

Kolleg-Forscherguppe

lhnestr. 26
14195 Berlin
www.transformeurope.eu
transform-europe@fu-berlin.de
+49-30 83 85 70 31

Editorial Staff:

Sophie Schmalenberger
Filip Bubenheimer
André Berberich
Michael Schultz
Astrid Roos



New colleagues at the KFG **4**

Our new KFG fellows introduce themselves.

**PROJECT INTRODUCTION: Varieties of Punishment –
A new Research Project hosted by the KFG.** **6**

Non-interference in domestic affairs was a pillar of early regional cooperation. By contrast, nowadays most regional organisations have instituted possibilities to use internal sanctions against members or – more rarely – foreign policy sanctions against third countries.

REPORT: “The Euro will never succeed, and it will never fail.” **7**

On June 14, 2013, Benjamin J. Cohen gave a talk at Freie Universität. He was invited by the KFG and the International Research Training Group “Between Spaces” to talk about the future of the euro as an international currency.

**PAPER PRESENTATION: When European integration becomes
costly: The Euro crisis and public support for European
economic governance.** **9**

The current sovereign debt crisis has put a price tag on the aim of unifying the peoples of Europe. To what extent do European citizens support European economic governance in the Euro crisis?

PROJECT INTRODUCTION: TRANSWORLD.

10

TRANSWORLD is a consortium of 13 academic and research centres from the EU, the US and Turkey with the aim to examine the evolution of the transatlantic relationship and its role in shaping global governance architectures.

REPORT: “EU Studies Workshop” and Authors Workshop in Tel Aviv.

11

Arie Krampf reports on two Workshops, (partly) funded by the KFG, that recently took place at Tel Aviv University.

**REPORT: Regionalism, Norm Diffusion and Social Policy:
Dealing with Old and New Crises in Europa and Latin America.**

13

While European Union (EU) member-states welfare systems are being challenged by unprecedented levels of public indebtedness, regional integration, however, has so far been timid in reproducing domestic social models at the supranational level.

Latest Working Papers

15

An overview presenting the latest Working Papers of the Kolleg-Forschergruppe, published since June 2013.



About the *Kolleg-Forschergruppe* (KFG)

The diffusion of ideas has become a central research theme in political science, sociology, law, history, and economics. The Kolleg-Forschergruppe (KFG) investigates how ideas spread across time and space. During its first phase of research, from 2008 to 2012, the KFG studied the diffusion of policy ideas and institutions within the European Union (EU) and its candidates and neighborhood. During the second phase, from 2012-2016, the KFG realigns its focus of interest on the diffusion of ideas, policies, and institutions beyond Europe (comparative regionalism) and the analysis of the EU at the receiving end of external influences.

The *Kolleg-Forschergruppe* is a funding program launched by the German Research Foundation (Deutsche Forschungsgemeinschaft–DFG) in 2008. As a Research College, it is intended to provide a scientifically stimulating environment in which innovative research topics can be dealt with by discourse and debate within a small group of senior and junior researchers.

EDITORIAL



Prof. Tanja A. Börzel & Prof. Thomas Risse

Dear friends and colleagues of the Kolleg-Forscherguppe,

Welcome to the tenth edition of our newsletter informing you about what is going on at the Research College “The Transformative Power of Europe”!

First of all, we cordially welcome our new (post-) doctoral fellows who introduce themselves in this edition. Moreover, this newsletter informs you about ongoing events held at the KFG. You will see that the Euro crisis diffuses more and more into our research projects: When Benjamin Cohen held his lecture “The Euro Today: Is There A Tomorrow?”, he concluded that the Euro will not fail as

a currency used by the members of the Eurozone, but it will never become a successful international currency used in trade, investment and as foreign exchange reserves held by central banks.

Theresa Kuhn and Florian Stoeckel try to answer the question to what extent European citizens support European economic governance in the Euro crisis and whether those citizens, who are most likely to benefit from economic governance, are also willing to accept it. Finally, the author’s workshop “Coping with Crisis: Financial Crisis Management at the Regional Level” was organized by Arie Krampf and Barbara Fritz and took place in Tel Aviv this October. It aimed at understanding the process of regional financial integration and coordination and to explain why regions respond differently to the challenge of maintaining financial stability.

