: <https://www.newsecuritybeat.org/2020/10/environmental-collateral-damage-south-china-sea-conflict/>, (Accessed on: 8 January 2021).

¹¹⁸ "Dredging" (2010). *Modern Marvels: A&E Television Networks*, 7 April.

¹¹⁹ Ives, 2016.

¹²⁰ Ibid.

¹²¹ Mora, C., Caldwell, I.R., Birkeland, C. and McManus, J.W. (2016). "Dredging in the Spratly Islands: Gaining Land but Losing Reefs", *PLOS Biology*, 14(3).

¹²² Ibid.

¹²³ Ives, 2016.

discontinuous coastline, which is dependent on fisheries economically and nutritionally, pivot in response to these challenges?¹²⁴

A quick exposé of Filipino fisheries demonstrates why these challenges are so dire, and why aquaculture has become the preferred alternative. The overwhelming majority (roughly 80%) of fishing in the Philippines is carried out by small-scale fisheries or households.¹²⁵ Fishermen are on average the poorest in the Philippines, their households tend to be larger, and their educational attainment lower (relative to other sector averages). The fishing operations of these households are based upon *banca*, the most common fishing craft used in municipal fishing. These boats are constructed with a narrow main hull and two flanking, bamboo outriggers.¹²⁶

Beyond these fisheries, it is important to remember that the Philippines also has one of the largest coastal populations (beyond 70% of the population is concentrated near coasts).¹²⁷ This is no surprise considering the country is composed of over 7,000 islands, but lest one forget that these populations, although not entirely engaged in fishing, may nonetheless be in industries tangentially dependent.¹²⁸“Here are important links with the various sectors supplying the inputs: fry/fingerling production/gathering and trade, fertilizer and chemical supply, supply of construction materials and feed ingredients, and feed manufacture, transport, and storage. Many people work in associated sectors: post and financing.”¹²⁹

To abandon fishing entirely, therefore, would be to jettison long-accumulated, precious industries and capital. For this reason, aquaculture has become the next best option. Aquaculture in the Philippines can take place inland as well as along the coast and ensure s the web of industries built around fishing continue communities is to provide jobs and sustain Capture fisheries peaked in 2010 with 2,615,801 tons of catch, and have declined since gradually supplanted by yields from aquaculture.¹³⁰

As capture fisheries decline, the surplus labor demand has been effectively absorbed by aquaculture. However, aquaculture in the Philippines dates back to the 1980s. At the time, most fishermen in the Philippines were poor. Their ability to sustain financial risk was limited, their access to communal resources was weak, and private property was unprotected. “Most of the farm owners were male, with women being employed in the sector either because of better income opportunities compared to other industries or because the farms were owned by their family.”¹³¹ Aquaculture offered the creation of well-defined property rights, often viewed as a requisite for productivity

¹²⁴ Blitz, A. (1987). “Marine Fishing in the Philippines”, *Cultural Survival*, June.

¹²⁵ Ibid.

¹²⁶ Food and Agriculture Organization of the United Nations (2021). “Fishery and Aquaculture Country Profiles - The Republic of the Philippines”, Available at: <http://www.fao.org/fishery/facp/PHL/en#CountrySector-Overview>, (Accessed on: 8 January 2021).

¹²⁷ Suh and Pomeroy, 2020.

¹²⁸ Cuvin-Aralar, M.L.A., Ricafort, C.H. and Arnold Salvacion (2016). “An Overview of Agricultural Pollution in the Philippines: The Fisheries Sector”, *World Bank*.

¹²⁹ Paclibare, J.O. (2005). “National Aquaculture Sector Overview - Philippines”, *FAO Fisheries & Aquaculture*, 1 February.

¹³⁰ Cuvin-Aralar et al., 2016.

¹³¹ Santos, M., Dickson, J.O. and Velasco, P.E.L. (2011). “Mitigating the Impacts of Climate Change: Philippine Fisheries in Focus”, *Fish People*, 9 (January), pp.103–12.

growth. Coastal communities dealing with poverty now could achieve complete ownership of their production.¹³²

Aquaculture would not have taken off had it not been a relatively low-cost and labor-intensive industry. Costs vary based on the goods produced. The four cost main products in the Philippines are, in order of shape and production value, seaweeds, milkfish, tilapia, and shrimp. Seaweeds have the lowest barrier to entry in terms of capital, and as Filipino aquaculture is increasingly dominated by low-income households previously engaged in the capture fishing is the most popular line of aquaculture; 70 % of aquaculture production are seaweeds, and it is estimated that 180,000 families are dependent on the industry.¹³³ Seaweed can be produced in both shallow and deep waters, the former being more common due to the lower level of startup capital necessary.

Highlight: Irz et al. (2007)¹³⁴

To get a clearer idea of the extent to which aquaculture supports coastal communities in the Philippines, we can draw a case study from Irz et al. (2007). The paper published in the *Development Policy Review* utilizes a 2004 random sample of 148 houses from six municipalities in two regions with historically robust aquaculture industries. Between 31% and 76% of households were in absolute poverty across the six municipalities. Aquaculture's role varied depending on the municipality. In municipalities with more built-out industrial sectors, aquaculture comprised roughly 30% of the income of households sampled; in areas with less industry, this was closer to 40% of household income. Aquaculture's share of household income, however, always increased amongst the poorest households, indicating its importance for the least well-off. The percentage point difference between aquaculture's share of household income in all households and extremely poor ones was often near or beyond 10.

Another key finding was that although certain forms of aquaculture may require minimal capital, very few within the sample were owners (or operators) of fish farms. Instead, the majority of respondents engaged in aquaculture - over half of all households - are daily laborers hired to perform labor-intensive maintenance such as maintaining anti-flood barriers, or dikes, or weeding. Day labor wages increased during harvest periods, which take place two to three times a year, and increase employment opportunities as well.

Ultimately, the study concluded that aquaculture is unambiguously beneficial to the poor. While ownership remains in the hands of a select, rich cohort, the intense labor demand provides valuable employment for a majority of surrounding households. In Filipino communities where lack of employment is the primary cause of poverty, aquaculture, therefore, helps alleviate poverty. Had the sampled municipalities not had access to aquaculture, the poverty headcount would rise from 54% to 70%, and the poverty gap (the extent to which households are below the poverty line) would nearly double from 24% to 47%.

Environmental Consequences of Aquaculture

¹³² Irz, X., Stevenson, J.R., Tanoy, A., Villarante, P. and Morissens, P. (2007). "The Equity and Poverty Impacts of Aquaculture: Insights from the Philippines", *Development Policy Review*, 25(4).

¹³³ Paclibare, 2005.

¹³⁴ Irz, X., Stevenson, J.R., Tanoy, A., Villarante, P. and Morissens, P. (2007). "The Equity and Poverty Impacts of Aquaculture: Insights from the Philippines", *Development Policy Review*, 25(4).

Unfortunately, although aquaculture may help satiate the economic needs of communities throughout the South China Sea, it does not exist privy of environmental consequences. Habitat destruction, specifically of mangroves, is often a consequence of aquaculture and the ponds that must be created.¹³⁵ Mangroves provide a variety of functions, such as protecting inland territories from storm surges, filtering out pollutants, and providing a fertile habitat for both marine and terrestrial life.¹³⁶ What is more, as with island-building, wave patterns are also altered, potentially depriving marine creatures from the algae and phytoplankton necessary to sustain life.

Harmful organic material discharged into surrounding bodies of water is also a concern.¹³⁷ Fecal matter from either ponds or cages, and antibiotics or drugs that pervade the aquaculture systems' water supply to treat fish and crustacean diseases, are both released without treatment into the ecosystem. Also, in creating ponds and maintaining the surrounding dykes, land is often excavated and rearranged. During this process, acid sulfate soils can be dug up. When this occurs, the dense concentration of iron sulfide materials in these soils is exposed and oxidizes, turning into sulfuric acid. This can run-off during rainfall or storm surges and damage the surrounding environment.¹³⁸

Conclusion

As is often the case, unlimited desires for a limited resource - fisheries - are at the root of the South China Sea conflict. A need to secure sovereignty in this 21st century 'wild west' is exacerbated by the valuable resources demanded by both economies and consumers. As long as sovereignty is demonstrated through ownership of fisheries, the South China Sea's environment will continue to fall into disarray. Without respected clear territories nor international arbitration, it is impossible to establish norms regulating the extraction of fish or limiting congestion and pollution; there is no overarching caretaker of the South China Sea, and the erosion of its environment stands as witness. In the face of these challenges, peripheral powers like the Philippines are unable to compete with China. Still needing to cater to a growing economy and domestic demand, aquaculture has proven to be a viable alternative. Pivoting towards aquaculture preserves many of the industries and linkages developed through decades of capture fishing, and its labor-intensive nature offers up vast employment potential. Should the South China Sea remain unregulated, the CPUE continue to decline, and costs of capture fishing rise, aquaculture poses many benefits. These, however, must be taken into consideration with the environmental degradation that can follow suit. It would behoove countries such as the Philippines more towards aquaculture, looking to take the withering state of the South China Sea as a lesson in the relevance of environmental sustainability for future profits.

¹³⁵ Chua Thia Eng, Paw N.J., and Guarin, F.Y. (1989). "The Environmental Impact of Aquaculture and the Effects of Pollution on Coastal Aquaculture Development in Southeast Asia", *Pollution in the Far East*, 20(7), pp.335-43.

¹³⁶ Dasgupta, S. (2018). "Why Mangroves Matter: Experts Respond on International Mangrove Day", *Mongabay Environmental News*, 26 July, Available at: <https://news.mongabay.com/2018/07/why-mangroves-matter-experts-respond-on-international-mangrove-day/>, (Accessed on: 8 January 2021).

¹³⁷ Chua Thia Eng, Paw N.J., and Guarin, F.Y. (1989). "The Environmental Impact of Aquaculture and the Effects of Pollution on Coastal Aquaculture Development in Southeast Asia", *Pollution in the Far East*, 20(7), pp.335-43.

¹³⁸ Queensland Government (2019). "Acid Sulfate Soils Explained", Text. *Queensland Government*, 11 December.

Michael Hall is a twenty-five-year-old American student of economic development and sustainable agriculture. Michael completed his undergraduate degree at Davidson College in 2019 where he graduated *Magna Cum Laude* with a double major in Economics (Honors) and Latin American Studies. Michael wrote his Honors Thesis on proxies of wealth and poverty trap theory. Upon graduating from Davidson College, Michael decided to pursue a Master of Arts at SAIS. Michael's thesis examined the consortiums of artisanal Italian food products and wine and compared these structures to two value chains in the Horn of Africa. Michael also interned with the OECD during this time, writing a chapter on female entrepreneurship and SME development in Tlaxcala, Mexico. Michael graduated from SAIS in 2021 and received the Excellence in Gender Research prize for his paper titled *Societal Transitions and Rural Tajik Women's Success in Intrahousehold Bargaining*. Michael is currently a Ph.D. candidate in Agricultural, Food, and Resource Economics at Michigan State.

References

- Asia Maritime Transparency Initiative (2021). "Scarborough Shoal", Available at: <https://amti.csis.org/scarborough-shoal/>, (Accessed on: 8 January 2021).
- Asia Maritime Transparency Initiative (2021). "South China Sea Energy Exploration and Development", Available at: <https://amti.csis.org/south-china-sea-energy-exploration-and-development/>, (Accessed on: 8 January 2021).
- Bale, R. (2016). "One of the World's Biggest Fisheries Is on The Verge of Collapse", *National Geographic News*, August 29, Available at: <https://www.nationalgeographic.com/news/2016/08/wildlife-south-china-sea-overfishing-threatens-collapse/>, (Accessed on: 8 January 2021).
- Blitz, A. (1987). "Marine Fishing in the Philippines", *Cultural Survival*, June.
- Chua Thia Eng, Paw N.J., and Guarin, F.Y. (1989). "The Environmental Impact of Aquaculture and the Effects of Pollution on Coastal Aquaculture Development in Southeast Asia", *Pollution in the Far East*, 20(7), pp.335–43.
- Cuvin-Aralar, M.L.A., Ricafort, C.H. and Arnold Salvacion (2016). "An Overview of Agricultural Pollution in the Philippines: The Fisheries Sector", *World Bank*.
- Dasgupta, S. (2018). "Why Mangroves Matter: Experts Respond on International Mangrove Day", *Mongabay Environmental News*, 26 July, Available at: <https://news.mongabay.com/2018/07/why-mangroves-matter-experts-respond-on-international-mangrove-day/>, (Accessed on: 8 January 2021).
- "Dredging" (2010). *Modern Marvels: A&E Television Networks*, 7 April.
- Food and Agriculture Organization of the United Nations (2021). "Fishery and Aquaculture Country Profiles - The Republic of the Philippines", Available at: <http://www.fao.org/fishery/facp/PHL/en#CountrySector-Overview>, (Accessed on: 8 January 2021).
- Godfrey, M. (2019). "Higher Seafood Consumption Predicted in China", *SeafoodSource*, 22 February, Available at: <https://www.seafoodsource.com/news/supply-trade/higher-seafood-consumption-predicted-in-china>, (Accessed on: 8 January 2021).
- Greer, A. (2016). "The South China Sea Is Really a Fishery Dispute", *The Diplomat*, 20 July, Available at: <https://thediplomat.com/2016/07/the-south-china-sea-is-really-a-fishery-dispute/>, (Accessed on: 8 January 2021).
- Hughes, T.P., Hui Huang and Young, M.A.L. (2013). "The Wicked Problem of China's Disappearing Coral Reefs", *Conservation Biology: The Journal of the Society for Conservation Biology*, 27(2), pp. 261–69.

- Irz, X., Stevenson, J.R., Tanoy, A., Villarante, P. and Morissens, P. (2007). "The Equity and Poverty Impacts of Aquaculture: Insights from the Philippines", *Development Policy Review*, 25(4).
- Ives, M. (2016). "The Rising Environmental Toll of China's Offshore Island Grab", *Yale E360*, 10 October, Available at: https://e360.yale.edu/features/rising_environmental_toll_china_artificial_islands_south_china_sea, (Accessed on: 8 January 2021).
- Krasca, J. (2015). "The Lost Dimension: Food Security and the South China Sea Disputes", *Harvard National Security Journal (blog)*, 26 February, Available at: <https://harvardnsj.org/2015/02/the-lost-dimension-food-security-and-the-south-china-sea-disputes>, (Accessed on: 8 January 2021).
- Lamarca, N.S.J. (2017). "Fisheries Country Profile: Philippines", *Southeast Asian Fisheries Development Center (blog)*, 2017, Available at: <http://www.seafdec.org/fisheries-country-profile-philippines/>, (Accessed on: 8 January 2021).
- McNamara, R. (2020). "The Environmental Collateral Damage of the South China Sea Conflict", *Wilson Center: New Security Beat (blog)*, 13 October, Available at: <https://www.newsecuritybeat.org/2020/10/environmental-collateral-damage-south-china-sea-conflict/>, (Accessed on: 8 January 2021).
- Mora, C., Caldwell, I.R., Birkeland, C. and McManus, J.W. (2016). "Dredging in the Spratly Islands: Gaining Land but Losing Reefs", *PLOS Biology*, 14(3).
- Myers, S.L. and Bradsher, K. (2020). "China Fires Missiles Into South China Sea, Sending U.S. a Message," *The New York Times*, 27 August, Available at: <https://www.nytimes.com/2020/08/27/world/asia/missiles-south-china-sea.html>, (Accessed on: 8 January 2021).
- O'Shea, P. (2012). "Sovereignty and the Senkaku/Diaoyu Territorial Dispute", *Stockholm: European Institute for Japanese Studies*, 18 September, Available at: <https://swopec.hhs.se/eijswp/abs/eijswp0240.htm>, (Accessed on: 8 January 2021).
- Paclibare, J.O. (2005). "National Aquaculture Sector Overview - Philippines", *FAO Fisheries & Aquaculture*, 1 February.
- Palomares, Lourdes M.D. and Pauly, D. (2014). "Philippine Marine Fisheries Catches : A Bottom-up Reconstruction, 1950 to 2010." Available at: <https://open.library.ubc.ca/collections/52383/items/1.0354317>, (Accessed on: 8 January 2021).
- Queensland Government (2019). "Acid Sulfate Soils Explained", Text. *Queensland Government*, 11 December.
- Santos, M., Dickson, J.O. and Velasco, P.E.L. (2011). "Mitigating the Impacts of Climate Change: Philippine Fisheries in Focus", *Fish People*, 9 (January), pp.103–12.
- Suh, D. and Pomeroy, R. (2020). "Projected Economic Impact of Climate Change on Marine Capture Fisheries in the Philippines", *Frontiers in Marine Science*, 7 (2020).
- Teh, L.S., Cashion, T., Alava, J.J., Cheung, W.W. and Sumaila, U.R. (2019). "Status, trends, and the future of fisheries in the East and South China Seas", *Fisheries Centre Research Reports*, 27(1), pp. 1-101.
- UNEP (2007). "Land-Based Pollution in the South China Sea." UNEP/GED/SCS Technical Publication. UNEP.
- Yuan, X., Guo, Y., Cai, W.J., Huang, H., Zhou, W. and Liu, S. (2019). "Coral responses to ocean warming and acidification: Implications for future distribution of coral reefs in the South China Sea", *Marine pollution bulletin*, 138, pp.241-248.

The Longevity of Populism in Brazil: COVID-19 Shock and the 2022 General Election

Matthew A. Hughes

ABSTRACT:

The COVID-19 pandemic has shocked Brazil's political economy. Normally, socioeconomic crises foster conditions for populism's emergence, but with President Jair Bolsonaro--the quintessential populist--already in power, Brazil's pandemic experience under his leadership will likely influence his tenure and the longevity of populism in Brazil. To date, few scholarly articles investigate the pandemic's potential impacts on the 2022 Brazilian General Election. This paper explores this gap and investigates the extent to which the pandemic is impacting the Brazilian economy and how Brazilians perceive Bolsonaro's response. Comparing pandemic milestones, economic indicators, and public opinion polling results sheds light on the future of populism in Brazil and Bolsonaro's prospects for reelection in 2022.

Introduction

The COVID-19 pandemic has shocked Brazil's political economy and caused a socioeconomic crisis. Such conditions have fostered populism existing as a "political strategy" which emerges during socioeconomic crises wherein opponents of elite members within the established political architecture rally "the people" in an antagonistic struggle to fix the perceived "broken system" to redistribute wealth and adjust the dynamics of power.¹ The rise of populist leaders requires three conditions: (1) an opportunity structure emerging via perceived insecurity arising from socioeconomic crisis, (2) public appeal favoring extra-institutional solutions, and (3) a charismatic leader with an anti-establishment platform.² The main factors contributing to populist downfalls are disillusionment among supporters due to failed economic policies and social reforms, and a strengthened establishment (often supported by institutions or external actors) offering a more favorable government alternative compared to that brought forth by the continuation of populist policies.

With this general framework in mind, today, Brazil presents a unique case of populist exercise during a pandemic. The socioeconomic shock of Brazil's 2014-2016 recession and corruption linked to political officials on the left led Jair Bolsonaro to win the presidency in the 2018 Brazilian General Election. Brazil's experience with the COVID-19 pandemic under Bolsonaro's leadership may bear impact on both the length of his own tenure and the longevity of populism in Brazil. To date, few scholarly articles have discussed the pandemic's potential impacts on populism or the next presidential election, given its temporal distance and the fact that Brazil still remains in the throes of the pandemic. This study seeks to explore this gap by analyzing claims and debates about how the pandemic affects Brazil's political economy, in what ways Bolsonaro's response influences his

¹. González, F.E. and Young, C. (2017). "The Resurgence and Spread of Populism?," *SAIS Review of International Affairs* 37, no. 1 (2017), pp. 3-4.

². Ibid., pp. 4-5.

approval ratings and opposition, and the likelihood that the public may favor alternatives in Brazil's general election of 2022.

In this paper, I argue that if Bolsonaro chooses to run for reelection in 2022, he would likely win, as shocks associated with COVID-19 are unlikely to sufficiently weaken his popular support. This essay is divided into three sections. The first section introduces the topic of shocks and critical junctures for political economies, focusing on their relevance to institutions and the structures of populism. Section two investigates Brazil's political economy during the COVID-19 pandemic and analyzes key economic indicators to gauge its impact and influence on populism. The final section then develops factors contributing to populism's sustainment, analyzing the pandemic's effect on Bolsonaro's candidacy for the 2022 Brazilian General Election.

Through this framework, this essay seeks to answer the question, *how might the COVID-19 pandemic influence the longevity of populism in Brazil?* The pandemic has produced a shock in Brazil's political economy, but populism will likely survive these traumas alongside Bolsonaro's 2022 reelection. The main factors used to test this argument include health and public policy milestones in Brazil's COVID-19 experience, economic indicators reflecting the degree of shock caused by the pandemic, and public opinion polling for likely candidates in the 2022 Brazilian General Election. Implications include a weakening durability of Brazilian institutions, a return to the left in future elections via the restoration of trust in the Worker's Party after corruption and the 2014-2016 recession, and the fading or endurance of populism in Brazil over the next two years. It is important to note that this analysis relies on the assumption that Bolsonaro will, in fact, seek reelection in 2022. Also, this study uses data available at the time of writing and acknowledges that the pandemic remains unresolved. Hence, any drastic COVID-19 developments may alter assessments.

This piece was originally submitted to the SAIS Europe Journal of Global Affairs in January 2021.

The Pandemic's Impacts on Political Economies

Shock or Critical Juncture?

COVID-19 is severely affecting political economies throughout the world, but impact descriptions vary. Most analyses focus on changes in economic indicators coinciding with changes in COVID-19 statistics or policy milestones to show causality. The economic crisis in the first quarter of 2020 resulting from COVID-19 brought about "an unprecedented global shock to both aggregate demand and aggregate supply."³ To date, however, few literary sources consider implications for political parties or economic policies through specific terminology, opting instead for the general term "crisis."⁴ With the exception of the recent US Presidential Election, few experts have speculated about the outcome of upcoming presidential elections, such as Brazil's 2022 General Election.⁵

³. Cottani, J. (2020). "The Effects of Covid-19 on Latin America's Economy", *Center for Strategic & International Studies*, November.