Our most recent workshop was dedicated to another research topic. Titled “Regionalism, Norm Diffusion and Social Policy: Dealing with Old and New Crises in Europe and Latin America”, this event was co-organized by Andrea Bianculli and Andrea Ribeiro Hoffmann. Researchers from Latin America and Europe dealt with the question of what role regional organizations can play in the area of social policy and whether social policy-making at the regional level can solve existing problems in both regions. A follow-up meeting in the context of the FLACSO-ISA Joint Conference next year in Buenos Aires, Argentina, is planned.

We congratulate our former post-doctoral fellow Elin Hellquist whose research project “Varieties of Punishment” will be funded by the Swedish Research Council for three years. We look forward to host the project at the KFG. Elin will explore why regional organizations have opted for different approaches to sanctions. Nelli Babayan reports from the first phase of TRANSWORLD, a consortium of 13 academic and research centers from the EU, the US, and Turkey with the aim to examine the evolution of the transatlantic relationship and its role in shaping global governance architectures. The consortium was launched in March 2012.

Last but not least, many working papers have recently been published. You find their abstracts at the end of this edition.

As always, we hope that you enjoy reading about the KFGs activities in this newsletter.

Best regards,

Tanja A. Börzel

Thomas Risse

Research Directors

KFG FELLOWS

New colleagues at KFG



Dingnan Tony Wang (PhD Candidate)



Dingnan Wang is a student of international relations and doctorate candidate of the Berlin Graduate School for Transnational Studies. He studied at Peking University and obtained his Master's degree at the University of Cambridge. Prior to joining the KFG, Dingnan conducted field research in the Middle East and worked as a reporter. At the moment, he is developing a PhD project comparing the EU and China's approaches to political Islam from the Iranian Revolution to the Arab Uprisings in 2011. So far Dingnan has benefitted immensely from the supporting atmosphere of KFG and its dynamic workshops and seminars. Over the next three years, he wishes to continue exchanging ideas with peers and senior fellows at the research college, and contribute to the growing literature on the diffusion of ideas across time and space.



Harrison K. Mwilima (KFG PhD Candidate)



My name is Harrison Kalunga Mwilima from Tanzania. During my bachelor degree studies of Political Science and Philosophy I was so fascinated by the topics of Regional Integration. The EU has always been seen as a very good example of regional integration thus other regional organizations are looking at the EU as a model. That motivated me to do a master in Political Economy of European Integration to understand the processes in the EU and also the challenges. Later on I realized that the EU and its member states have also various policies in place to promote regional integration abroad and I was very much interested to research further on how they promote regional integration in East African Community (EAC). When I saw the KFG "Transformative Power of Europe" I thought that would fit to this interest. I am very glad I got the opportunity to be part of KFG. I am expecting to learn a lot from different scholars, post docs, PhD students who can also be very helpful during the time of my PhD. The weekly program of Jour Fixe where different scholars present their works and people comment on them has also been a great experience for me.



Tuba Eldem (KFG Post-doctoral Fellow)



Tuba Eldem has recently got her Ph.D. from the University of Toronto, Canada (2013). Her principal areas of interest are Turkish politics, Turkey-EU relations, Europeanization and democratization, particularly in the area of civil-military relations. She has just completed a long-term study of the role of the armed forces in the Turkish politics. The principal theoretical question in her work accounting for the variations in historical patterns of interaction between the armed forces, the state, and society in Turkey, particularly changes occurred since the soft coup of 28 February 1997. Her current project is concerned with the study of the interaction between the generation of ideas about democratic control of armed forces (DECAF) and security sector reform (SSR) and the conditions that facilitate and mitigate their diffusion. She is particularly interested in the diffusion of the norms of DECAF in Turkey and Central and Eastern Europe and the role of the EU and NATO in this process.



Karen Del Biondo (KFG Post-doctoral Fellow)



Karen obtained her PhD at the Centre for EU Studies, Ghent University in September 2012 with a dissertation entitled 'Norms, self-interest and effectiveness: Explaining double standards in EU reactions to violations of democratic principles in sub-Saharan Africa'. She has also been involved in a joint research project 'The substance of EU democracy promotion'. In 2012-2013, she was a postdoctoral fellow at the Center on Democracy, Development and the Rule of Law (Stanford University). Karen has obtained grants from the Flemish Fund for Scientific Research, Fulbright and the Belgian-American Educational Foundation. Karen's KFG project is entitled 'One Africa and One Europe? The Joint Africa-EU Strategic Partnership on Democratic Governance and Human Rights.' On the basis of expert interviews, Karen will investigate the negotiation process behind the partnership to explain its contents and instruments.



Angela Pennisi di Floristella (KFG Post-doctoral Fellow)



I am currently a new postdoctoral fellow at the KFG. I have recently finished my PhD at the University of Catania on a thesis concerning the development of a regional security partnership in the Southeast Asian region. Since then I have strongly developed an interest in comparative regionalism, particularly between EU and ASEAN believing that there are strong opportunities for enhancing cooperation between these two regional organizations, in the field of non-traditional security. At KFG I am working on a project dealing with ASEAN-EU cooperation on disaster management, where I am attempting at verifying EU influence in the development of ASEAN disaster management capabilities. I really hope to have a fruitful research time here!



FAMOUS LAST WORDS

I will always remember my year at the KFG as a fascinating experience. I have really matured as a researcher during my stay here, and I would like to thank Tanja and Thomas for this and for their support and encouragement throughout the whole research project, and beyond it.

The KFG provided an intellectually stimulating environment for developing a new line of study on regionalism and regulatory governance in Latin America, and for undertaking subsequent research projects and activities.

A special thank goes for the fellow post-docs, pre-docs and senior scholars for their comments to my research and for sharing with me their ideas, and above all their time. From the workshops and conferences, to the lovely coffee-breaks and lunches, and the lively discussions at the Jour Fixe and over the classic Monday dinners in Dahlem Dorf ... every single detail made this research time very special. Last but not least, many thanks to Astrid, Katja, Ina, and all the administration staff for their kind and continuous assistance.

Andrea C. Bianculli

KFG Post-doctoral Fellow 2012-2013

Researcher, Institut Barcelona d'Estudis Internacionals (IBEI)



PROJECT INTRODUCTION

Varieties of Punishment – A new Research Project hosted by the KFG

Non-interference in domestic affairs was a pillar of early regional cooperation. By contrast, nowadays most regional organisations have instituted possibilities to use internal sanctions against members or – more rarely – foreign policy sanctions against third countries. However, not all organisations have joined the same path. Regional organisations have different opinions about sanctions and the circumstances under which they should or should not be used. While theories of regional integration and international politics can fairly well explain the overall expansion and change in character of regional cooperation, the question of why regional organisations have opted for different approaches to sanctions remains unexplained.

This question will be tackled in a three-year project funded by the Swedish Research Council and hosted by the KFG together with the Department of Political Science at Stockholm University. First, the project maps the theoretical and practical approaches to sanctions of the twelve most important regional organisations in the world. Second, it conducts a comparative in-depth study of how four regional organisations came to differ in their approaches to sanctions: the European Union (EU), the African Union (AU), the League of Arab States (Arab League) and the Association of Southeast Asian Nations (ASEAN).

The EU has never used its internal sanctions provision against breaches of “common values” (the ‘sanctions’ on Austria were bilateral). Instead, it is the only regional organisation that systematically employs foreign policy sanctions. The AU is committed to using sanctions automatically whenever there is an “unconstitutional change of government” on the continent. This highly institutionalised regime has been complimented for its consistency and predictability, as well as criticised for its rigidity and conservative implications. The AU does not use sanctions outside of the African continent. The Arab League has on some occasions employed sanctions against both members and non-members in connection to its conflict with Israel. However, the recent sanctions against Libya and Syria are unique as reactions against

events occurring within the borders of its member states. Finally, ASEAN’s interpretation of the principle of non-intervention precludes sanctions to be used either within the region or against third countries. Until recently, its approach to sanctions was branded by its lobbying for international sanctions against Burma/Myanmar to be lifted.

The project tests the argument that the differences in post-Cold War regional approaches to sanctions originate in different concepts of the region, which are inherited from formative events specific to each region. In particular, it is hypothesized that exposure to sanctions or similar punitive instruments during the early period of regional cooperation may explain the different trajectories chosen.

Elin Hellquist (KFG Post-doctoral Fellow 2012/2013)

The project will start during the spring of 2014 and run for 36 months. For more information, please contact Elin Hellquist at Elin.Hellquist@EUI.eu or Elin.Hellquist@gmail.com



FAMOUS LAST WORDS

At the KFG collegiality is combined with critical debate and intellectual openness with a steady thematic focus. As a postdoctoral fellow I enjoyed excellent conditions for developing my own research and also had access to an exciting program of academic activities. I benefitted enormously from the rich discussions at the weekly jour fixes and from the daily interaction with colleagues of different backgrounds and levels of seniority. Many thanks to Tanja and Thomas as well as to the outstanding KFG-staff for creating a friendly and inspiring research environment!