⁴. On this, see Ricard, J. and Medeiros, J. (2020). "Using misinformation as a political weapon: COVID-19 and Bolsonaro in Brazil," *The Harvard Kennedy School (HKS) Misinformation Review*, 1(2).; da Luz Scherf, E., da Silva, M.V.V. and Fachini, J.S. (2020). "The Management (or Lack Thereof) of COVID-19 in Brazil: Implications for Human Rights & Public Health," forthcoming in the *International Journal of Human Rights in Healthcare*, last revised 26 October.; Ilyas, A. (2020). "COVID-19 Pandemic: Emergence of a New Geopolitical Perspective," *Sustainable Development Policy Institute*, Islamabad, Pakistan, 24 April.; Gallego, E.S. (2020). "¿Por qué repunta Bolsonaro?," *Nueva Sociedad*, September.; Gugushvili, A., Koltai, J., Stuckler, D. and McKee, M. (2020). "Votes, populism, and Pandemics," *International Journal of Public Health* 65,(6), pp. 721-722.

⁵. For an exception see: Bayerlein, M. and Gyöngyösi, G. (2020). "The Impact of COVID-19 on Populism: Will it be Weakened?," *Kieler Beiträge zur Wirtschaftspolitik*, 26(June).

Experts recognize the pandemic's devastating effects on political economies and some study impacts to determine if democracies can weather the "COVID-19 shock."⁶ The boldest and most precise description of COVID-19, though, is one describing the pandemic as a "critical juncture [...] triggered by external shocks that lead to structural indeterminacy,"⁷ acknowledging the relevance of populism as a digression to political institutions.

Descriptions of what constitutes a "critical juncture" vary, but one prominent definition used in relation to Latin American political economies is "a period of significant change, which typically occurs in distinct ways in different countries (or other units of analysis) and which is hypothesized to produce distinct legacies."⁸ Herein, political science professor James Mahoney emphasizes the importance of choice and path-dependent processes by explaining that "once a particular option is selected [in a critical juncture], it becomes progressively more difficult to return to the initial point when multiple alternatives were still available."⁹

According to these characteristics, Brazil's COVID-19 experience constitutes a critical juncture for some sectors, such as medical institutions, but the political economy has yet to exhibit enduring institutional changes linked to the pandemic. Local elections, the 2022 General Election, and future economic policies may reflect drastic changes with the pandemic as the traceable point of departure. While time will help to clarify in what ways the pandemic may be a critical juncture for Brazilian institutions, drastic socioeconomic changes indicate that COVID-19 has produced a shock in Brazil, which often catalyzes the emergence of or strengthening of populism.

Institutions and Populism

Populist responses to the pandemic have varied from country to country based on various factors, such as whether they are left- or right-leaning, and whether a populist administration is in a position of power or representing opposition. Thus far, countries led by right-wing populists have experienced higher COVID-19 infection and mortality rates, slower reaction times (reflecting anti-scientism and complacency, rather than urgency), and policies benefiting the economy at the expense of public health.¹⁰ These policies and adverse results during the COVID-19 pandemic, which have

⁶. Halikiopoulou, D. (2020). "The Political Implications of COVID-19: What Now for Populism?", in (eds.) Monica Billio and Simone Varotto, *A New World Post COVID-19: Lessons for Business, the Finance Industry and Policy Makers*, Venice: Ca Foscari – Digital Publishing, p. 371.

⁷. Woods, E.T., Schertzer, R., Greenfeld, L., Hughes, C. and Miller-Idriss, C. (2020). "COVID-19, nationalism, and the politics of crisis: A scholarly exchange", *Nations and Nationalism*, pp. 1-19.

⁸. Collier, R.B. and Collier, D. (1991). *Shaping the Political Arena*, Princeton: Princeton University Press, (fn. 4), p. 29. Capoccia, G. and Kelemen, R.D. (2007) "The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism," *World Politics*, 59(April), p. 347.

⁹. Ja Mahoney, J. (2000). "Path Dependence in Historical Sociology," *Theory and Society*, 29 (August), 513; and Mahoney (fn. 3), p. 113, as cited in Capoccia, G. and Kelemen, R.D. 2007, p. 347.

¹⁰. Brubaker, R. (2020). "Paradoxes of Populism during the Pandemic," expanded version of paper published in a Thesis: *Living and Thinking Crisis*, 13 July, last updated 10 September 2020; Kavakli, K.C., 2020. Did populist leaders respond to the COVID-19 pandemic more slowly? Evidence from a global sample, Working paper; Lassa, J.A. and Booth, M. (2020). "Are populist leaders a liability during COVID-19?", *The Conversation*, 8 April, Available at: <https://theconversation.com/are-populist-leaders-a-liability-during-covid-19-135431>, (Accessed on 8 January 2021); Woods et al., 2020.

also characterized the experience of Brazil's Bolsonaro, have gained the moniker "medical populism," highlighting the rejection of expertise from scientists and researchers who are perceived as "elite."¹¹

The pandemic's influence on populism varies, as it may strengthen or weaken populists and their support. Health crises seem to strengthen support for populists not currently in power who plan to challenge incumbents leading response efforts. Historically, in fact, populists have gained support during crises, as worsening public health can indicate discontent and social distress which consequently buttresses the emergence of opposition leaders.¹² While the pandemic has not yet generated strong support in favor of populism, rising resentment for restrictions and lockdowns will likely foster emergence of a populist mood.¹³

Conversely, for populists who are already in power, the pandemic has strong potential to harm their influence, as COVID-19 exposes the ineptitude and long-term inadequacies of populist administrations.¹⁴ While this may not be apparent in the near-term, the overall success or failure of economic policies responding to the shock (which have so far been linked to higher infection and mortality rates) will likely contribute to whether populists currently in power lose support or if their opposition gains momentum.¹⁵ This emerged as a prevalent theme in Biden's criticisms of President Trump leading up to the US Presidential Election. Meanwhile, in Brazil, Bolsonaro's response, nested with that of populists' implementing fewer measures and relaxing restrictions too early, may threaten Brazilian support for populism.¹⁶ Similarly, valence politics will lead voters to prioritize competence over the populists' emotional rhetoric in future elections. Yet, far-right populists, such as Bolsonaro, seem to be an exception, as decisions to close borders align with COVID-19 policies and restrictions.¹⁷

Brazil's Political Economy in the Throes of the Pandemic

Brazil has recently undergone drastic political changes as a result of the 2015-2016 recession and corruption in the Lula and Rousseff administrations that led Bolsonaro to defeat the incumbent center-left Workers' Party (*Partido de Trabalhadores*, or PT) and center-right establishment in the 2018 Brazilian General Election.¹⁸ COVID-19 again shocked Brazil's political economy. Yet, there have not been significant changes in the political realm, such as impeachment or the ousting of Bolsonaro by referendum or election. Similarly, economic institutions have not drastically changed, but Bolsonaro's policies and proposals seem to be approaching the center as he considers reinstating or strengthening some social programs, largely in response to the pandemic. As Brazil and much of the

¹¹ . Lancet COVID-19 Commissioners, Task Force Chairs, and Commission Secretariat (2020). "Lancet COVID-19 Commission Statement on the occasion of the 75th session of the UN General Assembly," *Lancet* 396, 14 September, pp. 1102-11024.

¹² . Gugushvili, A., Koltai, J., Stuckler, D. and McKee, M. (2020). "Votes, populism, and Pandemics," *International Journal of Public Health* 65,(6), pp. 721-722.

¹³ . Brubaker, 2020.

¹⁴ . Bufacchi, V. (2020). "Is coronavirus bad for populism?," *Global-E* 13, 25(27), April, Available at: <https://www.21global.ucsb.edu/global-e/april-2020/coronavirus-bad-populism>, (Accessed on: 8 January 2021).

¹⁵ . Bayerlein, M. and Gyöngyösi, G. (2020). "The Impact of COVID-19 on Populism: Will it be Weakened?," *Kieler Beiträge zur Wirtschaftspolitik*, 26(June).

¹⁶ . Kavakli, 2020.

¹⁷ . Halikiopoulou, 2020.

¹⁸ . Bradlow, B.H. 9(2020). "Brazilians firmly rejected many local candidates their president had backed," *The Washington Post*, 9 December, Available at : <https://www.washingtonpost.com/politics/2020/12/09/brazilians-firmly-rejected-many-local-candidates-their-president-had-backed> (Accessed on: 8 January 2021).

world remain in the throes of the pandemic, future elections and economic developments may yield institutional changes as part of the pandemic's legacy.

The economic shock resulting from the pandemic has harmed an already fragile Brazilian economy. The country had already undergone a two-year economic crisis between mid-2014 and 2016, which constituted the second worst recession in the nation's history.¹⁹ Between 2020-Q1 and 2020-Q2 the pandemic reduced Brazil's GDP by over eight percent, coinciding with the pandemic's first reported cases in Brazil. This drastic GDP drop was over 3.5 times greater than that of 2015-Q1, the steepest decline during Brazil's two-year recession.

Economic forecasts, however, are optimistic, anticipating strides in recovery between 2021 and 2023. The International Monetary Fund (IMF) forecasts at least a two percent positive change in Brazil's real GDP (relative to the previous year) during this period, with even stronger growth forecasted across Latin America.²⁰ This seems on par with most other emerging market regions, with the exception of greater forecasted growth and faster recovery in Asia. This anticipated rate of recovery will likely reduce some of the perceived impact on Bolsonaro's popular support caused by the economic shock leading up to the presidential election. The IMF also projects that unemployment rates in Brazil will remain at similar rates throughout 2021-2023, gradually lowering from 14.1 percent in 2021 (in the wake of business closures and the economic shock caused by the pandemic) to 12.5 percent in 2023.²¹ These expected unemployment rates are among the highest in the region, but the IMF expects this general downward trend to be common among Latin American countries.

Jair Bolsonaro and Populism in Brazil

Is the Pandemic Harming or Helping Bolsonaro?

Many believe that the pandemic will help bring an end to the current phase of populism in Brazil. The pandemic is a high-stakes gamble for Bolsonaro, who has lost support from the rich and is losing support from governors.²² Throughout the pandemic, critics called attention to the urgent need for state intervention in the economy and argued that Bolsonaro's reluctance would harm him. His neoliberal economic program allowed the pandemic to hit Brazil with full force, which many experts expected would erode his support.²³ This included Bolsonaro's Economy Minister, who advised against any state intervention for concern that it might risk the 2022 election due to perceptions of a return to policies similar to those adopted by the Workers' Party.²⁴

¹⁹ . Neder, V. (20-18). "Com revisão, última recessão deixa de ser a maior da história," *Estadão*, 1 December, Available at : <https://economia.estadao.com.br/noticias/geral/com-revisao-ultima-recessao-deixa-de-ser-a-maior-da-historia,70002628638>, (Accessed on: 8 January 2021)

²⁰ . International Monetary Fund (2020). *World Economic Outlook: A Long and Difficult Ascent*, Washington, DC: IMF, October, Available at : <https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020> (Accessed on: 8 January 2021).

²¹ . Ibid., p. 6.

²² . Blofield, M., Hoffmann, B. and Llanos, M. (2020). "Assessing the Political and Social Impact of the COVID-19 Crisis in Latin America," *GIGA Focus Lateinamerika*, 3, Hamburg: German Institute of Global and Area Studies.

²³ . E da Luz Scherf, E., da Silva, M.V.V. and Fachini, J.S. (2020). "The Management (or Lack Thereof) of COVID-19 in Brazil: Implications for Human Rights & Public Health," forthcoming in the *International Journal of Human Rights in Healthcare*, last revised 26 October.

In addition to implications of state intervention in the economy, concerns arose that Bolsonaro's anti-scientism rhetoric would weaken his legitimacy. Shortly after Brazil's initial exposure to the coronavirus, social media sites deleted some of Bolsonaro's posts for misinformation about the pandemic.²⁵ His criticism of masks and other preventative measures mirrored comments by populist leaders in other countries, attracting reproach from scientists and the establishment. Another common concern during early phases of the pandemic in Brazil was that Bolsonaro might use COVID-19 as an excuse to consolidate power,²⁶ which could alienate those perceiving the action as an indicator of mounting authoritarianism, but his policies and strategy have reflected political polarization and inaction rather than authoritarianism.²⁷ The media raised impeachment as a possible recourse for unpopular decision-making,²⁸ but public opinion and political alliances prevailed.

Despite having drawn criticism from media outlets, medical experts, and the political establishment, indicators reflect certain dynamics of the pandemic may actually benefit Bolsonaro's popularity. Polling shows that Bolsonaro maintained a steady approval rating of around 40 percent and that, despite losing approval among the rich, he has gained support among the poor through an emergency monthly stipend provided for pandemic relief.²⁹ Although polling did not reflect a drastic change in public support for Bolsonaro following initial aid to informal workers at R\$600 per month beginning in April 2020, the allotments seem to now bolster his support among the lower class. This degree of support may increase if Bolsonaro makes permanent some of the social programs meant to address the temporary emergency of the pandemic.³⁰

In addition, contracting COVID-19 seemingly yielded opposite reactions for Trump and Bolsonaro in terms of public opinion. In response to Trump's positive COVID-19 test in early October 2020, polls reflected a "surge in support" for Biden, which experts interpreted to mean voters associated Trump's positive test with "an overall cavalier attitude toward the virus."³¹ In Brazil, however, polls regarding potential presidential candidates reflected around 22 percent support for Bolsonaro by mid-June 2020,³² but after he tested positive for COVID-19 in early July, polls quickly rose to around 29 percent, and later, to nearly 42 percent in August.³³ (See Table 1 and Figure 1).

²⁴ . Cássio, F. and Filho, M.A.B. (2020). "'Professor' de Jair, Paulo Guedes é o mais bolsonarista dos ministros," *Universo Online (UOL)*, 8 July, (Accessed on: 8 January 2021).

²⁵ . Ricard, J. and Medeiros, J. (2020). "Using misinformation as a political weapon: COVID-19 and Bolsonaro in Brazil," *The Harvard Kennedy School (HKS) Misinformation Review*, 1(2).

²⁶ . Flynn, M.B., Neto, A. P. and Barbosa, L. (2020). "Democracy (still) on the Edge: An Analysis of Brazil's Political Response to the Covid-19 Crisis," *The Moderate Voice*, San Diego: Newstex, 5 June.

²⁷ . Smith, A.E. (2020). "Covid vs. Democracy: Brazil's Populist Playbook," *Journal of Democracy*, 31(4), October, pp. 76-90, Available at: <https://muse.jhu.edu/article/766186>, (Accessed on: 8 January 2021).

²⁸ . Katsambekis, G. and Stavrakakis, Y. (eds.) (2020). "Brazil," in *Populism and the Pandemic: A Collaborative Report*, *POPULISMUS Interventions* No. 7 (special edition), Thessaloniki: *POPULISMUS*; also see: Alternatively, Flynn et al., 2020.

²⁹ . Winter, B. (2020). "Messiah Complex," *Foreign Affairs*, 99(5), September/October, pp. 119-124,

³⁰ . Smith, A.E. (2020). "Covid vs. Democracy: Brazil's Populist Playbook," *Journal of Democracy*, 31(4), October, pp. 76-90, Available at: <https://muse.jhu.edu/article/766186>, (Accessed on: 8 January 2021).

³¹ . McEvoy, J. (2020). "Poll: Trump's Covid-19 Diagnosis Boosts Support For Biden," *Forbes*, 4 October, Available at: <https://www.forbes.com/sites/jemimamcevoy/2020/10/04/poll-trumps-covid-19-diagnosis-boosts-support-for-biden/?sh=11059b5e202c>, (Accessed on: 8 January 2021).

³² . Pereira, D. (2020). "Sergio Moro desponta como principal adversário de Bolsonaro em 2022," *Veja*, 23 June 2020, Available at: <https://veja.abril.com.br/politica/sergio-moro-desponta-como-principal-adversario-de-bolsonaro-em-2022>, (Accessed on: 8 January 2021).

Despite the pandemic's socioeconomic shock in Brazil and evidence suggesting Bolsonaro's policies worsened its impact, he has consistently been the leading presidential candidate in public opinion polls throughout 2020 bearing moreover a sizable lead.

³³. Delorenzo, D. (2020). "Bolsonaro avança e Haddad passa Moro em Pesquisa Fórum," *Forum*, 29 August, Available at: <https://revistaforum.com.br/pesquisaforum/bolsonaro-avanca-e-haddad-passa-moro-em-pesquisa-forum/>, (Accessed on: 8 January 2021).

Table 1: Polling Statistics for 2022 General Election

Pollster	Date(s) (2020)	Smp. Size	Bolso naro PSL/ APB	Lula PT	Haddad PT	Dino PCdoB	Gom es PDT	Doria PSDB	Amoedo NOVO	Silva RED E	Mor o Ind.	Huck Ind.	Other	Abs./ Und.
Paraná Pesquisas 34	28 Nov - 1 Dec	2,036	33.3	-	8.8	-	10	3.7	2.8	-	11.8	7.8	5.7	16
			32.9	17.8	-	-	7.7	3.8	2.8	2.9	11.9	-	4.9	15.2
			35.8	-	11.5	1.2	12.1	4.8	3.5	-	-	9.5	2.7	19.1
XP Investi- mentos ³⁵	8-11 Oct	1,000	31	-	14	-	10	3	3	-	11	5	3	20
Exame/ IDEIA ³⁶	5-8 Oct	1,200	30	18	-	1	9	4	1	2	10	5	3	19
Poder- Data ³⁷	14-16 Sep	2,500	35	-	10	4	7	5	-	-	13	-	7	19
			35	21	-	3	3	4	-	-	11	-	5	18
Exame/ IDEIA ³⁸	24-31 Aug	1,235	31	17	-	1	6	3	3	2	13	5	5	14
Forum/ Offerwise ³⁹	21-24 Aug	1,000	41.7	-	14.8	1.2	7.7	3.7	2.3	4	13.3	9.7	1.6	-
Poder- Data ⁴⁰	3-5 Aug	2,500	38	-	14	3	6	4	-	-	10	-	5	20
Paraná Pesquisas	18-21 Jul	2,030	29	-	13.4	-	9.9	4	3.4	-	17.1	6.5	1.7	14.9
			27.5	21.9	-	-	8.3	3.8	3.4	2.5	16.8	-	1.6	14.1
			30.7	-	14.5	1.6	10.7	4.6	4	-	-	8.3	6.6	18.9
Quaest ⁴¹	14-17 Jun	1,000	22	-	13	-	12	2	-	-	19	5	3	23
Paraná Pesquisas	27-29 Apr	2,006	27	-	14.1-	-	10.3	3.7	4	-	18.1	6	2.2	14.6
			26.3	23.1	-	-	8.1	3.8	4	2.3	17.5	-	1.9	13
			29.1	-	15.4	1.4	11.1	4.4	4.5	-	-	8.1	7.9	18.1
Veja/ FSB	7-10 Feb	2,000	37	-	13	-	11	3	5	-	-	12	-	21
			31	28	-	-	8	4	5	-	-	11	-	12
			28	-	15	-	9	3	4	-	17	13	-	12
			-	-	14	-	12	4	5	-	31	16	-	19
			-	28	-	-	9	3	5	-	33	10	-	13
Atlas Politico ⁴²	7-9 Feb	2,000	41	-	-	13	-	2.5	-	-	-	14	-	27
			32	28	-	3	-	0.6	-	-	20	14	-	9
CNT/ MDA ⁴³	15-18 Jan	2,002	29.1	17	2.3	-	3.5	0.3	1.1	0.4	2.4	0.5	2.7	40.7

³⁴. “Pesquisa de Opinião Pública Nacional,” *Paraná Pesquisas*, managed by Murilo Hidalgo, November 2020,

³⁵. “Pesquisa XP Outubro 2020: Reprovação ao governo Bolsonaro tem queda de 5 pontos,” *XP Investimentos*, 15 October 2020, <https://conteudos.xpi.com.br/politica/pesquisa-xp-outubro-2020/>.

³⁶. Garrett Jr., G. (2020). “EXAME/IDEIA: Bolsonaro vence Lula, Moro e Dorian as eleições de 2022,” *Exame*, 9 October, Available at: <https://exame.com/brasil/exame-ideia-bolsonaro-vence-lula-moro-e-dorian-nas-eleicoes-de-2022/>, (Accessed on: 8 January 2021).

³⁷. Barbosa, R. (2020). “Bolsonaro lidera corrida eleitoral para 2022 com 35%; Lula tem 21%,” *Poder 360*, 17 September, Available at: <https://www.poder360.com.br/poderdata/bolsonaro-lidera-corrida-eleitoral-para-2022-com-35-lula-tem-21/>, (Accessed on: 8 January 2021).

³⁸. Aranha, C. (2020). “Exame/IDEIA: Bolsonaro é reeleito em 2022 em todos os cenários eleitorais,” *Exame*, 4 September, Available at: <https://exame.com/brasil/exame-ideia-bolsonaro-e-reeleito-em-2022-em-todos-os-cenarios-eleitorais/>, (Accessed on: 8 January 2021).