Elin Hellquist

KFG Post-doctoral Fellow 2012-2013



REPORT

”The Euro will never succeed, and it will never fail.“

Benjamin Cohen's Lecture "The Euro Today: Is There A Tomorrow?" at Freie Universität Berlin

On June 14, 2013, Benjamin J. Cohen gave a talk at Freie Universität. Cohen, who is Professor of International Political Economy at UC Santa Barbara, is known for his book on the “Geography of Money”. He was invited by the KFG and the International Research Training Group “Between Spaces” to talk about the future of the euro as an international currency. As the somewhat pessimistic title of the lecture—“The Euro Today: Is There A Tomorrow?”—suggests, this was not meant to be a pep talk for worried Europeans. In fact, Cohen’s short answer to his own question is: No, the euro will not bounce back from its current crisis, but instead face a “long, lingering slide into marginality”.

First, some preliminaries: Cohen was not talking about the future of the euro as the currency used by members of the Eurozone. Instead, his talk was about the euro’s role as an international currency: To what extent will it be used by non-Eurozone countries— not as a substitute domestic currency (“dollarization”), but for international purposes? Technically speaking, the question is about the use of a currency as a unit of account, store of value, and/or medium of exchange. Or in more practical terms: The question is whether a currency is used in trade, investment, and foreign exchange reserves held by central banks.

To put it short, Professor Cohen’s argument here was that the euro is nowhere close to the dollar both in scope (which functions it fulfills) and in domain (where / by whom it is used). The crucial problem, according to Cohen, is that there is no genuine European federation to support the currency. Without an institutionalized transfer union, fiscal imbalances in the EU can only be fought by political agreements. A repetitive pattern of rescue packages and “shoddy compromises” is the result, and the permanent pressure on debtors to implement austerity policies leads to an “anti-growth bias” inherent in the euro project.

This fundamental flaw of the euro, according to Cohen, eventually lets market actors (investors, traders, etc.) lose



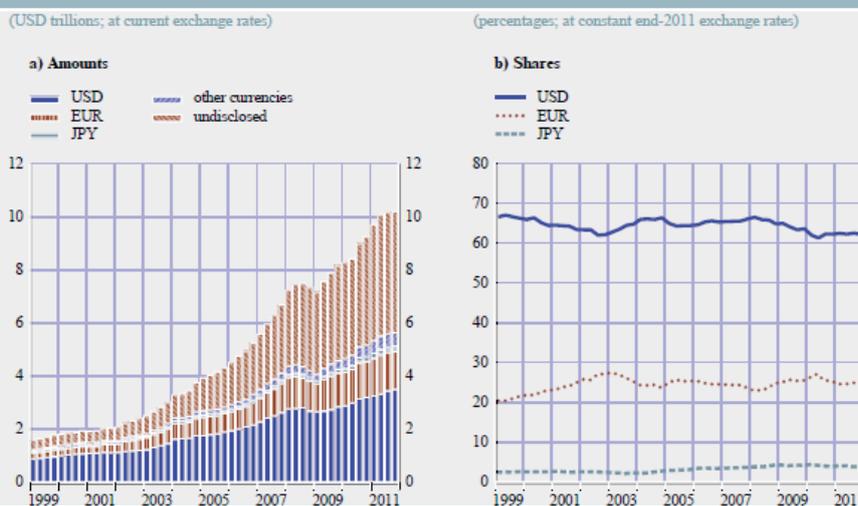
Benjamin Cohen during his speech at Freie Universität.

confidence in the stability of the euro and discourages them from using it for international trade and financial needs. Thus, while EU policymakers won’t let the euro die, it will never become a full-fledged international success. The only possible solution—a political federation with an automatic transfer union to fix fiscal imbalances—is out of reach: According to Cohen, the EU’s and the Eurozone’s best days are behind them; now both groups have just grown too diverse and too big for their own good.

While Professor Cohen certainly has a strong argument to make and was careful to base his prediction on well-justified claims, to me it seemed that he chose to neglect some more optimistic readings. First, while he addressed several changes in the EU, he failed to specify why exactly a grand bargain should be impossible. Learning and political leadership were not mentioned. Second, his empirical claims about the decline in the euro’s international usage could have been more persuasive. Looking at the 2012 report by the European Central Bank on the international use of the euro, it seems that the European currency was “relatively resilient”. The exchange rate hasn’t collapsed, and a quarter of worldwide official foreign exchange reserves are held in euros.

This brings us, finally, to Professor Cohen’s proposed link between structural political problems and the confidence of market actors: Will bankers, traders, investors etc. really

Chart | Currency composition of global foreign exchange reserves



Source: European Central Bank (2013): "The International Role of the Euro" available [here](#).

abandon the euro? Cohen says yes – because they are doubtful about the long-term “economic vigor” of the Eurozone. I am not entirely convinced this outlook is justified, since there are other factors relevant for the decision-making of market actors. After all, this is a currency that reduces their dependence on the dollar and has historically kept a stable exchange rate as well as low inflation. Overall I found Cohen’s criticism of Eurozone policymaking more convincing than his claims about the

they have previously invested. This path dependence has so far helped the dollar to maintain its role and might now have a similar supporting effect on the euro.

Mathis Lohaus (KFG PhD Candidate)

This is an extended version of a text originally posted on the IR Blog: irblog.eu/cohen-euro-international-currency



FAMOUS LAST WORDS

I had the great opportunity to have a fellowship at the KFG for four months between 2012 and 2013. I vastly enjoyed my stay during which I could focus on my own research, interact with the other fellows, as well as Tanja and Thomas, and get engaged in fruitful discussions with all of them. I learned a lot from all this experience and my work has been greatly inspired by interacting with the KFG community. Ever since I got back to my home institution, I have been marketing the idea (and institution) of “jour-fixe” to be adapted. I will keep you posted about the outcomes of institutional adaptation, given the domestic constraints. A final word about the KFG staff: They were just great. Many thanks for all the support you provided!

Isik Özel

KFG Visiting Fellow 2012-2013



PAPER PRESENTATION

When European integration becomes costly: The Euro crisis and public support for European economic governance

Theresa Kuhn and Florian Stoeckel present their recent Research Paper

The current sovereign debt crisis has put a price tag on the aim of unifying the peoples of Europe. On the one hand, economically stable countries have to stand in for their crisis-struck neighbouring countries. On the other, receiving countries have to give up important decision-making power in the economic sphere, and are forced to implement rigid austerity measures that are highly unpopular and put many citizens under economic strain. Against this background, we ask to what extent do European citizens support European economic governance in the Euro crisis? Are those citizens who are most likely to benefit from economic governance also willing to accept it? We try to answer these questions by analyzing the structure of public opinion on European economic governance using Eurobarometer data from 2011. By European economic governance we mean intergovernmental cooperation, supranational regulation, and EU oversight in the economic sphere.

Intuitively, one would expect that support for European economic governance is structured similarly to EU membership support. In other words, people who favour European integration might also favour increased economic cooperation to solve the sovereign debt crisis. However, our quantitative analysis of survey data from 27 EU member states shows that EU support and support for European economic governance are not one and the same thing. In fact, many of the characteristics that explain orientations towards European integration fail to predict support for European economic governance. For instance, educational attainment, a powerful variable to explain different views on EU membership support does not explain public opinion on European economic governance. The same is true for occupational groups. In sum, we only find weak support for a relationship between

socio-economic background and attitudes towards European economic governance. Results are clearer with respect to sociotropic utilitarian considerations: The better a country's economy, the less are its citizens inclined to endorse economic governance. This finding suggests that people in economically healthy member states are afraid that European economic governance may harm their economy, while people in crisis-ridden countries welcome it.

Additionally, political identities turn out to be decisive in explaining different opinions on European economic governance. That is, citizens who consider themselves as Europeans are much more likely to welcome EU action also in the economic realm than citizens with an exclusively national identity. However, we also find that in poor member states exclusive national identity has a weaker impact on European economic governance. Apparently, expected economic gains might in part offset identity-based reservations of people with exclusive national identities. One could argue that citizens in poor member states perceive the constraints on national sovereignty imposed by European economic governance as a bitter, but necessary, pill to swallow. In contrast, in economically stable states, European economic governance is likely to be perceived as an additional burden of responsibilities and costs.

**Florian Stoeckel (KFG Visiting Fellow) and
Theresa Kuhn (former KFG Post-doctoral Research Fellow)**

The full article is forthcoming in the Journal of European Public Policy. A draft is also available on the authors' websites www.florianstoeckel.de and www.theresakuhn.eu.