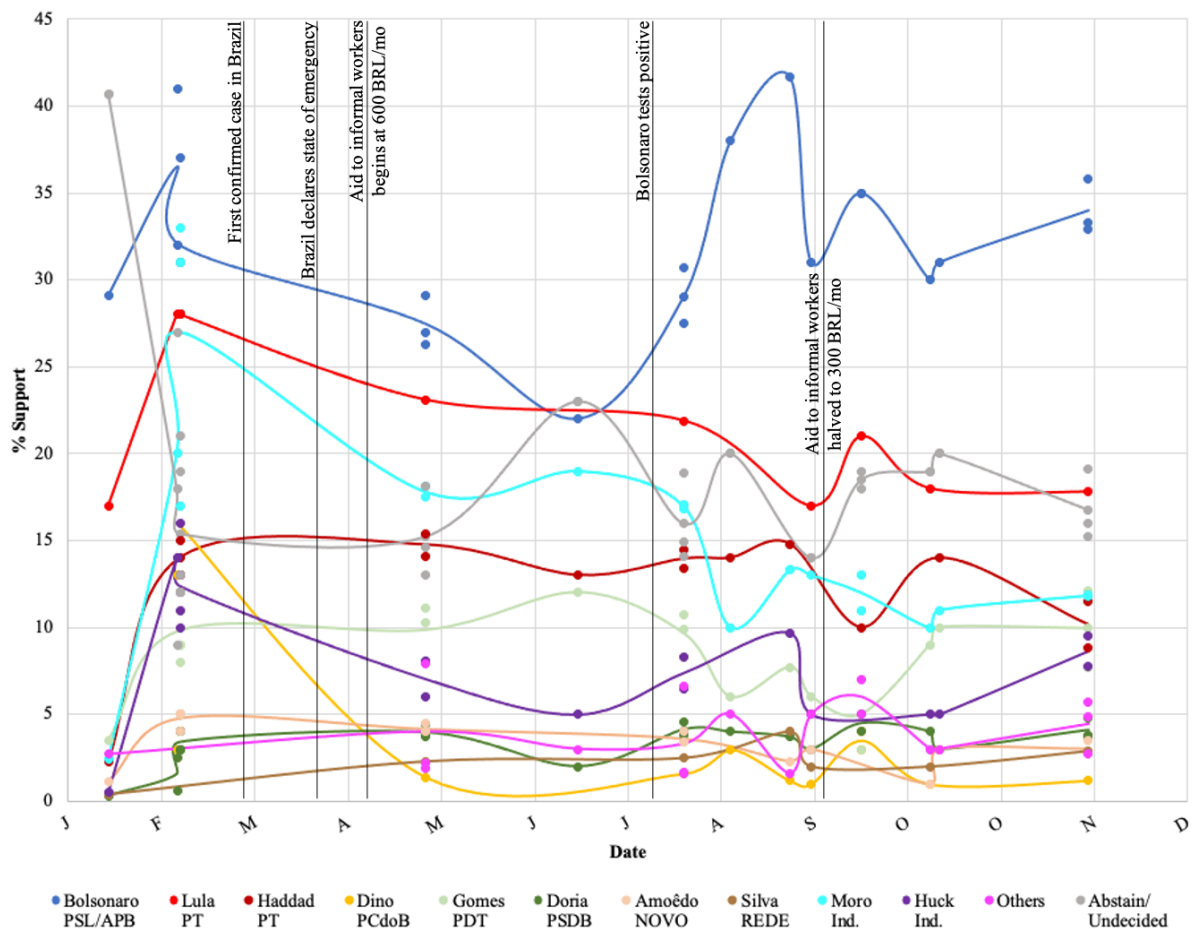
³⁹. Delorenzo, 2020.

⁴⁰. Freire, S. (2020). “Hoje, eleição presidencial teria Bolsonaro à frente de todos no 1º turno,” *Poder 360*, 6 August, Available at: <https://www.poder360.com.br/poderdata/hoje-eleicao-presidencial-teria-bolsonaro-a-frente-de-todos-no-1o-turno/>, (Accessed on: 8 January 2021).

⁴¹. Pereira, D. (2020). “Sergio Moro desponta como principal adversário de Bolsonaro em 2022,” *Veja*, 23 June 2020, Available at: <https://veja.abril.com.br/politica/sergio-moro-desponta-como-principal-adversario-de-bolsonaro-em-2022/>, (Accessed on: 8 Jan. 2021).

⁴². Rossi, M. (2020). “Bolsonaro lidera pesquisa para reeleição em todos os cenários, inclusive contra Lula,” *El País*, 12 February, Available at: <https://brasil.elpais.com/brasil/2020-02-12/bolsonaro-lidera-pesquisa-para-reeleicao-em-todos-os-cenarios-inclusive-contra-lula.html>, (Accessed on: 8 January 2021).

⁴³. Mazieiro, G. (2020). “Bolsonaro lidera intenção de voto para 2022 seguido por Lula, diz CNT/MDA,” 22 January, Available at: <https://noticias.uol.com.br/politica/ultimas-noticias/2020/01/22/cntmda-eleicoes-2022-bolsonaro-lula.htm>, (Accessed on: 8 January 2021).

Figure 1: Polling by Candidate compared to COVID-19 Milestones in Brazil, 2020⁴⁴

The 2022 Brazilian General Election

During Bolsonaro's campaigning prior to the 2018 General Election, he promised to do away with presidential second terms.⁴⁵ After six months in office, however, he opened up to the possibility of running again should Congress not bring about adequate reform in Brazil's political system during his first term.⁴⁶ In November 2020, following Trump's defeat in the US Presidential Election, Bolsonaro stated he is undecided about running in 2022, recognizing many South American countries turned toward the left in recent elections.⁴⁷

⁴⁴. Generated using polling data listed in Table 5. Lines are best-of-fit, smoothed and linked across gaps.

⁴⁵. Reuters (2019). "Brazil's Bolsonaro changes view, says could run for re-election," *Reuters*, 21 June, Available at: <https://www.reuters.com/article/us-brazil-politics/brazils-bolsonaro-changes-view-says-could-run-for-re-election-idUSKCN1TM1XD>, (Accessed on: 8 January 2021).

⁴⁶. Ibid.

⁴⁷. Televisión del SUR (2020). "Bolsonaro Loses Interest in Re-Election After Trump's Defeat," *Televisión del SUR C.A.*, 7 November, Available at: <https://www.telesurenglish.net/news/Bolsonaro-Loses-Interest-in-Re-Election-After-Trump-Defeat-20201107-0005.html>

Despite this uncertainty, Bolsonaro consistently leads in polls over other currently conjectured 2022 presidential candidates. Even while facing sharp criticism from the establishment and media about his pandemic response, it will be difficult to defeat Bolsonaro should he choose to run again. Going into 2022, Bolsonaro will have an incumbency advantage over challengers. Another factor at play is that historically, populist leaders have remained in office for an average of six-and-a-half years, more than double the three-year average among non-populist counterparts.⁴⁸

On the other hand, recent election results suggest the pandemic has weakened Bolsonaro's chance to win reelection. Trump's loss in the 2020 US Election bodes poorly for Bolsonaro, as the two are close political allies and share similar, controversial views on the pandemic and other socio-economic realities. Bolsonaro's rivals quickly celebrated Biden's victory and associated Bolsonaro with Trump in post-US election commentaries.⁴⁹ In addition, political candidates backed by Bolsonaro lost elections throughout the country in December 2020, indicating discontent with Bolsonaro's handling of the pandemic and worsening economy.⁵⁰ These election results likely contributed to Bolsonaro's recent indecision about running in 2022, reflecting less confidence and certainty about the prospect of a second term compared to his comments in 2019.

The 2015-2016 recession and corruption surrounding Lula and Rousseff soured the Workers' Party for many Brazilians. Brazilian culture in 2020 has been more reflective of Bolsonaro's social policies than of a progressive agenda.⁵¹ It thus follows that Bolsonaro would likely win the 2022 election against a Workers' Party candidate.⁵² Polling indicates that among candidates, ex-President Luiz Inácio Lula da Silva consistently ranks second (the federal court banned him from running for president, but that may change as his case works through the judicial process and the top court evaluates evidence), below Bolsonaro and above Fernando Haddad, the Worker's Party presidential candidate in the 2018 election (see Table 1 and Figure 1). As of yet, there is not a strong candidate who can draw away votes from the center-right and moderate right.

The emergence of a populist challenger is highly unlikely. Even those unaffiliated with a political party - prospective independent candidates Sergio Moro and Luciano Huck - do not have political ideologies nesting with populist notions targeting the establishment or seeking to polarize national society between *haves* and *have nots*. Moro, the former Minister of Justice famous for leading the *Lava-Jato* [Car Wash] corruption investigation which sent Lula to jail and implicated several senior politicians, achieved strong support in early 2020 public opinion polls about the next presidential election. Rather than appeal to those on the political periphery, like populists do, Moro criticized Lula and Bolsonaro, on both ends of the political spectrum. Despite widespread support, especially among those in the political center, Moro seems to have ruled out a 2022 presidential bid.⁵³ Television host Luciano Huck's progressive ideas are also likely to draw support away from Workers'

⁴⁸. Mounk, Y. and Kyle, J. (2018). "What Populists Do to Democracies," *The Atlantic*, 26 December, Available at: <https://www.theatlantic.com/ideas/archive/2018/12/hard-data-populism-bolsonaro-trump/578878>, (Accessed on: 8 January 2021).

⁴⁹. Televisión del SUR, 2020.

⁵⁰. Bradlow, 2020.

⁵¹. W Winter, B. (2020). "Messiah Complex," *Foreign Affairs*, 99(5), September/October, pp. 119-124,

⁵². Ibid.

⁵³. France 24 (2020). "Brazil's Moro slams Bolsonaro, rules out 2022 bid," *France 24*, 7 August, Available at: <https://www.france24.com/en/20200708-brazil-s-moro-slams-bolsonaro-rules-out-2022-bid>, (Accessed on: 8 January 2021).

Party candidates, but not threaten Bolsonaro's support base or present obstacles by joining with another candidate for a presidential ticket.⁵⁴

Implications and Future Research

This essay investigated the COVID-19 pandemic's influence on populism in Brazil and the likelihood of populism enduring beyond the next Brazilian General Election. Indicators reflect a strong likelihood that Jair Bolsonaro would win reelection in 2022, despite Brazil's dismal experience in handling the pandemic. The characteristics of shocks often favor populism as an alternative to the establishment, and even though a populist is already in power, Brazilians largely remain disillusioned with the Workers' Party previously in power. Key economic indicators show that COVID-19 severely disrupted Brazil's economy, and although the country is still dealing with the pandemic, experts such as the IMF are optimistic about a gradual recovery. Public opinion polls show that despite losses of Bolsonaro's political allies and those he supported in late 2020 elections, Bolsonaro remains the favored presidential candidate with a comfortable lead. One implication of the pandemic and developments linked to response efforts is weaker Brazilian institutions, as controversial policies and economic decline have provided conditions for authoritarianism through emergency measures. Another possibility linked to this socioeconomic shock is Brazilians abandoning populism and turning to the left, enabling the resurgence of the Workers' Party in future elections. This research partially fulfilled the call for research on populism and COVID-19 to expand from solely studying economic correlations to a broader framework that investigates populism by stage of pandemic response,⁵⁵ but there is still potential to explore this as the pandemic continues. Such research can elucidate whether the pandemic strengthens or weakens populism, an important point of divergence in trending analysis.

Matthew A. Hughes is a Master of International Public Policy (MIPP) student at the Johns Hopkins University School of Advanced International Studies (SAIS). The opinions expressed in this article are those of the author alone and do not reflect the official position of the U.S. Army, the Department of Defense, or the U.S. Government. Also, the appearance of hyperlinks does not constitute endorsement by the U.S. Army, the DoD, or the U.S. Government of the referenced sites or the information, products, or services contained therein.

References

⁵⁴. Stuenkel, O. (2020). "The Difficult Search for a 'Brazilian Biden,'" *Americas Quarterly*, 2 December, Available at: <https://www.americasquarterly.org/article/searching-for-a-brazilian-biden>, (Accessed on: 8 January 2021).

⁵⁵. On this, see Jacques Bughin, "Ten Moments of Truths for the Covid-19 Crisis," working paper 2020-040 for the *International Centre for Innovation, Technology and Education Studies*, written for the *Policy Punchline book on Covid* (Princeton: Princeton University, forthcoming 2020).

- Aranha, C. (2020). "Exame/IDEIA: Bolsonaro é reeleito em 2022 em todos os cenários eleitorais," *Exame*, 4 September, Available at: <https://exame.com/brasil/exame-ideia-bolsonaro-e-reeleito-em-2022-em-todos-os-cenarios-eleitorais/>, (Accessed on: 8 January 2021).
- Barbosa, R. (2020). "Bolsonaro lidera corrida eleitoral para 2022 com 35%; Lula tem 21%," *Poder 360*, 17 September, Available at: <https://www.poder360.com.br/poderdata/bolsonaro-lidera-corrida-eleitoral-para-2022-com-35-lula-tem-21>, (Accessed on: 8 January 2021).
- Bayerlein, M. and Gyöngyösi, G. (2020). "The Impact of COVID-19 on Populism: Will it be Weakened?," *Kieler Beiträge zur Wirtschaftspolitik*, 26(June).
- Blofield, M., Hoffmann, B. and Llanos, M. (2020). "Assessing the Political and Social Impact of the COVID-19 Crisis in Latin America," *GIGA Focus Lateinamerika*, 3, Hamburg: German Institute of Global and Area Studies.
- Bradlow, B.H. (2020). "Brazilians firmly rejected many local candidates their president had backed," *The Washington Post*, 9 December, Available at: <https://www.washingtonpost.com/politics/2020/12/09/brazilians-firmly-rejected-many-local-candidates-their-president-had-backed> (Accessed on: 8 January 2021).
- Brubaker, R. (2020). "Paradoxes of Populism during the Pandemic," expanded version of paper published in a Thesis: *Living and Thinking Crisis*, 13 July, last updated 10 September 2020.
- Bufacchi, V. (2020). "Is coronavirus bad for populism?," *Global-E* 13, 25(27), April, Available at: <https://www.21global.ucsb.edu/global-e/april-2020/coronavirus-bad-populism>, (Accessed on: 8 January 2021).
- Capoccia, G. and Kelemen, R.D. (2007) "The Study of Critical Junctures: Theory, Narrative, and Counterfactuals in Historical Institutionalism," *World Politics*, 59(April), pp. 341-69.
- Cássio, F. and Filho, M.A.B. (2020). "'Professor' de Jair, Paulo Guedes é o mais bolsonarista dos ministros," *Universo Online (UOL)*, 8 July, Available at: <https://entendendobolsonaro.blogosfera.uol.com.br/2020/07/08/professor-de-jair-paulo-guedes-e-o-mais-bolsonarista-dos-ministros/>, (Accessed on: 8 January 2021).
- Collier, R.B. and Collier, D. (1991). *Shaping the Political Arena*, Princeton: Princeton University Press, (fn. 4), p. 29.
- Cottani, J. (2020). "The Effects of Covid-19 on Latin America's Economy", *Center for Strategic & International Studies*, November.
- da Luz Scherf, E., da Silva, M.V.V. and Fachini, J.S. (2020). "The Management (or Lack Thereof) of COVID-19 in Brazil: Implications for Human Rights & Public Health," forthcoming in the *International Journal of Human Rights in Healthcare*, last revised 26 October.
- Delorenzo, D. (2020). "Bolsonaro avança e Haddad passa Moro em Pesquisa Fórum," *Forum*, 29 August, Available at: <https://revistaforum.com.br/pesquisaforum/bolsonaro-avanca-haddad-passa-moro-em-pesquisa-forum/>, (Accessed on: 8 January 2021).
- Domo, (2020). "Country Summary-Data Grid – Brazil," *Domo Coronavirus Tracker*, Available at: <https://www.domo.com/covid19/data-explorer/>, (Accessed on: 8 January 2021).
- Flynn, M.B., Neto, A. P. and Barbosa, L. (2020). "Democracy (still) on the Edge: An Analysis of Brazil's Political Response to the Covid-19 Crisis," *The Moderate Voice*, San Diego: Newstex, 5 June.
- France 24 (2020). "Brazil's Moro slams Bolsonaro, rules out 2022 bid," *France 24*, 7 August, Available at: <https://www.france24.com/en/20200708-brazil-s-moro-slams-bolsonaro-rules-out-2022-bid>, (Accessed on: 8 January 2021).
- Freire, S. (2020). "Hoje, eleição presidencial teria Bolsonaro à frente de todos no 1º turno," *Poder 360*, 6 August, Available at: <https://www.poder360.com.br/poderdata/hoje-eleicao-presidencial-teria-bolsonaro-a-frente-de-todos-no-1o-turno/>, (Accessed on: 8 January 2021).

- Garrett Jr., G. (2020). "EXAME/IDEIA: Bolsonaro vence Lula, Moro e Dorian as eleições de 2022," *Exame*, 9 October, Available at: <https://exame.com/brasil/exame-ideia-bolsonaro-vence-lula-moro-e-doria-nas-eleicoes-de-2022>, (Accessed on: 8 January 2021).
- González, F.E. and Young, C. (2017). "The Resurgence and Spread of Populism?," *SAIS Review of International Affairs* 37, no. 1 (2017), pp. 3-4.
- Gugushvili, A., Koltai, J., Stuckler, D. and McKee, M. (2020). "Votes, populism, and Pandemics," *International Journal of Public Health* 65,(6), pp. 721-722.
- Gugushvili, A., Koltai, J., Stuckler, D. and McKee, M. (2020). "Votes, populism, and Pandemics," *International Journal of Public Health*, 65(6), pp. 721-722.
- Halikiopoulou, D. (2020). "The Political Implications of COVID-19: What Now for Populism?," in (eds.) Monica Billio and Simone Varotto, *A New World Post COVID-19: Lessons for Business, the Finance Industry and Policy Makers*, Venice: Ca Foscari – Digital Publishing, pp. 367-373.
- Hidalgo, M. (2020). "Pesquisa de Opinião Pública Nacional," *Paraná Pesquisas*, July 2020, Available at: http://www.paranapesquisas.com.br/wpcontent/uploads/2020/07/M%C3%ADdia_BR_Jul20.pdf, (Accessed on: 8 January 2021).
- Ilyas, A. (2020). "COVID-19 Pandemic: Emergence of a New Geopolitical Perspective," *Sustainable Development Policy Institute*, Islamabad, Pakistan, 24 April .; Gallego, E.S. (2020). "¿Por qué repunta Bolsonaro?," *Nueva Sociedad*, September.
- International Monetary Fund (2020). *World Economic Outlook: A Long and Difficult Ascent*, Washington, DC: IMF, October, Available at : <https://www.imf.org/en/Publications/WEO/Issues/2020/09/30/world-economic-outlook-october-2020> (Accessed on: 8 January 2021).
- Kavakli, K.C., 2020. Did populist leaders respond to the COVID-19 pandemic more slowly? Evidence from a global sample, Working paper.
- Katsambekis, G. and Stavrakakis, Y. (eds.) (2020). "Brazil," in *Populism and the Pandemic: A Collaborative Report*, POPULISMUS Interventions No. 7 (special edition), Thessaloniki: POPULISMUS,
- Lassa, J.A. and Booth, M. (2020). "Are populist leaders a liability during COVID-19?," *The Conversation*, 8 April, Available at: <https://theconversation.com/are-populist-leaders-a-liability-during-covid-19-135431>, (Accessed on 8 January 2021).
- Mahoney, J. (2000). "Path Dependence in Historical Sociology," *Theory and Society*, 29 (August), 513; and Mahoney (fn. 3), p. 113.
- Mazieiro, G. (2020). "Bolsonaro lidera intenção de voto para 2022 seguido por Lula, diz CNT/MDA," 22 January, Available at: <https://noticias.uol.com.br/politica/ultimas-noticias/2020/01/22/cntmda-eleicoes-2022-bolsonaro-lula.htm>, (Accessed on: 8 January 2021).
- McEvoy, J. (2020). "Poll: Trump's Covid-19 Diagnosis Boosts Support For Biden," *Forbes*, 4 October, Available at: <https://www.forbes.com/sites/jemimamcevoy/2020/10/04/poll-trumps-covid-19-diagnosis-support-for-biden/?sh=11059b5e202c>, (Accessed on: 8 January 2021).
- Mounk, Y. and Kyle, J. (2018). "What Populists Do to Democracies," *The Atlantic*, 26 December, Available at: <https://www.theatlantic.com/ideas/archive/2018/12/hard-data-populism-bolsonaro-trump/578878>, (Accessed on: 8 January 2021).
- Neder, V. (20-18). "Com revisão, última recessão deixa de ser a maior da história," *Estadão*, 1 December, Available at : <https://economia.estadao.com.br/noticias/geral,com-revisao-ultima-recessao-deixa-de-ser-a-maior-da-historia,70002628638>, (Accessed on: 8 January 2021)

- OECD (2020). "Quarterly GDP (indicator)," Available at: <https://data.oecd.org/gdp/quarterly-gdp.htm#indicator-chart>, (Accessed on: 4 December 2020)
- Pereira, D. (2020). "Sergio Moro desponta como principal adversário de Bolsonaro em 2022," *Veja*, 23 June 2020, Available at: <https://veja.abril.com.br/politica/sergio-moro-desponta-como-principal-adversario-de-bolsonaro-em-2022/>, (Accessed on: 8 January 2021).
- Pereira, D. (2020). "Sergio Moro desponta como principal adversário de Bolsonaro em 2022," *Veja*, 23 June, Available at: <https://veja.abril.com.br/politica/sergio-moro-desponta-como-principal-adversario-de-bolsonaro-em-2022/>, (Accessed on: 8 January 2021).
- Petrov, A. (2020). "Bolsonaro Says He Is Not Sure He Will Seek Re-election in 2022," *The Rio Times*, 9 November, Available at: <https://riotimesonline.com/brazil-news/brazil/bolsonaro-says-to-be-unsure-if-he-will-seek-reelection-in-2022>, (Accessed on: 8 January 2021).
- Reuters (2019). "Brazil's Bolsonaro changes view, says could run for re-election," *Reuters*, 21 June, Available at: <https://www.reuters.com/article/us-brazil-politics/brazils-bolsonaro-changes-view-says-could-run-for-re-election-idUSKCN1TM1XD>, (Accessed on: 8 January 2021).
- Ricard, J. and Medeiros, J. (2020). "Using misinformation as a political weapon: COVID-19 and Bolsonaro in Brazil," *The Harvard Kennedy School (HKS) Misinformation Review*, 1(2).
- Rossi, M. (2020). "Bolsonaro lidera pesquisa para reeleição em todos os cenários, inclusive contra Lula," *El País*, 12 February, Available at: <https://brasil.elpais.com/brasil/2020-02-12/bolsonaro-lidera-pesquisa-para-reeleicao-em-todos-os-cenarios-inclusive-contra-lula.html>, (Accessed on: 8 January 2021).
- Smith, A.E. (2020). "Covid vs. Democracy: Brazil's Populist Playbook," *Journal of Democracy*, 31(4), October, pp. 76-90, Available at: <https://muse.jhu.edu/article/766186>, (Accessed on: 8 January 2021).
- Stuenkel, O. (2020). "The Difficult Search for a 'Brazilian Biden,'" *Americas Quarterly*, 2 December, Available at: <https://www.americasquarterly.org/article/searching-for-a-brazilian-biden>, (Accessed on: 8 January 2021).
- Televisión del SUR (2020). "Bolsonaro Loses Interest in Re-Election After Trump's Defeat," *Televisión del SUR C.A.*, 7 November, Available at: <https://www.telesurenglish.net/news/Bolsonaro-Loses-Interest-in-Re-Election-After-Trumps-Defeat-20201107-0005.html>, (Accessed on: 8 January 2021).
- The Lancet COVID-19 Commissioners, Task Force Chairs, and Commission Secretariat (2020). "Lancet COVID-19 Commission Statement on the occasion of the 75th session of the UN General Assembly," *Lancet* 396, 14 September, pp. 1102-11024.
- Winter, B. (2020). "Messiah Complex," *Foreign Affairs*, 99(5), September/October, pp. 119-124,
- Woods, E.T., Schertzer, R., Greenfeld, L., Hughes, C. and Miller-Idriss, C. (2020). "COVID-19, nationalism, and the politics of crisis: A scholarly exchange", *Nations and Nationalism*, pp. 1-19.

The European Union's Strategic Autonomy in Geopolitical Digital Struggle

Giorgio Severi

ABSTRACT:

This paper studies the European Union's (EU) search for sovereignty in the digital realm. It does so, starting from the analysis of the dominant role of US-based tech companies in the digital space to understand how they influence the EU strategic development and therefore to contextualize the European claims for autonomy. The paper touches upon the Covid-19 pandemic in relation to this issue, particularly as evidence of Big Tech's dominance over digital space. Then the paper focuses on the ambitions of the new "geopolitical" European commission. The analysis is centered on the key themes of competition and data management and on the main actions undertaken and proposed to achieve digital sovereignty. Eventually, the paper argues that the relevance of this issue is central in EU politics since it affects its future development, and that the consequential initiatives for EU autonomy can potentially create tension with the United States.

Introduction

The paper studies the European Union's (EU) search for sovereignty in the digital realm. It does so, starting from the analysis of the dominant role of US-based tech companies in the digital space to understand how they influence the EU strategic development and therefore to contextualize the European claims for autonomy. The paper touches upon the Covid-19 pandemic in relation to this issue, particularly as evidence of Big Tech's dominance over digital space. Then the paper focuses on the ambitions of the new "geopolitical" European commission. The analysis is centered on the key themes of competition and data management and on the main actions undertaken and proposed to achieve digital sovereignty. Eventually, the paper argues that the relevance of this issue is central in EU politics since it affects its future development, and that the consequential initiatives for EU autonomy can potentially create tension with the United States.

Big Tech Geopolitical Relevance and their Influences over the EU

"We live in a cyborg world, where the physical and the digital are inextricably combined – and we can't make the right choices for the future, until we understand that."¹⁹⁴ What Margrethe Vestager meant with this sentence was not a mere repetition of the importance of the internet in our daily lives, but to underline her understanding of the 21st-century geopolitical struggle. The digital sphere should not be considered a useful and secondary extension of the physical world, because its importance has grown to a point where the economic and social development of nations has become dependent on it. The right choices for the future in this envisaged scenario, originate first and foremost from the comprehension of the intrinsic political dimension of the digital sphere within our lives. Indeed, this "new" cyborg world is equally affected by power, authority, and money dynamics as the google free world which preceded it. The 21st-century geopolitical struggle is a political, legal, and economic fight to address power relationships in the digital arena.

¹⁹⁴ Vestager, M. (2019h). "Internets of the World Conference," *European Commission*, Copenhagen, 5 December 2019.

The US-based Big Tech companies such as Google, Apple, Microsoft, Amazon, and Facebook dominate their fields, and each exercises an almost perfect monopoly on its respective market. Looking at Big Tech as merely common, even if particularly successful, industries would result in underestimating their real leverage. Through their data collection and platform functions, they exert economic and political power on the overall cyborg world comparable to the influence exerted by some nations. Indeed, they are progressively showing similar ambitions.

The collection of vast amounts of detailed data is at the base of these companies' business models as it is incredibly profitable. Data gives them unrivaled social, political, and economic knowledge about people around the world that can be directly translated into sheer power. Facebook registered 2.7 billion monthly active users in the second quarter of 2020. The data Facebook has collected about these people, their identities, preferences, and their orientations likely exceed that which most national governments are entitled to know about their citizens. Indeed, Big Tech also provides the space in which cultural material is produced and offered (such as music, movies, pictures, and journalism), and where social and political debates are conducted and shared.

A third of the global market for hosting corporate data is dominated by Amazon. Meanwhile, Microsoft's share is bigger than 15% and Google's around 8%.¹⁹⁵ One of the political and economic declinations of this data harvesting occurs in the digital advertising market. Here Facebook accounts for a share of 19.7%. Today, its advertising can reach over 1.9 billion people.¹⁹⁶ In the US Facebook and Google together account for 60% of digital advertising expenditure.¹⁹⁷ Through these means of ownership, Big Tech holds specific data which can make advertising accurately tailored and effective.

Furthermore, Big Tech companies by acting as platforms provide the technological infrastructure which allows the digital world to operate. This capacity represents a unique, government-like feature, giving private mono/oligopolies unmatched influence not on one specific market but on the industrial life of almost every business. Google's share in the market for web searches in 2010 accounted for 90% and in 2020 for 88%.¹⁹⁸ More importantly, Google also holds prominence as a broker in online search advertising, since it accounted for a share of 70% in the EU market between 2006 and 2016.¹⁹⁹ If a business wants to appear in the digital economy and tailor its products to the interested customer must deal with Google.

Big Tech knows in detail the demand and supply systems underlying the whole economic system and has the technical and logical infrastructure (servers and algorithms) needed to manage their evolving interactions. The information and capabilities they possess give them unrivaled authority and power over this public space and its functioning. Meanwhile, offline this leverage is tendentially exercised by governments or by the free market itself. The overwhelming influence on

¹⁹⁵ Burwell, F., Propp, K. (2020). *The European Union and the Search for Digital Sovereignty: Building "Fortress Europe" or Preparing for a New World*, Atlantic Council, June. Available at: <https://www.atlanticcouncil.org/wp-content/uploads/2020/06/The-European-Union-and-the-Search-for-Digital-Sovereignty-Building-Fortress-Europe-or-Preparing-for-a-New-World.pdf>, (Accessed on: 9 October 2020).

¹⁹⁶ Aslam, S. (2020). "Facebook by the Numbers: Stats, Demographics & Fun Facts", *Omnicores*, 6 January, Available at: <https://www.omnicoreagency.com/facebook-statistics/>, (Accessed on: 9 October 2020).

¹⁹⁷ Vestager, M. (2019i). "Security and trust in a digital world," *CCBE Standing Committee*, Copenhagen, 13 September.

¹⁹⁸ Statista (2020b). "Number of monthly active Facebook users worldwide as of 3rd quarter 2020", Available at: <https://www.statista.com/>.

¹⁹⁹ Vestager, M. (2019a). "A digital future that works for Europeans", *Business Forum of the German Ambassadors' Conference*, Berlin, 27 August.

the digital market and consequently on all the physical industries based on it thus raises problems of both conflicting interests and unjust competition as well.

Most importantly, Big Tech has sought an increase in revenues and expansion of its market. Particularly the latter ambition provides insights into how these companies operate and how they influence society. Nowadays tech giants are: investing in research and development in the most innovative technologic areas (AI, electric and self-driving vehicles, space missions, Big Data); replacing national governments (Facebook plans to issue its own cryptocurrency); and expanding their operational field (Amazon started from e-commerce and is now offering own hardware, streaming, music, and supermarket services). The issue at stake is how to concretely compete with corporations of this size, strength, and hunger. This is particularly relevant in this context where these companies provide the platform upon which industries rely and are also competing in the very same market with evident advantages (Google in his search engine favors his services, Amazon on his website includes his products).

Regulation is essential for fair competition and for the creation of a pluralist market which is important in the globalized digital context for the “sustainable” economic development of the nations. The extraterritoriality of Big Tech companies and their disruptive innovation, both for technologies deployed and business models adopted, has made it very difficult for the countries in which they have been operating to regulate them. Poor regulation has allowed for fiscal benefits such as minimal or no taxation at all; loose standards for collecting, managing, and selling personal data; the practice of acquisition, limitation of multi-homing, and interoperability resulting in unfair competition. This has consequently produced: huge revenues for the incumbents; the creation of an economy of scale (particularly relevant in the digital space) and massive information gaps between the insiders and newcomers, resulting in market barriers for new companies and, eventually, in the creation of powerful monopolies. The consequence of this is the undermining of industries' economic downturn and potential underdevelopment in the digital strategic sector. This is best described by Margrethe Vestager's words: “The Internet of fifty years ago was also supposed to be a place that was free of the influence of power – an ungoverned space where everyone would have an equal voice. But power thrives on the absence of rules. A public space [...] it's also easy prey for any army that enters its territory. [...] On today's Internet, it's often still the voices of the powerful that reach furthest. The voices of CEOs and governments.”²⁰⁰

So far, the United States has shown no little to no interest in applying strict data and financial regulations to its companies. As Big Tech thrives in this fertile environment, the US has enjoyed its increasing economic success and political influence while always maintaining the power of accessing their data anytime national security interests were at stake. And whenever the companies tried to oppose, the American government threatened them with financial or trade restrictions. A good marriage is made of mutual interest in reciprocal success. Indeed, Apple provided data from its servers to the US government in response to around 130 thousand requests from law enforcement agencies since 2013.²⁰¹ Similarly, only in the last half of 2019, Facebook reported having answered more than 50 thousand US government requests, 70% of which included a non-disclosure order prohibiting the company from notifying the concerned users.²⁰²

²⁰⁰ Aslam, 2020

²⁰¹ Leswing, K. (2020). “Apple's fight with Trump and the Justice Department is about more than two iPhones”, *CNBC*.

²⁰² Sonderby, C. (2020). “Our Continuing Commitment to Transparency”, *Facebook.com*, Available at: <https://about.fb.com/news/2020/05/transparency-report/>, (Accessed on: 9 October 2020).

Moreover, the deep level of integration between American and European economies has led to a strong integration of the digital sphere. However, as appears now evident, the dominance of US-based companies has meant an almost completely univocal influence in the European common market. In light of the analysis conducted to date has been seen as a loss of sovereignty or lack of political authority of the EU in a strategic field for socio-political and economic development. The monopoly held by Big Tech and the lack of regulation necessary for fair competition make the EU heavily influenced by US giants.²⁰³ At the same time, the EU has experienced serious difficulties in developing its own corporations because of their lack of market domination (among the largest tech companies by market cap, 6 out of 10 are American and none is European).²⁰⁴

In addition, Big Tech has direct political influence over the EU. Their CEOs have personal meetings with Heads of State and ministers.²⁰⁵ In 2017 Denmark appointed an ambassador to the Silicon Valley. In fact, the Danish foreign minister announced it by stating that Big Tech has a larger economic influence on Danish society than those of many other states.²⁰⁶ In the list of EU largest business lobbies, Google and Microsoft hold the first two places and Facebook ranks fourth. Since 2014 Google has spent around 35 million while Microsoft around 50 million since 2010. Together these three companies have 8 EP passes and 26 lobbyists in the EU institutions.²⁰⁷

The Covid-19 pandemic has made the EU's reliance on Big Tech platforms and infrastructure for public policies and procurements even more jarringly self-evident. The whole societal re-organization required by the measure of lockdown imposed a forced digitalization of almost every aspect of daily life. Offices, schools, and universities - even friends and family meetings - were completely dependent on digital platforms (Amazon, Google Meet, Microsoft Teams, Skype, and Facebook WhatsApp) none of which is either European or provided by EU national governments. Moreover, the dependence of administrations on digital giants became even more apparent through the development of contact-tracing apps. Governments around the EU had to count on the knowledge, platforms, and data of these companies for the public procurement of a tool that could track and tackle the spread of the epidemic. Indeed, the operating system of smartphones, Apple and Google, with access to geo-localization and Bluetooth were the only ones that could effectively fulfill such requirements. The amount of data collected during the lockdown can only be imagined. As Big Tech increased its revenues, national economies were collapsing. Amazon sales increased by over 40% from April to June for a total of 5.2\$ billion, the biggest revenue ever registered for the company in a quarter, which almost doubled compared to the 2019 value. Similarly, Facebook revenues in the same quarter rose by 11% and reached more than 5\$ billion.²⁰⁸ As world governments and societies struggled with their pandemic responses, Big Tech clenched its grip on them.

In the same period, around 300 EU scientists and scholars wrote an open letter stating: "We are concerned that some 'solutions' to the crisis may, via mission creep [...] allow unprecedented surveillance of society at large."²⁰⁹ While the possibility of "business as usual" during a pandemic is a

²⁰³ more than 90% of Western data is stored in the US.

²⁰⁴ Burwell & Propp, 2020.

²⁰⁵ In 2019, Mark Zuckerberg met President Emmanuel Macron at the Elysée Palace as well as the German Minister of Justice and Consumer Protection

²⁰⁶ Gorwa, R. & Peez, A. (2019). "Big Tech Hits the Diplomatic Circuit," *Berlin Policy Journal Blog*, July/August.

²⁰⁷

²⁰⁸ BBC (2020). "Amazon, Facebook and Apple thriving in lockdown", *BBC*, 30 July, Available at: <https://www.bbc.com/news/business-53602596>, (Accessed on: 9 October 2020).

²⁰⁹ Foer, F. (2020). "What Big Tech Wants Out of the Pandemic. The Atlantic Big Tech's Pandemic Power Grab", *The Atlantic*, 15 August.

huge advancement for our civilization, the issue at stake at the European level remains the same: excessive unregulated power, which affects society and its development, is concentrated in few foreign hands and not put under public scrutiny of the “nation” in which it is exercised.

New Ambitions of Autonomy for the EU

In 2019 a new European Commission was appointed. Its president, Ursula von der Leyen, announced the political guidelines that would guide the block for the next years, putting particular emphasis on making a ‘Europe fit for the digital age.’ On her ‘Agenda for Europe’ she wrote that: “Digital technologies [...] are transforming the world at an unprecedented speed. They have changed how we communicate, live and work. They have changed our societies and our economies. [...] It is not too late to achieve technological sovereignty in some critical technology areas.”²¹⁰ The new political leadership understood the geopolitical dangers of European dependence on Big Tech and decided to take an effort to change this as its flagship initiative. Von der Leyen nominated Margrethe Vestager as Executive Vice-President with special powers to achieve this mission which essentially entailed the achievement of strategic autonomy in the digital space. The choice of Vestager is particularly relevant because she had retested the role of Competition Commissioner in the previous mandate and in 2016 had fined Apple over tax evasion. It represented a sort of appointment of the knight who already fought many battles against the enemy.

Today, Vestager’s primary objective is to exercise political authority over the European digital space, intended as the platforms operating with European business and citizens, and processing their data. The aim is to do so through regulations in order to guarantee EU values and standards such as fairness, transparency, privacy protection, and plurality, both at the individual and market level. The commission wants to take the EU from being a rule-taking player to a rule-making one. This is an attempt to “export” the political and legal principles that regulate the physical European space in the digital field. As the cyborg world is equally affected by power, the ambition is to equally impose checks and balances. The regulation’s main foci are competition policy and data management. These two fields are essential to establish a level playing field where the EU digital industry can thrive without the predatory power of Big Tech monopolies. Moreover, in the long run, they may eventually decrease the influence of US-based companies on economic and political European life. This is best described by Vestager herself: “Success in the future will depend on how innovative we are [...]. And the basic principles of Europe’s economic model – our commitment to openness and diversity and competition – are just the principles we need to succeed. So what we need isn’t a single, centralized approach to innovation, but an environment where different ideas can flourish. So Europe’s diverse ecosystem, with businesses of all types and sizes, is just what we need to do well.”²¹¹

The EU’s intent of developing digital sovereignty and its consequent implications have repeatedly upset the US government and many have argued that they represent a protectionist and discriminatory effort. Undoubtedly, it creates tension between those who seek power and those who already have it, however, this critique is hardly credible or even arguable since every action that has been taken until now or even those planned in the future are aimed at establishing common

²¹⁰ von der Leyen, U. (2020). “A Union that strives for more, my agenda for Europe”, *European Commission*, 2020. Available at: https://ec.europa.eu/commission/sites/betapolitical/files/political-guidelines-next-commission_en.pdf, (Accessed on: 9 October 2020).

²¹¹ Vestager, M. (2019d). “Competitiveness in a digital age”, *Competition in a Globalised World*, 8 April.

regulation, not specific provision, to which everyone acting in the EU digital space should abide by – European players included.

Actions Taken and Next Steps

Before the establishment of the 2019 Commission and its new political guidelines, Europe's ability, or political will, to pass a regulation in the digital field has been very limited. The most relevant actions concern the General Data Protection Regulation (GDPR) and investigations on and fines for tech companies' violations of existing competition rules.

The GDPR addressed the huge amount of data harvested by Big Tech in relation to people's privacy. It introduced in 2016 new legal standards in the collection and management of personal data such as lawfulness criteria, consent, and data subjects' rights. This increases people's knowledge of when, how, and why their data are processed and gives them the possibility to decide whether to do it or not. However, GDPR specific relevance goes beyond the necessity or righteousness of the provisions. Indeed, it is the first successful attempt to impose a regulation reflecting EU social values and political will on its own digital space and also on the Big Tech themselves which had to accordingly adjust their practices to the new directives. It also highlights the EU idea of the digital space as a place where rights and rule of law are applied not differently from the physical space, where transparency is ensured and people empowered.

The Commission in recent years has repeatedly opened investigations against many of the tech giants. These represent the first efforts undertaken by EU institutions to publicly examine whether, and how, its market has been harmed by unfair competition. This is also the process through which the political understanding of the necessity of strategic autonomy has been built. In 2017, Facebook was found guilty of violating merger regulation with misleading information in the WhatsApp acquisition and was fined €110 million. In 2019, Google was fined €1.49 billion for violations of antitrust rules since these established unfair competition practices such as restrictions rules and self-preferencing. Namely, Google was found to have abused its market dominance, forcing phone-makers that wanted Google Play store on their devices, to install the services of Chrome and Search as well. Thus, acting as a platform, Google was able to systematically favor its own services. In 2020, the Commission opened investigations against both Amazon and Apple. In the former case, the accusation is of distorting competition and could be fined potentially for up to 10% of its annual global revenue. Amazon, as a retail business, is both a platform and a seller and thus has a comparative advantage because of access to non-public data about its own competitors. In the latter case, the investigation is based on a potential antitrust violation caused by the rules on app distribution for its devices. Apple indeed limits the supply of apps to its own purchase system, which charges 30% commissions on paid content and moreover does not allow app developers to sponsor other buying alternatives. Essentially it acts as a gatekeeper imposing tolls to those who enter its platform for business interests and also limiting customers' information of other market possibilities.

These investigations are demonstrating that Big Tech companies operate in a way that is harming the European market and its industrial development, but at the same time are showcasing the desperate necessity of updated regulation to prevent these systemic violations and establish a required level playing field. It is these sorts of issues that are addressed by the two regulations proposed in December 2020 by the Commission.

The Digital Service Act (DSA) and the Digital Market Act (DMA) are the innovative legal solutions proposed to establish authority and regulate the European digital space as the first step towards autonomy. The Commissioner for the EU Internal Market, Thierry Breton, Vestager's partner in this mission, underlined their ambitions: "With today's proposals, we are organizing our digital space for the next decades. With harmonized rules, ex-ante obligations, better oversight, speedy enforcement, and 7 deterrent sanctions, we will ensure that anyone offering and using digital services in Europe benefits from security, trust, innovation, and business opportunities."²¹²

First of all, it is a comprehensive EU-wide legal framework with mechanisms for coordination with the Member States to ensure its proper implementation across the Union and impose sanctions in case of violations. Both the provisions are aimed at a sort of democratic liberalization of data to create an open European data space, abiding by EU values and rules, with clear governance mechanisms where European industries and citizens dispose of their data and have access to relevant information and services.

The DSA regulates the relations between users and digital services to guarantee the respect of human rights, transparency, circulation of information, freedom, democracy, equality, and the rule of law. This is the proposal through which the Union wants to shape the digital space, both economically and politically, according to its values empowering people as costumers, producers, and citizens and granting safeguards. The DMA instead targets market regulation. It provides the legal definition of gatekeeper for large online platforms, under which fall practically all Big Tech companies, and establish regulations for their operations in the EU internal market. This could seem like a "discriminatory" measure, however, it targets specifically gatekeepers, as they are not simple business competitors but real "business enablers" therefore having specific obligations, that nonetheless apply equally for every company with this powerful influence on the markets. The DMA aims at striking the gatekeepers' power over who and how enters the market and, in general, their power to manage demand and supply interactions. Mainly, DMA forbids the practice of self-preferencing and establishes the duty of granting multihoming and interoperability. It allows "unlocking of costumers", meaning that businesses will be able to promote their products on a platform but conclude the provision outside it. Moreover, it allows businesses to access their data produced on the platform. The enforcement mechanism provides for Commission investigations and potential fines of up to 10% of the world revenues of gatekeepers.

This proposal package reflects the Commission's ambitions to build sovereignty through regulation on its digital space and to reach autonomy by establishing fair competition and demolishing market barriers that will favor economic and industrial developments.

"All these challenges can seem daunting. But we have a good starting point to face those challenges ahead of us."¹⁹ Even though this geopolitical struggle for strategic autonomy can appear a "mission impossible" for the EU, as Vestager noticed, the Union has the capacity to achieve its goals. The main weapon in the EU's hands is the strength of its single market. The Union's economic power has international influence. The EU is the biggest trading partner for more than 80 countries -the US included. In the field of technology, the US in 2017 exported to the EU \$190 billion of ICT.²¹³ The level of deep interdependence between the two economies represents an important leverage power in EU hands. While the US and its companies have opposed any statement about a redefinition of

²¹² European Commission (2020c). *Europe fit for the Digital Age: Commission proposes new rules for digital platforms*. European Commission, Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2347, (Accessed on: 9 October 2020).

²¹³ Burwell & Propp, 2020.

power relations in the digital space, the GDPR example underlines that if the EU has the political capacity to pass new regulations, the companies operating in the region cannot do anything but complying to maintain access to the biggest economy and trading block of the world.

Conclusion

The EU is not fully exerting political and legal authority on its public digital space. The monopolies held by tech corporations on the market and its relevant infrastructures, together with poor regulation and consequently unfair competition, impair the concrete European development in this strategic field. The EU is also heavily dependent on Big Tech companies for general industrial and economic prosperity, these latter being at the base of the common market and eventually the foundational strength of the Union itself. This is where it becomes both a strategic and a security problem. Additionally, Big Tech is only theoretically extraterritorial since they are in practice at disposal of US broadly defined “national security” demands, and therefore the issues of European digital autonomy arise in this context.

The imbalance of this power relation as well as the potential European decline in economic relative power makes it imperative for EU institutions to address this 21st-century geopolitical struggle. The EU aims to do so through the imposition of legal authority. The new Commission aims to achieve a new power balance in the digital space, and this inevitably entails an attenuation of the overwhelming influence of US-based tech companies. However, EU institutions do not want to keep the power for themselves, neither to build the equivalent of a Silicon Valley. The EU's broader goal is instead to create a more democratic and pluralist digital space, where sovereignty, regulations, and political organization are applied in a similar way in which it is applied on the physical world. And this should be seen as a positive development for the whole digital space. Clearly, the indissoluble interest in that is to shape a digital space where fair competition allows EU industries for economic growth and technological development so that the Union could hold the same economic power in the future. And how the EU tries to do it is through the leverage of its most renowned regulatory and economic power.

While the package proposed by the Commission correctly addresses the main criticalities, it lacks fundamentally in the field of tax. This is particularly relevant for the complete exercise of European authority and the correct development of the digital economy and does not concern only US-based Big Tech. The extraterritoriality of digital companies allows them to work with millions of customers in Europe, making huge revenues, paying little or no tax at all. As the whole economy progressively becomes increasingly digital it creates a structural problem of resources for governments. Moreover, the differences in fiscal regimes around the EU create holes in the internal market that can be easily exploited.

The success of these movements towards European sovereignty lies in the political will to bear its potential costs. Namely, they will inevitably create tensions with the United States, which always reacted negatively to European claims for strategic autonomy. It is difficult to imagine that this particular new package of reforms, even if approved by the EU parliament, can lead to something more than dissents or heated arguments since essentially does not damage revenues and the number of data managed by big techs. However, similarly, it could be naïve to imagine that the new US president will not use their power, including a commercial war, to limit or influence European actions, especially in the field of taxation.

Giorgio Severi is a 23 years old student currently completing a Master in International Affairs at Johns Hopkins University SAIS. He is fond of EU politics, which as an Italian native he always felt part of and influenced by. Through his BA, he started dealing with issues of international politics concerning the European Union. Severi participated in the Erasmus program during this time. To follow, throughout his MA at University of Bologna he deepened his hard skills and extended his knowledge of International Relations. Eventually, at Johns Hopkins University he has made European Affairs the focus of his studies and was recently awarded the *Grove Haines Award* for his thesis titled "Transatlantic Tensions: U.S. Weaponization of Interdependence and EU Strategic Relations."

References

References

- BBC (2020). "Amazon, Facebook and Apple thriving in lockdown", *BBC*, 30 July, Available at: <https://www.bbc.com/news/business-53602596> , (Accessed on: 9 October 2020).
- Aslam, S. (2020). "Facebook by the Numbers: Stats, Demographics & Fun Facts", *Omnicores*, 6 January, Available at: <https://www.omnicoreagency.com/facebook-statistics/> , (Accessed on: 9 October 2020).
- Burwell, F., & Propp, K. (2020). *The European Union and the Search for Digital Sovereignty: Building "Fortress Europe" or Preparing for a New World*, Atlantic Council, June. Available at: <https://www.atlanticcouncil.org/wp-content/uploads/2020/06/The-European-Union-and-the-Search-for-Digital-Sovereignty-Building-Fortress-Europe-or-Preparing-for-a-New-World.pdf>, (Accessed on: 9 October 2020).
- European Commission (2020a). *Antitrust: Commission opens investigations into Apple's App Store rules*, Press release, Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1073 (Accessed on: 9 October 2020).
- European Commission (2020b). *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and The Committee Of The Regions: a European strategy for data*. Brussels, 19.2.2020. Available at: https://ec.europa.eu/info/sites/info/files/communication-european-strategy-data19feb2020_en.pdf (Accessed on: 9 October 2020).
- European Commission (2020c). *Europe fit for the Digital Age: Commission proposes new rules for digital platforms*. European Commission, Available at: https://ec.europa.eu/commission/presscorner/detail/en/ip_20_2347 , (Accessed on: 9 October 2020).
- European Parliament, European Council (2020). *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on a Single Market For Digital Services (Digital Services Act) and amending Directive 2000/31/EC*. Available at: <https://eurlex.europa.eu/legal-content/en/ALL/?uri=COM:2020:825:FIN> , (Accessed on: 9 October 2020).
- European Parliament, European Council (2020). *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on contestable and fair markets in the digital sector (Digital Markets Act)*. Available at: <https://eurlex.europa.eu/legal-content/en/TXT/?qid=1608116887159&uri=COM%3A2020%3A842%3AFIN> , (Accessed on: 9 October 2020).
- Foer, F. (2020). "What Big Tech Wants Out of the Pandemic. The Atlantic Big Tech's Pandemic Power Grab", *The Atlantic*, 15 August.
- Gorwa, R. & Peez, A. (2019). "Big Tech Hits the Diplomatic Circuit," *Berlin Policy Journal Blog*, July/August.

- Leswing, K. (2020). "Apple's fight with Trump and the Justice Department is about more than two iPhones", *CNBC*.
- LobbyFacts.com: data queried from Get Started. Available at: <https://lobbyfacts.eu/>, (Accessed on: 9 October 2020).
- Madero Villarejo, C. (2019). "A digital legacy. 2019 Global Antitrust Enforcement Symposium," *Georgetown*, 10 September, Available at: https://ec.europa.eu/competition/speeches/text/sp2019_11_en.pdf, (Accessed on: 9 October 2020).
- Sonderby, C. (2020). "Our Continuing Commitment to Transparency", *Facebook.com*, Available at: <https://about.fb.com/news/2020/05/transparency-report/>, (Accessed on: 9 October 2020).
- Statista (2020a). "Worldwide desktop market share of leading search engines from January 2010 to October 2020", Available at: <https://www.statista.com/> . 1
- Statista (2020b). "Number of monthly active Facebook users worldwide as of 3rd quarter 2020", Available at: <https://www.statista.com/>.
- Thorbecke, C. (2019). "Facebook says government requests for user data have reached alltime high", *ABCNews*.
- Vestager, M. (2019a). "A digital future that works for Europeans", *Business Forum of the German Ambassadors' Conference*, Berlin, 27 August.
- Vestager, M. (2019b). "Building a positive digital world", *Digital Summit*, Dortmund, Germany, October.
- Vestager, M. (2019c). "Competition and the digital economy," *OECD/G7 Conference*, Paris, 3 June.
- Vestager, M. (2019). "Competition and the rule of law", *European Association of Judges*, Copenhagen, 10 May.
- Vestager, M. (2019d). "Competitiveness in a digital age", *Competition in a Globalised World*, 8 April.
- Vestager, M. (2019e). "Dealing with power in a brave new world: economy, technology and human rights. Anna Lindh Lecture, Lund, 18 March 2019.
- Vestager, M. (2019f). "Defending competition in a digitised world", *European Consumer and Competition Day*, Bucharest, 4 April.
- Vestager, M. (2019g). "Digital power at the service of humanity", *Conference on Competition and Digitisation*, Copenhagen, 29 November.
- Vestager, M. (2019h). "Internets of the World Conference," *European Commission*, Copenhagen, 5 December 2019.
- Vestager, M. (2019i). "Security and trust in a digital world," *CCBE Standing Committee*, Copenhagen, 13 September.
- von der Leyen. U. (2020). "A Union that strives for more, my agenda for Europe", *European Commission*, 2020. Available at: https://ec.europa.eu/commission/sites/betapolitical/files/political-guidelines-next-commission_en.pdf, (Accessed on: 9 October 2020).

Negotiation with Gangs: Adapting Pruitt to Explore State and Gang Negotiations

Alexandria Polk

ABSTRACT:

When it comes to state-led negotiations with non-state actors, few analyses focus on governments' engagement with gangs and organized crime groups. This gap in negotiation studies is problematic since youth violence and gang activity have been increasing around the world since the start of the 21st century. Adapting the prevailing strategies for negotiating with difficult actors, namely Pruitt's matrix and strategies in *Negotiation with Terrorists*, to a gang-conflict context will address this discrepancy. This paper suggests that gangs are identified as less ideological and less representative, qualifying them for Pruitt's matrix defining difficult actors. As a result, the five dominant strategies for addressing gangs, capitulating, combating, isolating, mainstreaming, and negotiating, must be tailored for combating gang violence, crime, and ensuring institutional reform. Of these five strategies, negotiation is most applicable to achieving states' goals, as illustrated by the 2012 and 2020 El Salvador Gang Truces.

Introduction

When it comes to state-led negotiations with non-state actors, few analyses focus on governments' engagement with gangs and organized crime groups. Gangs and other criminal groups are hierarchical organizations made up of individuals with a shared sense of identity and loyalty, that participate in illegal or illicit activities (including but not limited to: money laundering, human and narco-trafficking, homicide, and extortion). Considering the increase in global gang activity and violence in recent decades, states need to begin developing strategies to engage and potentially negotiate with criminal organizations to secure ceasefires, address crime, and initiate reforms.

Analyzing how states should engage with gangs requires two evaluations. First, addressing how gangs are classified is essential to understanding the nature of these organizations. In Pruitt's "Negotiating with Terrorists," the dimensions of ideology and representation¹ can be used to classify gangs, which are less ideological and less representative. Second, examining strategies used to address gang risings highlights why negotiation is the best option available to states looking to end violence, reduce crime, and reform institutions. Again, Pruitt's article is useful for this evaluation, as it highlights five strategies for engaging with terrorists: capitulating, combating, isolating, mainstreaming, and negotiating.² Despite varying levels of success, these strategies can be adapted to address gangs. A comparative analysis of El Salvador's 2012 Gang Truce and the current 2020 Truce further illustrates the potential of state-gang negotiations.

Gangs, Ideology, and Representation

According to Pruitt, terrorist groups are classified according to ideology, or "the sense of adhering to an integrated set of abstract beliefs," and representation, "the sense of speaking for a sizeable set of people who acknowledge their leadership."³ Through this matrix, less representative

¹ Pruitt, D. G. (2006). "Negotiation with Terrorists", *International Negotiation*, p. 372.

² Ibid., p. 373.

³ Ibid., p. 372.

and more ideological groups, like the Baader-Meinhof Gang, have inflexible beliefs that are not emblematic of the overall population. In contrast, more representative and less ideological organizations, such as the Irish Republican Army (IRA), can often be perceived as ethno-nationalistic. They have widespread support but lack ideology as a driver for their actions. For more representative and more ideological groups, like al-Qaeda, strong extremist views are also echoed by the public. Pruitt's matrix leaves the less representative and less ideological cell empty since no terrorist organization lacks ideology and representation. However, gangs and criminal organizations match these criteria, as they are both non-representative of the general population and are not driven by ideology.⁴ Pruitt's matrix is recreated to include examples of gangs in Table 1.

Table 1: Pruitt's Dimensions for Types of Terrorist Groups, Including Gangs

	Less Ideological	More Ideological
More Representative	IRA PLO ANC Tamil Tigers	Al-Qaeda Ku Klux Klan
Less Representative	Maras Salvatrucha (MS-13) Barrio 18 (M-18) Bloods Yakuza	Baader-Meinhof Gang Red Brigades Gush Emunem Aum Shinrikyo

Note: Adapted from "Negotiation with Terrorists," by Pruitt, D., 2006, *International Negotiation*, 11, p. 372.

When it comes to representation, gangs tendentially have limited outside support for their activities. Though the gang's size and the extent of its periphery network may be far-reaching, the general community often opposes gang activities and may support penalizing members.⁵ Despite this, gangs flourish where government control is weak. Community members may be coerced into permitting gang activity due to threats of violence and the provision of services.⁶ During the Covid-19 pandemic, gangs in El Salvador enforced stay-at-home orders in their territories and reduced extortion demands on local businesses to "show good faith."⁷ Hereby, gangs use the social, economic, and political vacuum to their advantage, especially where government-funded health and financial services failed the populace. This coercion is not sustainable or cohesive, but it further propagates the extent of embeddedness of criminal organizations in their communities and impacts the strategies for engaging with gangs.

Gangs are also non-ideological. While some gangs may have ideological or political origins, they are most forcefully driven by economic motivators, prompting involvement in criminal and illicit financing.⁸ Though some gangs may interact with governments through corrupt deals or partnerships, their motivation is territorial and economic control rather than political power.⁹ For instance, in 2019, the Sinaloa Cartel in Guatemala partnered with then-Presidential candidate Mario Estrada to finance his campaign in exchange for greater access to narco-trafficking routes in the country.¹⁰

⁴ Rahman, E., and Vukovic, S. (2019). "Sympathy for the Devil: When and How to Negotiate with Criminal Gangs -- Case of El Salvador", *Studies in Conflict & Terrorism*, p. 938.

⁵ Ibid.

⁶ Ibid., p. 938.

⁷ Piché, G. R. (2020). "In El Salvador, criminal gangs are enforcing virus-related restrictions. Here's why", *Washington Post*, 1 June.

⁸ Winton, A. (2014). "Gangs in a global perspective", *Environment and Urbanization*, p. 409.

⁹ Felbab-Brown, V. (2020). *Bargaining with the Devil to Avoid Hell? A Discussion Paper on Negotiations with Criminal Groups in Latin America and the Caribbean*. Barcelona: Institute for Integrated Transitions

¹⁰ Kennedy, K. (2019). *Guatemala/El Salvador/Honduras: Corruption and Organized Crime in Central America's Northern Triangle Countries Impact on Migration Crisis Worsening Regional Instability*, European Strategic Intelligence and Security Center.

Recognizing the true motivators of gangs in place of ideology affects the usefulness of various state-level approaches to engaging with criminal groups.

Rahman and Vukovic emphasize the credibility of gangs filling the less representative and less ideological cell of the matrix by noting that while gangs and terrorist groups differ, they “share similar tactics and propensity to use violence as a means of intimidation.”¹¹ Including gangs within Pruitt’s matrix is relevant since the strategies used to engage with terrorist organizations can be modified for gangs to varying degrees of effectiveness.

Strategies for Engaging Gangs

Pruitt outlines five strategies for dealing with terrorists: capitulating, combating, isolating, mainstreaming, and negotiating.¹² As shown above, these strategies are also relevant to addressing gangs and criminal organizations, though adaptations are necessary. In Pruitt’s analysis, each strategy is based on the goal of ending violence and conflict with terrorists. When turning to gangs, the goal is to end violence, reduce crime, and reform the social, political, and economic conditions that engender the gang problem.¹³ Analyzing the four strategies individually demonstrates their variegated usefulness (or lack thereof) in achieving this goal.

Capitulating

Capitulation involves giving in to the opposing group’s demands. Pruitt does not provide detail on government capitulation to terrorist groups. Yet, according to this analysis, this strategy prompts “fear that capitulation will encourage further terrorism” and only works when terrorists’ demands are moderate.¹⁴ Similarly, capitulation to gangs and criminal organizations has little effectiveness. Referring to gang motivators and lack of ideology, criminal organizations’ demands usually center on continuing or increased territorial control, security for members, or the maintenance of their economic activities.¹⁵ If governments aim to end violence and reduce crime, capitulation cannot be considered viable.

Combating

Combating seeks to defeat the opposition through force, and Pruitt states that this method is least effective against terrorist groups that are more representative. This is due to the fact, that more representative terrorist groups may receive funding and assistance from supporters in response to state-sanctioned uses of force. Moreover, this support may increase as the general population becomes more affected by conflict. With this logic, less representative organizations are more manageable since governments can cut off access to funding channels and identify participants through curfews. However, this argument explicated by Pruitt does not similarly apply to gang operations. Though they are less representative, gangs are embedded in their communities, openly identifiable, and have access to flexible illicit funding via money laundering and trafficking schemes. As a result,

¹¹ Rahman and Vukovic 2019, p. 938.

¹² Pruitt, 2006.

¹³ Wennmann, A. (2014). “Negotiated Exits from Organized Crime? Building Peace in Conflict and Crime-affected Contexts”, *Negotiation Journal*, p. 268.

¹⁴ Pruitt 2006, p. 374.

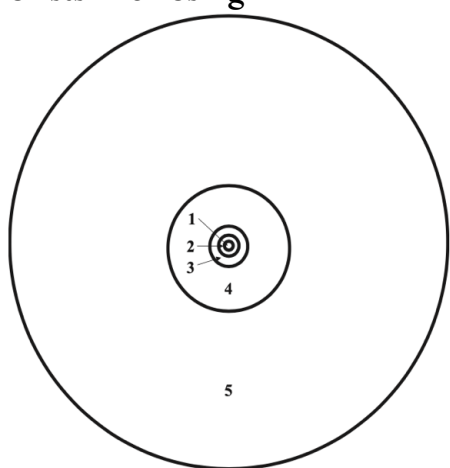
¹⁵ Rahman and Vukovic 2019, p. 938.

state-led combat with gangs, even with sizeable law enforcement and security forces, could further harm citizens and incite more violence. Additionally, combatting gangs would fail to address the systemic issues that prompted the cycle of gang violence. Long-term damages and institutional instability could incite other gangs to fill the vacuum if the target group is eradicated. Considering these implications combating gangs presents a weak strategy for state policy.

El Salvador's reactive law enforcement strategy of *mano dura* – firm hand – is comparable to state-level combat against gangs. *Mano dura* tactics were implemented in 2003 in response to gang activity and included punitive policies such as imprisonment for having gang-related tattoos.¹⁶ Though the public supported these policies, they failed to address the root issues leading to gang activity.¹⁷ Many incarcerated gang members were invigorated in prisons, forming stronger bonds with fellow inmates and promoting increased violence and criminal activity as a mechanism of retaliation.¹⁸ As gang violence continued to develop, so did public displays of violence, with extrajudicial killings and death squads emerging to address the gang problem alongside the state.¹⁹

Isolating

Figure 1: Layers of a Population when Terrorists Are Losing



- 1 Terrorists
- 2 Active supporters of the terrorists
- 3 Inactive supporters of the terrorists
- 4 Supporters of some of the terrorists' goals but not their methods
- 5 Non-supporters

Note: Adapted from "Negotiation with Terrorists," by Pruitt, D., 2006, *International Negotiation*, 11, p. 378.

the terrorists."²⁰ This strategy hinges on the idea that governments back non-state groups' moderate supporters while more extreme factions diminish in influence. Pruitt centers this strategy around the "onion" model, which illustrates the support dynamics surrounding terrorist groups.²¹ As seen in Figure 1, a strategy of isolation would decrease the terrorist support network against the government's strengthened position.²²

While this model applies to terrorist organizations, gangs do not have moderate factions that can be segregated from the organization as a whole. As such, isolation as a strategy for addressing gangs is ineffective and would not achieve the state's goal of reducing violence and crime or reforming the system to end the gang cycle. An adaptation to this strategy involves isolating criminal organizations by improving institutions long-term, so drivers to gang membership are diminished. Addressing the risk factors that encourage gang participation, such as poor economic opportunities, weak education

¹⁶ Hume, M. (2007). "Mano Dura: El Salvador Responds to Gangs", *Development in Practice*, p.739.

¹⁷ Umaña, I. A., de León, B. A., & Táger, A. G. (2014). "El Salvador: Negotiating with gangs", *Accord: Legitimacy and Peace Processes*, p. 95.

¹⁸ Morse, A. (2011). "Santa Tecla: Citizen Security with Citizen Participation", In A. Morse, A. Isacson, and M. Meyer, *Tackling Urban Violence in Latin America: Reversing Exclusion through Smart Policing and Social Investment*, Washington Office on Latin America.

¹⁹ Hume 2007, p. 746

²⁰ Pruitt 2006, p. 373.

²¹ Ibid., p. 375.

²² Ibid., p. 378.

systems, and social inequality, would reduce the motivation for at-risk populations, especially youth, to engage in gangs.²³ These isolation efforts are challenging due to the difficulties of implementing long-term systemic change. If the state leaves gangs unaddressed, they could disrupt reform efforts and create obstacles to social transformation. Accordingly, a strategy of isolation adapted to gangs will need to be compounded with state-gang negotiations to ensure that economic and social development takes root.

Mainstreaming

Mainstreaming involves engaging non-state groups in the conventional political arena and encouraging them to pursue their agenda through government.²⁴ For terrorist groups, mainstreaming is compounded with isolating so that moderate actors pursue their agenda through politics, while more hardline actors lose influence over the extremist network. This strategy is useful for ideologically or politically driven groups, but gangs lacking political motivation, would not be influenced by mainstreaming efforts alone. Like isolation, mainstreaming is a strategy that must be supplemented by negotiation in order to effectively achieve the state's goals. A better approach would be conceptualizing mainstreaming as a long-term outcome of state-gang negotiations. Gradual changes in public opinion, education reform, and job opportunities could position some gang leaders as advocates for community reform, and these leaders could become strong candidates for local government positions later on.

Negotiating

The final strategy Pruitt elucidated is negotiation. Negotiation seeks to reach an agreement with non-state actors to end conflict. In this context, Pruitt suggests that more representative and less ideological terrorist groups are the most likely to produce a negotiated settlement.²⁵ He contends that more ideological groups often have extreme and inflexible demands, whereas less ideological groups do not, and this applies to gangs and criminal organizations. Since gangs are less ideological and motivated by economics, territory, and organizational security, they are more likely to come to the negotiating table if they perceive enticing gains from state-gang negotiations.²⁶ In addition, negotiation is the most effective strategy for the state to enact a ceasefire, reduce crime, and reform institutions. While the first two strategies, capitulating and combating, fail to achieve states' goals, the last two strategies, isolating and mainstreaming, are impactful when combined with negotiating. This is evident when analyzing how the negotiation process is adjusted for gangs, as shown in the following cases of the 2012 El Salvador Gang Truce and the current 2020 Truce.

Negotiating with Gangs: El Salvador

Rahman and Vukovic explore the ideal process for approaching negotiations with gangs. In "Sympathy for the Devil," they examine the concept of 'ripeness' for negotiations and outline a three-step approach, including state-sponsored mediation, negotiation, and mainstreaming. To summarize, trilateral negotiations (between at least two gangs and the state) are considered ripe when "all three parties must feel the hurting stalemate," or mutually hurting stalemate (MHS), and when these parties

²³ Burgos, C. X. (2020). "Lessons from Gang Violence Prevention", *Equanimity Foundation*, 7 October.

²⁴ Pruitt 2006, p. 379.

²⁵ Ibid., p. 380.

²⁶ Rahman and Vukovic 2019, p. 940

believe that the negotiations provide mutually enticing opportunities (MEO) that are “exclusive to the process.”²⁷ Once the MHS and MEO are perceived, the first stage of engagement, state-sponsored mediation, can begin. This includes backchannel talks between the gang leaders and third-party mediators, allowing the government to maintain plausible deniability against engaging with criminal organizations. This is followed by open negotiations between governments and gangs. Public opinion plays a significant role at this stage, as constituents will likely hold an unfavorable view towards gang dialogue. However, two-level diplomacy should also be utilized to garner public support, and civil society organizations are especially beneficial at this stage. The final stage in this process is mainstreaming, which focuses on monitoring the negotiated agreement and integrating gangs into their communities. This step is critical for reconciling and rehabilitating the public and gang members, and it is this stage that implements long-term reform to stop the cycle of violence. Rahman and Vukovic examined this process through the successes and failures of the 2012 Gang Truce in El Salvador.

El Salvador: 2012 Gang Truce

In 2012, leaders of MS-13 and Barrio 18 agreed on a ceasefire in El Salvador. The homicide rates dropped by 53%, and the truce lasted until 2014, about fifteen months in total. This truce was facilitated by two mediators, ex-guerrilla commander and congressman Raul Mijango, and Catholic Bishop Fabio Colindres.²⁸ In exchange for ceasing hostilities, MS-13 and Barrio 18 requested support for reintegration into society through work and educational opportunities, as well as fair application of the law. First, the government maintained a distance from the truce; only after the ceasefire proved successful did the President acknowledge his initiative.²⁹

At this point, public outcry against the government-sponsored truce impacted the security of the negotiation process. Though ineffective, the harsher *mano dura* policies were the preferred method for addressing gangs’ criminal activity, and negotiation alone appeared to be soft on gang leaders. Additionally, because *mano dura* laws criminalized support for gang members, the government’s involvement in the negotiation was “legally dubious” and could “establish precedent that judicial prosecution was negotiable.”³⁰ Furthermore, stage two of the state-gang negotiation process failed to take shape. As mediators were replaced supporters for negotiation were removed from office, and hard-liners in the government returned to confrontational policies towards gangs. The truce collapsed as gangs re-armed, and the homicide rate climbed once more.

This attempt at state-gang negotiation successfully implemented a ceasefire and proved that governments could engage with gangs to reduce violence. Nevertheless, the failure to sustain the ceasefire can be attributed to the government’s inability to win public support and follow through with stage two of the negotiating process. Had the Salvadoran government engaged directly with MS-13 and Barrio 18, further agreements to stop the cycle of violence could have been attained. Exploring the current 2020 developments provides a helpful comparison to show how renewed negotiations should be strategized to promote lasting peace and reform.

²⁷ Ibid., pp. 940-941.

²⁸ Umaña et al. 2014, p. 96.

²⁹ Ibid., p. 97.

³⁰ Ibid.

El Salvador: 2020 Gang Truce?

Since his election in 2019, President Nayib Bukele's administration has seen both an increase in *mano dura* policies and a 60% decrease in El Salvador's homicide rate.³¹ President Bukele outwardly attributes the reduction in violence to his "Territorial Control Plan," a law enforcement strategy that aims to fight gangs by cutting detainees' communication out of jails, mass detentions, modernizing police patrols and equipment, and authorizing uses of lethal force. Although novel in some aspects, this strategy is not wholly different from the unsuccessful *mano dura* policies his predecessors relied upon and does not explain the dramatic reduction in homicide rates. Instead, secret negotiations and truces are more likely to be the explanatory cause for reduced violence.

On September 26th, 2020, *El Faro* published an article detailing prison reports that show visits between incarcerated gang leaders and government officials since 2019.³² The article states that several agreements have been reached, including a reversal of a decision to merge the cell blocks of rival gang members, a softening of punitive maximum security laws, and promises of "benefits" should the "government gain control of the Legislative Assembly in February 2021."³³ In exchange, gang leaders must commit to ending homicides and supporting Bukele's party, Nuevas Ideas. There is evidence that incarcerated gang leaders are ordering ceasefires to members outside of prison, thus prompting reduced homicide rates.

This current effort at securing a ceasefire signals another attempt at stage one of the state-gang negotiation process. In terms of timing, it would appear that the moment is ripe for gangs since the COVID-19 pandemic has impacted their access to money flows and lowers the threat of one gang breaking the truce. As for the government, it is unclear whether Bukele's administration has perceived an MHS or MEO. Similarly to the 2012 Gang Truce, the government's lack of an MHS or MEO could sabotage future negotiations if they do not commit to reciprocating any agreements or preparing the public for possible negotiations. For example, recent authorization for the detention of two figures in the 2012 negotiations, David Munguía Payés, a former Security Minister, and former President Mauricio Funes Cartagena, raise questions as to the public and governments' readiness to embrace dialogue with gangs.³⁴ If the Salvadoran government reneges on continuing negotiations to stages two and three, there will be a precedent that state-gang negotiations are a non-starter.

Conclusion

Overall, Pruitt's dimensions and strategies for dealing with terrorists can be adapted to address gangs and organized crime groups. Gangs are classified as less representative and less ideological, which makes them stronger candidates for negotiations. When it comes to strategies for achieving states' goals for ending violence, reducing crime, and reforming institutions, state and gang negotiations prove more effective than capitulating or combating, and necessary for successful efforts at isolating or mainstreaming. El Salvador's 2012 Gang Truce's partial success illustrates this, as it successfully implemented a ceasefire but failed to garner support for long-term agreements on reform

³¹ International Crisis Group (2020). *Homicide Drop in El Salvador: Presidential Triumph or Gang Trend?*, Brussels: International Crisis Group., p. i.

³² Martínez, C., Martínez, Ó., Arauz, S., and Lemus, E. (2020). "Bukele Has Been Negotiating with MS-13 for a Reduction in Homicides and Electoral Support", *El Faro*, 6 September.

³³ Ibid.

³⁴ Carlson, B. (2020). "The Problem with the Gang Truce Isn't Strategic, It's Political", *El Faro*, 7 August.

to take shape. This provides a lesson for the 2020 Gang Truce efforts, which could collapse if the Salvadoran government fails to alter public and government stances against state and gang negotiations.

Alexandria Polk is a recent Masters of Arts graduate in Conflict Management at the Johns Hopkins SAIS. Her studies and background focus on negotiation and mediation, cyber security, women's rights, and organized crime. She has a B.A. in International Studies from North Carolina State University.

References

- Burgos, C. X. (2020). "Lessons from Gang Violence Prevention", *Equanimity Foundation*, 7 October.
- Carlson, B. (2020). "The Problem with the Gang Truce Isn't Strategic, It's Political", *El Faro*, 7 August.
- Felbab-Brown, V. (2020). *Bargaining with the Devil to Avoid Hell? A Discussion Paper on Negotiations with Criminal Groups in Latin America and the Caribbean*. Barcelona: Institute for Integrated Transitions.
- Fox, E. (2013). "El Salvador Homicides Fell Over 40% in 2012", *InSight Crime*, 4 January.
- Hume, M. (2007). "Mano Dura: El Salvador Responds to Gangs", *Development in Practice*, pp.739-751.
- International Crisis Group (2020). *Homicide Drop in El Salvador: Presidential Triumph or Gang Trend?*, Brussels: International Crisis Group.
- Kennedy, K. (2019). *Guatemala/El Salvador/Honduras: Corruption and Organized Crime in Central America's Northern Triangle Countries Impact on Migration Crisis Worsening Regional Instability*, European Strategic Intelligence and Security Center.
- Martínez, C., Martínez, Ó., Arauz, S., and Lemus, E. (2020). "Bukele Has Been Negotiating with MS-13 for a Reduction in Homicides and Electoral Support", *El Faro*, 6 September.
- Morse, A. (2011). "Santa Tecla: Citizen Security with Citizen Participation", In A. Morse, A. Isacson, and M. Meyer, *Tackling Urban Violence in Latin America: Reversing Exclusion through Smart Policing and Social Investment*, Washington Office on Latin America.
- Piché, G. R. (2020). "In El Salvador, criminal gangs are enforcing virus-related restrictions. Here's why", *Washington Post*, 1 June.
- Pruitt, D. G. (2006). "Negotiation with Terrorists", *International Negotiation*, pp. 371-394.
- Rahman, E., and Vukovic, S. (2019). "Sympathy for the Devil: When and How to Negotiate with Criminal Gangs -- Case of El Salvador", *Studies in Conflict & Terrorism*, pp. 935-952.
- Umaña, I. A., de León, B. A., & Táger, A. G. (2014). "El Salvador: Negotiating with gangs", *Accord: Legitimacy and Peace Processes*, pp. 95-99.
- Wennmann, A. (2014). "Negotiated Exits from Organized Crime? Building Peace in Conflict and Crime-affected Contexts", *Negotiation Journal*, 255-273.
- Winton, A. (2014). "Gangs in a global perspective", *Environment and Urbanization*, pp. 401-416.

The Convergence of Political Values of Citizens Across EU Member States along EU Enlargement Rounds

Victor Vorsatz

ABSTRACT:

Scholars and journalists argue that the EU is transitioning towards a value union. If true, this value convergence is happening along the EU enlargements, warranting the research questions: *To what extent have the political values of EU citizens converged across member states since the 1970s and has this trend been influenced by the enlargement rounds of the EU?* Relying on longitudinal surveys and political values derived from key EU documents, a quantitative intertemporal convergence analysis on eight political values leads to four conclusions: First, no overarching convergence trend is observable as four values diverge across EU countries. However, divergences are more profound than convergences. Second, the original members of the EU constitute the most homogeneous subgroup analyzed. Third, the EU enlargement rounds do not necessarily increase value differences between EU countries. Fourth, new EU members sometimes adopt the predominant attitude of the other EU countries.

Introduction

During its various integration steps, the European Union evolved to be a unique cooperation project between 27 nations. Several scholars¹ argue that this process was accompanied by a shift from an economic union, promoting trade between the six founding members, towards a political union of values as an increasing amount of policy areas were incorporated in the responsibilities of the EU. However, even while advocating for the first predecessor organization of the EU, Robert Schuman² declared peace an inherent reason for the founding of the European community. Hence, certain political values accompanied the EU to this day. Furthermore, the increasing importance of these values is exemplified by official statements,³ media discussions,⁴ and academic research.⁵ Especially, scholarly contributions stress the role of common values in overcoming the internal difficulties of the EU.⁶ In contrast, current conflicts regarding the linkage of EU budget funds to rule

¹ As an example see: Dullien, S. and Torreblanca, J.I. (2012). "What Is Political Union? Policy Brief 70", *Council on Foreign Relations*, London: European Council on Foreign Relations, Available at: https://www.files.ethz.ch/isn/173482/ECFR70_POLITICAL_UNION_BRIEF_AW.pdf, (Accessed on: 3 January 2021); Grant, C. (1999). "Europe's Emerging Political Union", *Centre for European Reform* (blog), Available at: <https://www.cer.eu/publications/archive/bulletin-article/1999/europes-emerging-political-union>, (Accessed on : 3 January 2021); Laffan, B. (2004). "The European Union and Its Institutions as 'Identity Builders'", In Richard K. Herrmann, Thomas Risse, and Marilyn B. Brewer (eds.), *Transnational Identities: Becoming European in the EU*, 1st ed., Lanham: Rowman & Littlefield Publishers, pp. 75–96.

² Schuman, R. (1950). "Declaration of 9 May", Declaration, Salon de l'Horloge at the Quai d'Orsay in Paris, May 9.

³ As an example see: European Union (2016). "The EU in Brief." Text. *European Union*, 16 June, Available at: https://europa.eu/european-union/about-eu/eu-in-brief_en, (Accessed on: 3 January 2021).

⁴ As an example see: The Economist (2020). "Can the European Union Learn to Love a Common Culture?", *The Economist*, 17 October, Available at: <https://www.economist.com/europe/2020/10/17/can-the-european-union-learn-to-love-a-common-culture>, (Accessed on : 3 January 2021).

⁵ Akaliyski, P. (2017). "Sources of Societal Value Similarities across Europe: Evidence from Dyadic Models", *Comparative Sociology*, 16 (4), pp. 447–70.

⁶ As an example see: Guiso, L., Herrera, H. and Morelli, M. (2016). "Cultural Differences and Institutional Integration", *Journal of International Economics*, 38th Annual NBER International Seminar on Macroeconomics, 99 (March), pp. S97–113.

of law conditionalities exemplify possible value rifts inside the EU.⁷ The fact that the two main counterparties, Poland and Hungary, entered the EU as part of the EU's enlargement towards the east in the early 2000s exemplifies long-lasting concerns⁸ over a deterioration of EU values resulting from the EU enlargement rounds.

Past empiric academic contributions have tried to identify these value convergence patterns in the EU and sought to determine the influence EU enlargement rounds have on these trends. Whereas landmark studies by Inglehart and Baker,⁹ Haller et al.,¹⁰ or more recently Akaliyski¹¹, confirmed different value clusters within the EU, several studies analyzed the convergence of values over time. However, these studies are limited in the number of countries incorporated, the period covered, or the values analyzed. For instance, whereas Houwelingen et al.¹² only look at 15 countries from 2002 to 2016, Akaliyski¹³ focuses on general cultural and behavioral values instead of political ones inherent to the EU idea and structure. Additionally, various studies solely focus on the cross-country development of select values, like the acceptance of homosexuality¹⁴ or the free movement of labor.¹⁵ Furthermore, Oshri et al.¹⁶ already focus on one key political value within the EU, democratic identity, and conclude that democratic values tend to increase over time in EU member states. In contrast, Gerhards¹⁷ maintains that each EU enlargement round increases the differences in values across the EU. However, similar to the other mentioned contributions, this study mainly focuses on cultural instead of political values. Therefore, the current literature lacks a longitudinal cross-country convergence analysis of codified political values across all EU countries. This gap in the academic discussion warrants further research into the convergence of key political values in the EU and leads to the following two research questions: *To what extent have the political values of EU citizens converged across member states since the 1970s and has this trend been influenced by the enlargement rounds of the EU?*

⁷ Burchard, H. von der (2020). "Hungary and Poland Escalate Budget Fight over Rule of Law", *POLITICO*, 26 November, <https://www.politico.eu/article/poland-hungary-budget-democracy-rule-law-orban-morawiecki-merkel/> (Accessed on: 3 January 2021).

⁸ Fuchs, D. and Klingemann, H.D. (2002). "Eastward Enlargement of the European Union and the Identity of Europe", *West European Politics*, 25 (2), pp. 19–54; Schimmelfennig, F. (2001). "The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union", *International Organization*, 55 (1), pp. 47–80.

⁹ Inglehart, R. and Baker, W.E. (2000). "Modernization, Cultural Change, and the Persistence of Traditional Values", *American Sociological Review*, 65 (1), pp. 19–51.

¹⁰ Haller, M., Hadler, M., Balog, A. and Kellerman, P. (2004). "Ist Der Nationalstaat Überholt? Überlegungen Und Fakten Über Die Sinnvollste Einheit Bzw. Analyseebene in Der International Vergleichenden Sozialforschung. Kritik. Replik", *Ist Der Nationalstaat Überholt? Überlegungen Und Fakten Über Die Sinnvollste Einheit Bzw. Analyseebene in Der International Vergleichenden Sozialforschung. Kritik. Replik*, 23 (3–4), pp. 141–69.

¹¹ Akaliyski, 2017.

¹² Houwelingen, P. van, Iedema, J. and Dekker, P. (2019). "Convergence on Political Values? A Multi-Level Analysis of Developments in 15 EU Countries 2002-2016", *Journal of European Integration*, 41 (5), pp. 587–604.

¹³ Akaliyski, P. (2019). "United in Diversity? The Convergence of Cultural Values among EU Member States and Candidates." *European Journal of Political Research* 58 (2), pp. 388–411.

¹⁴ Gerhards, J. (2010). "Non-Discrimination towards Homosexuality: The European Union's Policy and Citizens' Attitudes towards Homosexuality in 27 European Countries", *International Sociology*, January.

¹⁵ Gerhards, J. (2008). "Free to Move?: The Acceptance of Free Movement of Labour and Non Discrimination Among Citizens of Europe", *European Societies*, 10 (1), pp. 121–40.

¹⁶ Oshri, O., Sheaffer, T. and Shenhav, S.R. (2016). "A Community of Values: Democratic Identity Formation in the European Union", *European Union Politics*, 17 (1), pp. 114–37.

¹⁷ Gerhards, J. (2007). *Cultural Overstretch?: Differences between Old and New Member States of the EU and Turkey*, 1st ed, New York: Routledge.

The methodology to determine, if political values converged across EU countries along the enlargement rounds, is described in detail in the second chapter. Additionally, this chapter introduces the main sources for the used value variables, namely the European Values Study (EVS), the Eurobarometer (EB), and the International Social Survey Programme (ISSP). Moreover, the chapter recapitulates the EU enlargement rounds to establish the timespans and groups of EU members that require an extensive analysis focus. Furthermore, the analyzed political values are derived in the third chapter. This process focuses on significant EU documents establishing EU political values and enabling the enlargement rounds. In the fourth chapter, the analysis of possible value convergences relies on the matching of these derived values with the mentioned value variables from the different surveys. Subsequently, the value indicators are operationalized referring to these matched value variables. The resulting analysis is structured into the general development of the political values and their development along the enlargement rounds.

Clarification of terms and methodology

Political values

Research in social sciences has not produced a uniform definition of values, mainly due to difficulties of directly measuring or observing values.¹⁸ However, it is commonly accepted that values describe something more elementary or basic than, for example, beliefs or opinions.¹⁹ Hence, values underlie these parts of human behavior.²⁰ Although this definition is more functional than purely definitional, it allows the indirect analysis of values by referring to the attitudes, opinions, and behaviors of citizens as explained in chapter 2.3 and carried out in chapter 4.

As values, in general, lack a common definition, the same applies for the subset of political values. However, adhering to the functional definition introduced in the prior paragraph, political values are values that are concerned with the political sphere. Hence, this category of values can be derived from citizen's political behavior²¹ and their perception of certain political events, orders, and situations.²² For instance, how a citizen might rank different government systems could reveal their value of democracy. Consequently, the indicators derived in chapter 3 seek to match these definitions to observe the political values of EU citizens.

EU enlargement rounds

The EU enlargements describe the widening of the EU integration process to countries beyond the six founding members. Furthermore, during the EU enlargement rounds, states with shared traits have gained accession to the EU at the same time.²³ These shared characteristics

¹⁸ Halman, L. (2007). "Political Values", In Russel J. Dalton and Hans-Dieter Klingemann (eds.), *The Oxford Handbook of Political Behavior*, New York: Oxford University Press, p. 309.

¹⁹ Reich, B. and Adcock, A. (1976). *Values, Attitudes and Behaviour Change*, 1st ed., Vol. Essential Psychology, 3 vols., North Yorkshire: Methuen; Rokeach, M. (1968). *Beliefs, Attitudes, and Values: A Theory of Organization and Change*, 1st ed. San Francisco: Jossey-Bass, p. 124.

²⁰ Halman 2007, p. 309

²¹ Almond, G.A. and Verba, S. (1963). *The Civic Culture: Political Attitudes and Democracy in Five Nations*. 1st ed. Princeton, New jersey: Princeton University Press.

²² Halman 2007, p. 310.

²³ Nugent, N. (2017). *The Government and Politics of the European Union*, 8th ed., London: Macmillan Education.

further warrant a selective analysis as they imply shared political values. Whereas different scholars have proposed a variety of nuanced definitions and taxonomies, this research paper follows Nugent's naming and structure proposal,²⁴ reflected in Table 1.

*Table 1 : EU enlargement rounds*²⁵

Enlargement round	Year	Member states acceding
First	1973	Denmark, Ireland, United Kingdom
Mediterranean (1 st phase)	1981	Greece
Mediterranean (2 nd phase)	1986	Spain, Portugal
EFTA	1995	Austria, Finland, Sweden
10+2 (1 st phase)	2004	Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia
10+2 (2 nd phase)	2007	Bulgaria, Romania
Balkan	2013	Croatia

Quantitative longitudinal convergence analysis

The quantitative analysis of convergence has long been established in growth economics, where two types of convergence measurements have been developed. Whereas β -convergence refers to the catching up of poor regions to richer ones, σ -convergence refers to the reduction of disparities between regions.²⁶ However, these methods can be applied beyond the analysis of income, equality, and other economic indicators, as proven by Hancke and Axisa.²⁷ Researched in cooperation with the EU, their paper analyzes the convergence of social values in 13 EU countries between 2003 and 2015 using σ -convergence. Partly referring to this approach, this research paper employs σ -convergence to measure the convergence of political values across EU countries. Furthermore, σ -convergence allows the measurement of convergence using fewer observations,²⁸ which makes it suitable for this research paper as the number of observations is inherently limited at 28 EU countries.

In the first step, common political values are inferred from key EU documents. Afterward, these values are matched with available variables in the EVS, ISSP, and the EB. In case these variables were surveyed on a nominal or ordinal level of measurement, they are transformed onto an interval scale by referring to the share of respondents choosing certain answer options. This step is necessary as the computation of σ -convergence is not possible for variables on nominal or ordinal scales as these scales are not suited for a mean calculation. Subsequently, value indicators are derived from the identified variables. In case indicators are matched to more than one variable, these variables must be weighted and averaged for the versions of the public opinion surveys, in which they are available. Moreover, values are omitted from the following analysis if no proxy is derivable for them from the public opinion surveys. Consequently, indicators for the remaining political values are

²⁴ Ibid., p. 57.

²⁵ Ibid.

²⁶ Monfort, P. (2008). "Convergence of EU Regions - Measures and Evolution", Working Paper 01/2008, *EU Regional Policy Working Papers*, Luxembourg: EU Publications Office, p. 4-5, Available at: https://ec.europa.eu/regional_policy/en/information/publications/working-papers/2008/convergence-of-eu-regions-measures-and-evolution, (Accessed on : 3 January 2021).

²⁷ Hancke, B. and Axisa, A. (2020). "Measuring Social Convergence across the EU", Luxembourg: EU Publications Office, p. 9, Available at: <http://op.europa.eu/en/publication-detail/-/publication/c026015d-329a-11ea-ba6e-01aa75ed71a1/language-en/format-PDF>, (Accessed on : 3 January 2021).

²⁸ Ibid.

available on a positive interval scale and can be computed for each EU country, which participated in the respective versions of the public opinion surveys. Finally, the σ -convergence of these operationalized indicators is determined.

Usually, σ -convergence is measured by using either the standard deviation or the coefficient of variation,²⁹ exemplified by the use of standard deviation in the mentioned research paper by Hancke and Axisa.³⁰ The coefficient of variation is determined by dividing the standard deviation with the mean and, hence, reflects the variance of observations proportional to the mean of these observations. Due to the various designs of the public opinion surveys large differences between the possible means of answers are possible. Hence, the relative measurement of the coefficient of variation offers results that are comparable across values and time free from scale effects.³¹ Additionally, the coefficient of variation allows for simpler assumptions regarding the significance of the observed convergences. However, due to the proportional characteristic of the coefficient of variation, this method of measuring convergence is more sensitive to values near zero as small changes in the variables are reflected in larger proportional changes. Nonetheless, the benefits of the coefficient of variation and the specific application in this research paper prevail this caveat. Hence, the coefficient of variation is used to measure convergence. Consequently, a decrease in the coefficient of variation of the operationalized value indicators over time signifies convergence while a rise in the coefficient of variation indicates divergence.

Data sources: European Values Study, Eurobarometer, and International Social Survey Programme

Due to the chosen scope of this research paper, public opinion surveys consulted need to maintain consistent question and variable formats over a long period, while also surveying the respective EU countries for each version in the respective years. The Eurobarometer series, the European Values Study, and the International Social Survey Programme meet these criteria.

First, the Standard Eurobarometer was established in 1974 and has been carried out 93 times since then with relatively constant question and variable formats.³² However, adapting to the respective political circumstances, questions have been amended, exchanged, or added. In general, the Standard Eurobarometer asks questions regarding the personal life of respondents, their perception of the EU, wishes, values, and concerns. Each survey is carried out in the respective EU countries by independent contractors, making sure to meet the required random sample size of approximately 1000 survey participants.

Second, the European Values Study has been carried out five times, starting in 1981 and being repeated every nine years. While the first surveys were carried out in 14 European countries with a minimum random sample of 1000 respondents, more countries and larger minimum random sample

²⁹ Monfort 2008, p. 5.

³⁰ Hancke and Axisa 2020, p. 9.

³¹ JRC (2020). "Coefficient of Variation - European Commission", *Joint Research Centre of the European Commission*, 3 December, Available at: <https://datacollection.jrc.ec.europa.eu/worddef/coefficient-of-variation>, (Accessed on : 3 January 2021).

³² European Commission (2020). "PublicOpinion", *Public Opinion*, Available at: <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm#p=1&instruments=STANDARD>, (Accessed on: 3 January 2021).

sizes were incorporated in later survey versions.³³ Moreover, the survey focusses on basic human values and is especially concerned with “family, work, environment, perceptions of life, politics and society, religion and morality, national identity.”³⁴

Third, the International Social Survey Programme was established in 1984 and has been carried out yearly since then.³⁵ Each year one of the eleven reoccurring topics is covered by the survey, which is carried out by independent organizations in every participating country. Conducted in 1985, 1990, 1996, 2006, and 2016, the “Role of Government” series is the relevant topic series for this research paper. Generally, the individual organizations survey at least 1000 respondents per country and version.³⁶

Finally, despite the described traits of the three longitudinal public opinion surveys, shortcomings still exist regarding the chosen methodology described in chapter 2.3. Because all survey series started after the first EU enlargement round in 1973, the analysis of convergence will not be possible with special regard to this enlargement round. Furthermore, the countries participating in the EVS and the ISSP are not necessarily always reflecting the respective EU member states at the time of the survey versions. For instance, Greece and Luxembourg were already part of the EU before 1981, but are not included in the first and second version of the European Value Study.³⁷ Whereas these countries are the only inconsistent cases for the EVS, the ISSP warrants special attention due to its global focus. Consequently, it is the longitudinal survey with the lowest correspondence with the respective EU member states at the time of the respective survey. Hence, implications deriving from variables referring to this survey have to be regarded as less conclusive than these from the other two surveys. Furthermore, questions in all three surveys were not always incorporated consistently in all versions. Hence, the matching of survey variables to the derived political values is limited to the survey questions that have been repeated consistently at least once.

Derivation of value indicators

The EU integration processes were accompanied by several treaties, communications, directives, and other drafted documents. While most of these documents are dealing with specialized technicalities, certain documents are referring directly to the shared political values of the EU. These references allow the derivation of political values, which will be analyzed in the fourth chapter. The Treaty of Rome in 1958, the Copenhagen Criteria published in 1993, the Treaty Establishing a Constitution for Europe drafted in 2004, and the Treaty on European Union after the Lisbon Treaty in 2009 are all referring to common political values of the EU. The

³³ European Values Study (2018a). “EVS Methodology”, *European Values Study*, Available at: <https://europeanvaluesstudy.eu/methodology-data-documentation/evs-methodology/>, (Accessed on: 3 January 2021).

³⁴ European Values Study (2020a). “European Values Study 2017: Integrated Dataset (EVS 2017)”, *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.

³⁵ International Social Survey Programme (2020). “International Social Survey Programme”, Available at: <http://w.issp.org/menu-top/home/>, (Accessed on : 3 January 2021).

³⁶ European Values Study 2018, p. vii-x.

³⁷ European Values Study (2015). “EVS 1981 - 2008 Variable Report Longitudinal Data Files”, Variable Report 29, *GESIS-Variable Reports*, Cologne: GESIS - Leibniz Institute for the Social Sciences, p. 32.

following paragraphs highlight these value references and cluster them into the shared political values of the EU.

Treaty of Rome 1958

The Treaty of Rome, and especially the Treaty establishing the European Economic Community, created the economic union between the six founding members of the EU. However, more importantly for the purpose of this research paper, it includes one of the first references to shared political values of the EU. The preamble of the treaty states the preservation of **peace** and **freedom** as a primary target of the newly founded community.³⁸ Additionally, the preamble also references **capitalistic market conditions**, which are specified throughout the treaty.³⁹ In contrast to later documents, like the Copenhagen Criteria, the Treaty of Rome does not list specific political accession criteria but rather defers accession criteria to a later treaty between the six founding countries.⁴⁰

Copenhagen Criteria 1993

The Copenhagen Criteria codified political accession criteria for potential new EU member state candidates for the first time. After the Treaty of Rome, several enlargement rounds were decided along lengthy intra-EU discussions, that did not consistently refer to codified EU law.⁴¹ Defined by the European Council in 1993, the Copenhagen Criteria, therefore, provide a second crucial definition of common EU political values, which include **democracy, rule of law, human rights** as well as **respect for and protection of minorities**. Additionally, the political-economic value of a **market economy** is stated by these accession criteria,⁴² similar to the mention in the preamble of the Treaty of Rome.

Draft for EU constitution 2004

After the European Council met in Laeken in December 2001, it adopted the Laeken Declaration, which called for the draft of an EU constitution, including shared values. While the drafted constitution got rejected by referenda in France and the Netherlands in 2005, the enthusiasm of EU officials stemming from the Laeken Declaration⁴³ and successful ratifications in other EU countries signify the importance of the political values referred to in the constitutional draft. For instance, the draft for the EU constitution got ratified in Spain after a public referendum and in

³⁸ See preamble: European Economic Community (1958). *Treaty Establishing the European Economic Community*, Document 11957E/TXT, Available at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:11957E/TXT>, (Accessed on: 3 January 2021).

³⁹ Ibid., pt. III, title I, chapter I

⁴⁰ Ibid., Art. 237.

⁴¹ See: Janse, R. (2018). "The Evolution of the Political Criteria for Accession to the European Community, 1957–1973", *European Law Journal*, 24 (1), pp. 57–76.

⁴² EU Publications Office. n. d. "Accession Criteria (Copenhagen Criteria)", Glossary, *EUR-LEX*, Available at: https://eur-lex.europa.eu/summary/glossary/accession_criteria_copenhagen.html, (Accessed on: 3 January 2021).

⁴³ Hurrelmann, A. (2007). "European Democracy, the 'Permissive Consensus' and the Collapse of the EU Constitution", *European Law Journal*, 13 (3), p. 343.

Germany, Italy, Austria, and Belgium after a vote in the respective parliament.⁴⁴ Consequently, the political values referred to in the draft are part of the relevant codified political values of the EU.

First, the draft's preamble refers to the universal values of **human rights, freedom, democracy, peace**, and the **rule of law**, while also introducing the political values of **solidarity** between countries and EU citizens and **transparency**.⁴⁵ Furthermore, these values are reaffirmed in various sections of the draft.⁴⁶ Additionally, Art I-2 refers to the **protection of minorities**, specified as non-discrimination, tolerance, and justice, similar to the EU documents analyzed in the prior sections. Moreover, **free market and economic competition** are referred to again in Art. I-3, which adds **sustainable development** and **environmental protection** as shared political values. Finally, like the Copenhagen Criteria, Art. I-58 sec. 1 grants access to the EU for European countries respecting the values stated in Art I-2.

Treaty on European Union

As one of the two core EU treaties, the Treaty on European Union has been constantly amended during the EU integration process, leading to the final inclusion of political values after the Lisbon Treaty in 2009. This inclusion followed the failed ratification of the draft for an EU constitution, which resulted in similar political values being referenced in the treaty. Hence, **human rights, freedom, democracy, rule of law, sustainable development**, and **solidarity** are mentioned as guiding principles of the EU.⁴⁷ These core political values were already mentioned in the Treaty of Amsterdam 1997,⁴⁸ further signifying their importance. Moreover, these values are again emphasized as common political values in Art. 2, which also names the **protection of minorities**. While Art. 3 refers to the historical political value of **peace**, it restates the comparably new political value of **sustainable development**, which has only been previously introduced by the draft for an EU constitution. Like the Copenhagen Criteria and Art. I-58 of the constitutional draft, Art. 49 of the Treaty on European Union states the respect for the values mentioned in Art. 2 as accession criteria for potential new member states.

Synthesis of the values

The prior sections provided an overview of the political values codified and introduced by EU documents. Accordingly, the political values of the EU can be divided into a group of historical values, one of repeating accession criteria, and one of comparably new political values.

The first group entails **peace, freedom**, and a **market economy**, which were mentioned throughout EU documents from the beginning of the EU, signifying their historical

⁴⁴ BBC News (2007). "EU Constitution: Where Member States Stand." *BBC News*, March 25, Available at: <http://news.bbc.co.uk/2/hi/europe/3954327.stm>, (Accessed on: 3 January 2021).

⁴⁵ See Preamble: European Union (2004). "Draft Treaty Establishing a Constitution for Europe", C 310, *Official Journal of the European Union*, Luxembourg: European Union.

⁴⁶ Ibid., Art. I-2 & Art. I-3.

⁴⁷ See Preamble: European Union (2012). *Consolidated Version of the Treaty on European Union, Document 12012M/TXT*, Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012M%2FTXT>, (Accessed on: 3 January 2021).

⁴⁸ See pt. 1, sec. 8: European Union (1997). *Treaty of Amsterdam Amending the Treaty on European Union, Document 11997D/TXT*, Available at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:11997D/TXT>, (Accessed on: 3 January 2021).

significance. The second group entails **democracy, rule of law, human rights, and respect for minorities as well as their protection**, which are all referred to in the Copenhagen Criteria or the various treaty articles linking to accession criteria. Finally, **sustainable development** and **solidarity** are part of the last group, entailing political values repeatedly mentioned in the most recent EU documents. As the political value **transparency** is only once mentioned as a common political value and otherwise referred to as a norm for the EU institutions, it is not included in the following analysis. The result of the value synthesis of the analyzed EU documents is displayed in Table 3.

Table 2: Codified common political values of EU documents, grouped

	Treaty of Rome	Copenhagen Criteria	Draft EU Constitution	Treaty on European Union	Group of political values
Peace	X		X	X	Historical political values
Freedom	X		X	X	
Market Economy	X	X	X		
Democracy		X	X	X	Accession criteria
Rule of Law		X	X	X	
Human rights		X	X	X	
Minority Protection / Respect for Minorities		X	X	X	
Sustainable Development			X	X	New political values
Solidarity			X	X	
Transparency			X		

Operationalization of the derived political values

The Eurobarometer,⁴⁹ the European Values Study,⁵⁰ and the International Social Survey Programme⁵¹ offer 31 variables, that match one of the identified political values. However, seven of those variables are not applicable to the research questions as they were only surveyed once in one of the longitudinal survey series. Hence, these variables are omitted from the analysis in chapter 4 and only the remaining 24 variables are matched to one of the derived specific political values. Most variables stem from the EVS, which contributes 20 variables, supported by the ISSP and the EB, which contribute 2 variables respectively. However, none of the survey series offered viable variables referencing the political value solidarity, which results in the exclusion of this value for the analysis. The following paragraphs describe the matched variables, the operationalization of these variables, and the derivation of 13 indicators for the remaining eight political values. The summary of the operationalized political values is presented in table 4.

Two variables from the EVS are combined to characterize the political value of peace. Both variables refer to the engagement in peace movements and are part of the 1990, 1999, and 2008 versions of the EVS. Answers to the survey questions were given on a nominal scale, which allows

⁴⁹ Schmitt, H., Scholz, E., Leim, I. And Moschner, M. (2008). "The Mannheim Eurobarometer Trend File 1970-2002 (Ed. 2.00)", Edited by European Commission, *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.

⁵⁰ European Values Study (2020a). "European Values Study 2017: Integrated Dataset (EVS 2017)", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.

European Values Study (2020b). "European Values Study Longitudinal Data File 1981-2008 (EVS 1981-2008)", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.

⁵¹ ISSP Research Group (2008). "International Social Survey Programme: Role of Government I-IV - ISSP 1985-1990-1996-2006", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.

for an interval interpretation of the share of respondents that mentioned an engagement in the peace movement in response to the survey questions. As both variables occur simultaneously in the three survey versions, they are weighted equally to compute the indicator PEACE – TAKING PART.

Second, the political value of freedom only matches one variable from the EVS, available for 1981, 1990, 1999, and 2008. Hence, the resulting indicator FREEDOM is derived from a variable weighing equality against individual freedom on a nominal scale. Therefore, the indicator is represented on an interval scale of the share of respondents choosing freedom over equality.

Similar to the indicator for peace, two variables from the EVS are operationalized for the indicator of the political value market economy. Whereas the first variable classifies respondents' preferences regarding private and government ownership of business, the second variable does the same regarding the effects of market competition. As both variables use the same interval scale and are both available for 1990, 1999, 2008, and 2017, the variables can be equally weighted and combined into the indicator MARKET ECONOMY, while maintaining the interval scale.

Fourth, two indicators characterize the political value of democracy. The first indicator DEMOCRACYVALUE derives itself by combining two EVS variables, which were surveyed on an ordinal scale. Whereas the first variable asks for attitudes towards having a democratic system, the second one weighs democracy against other forms of government. While both variables are available for 1999 and 2008, only the first one was surveyed for the 2017 version as well. Hence, the indicator is only computed for 1999 and 2008. Due to the ordinal scale of both variables, the indicator is represented on an interval scale of the share of respondents, that valued democracy over other forms of government in their answers. The second indicator DEMOCRACY-PROTEST refers to a variable from the ISSP and is available for 1985, 1990, 1996, 2006, and 2016. Survey participants were asked to assess if public meetings to protest the government should be allowed. The ordinal scale of the variable is transferred into an interval scale for the indicator by computing the share of respondents, that tended towards allowing these public meetings.

Furthermore, the political value of rule of law is operationalized by referring to an ISSP variable available in 1985, 1990, 1996, 2006, and 2016. This nominal variable represents respondents' sentiments regarding the need to obey the law and potential exceptions to this principle. Hence, the indicator RULE OF LAW uses an interval scale of the share of respondents that chose to "obey the law without exception".

Sixth, the same type of variables used for operationalizing peace are also used to characterize the political value of human rights. Hence, the resulting indicator HUMAN RIGHTS – TAKING PART consists of two EVS variables, which reflect the engagement of respondents in human rights movements on a nominal scale. Therefore, the indicator is derived by computing the share of respondents mentioning an engagement. Equal weights are applied to the two variables. However, whereas both variables are available for 1981, 1990, 1999, and 2008, only one variable was surveyed in 2017 as well. As a result, the convergence of the indicator is only analyzed from 1981 to 2008.

Moreover, the political value of respect for and protection of minorities is characterized by seven variables from the EVS, resulting in two indicators. The first indicator MINORITY –

NEIGHBOR refers to six variables, that asked respondents to point out minority groups, which the respondents would not like to have as neighbors. Corresponding with the specific minority groups in the individual countries, the variables are only surveyed if the specific minority exists in the survey country. However, as the indicator is not referring to dissent with specific minority groups but rather with minorities in general, the available variables are equally weighted for each country individually. Additionally, as some minority groups were not a factor in the surveyed countries in every survey period, all variables are only available for 1999, 2008, and 2017. Due to the nominal scale of the variables, the interval indicator is derived by equally weighing the share of respondents that mentioned the individual minority groups for the available variables. The second indicator MINORITY – HOMOSEX refers to a variable reflecting the justifiability of homosexuality according to the respondents. As the variable was already surveyed on an interval scale in 1981, 1990, 1999, 2008, and 2017, the indicator adopts the existing scale.

Finally, the political value of sustainable development is represented by four indicators, the most out of all political values. The first indicator SUSDEV – TAKING PART follows the same logic as the indicators for peace and human rights. Additionally, while both variables are available for 1981, 1990, 1999, and 2008, only one variable was surveyed in 2017. Accordingly, 2017 is not included in the analysis. The second indicator SUSDEV–APPROVAL refers to the approval of ecological and nature protection organizations, exemplified by two variables from the Eurobarometer series. As both variables are reflected on an ordinal scale, they are operationalized by computing the share of respondents that at least somewhat approve of these organizations. Afterward, the two variables are equally weighted to determine the indicator on an interval scale. As both variables are taken from a Eurobarometer trend file aggregating Standard Eurobarometer versions from 1970 to 2002, the indicator can only be derived for 1982, 1984, 1986, 1989, and 1994. The third indicator SUSDEV–GIVE uses a variable from the EVS available in 1990, 1999, 2008, and 2017. The respondents provided their intent to giving part of their income for environmental protection on an ordinal scale, which allows for an indicator, that reflects the share of respondents agreeing to give part of their income. The final indicator SUSDEV-TAX follows a similar logic as the third one, as it refers to an EVS variable asking people about their agreement with an increase in taxes for the prevention of environmental pollution. Hence, this indicator is also reflected on an interval scale of the share of respondents agreeing to this proposal. However, the variable is only available for 1990 and 1999.

Table 3: Indicators of the derived political values

Political Value	Indicator	Range	Number of variables	Source of Variables
Peace	PEACE-TAKING PART	]0;1[	2	EVS
Freedom	FREEDOM	]0;1[	1	EVS
Market Economy	MARKET ECONOMY	]0;10[	2	EVS
Democracy	DEMOCRACY-VALUE	]0;1[	2	EVS
	DEMOCRACY-PROTEST	]0;1[	1	ISSP
Rule of Law	RULE OF LAW	]0;1[	1	ISSP
Human Rights	HUMAN RIGHTS-TAKING PART	]0;1[	2	EVS
Minority Protection / Respect for Minorities	MINORITY-NEIGHBOR	]0;1[	6	EVS
	MINORITY-HOMOSEX	]0;10[	1	EVS
Sustainable Development	SUSDEV-APPROVAL	]0;1[	2	EB
	SUSDEV-TAKING PART	]0;1[	2	EVS
	SUSDEV-GIVE	]0;1[	1	EVS
	SUSDEV-TAX	]0;1[	1	EVS

Results: Convergence of political values across EU countries

The results of the data analysis are represented in table 4, which shows the coefficients of variation for the different political value indicators for the EU countries which were part of the EU at the time the different longitudinal surveys were conducted. To identify the effect of enlargement rounds, EU countries are categorized into groups reflecting the memberships of the EU after each enlargement round following the taxonomy introduced in table 1. The only enlargement round omitted from this categorization is the first phase of the Mediterranean enlargement in 1981 as it only includes one country, Greece, which was also not part of the first two versions of the EVS. Therefore, each analyzed group includes the countries that joined the EU during the respective enlargement round and all EU members up to this point. As the table cannot functionally display the coefficients of variation for these different subgroups of EU countries, inferences from these data points are described qualitatively in the following paragraphs. Otherwise, these coefficients of variation are available in the data appendix.

Trends of individual political values

The political value of peace has diverged consistently across EU countries from 1990 to 2008. While this divergence is observed for all individual groups of EU countries as well, the EU enlargements since 1981/1986 have amplified this trend. In fact, in 2008, the coefficient of variation increases with every enlargement round since the Mediterranean enlargements and is larger than the one determined for the group of original member countries and for the nine EU members in 1973. However, it is crucial to note, that, for the whole EU, the mean of the indicator ranges from approximately 0,0085 in 1990 to 0,016 in 2008. As such low means indicate engagements in peace movements of around 9 to 16 respondents per 1000 survey participants, relatively small divergences in the composition of the country-specific sample could lead to large changes in the result. Consequently, the coefficients of variation reach values above 1, indicating a standard deviation larger than the mean. Nonetheless, the similar divergences across the different EU country groups still suggest an EU value divergence driven by all member states, but especially by the ones entering the

EU during the first phase of the 10+2 enlargement. In fact, in the 2008 version of the EVS, engagements in peace organizations for all countries entering the EU during the 2004 enlargement are significantly lower than the mean.

The political value of freedom has converged consistently across EU countries from 1981 to 2008. While from 1981 to 1990, this convergence is mostly a result of an initial convergence within the original EU members and within the EU countries after the first EU enlargement in 1973, the inclusion of the 1995 and 2004 enlargement rounds continues the convergence trend from 1990 to 2008. The later continuation is taking place despite a simultaneous divergence between the original EU members and a simultaneous divergence between the EU countries of 1986. Furthermore, in 2008, the countries of the 2004 enlargement contributed to a decrease in the coefficient of variation of 15 % in comparison to the EU countries of 1995. Hence, new EU members were generally more in line with the average values of the prior EU member countries.

The value market economy only converges from 2008 to 2017, after the coefficient of variation of the indicator MARKET ECONOMY remained relatively constant from 1990 to 2008. While the original EU countries, the EU countries of 1973, and the EU countries of 1986 are converging to each other from 1990 to 1999, they are all diverging again after 2008. Furthermore, the latter two country groups already diverged from 1999 to 2008, while the original EU members continued their convergence trend in this period. A distinct convergence on the EU level from 1990 to 1999 was prevented by the 1995 enlargement as especially Austrians held more favorable attitudes towards privatization and market competition than other EU countries at the time. The countries of the 2004, 2007, and 2013 enlargement rounds contribute to the observed convergence from 2008 to 2017. In contrast, the countries of the first, the Mediterranean, and the EFTA enlargement rounds contribute to a divergence, which is only offset by the proportionally large enlargement round of 2004. Furthermore, the original EU countries remain the most homogeneous group regarding the political value market economy, followed by the EU countries of 2013, 2007, and 2004.

Attitudes towards democracy diverged almost constantly in the EU as shown by the indicators DEMOCRACY-PROTEST and DEMOCRACY-VALUE. As the indicator DEMOCRACY-PROTEST only relies on a sample size of three countries for the ISSP versions of 1985 and 1990, these results are omitted from the analysis. Furthermore, the group of original EU countries consisted only of Germany in 1990, further rendering these initial survey versions unsuitable for analysis. However, after 1996 both indicators display similar divergence trends with relatively stable coefficients of variation for the EU countries of 1973, 1986, and 1995 till 2006 and 2008 respectively. Additionally, both indicators signify convergence within the group of EU founding members. Despite these trends, the general attitudes towards democracy in the EU diverged significantly from 1996 to 2006, and from 1999 to 2008. This is mostly due to the 2004 enlargement, proven by the 2006 and 2008 survey versions. In 2006, 77,2 % of respondents from countries of this enlargement round thought that public protests against the government should probably or definitely be allowed. In contrast, this attitude was voiced by 90,4 % of respondents in countries, that were part of the EU before.

After 1996, the attitudes of EU citizens towards the rule of law have converged across EU countries. Furthermore, all subgroups of EU countries have become more homogeneous regarding this political value from 1996 to 2006 and from 2006 to 2016. Before 1996,

the variable consulted is only available for a sample size of three, with Ireland substituting for Italy in 1990. Hence, it is not possible to derive viable conclusions for this period. In contrast to most other political values and their indicators, the group of original EU members is not consistently the most homogeneous subgroup. However, by 2016, the founding members of the EU represent the most homogeneous group again.

From 1981 to 2008, EU countries have become more heterogeneous in terms of the political value of human rights. However, from 1990 to 1999 a period of convergence occurs, mostly driven by the accession of Austria, Finland, and Sweden in 1995. This convergence is happening despite the group of original EU members and the group of EU countries in 1973 continuing their global divergence trend during this period as well. Finally, from 1999 to 2008, the enlargement rounds of 2004 and 2007 are increasing the divergence, exemplified by the 25,8 % increase in the coefficient of variation in 2008 if the countries of the 2004 enlargement round are included in the calculation. This increase is mostly due to the low engagement in human rights organizations in countries joining the EU after 1995. Whereas, in 2008, the average value of the indicator HUMAN RIGHTS-TAKING PART is 6,4 % for the EU countries up until the 1995 enlargement, this indicator is only 0,5 % for the countries of the 2004 enlargement round. Finally, the original EU country members are again one of the most homogeneous groups, this time joined by the group of EU countries of 1973.

Both indicators for the values of minority protection and respect for these groups diverged from 1981 to 2017. Additionally, both indicators are characterized by a temporary period of convergence before the coefficient of variation reaches a higher than initial level. However, whereas the indicator for the justifiability of homosexuality displays continuous convergence for all country groups up until the inclusion of the EFTA enlargement, the second indicator reflects continuous divergence for almost all subgroups of EU countries after 1990. Hence, the net divergence of the indicator MINORITY-HOMOSEX is a result of the 2004 and 2007 enlargement rounds, leading to a peak coefficient of variation in 2008. This global maximum is a result of the low acceptance of homosexuality in the countries that joined the EU in 2004. Whereas the indicator for these member states averages 3,24 on the 1-10 scale, the average indicator of the other EU countries is 5,88 in 2008. However, while being part of the EU, the countries of the 2004 enlargement round converged towards the attitude of the other EU countries as the indicator of the countries joining the EU in 2004 reached 4,46 in 2017. Furthermore, while the indicator MINORITY-NEIGHBOR is diverging across all subgroups of EU countries since 1990, the accession of new EU members in 2004 is amplifying this trend. In fact, in 29,3 % (2008) and 35,9 % (2017) of cases, citizens in these countries said they would not like to have a specific minority group as neighbors. In contrast, this indicator is only 16,1 % (2008) and 13,3 % (2017) for citizens of the EU countries prior to the 2004 enlargement round.

The indicators SUSDEV-GIVE and SUSDEV-TAX display a net divergence among the EU countries from 1990 to 2017, and from 1999 to 2008 respectively. However, the indicators are showing opposite trends from 1999 to 2008 despite the two indicators both displaying the propensity of citizens to incur a financial loss to protect the environment. This is mostly due to convergence among the original EU members and among the EU members of 1973 for the indicator SUSDEV-GIVE. In contrast, the second indicator for these subgroups is diverging during this period, exemplified by Germany deviating from the mean of the original EU members by about 1 % in 1999 and more than 41 % in 2008. Furthermore, all subgroups of EU countries are diverging in the indicator SUSDEV-TAX from 1999 to 2008. Moreover, the enlargement rounds of 2004 and 2007

are amplifying this general divergence trend. Similar to this effect of these more recent EU members, they are contributing to a divergence in the indicator SUSDEV-GIVE from 2008 to 2017. However, in this case, these EU members are negating the continued convergence among original EU members, EU members of 1973, of 1986, and EU members after the EFTA enlargement round. This continued trend among these subgroups of EU countries began in 1999 after these groups diverged initially from 1990 onwards. Finally, both indicators display a greater homogeneity among the countries with a longer EU membership than the ones that joined the EU during the enlargement rounds in the 21st century.

Furthermore, whereas the indicator SUSDEV-APPROVAL is converging between 1982 and 1994, the indicator SUSDEV-TAKING PART is diverging from 1981 to 2008. However, for the indicator SUSDEV-APPROVAL, the sample size of EU members aside from the founding countries is too small in 1984, 1989, and 1994. Hence, derivations for the whole EU are mostly influenced by the original EU members. Nonetheless, in 1982 and 1986, when more data points for other EU countries are available, these other EU members are amplifying the homogeneity among EU countries. Till 1999, all subgroups of EU countries are displaying divergence in the indicator SUSDEV-TAKING PART. Afterward, the introduction of the EU countries of the 2004 and 2007 enlargement rounds is contributing to the continued divergence among EU countries despite the convergence processes within the original EU members and the EU countries of 1973. This is mostly due to the countries of the 2004 and 2007 enlargement rounds reporting an average indicator about 71 % smaller than the average indicator of the countries with a longer EU membership. Finally, the original EU countries and the EU countries as of 1973 are the most homogeneous groups regarding the indicator SUSDEV-TAKING PART in 2008.

General convergence trends

First, the political values of EU citizens across EU member countries diverged in four instances, namely in the political values of peace, democracy, respect for and protection of minorities, and sustainable development. In contrast, convergences occurred in the political values of freedom, market economy, and rule of law. The political value sustainable development presents a special case as three indicators diverged, while only one converged. However, as the converging indicator SUSDEV-APPROVAL is plagued by persistent sample size issues, sustainable development is classified as diverging. Hence, the political values of the same subgroup defined in chapter 3.1 are not following uniform trends. The observed trends can be classified as modest or pronounced. As a measurement for this distinction, the percentual changes in the coefficients of variation from the first available data points to the last available ones are displayed in table 4. A more than 50 % reduction in the coefficient of variation is classified as a very pronounced convergence, whereas a more than 100 % increase in the coefficient of variation is classified as a very pronounced divergence. Furthermore, a convergence between -33 % and -50 % is classified as pronounced, while a pronounced divergence occurs between 50 % and 100 %. The remaining trends are defined as modest. These placements allow a further comparison between divergences and convergences as they equate to proportional changes. As a result, the indicators describing the engagement of citizens in human rights, peace, or sustainable development organizations display a very pronounced divergence. This outcome can partially be attributed to the low variable values but is also a testament to the already large differences between EU countries at the beginning of the surveys. Furthermore, only the political value of rule of law converged profoundly during the observed period. This observation further strengthens the conclusion of more profound divergences

across EU countries as the political value of sustainable development also profoundly diverged in two indicators. In sum, three indicators show very pronounced divergence, two indicators display profound divergence, and four indicators are characterized by modest divergence. In contrast, only one indicator each shows very pronounced convergence and pronounced convergence, while two indicators display modest convergence.

Second, the founding members of the EU are the most homogeneous group in terms of the analyzed values as they are one of the two most homogeneous subgroups of EU countries at the time of the last available data for all political values analyzed. Similar conclusions for other subgroups of EU countries are not possible as no clear pattern can be identified.

Third, the effect of the enlargement rounds on the value convergence depends on the political value analyzed. Whereas the enlargement rounds of the 20th century mostly increase heterogeneity initially but follow the general convergence trend set by the original EU countries, the enlargement rounds of the 21st century have more ambiguous effects. Hence, it is possible to update the conclusion of Gerhards,⁵² who postulates that each enlargement round increases the value differences among EU countries. Whereas the enlargement rounds of the 21st century amplified or caused a divergence in the political values of peace, democracy, human rights, respect for and protection of minorities, and sustainable development, these enlargement rounds contributed to an increased homogeneity across EU countries in the political values of freedom, rule of law, and market economy.

Fourth, after countries become EU members, they sometimes contribute to a temporary convergence process among EU countries, mostly by adopting the political values of the more established EU members. For instance, after they joined the EU, the countries of the 2004 enlargement round converged towards the predominant attitude regarding the political values market economy, democracy, and rule of law.

Conclusion

The examination of key EU documents leads to the definition of nine political values of the EU. Of these nine values, eight are operationalizable referring to the EVS, the EB, and the ISSP. The derivation of the σ -convergence among the EU countries across time results in four main conclusions.

First, no overarching convergence trend is observable as four out of eight political values diverge across EU countries over time. However, divergences are more profound than convergences, mostly driven by the indicators measuring citizen engagement in different organizations. Second, the original members of the EU consistently constitute the most homogeneous subgroup analyzed. Third, the EU enlargement rounds do not necessarily increase value differences between EU countries. Fourth, new EU members adopt the predominant attitude of the other EU countries in some cases. These conclusions extend the existing research on convergence among EU countries by a study incorporating more countries, more political values, and a more recent dataset. Furthermore, the

⁵² Gerhards, J. (2007). *Cultural Overstretch?: Differences between Old and New Member States of the EU and Turkey*, 1st ed, New York: Routledge.

resulting conclusions contradict existing assumptions of increasing divergence due to EU enlargement rounds and paint a more varied picture.

However, four caveats restrict the significance of the derived conclusions. First, the EVS, the EB, and the ISSP were not always carried out in all EU countries at the time of the respective survey versions. Second, due to the decentral organization of these surveys, minor differences between the implementation in different countries occurred, rendering the report of some responses unusable for the purposes of this research paper. Consequently, the conclusions had to be derived from a patchwork of different periods and country compositions. Third, insufficient consistency among variables in the three surveys resulted in some indicators consisting of only one variable, which might have introduced an overreliance on these specific questions. Finally, the scope of the research paper did not allow for quantitative significance testing of the observed trends.

Hence, possible future research based on the conclusions derived in this research paper could be focused on verifying the results by introducing random coefficients to test the significance of the observed trends. Furthermore, this research paper purely derives the convergence trend of eight political values and does not include research on the qualitative reasons for these convergence trends. Hence, future qualitative research could focus on specific political values and try to explain the observed differences in convergences trends. Moreover, further research could increase the depth of analysis and identify convergence catalysts among the different subgroups of EU countries.

Victor Vorsatz is a German M.A. student in his first year at Johns Hopkins SAIS, where he is concentrating in Energy, Resources and Environment. Before Johns Hopkins University he completed his undergraduate studies in International Affairs at the University of St. Gallen in Switzerland with a thesis on the effects of Chinese social credit systems on interpersonal trust. In St. Gallen, he also found increased interest in quantitative analysis, which he currently applies at Bruegel in Brussels. After his undergraduate degree, he worked in sustainability and CSR consulting in Germany. Vorsatz is a scholarship holder of the Academic Foundation of the German People and the German Academic Exchange Service.

References

- Akaliyski, P. (2017). "Sources of Societal Value Similarities across Europe: Evidence from Dyadic Models", *Comparative Sociology*, 16 (4), pp. 447–70.
- Akaliyski, P. (2019). "United in Diversity? The Convergence of Cultural Values among EU Member States and Candidates." *European Journal of Political Research* 58 (2), pp. 388–411.
- Almond, G.A. and Verba, S. (1963). *The Civic Culture: Political Attitudes and Democracy in Five Nations*. 1st ed. Princeton, New jersey: Princeton University Press.
- BBC News (2007). "EU Constitution: Where Member States Stand." *BBC News*, March 25, Available at: <http://news.bbc.co.uk/2/hi/europe/3954327.stm>, (Accessed on: 3 January 2021).
- Burchard, H.von der (2020). "Hungary and Poland Escalate Budget Fight over Rule of Law", *POLITICO*, 26 November, <https://www.politico.eu/article/poland-hungary-budget-democracy-rule-law-orban-morawiecki-merkel/> (Accessed on: 3 January 2021).
- Dullien, S. and Torreblanca, J.I. (2012). "What Is Political Union? Policy Brief 70", *Council on Foreign Relations*, London: European Council on Foreign Relations, Available at: https://www.files.ethz.ch/isn/173482/ECFR70_POLITICAL_UNION_BRIEF_AW.pdf, (Accessed on: 3 January 2021).

- EU Publications Office. n. d. "Accession Criteria (Copenhagen Criteria)", Glossary, *EUR-LEX*, Available at: https://eur-lex.europa.eu/summary/glossary/accession_criteria_copenhagen.html, (Accessed on: 3 January 2021).
- European Commission (2020). "PublicOpinion", Public Opinion, Available at: <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm#p=1&instruments=STANDARD>, (Accessed on: 3 January 2021).
- European Economic Community (1958). *Treaty Establishing the European Economic Community*, Document 11957E/TXT, Available at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:11957E/TXT>, (Accessed on: 3 January 2021).
- European Union (1997). *Treaty of Amsterdam Amending the Treaty on European Union*, Document 11997D/TXT, Available at: <https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX:11997D/TXT>, (Accessed on: 3 January 2021).
- European Union (2004). "Draft Treaty Establishing a Constitution for Europe", C 310, *Official Journal of the European Union*, Luxembourg: European Union.
- European Union (2012). *Consolidated Version of the Treaty on European Union*, Document 12012M/TXT, Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012M%2FTXT>, (Accessed on: 3 January 2021).
- European Union (2016). "The EU in Brief." Text. *European Union*, 16 June, Available at: https://europa.eu/european-union/about-eu/eu-in-brief_en, (Accessed on: 3 January 2021).
- European Values Study (2020). "European Values Study", European Values Study, <https://europeanvaluesstudy.eu/>.
- European Values Study (2015). "EVS 1981 - 2008 Variable Report Longitudinal Data Files", Variable Report 29, *GESIS-Variable Reports*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- European Values Study (2018a). "EVS Methodology", *European Values Study*, Available at: <https://europeanvaluesstudy.eu/methodology-data-documentation/evs-methodology/>, (Accessed on: 3 January 2021).
- European Values Study (2018b). "ISSP 2016 - Role of Government V Variable Report", Variable Report 09, *GESIS-Variable Reports*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- European Values Study (2020a). "European Values Study 2017: Integrated Dataset (EVS 2017)", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- European Values Study (2020b). "European Values Study Longitudinal Data File 1981-2008 (EVS 1981-2008)", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- Fuchs, D. and Klingemann, H.D. (2002). "Eastward Enlargement of the European Union and the Identity of Europe", *West European Politics*, 25 (2), pp. 19–54.
- Gerhards, J. (2007). *Cultural Overstretch?: Differences between Old and New Member States of the EU and Turkey*, 1st ed, New York: Routledge.
- Gerhards, J. (2008). "Free to Move?: The Acceptance of Free Movement of Labour and Non Discrimination Among Citizens of Europe", *European Societies*, 10 (1), pp.121–40.
- Gerhards, J. (2010). "Non-Discrimination towards Homosexuality: The European Union's Policy and Citizens' Attitudes towards Homosexuality in 27 European Countries", *International Sociology*, January.

- Grant, C. (1999). "Europe's Emerging Political Union", *Centre for European Reform* (blog), Available at: <https://www.cer.eu/publications/archive/bulletin-article/1999/europes-emerging-political-union>, (Accessed on : 3 January 2021).
- Guiso, L., Herrera, H. and Morelli, M. (2016). "Cultural Differences and Institutional Integration", *Journal of International Economics*, 38th Annual NBER International Seminar on Macroeconomics, 99 (March), pp. S97–113.
- Haller, M., Hadler, M., Balog, A. and Kellerman, P. (2004). "Ist Der Nationalstaat Überholt? Überlegungen Und Fakten Über Die Sinnvollste Einheit Bzw. Analyseebene in Der International Vergleichenden Sozialforschung. Kritik. Replik", *Ist Der Nationalstaat Überholt? Überlegungen Und Fakten Über Die Sinnvollste Einheit Bzw. Analyseebene in Der International Vergleichenden Sozialforschung. Kritik. Replik*, 23 (3–4), pp. 141–69.
- Halman, L. (2007). "Political Values", In Russel J. Dalton and Hans-Dieter Klingemann (eds.), *The Oxford Handbook of Political Behavior*, New York: Oxford University Press, pp. 305–322.
- Hanke, B. and Axisa, A. (2020). "Measuring Social Convergence across the EU", Luxembourg: EU Publications Office, Available at: <http://op.europa.eu/en/publication-detail/-/publication/c026015d-329a-11ea-ba6e-01aa75ed71a1/language-en/format-PDF>, (Accessed on : 3 January 2021).
- Houwelingen, P. van, Iedema, J. and Dekker, P. (2019). "Convergence on Political Values? A Multi-Level Analysis of Developments in 15 EU Countries 2002-2016", *Journal of European Integration*, 41 (5), pp. 587–604.
- Hurrelmann, A. (2007). "European Democracy, the 'Permissive Consensus' and the Collapse of the EU Constitution", *European Law Journal*, 13 (3), pp. 343–59.
- Inglehart, R. and Baker, W.E. (2000). "Modernization, Cultural Change, and the Persistence of Traditional Values", *American Sociological Review*, 65 (1), pp. 19–51.
- International Social Survey Programme (2020). "International Social Survey Programme", Available at: <http://w.issp.org/menu-top/home/>, (Accessed on : 3 January 2021).
- ISSP Research Group (2008). "International Social Survey Programme: Role of Government I-IV - ISSP 1985-1990-1996-2006", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- ISSP Research Group (2018). "International Social Survey Programme: Role of Government V - ISSP 2016", *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- Janse, R. (2018). "The Evolution of the Political Criteria for Accession to the European Community, 1957–1973", *European Law Journal*, 24 (1), pp. 57–76.
- JRC (2020). "Coefficient of Variation - European Commission", *Joint Research Centre of the European Commission*, 3 December, Available at: <https://datacollection.jrc.ec.europa.eu/worddef/coefficient-of-variation>, (Accessed on : 3 January 2021).
- Laffan, B. (2004). "The European Union and Its Institutions as 'Identity Builders'", In Richard K. Herrmann, Thomas Risse, and Marilyn B. Brewer (eds.), *Transnational Identities: Becoming European in the EU*, 1st ed., Lanham: Rowman & Littlefield Publishers, pp. 75–96.
- Monfort, P. (2008). "Convergence of EU Regions - Measures and Evolution", Working Paper 01/2008, *EU Regional Policy Working Papers*, Luxembourg: EU Publications Office, Available at: https://ec.europa.eu/regional_policy/en/information/publications/working-papers/2008/convergence-of-eu-regions-measures-and-evolution, (Accessed on : 3 January 2021).
- Nugent, N. (2017). *The Government and Politics of the European Union*, 8th ed., London: Macmillan Education.

- Oshri, O., Sheaffer, T. and Shenhav, S.R. (2016). "A Community of Values: Democratic Identity Formation in the European Union", *European Union Politics*, 17 (1), pp. 114–37.
- Reich, B. and Adcock, A. (1976). *Values, Attitudes and Behaviour Change*, 1st ed., Vol. Essential Psychology, 3 vols., North Yorkshire: Methuen.
- Rokeach, M. (1968). *Beliefs, Attitudes, and Values: A Theory of Organization and Change*, 1st ed. San Francisco: Jossey-Bass.
- Schimmelfennig, F. (2001). "The Community Trap: Liberal Norms, Rhetorical Action, and the Eastern Enlargement of the European Union", *International Organization*, 55 (1), pp. 47–80.
- Schmitt, H., Scholz, E., Leim, I. And Moschner, M. (2008). "The Mannheim Eurobarometer Trend File 1970-2002 (Ed. 2.00)", Edited by European Commission, *GESIS Data Archive*, Cologne: GESIS - Leibniz Institute for the Social Sciences.
- Schuman, R. (1950). "Declaration of 9 May", Declaration, Salon de l'Horloge at the Quai d'Orsay in Paris, May 9.
- The Economist (2020). "Can the European Union Learn to Love a Common Culture?", *The Economist*, 17 October, Available at:
<https://www.economist.com/europe/2020/10/17/can-the-european-union-learn-to-love-a-common-culture>, (Accessed on : 3 January 2021).