PROJECT INTRODUCTION

TRANSWORLD

Redefining the transatlantic relationship and its role in shaping global governance



TRANSWORLD is a consortium of 13 academic and research centres from the EU, the US and Turkey with the aim to examine the evolution of the transatlantic relationship and its role in shaping global governance architectures. Launched in March 2012, the project is funded for three and a half years within the Seventh Framework Programme of the European Union. Partner institutions involved in the consortium conduct research within work packages corresponding to several arenas of transatlantic relations. One of the TRANSWORLD's aims is to understand whether transatlantic relations are drifting apart, adapting along an ad hoc cooperation-based pattern, or evolving into a different but resilient special partnership. By assessing the role of a re-defined transatlantic relationship in the global governance architecture, the consortium also aims to provide tested policy recommendations on how the US and the EU could best cooperate to enhance the viability, effectiveness, and accountability of governance structures.

Thomas Risse and Nelli Babayan from Freie Universität Berlin are responsible for the work package investigating the strategies of and approaches to democracy and human rights promotion by the European Union and the United States. Since the start of the work package

in July 2012, the researchers from FU Berlin involved in the project have produced several working papers and have also contributed to the work packages led by other partner institutions. The latest contributions on EU and US democracy and human rights promotion policies involved the analysis of the adjustment mechanisms that induce these democracy promoters to modify their strategies. Thus, these papers contrasted EU and US decision-making within democracy promotion with the aim of tracing possible convergence and identifying the events that have been likely to lead to adjustments in policy. The analysis of the EU's democracy promotion has showed that the adjustments have been more pronounced after external shocks, while the EU has not been inclined to adjust its approach when extending its democracy promotion to other regions. The analysis of US policies has showed that discursive and practical adjustments to US approach to human rights and democracy promotion followed from the 9/11 attacks and presidential changes, thus US policies are likely to be more susceptible to internal, rather than external, developments. The work package led by FU Berlin continues its research with the aim of answering the aforementioned overarching TRANSWORLD questions. All working papers produced by the consortium are publicly available on [TRANSWORLD webpage](#).

Nelli Babayan (Research Associate, TRANSWORLD)

www.transworld-fp7.eu

REPORT

“EU Studies Workshop” and Authors Workshop in Tel Aviv

"COPING WITH CRISIS MANAGEMENT AT THE REGIONAL LEVEL", OCTOBER 31, 2013, TEL AVIV UNIVERSITY

WORKSHOP PART 1

The EU Studies Workshop was funded jointly by the Research College “The Transformative Power of Europe” (KFG), the Hartog School of Government and Policy, the Israeli Association for the Study of European Integration (IASI), under the academic responsibility of Dr. Arie Krampf and Dr. Tal Sadeh.

Initiated as a joint German-Israeli project, the workshop sought to bring together researchers from Israel, Germany and from other European countries to discuss issues regarding the European Union and EU/Israeli relations. Moreover, a major objective of the workshop was to promote collaboration between the KFG and the Hartog School and to encourage Israeli students to pursue this research path.

The papers presented in the workshop covered various topics, such as the European energy problem (Prof. Arie Reich), issues of Jewish identity (Prof. Amikam Nachmani), or processes of civic integration in Europe (Prof. Yosi Shain). Prof. Gerald Steinberg presented a critical and controversial view regarding the role of European NGO's in the European foreign policy towards Israel. In a panel about the Eurozone crisis, Prof. Moshe Hirsch discussed the construction of social identities and collective memories in response to the crisis, while Prof.

Sonja Puntischer Riekmann and Dr. Doris Wydra analyzed different national discourses and representations of the crisis. Adding yet another perspective on the crisis, Dr. Arie Krampf discussed the transition in the German position regarding the crisis management strategy. Finally, Dr. Sebastian Krapohl presented a comparative theory of regional integration.

In the round table, the workshop participants debated the consequences of the German election for the future of the European Monetary Union (EMU) and the EU/Israeli relationship. Prof. Jerry Cohen presented a grim forecast for the Eurozone, with further integration into a political union as the only way out. Prof. Tanja Börzel argued that the results of the German election were a vote of confidence for Merkel, and that no significant change should be expected both in respect to the EMU and in respect to Israel. Despite the tensions between Israel and the EU, Prof. Alfred Tovias recommended that the Israeli government keep close relations with the EU. Concluding the round table, Dr. Tal Sadeh argued that Merkel's victory could be an opportunity for Germany and the EU to promote the Turkey's accession to the EU. In his keynote speech, Prof. Thomas Risse gave an optimistic outlook for the Eurozone even without becoming a Political union

WORKSHOP PART 2 – 3RD AUTHOR WORKSHOP

On November 1, 2013, the third author workshop of the project “Coping with Crisis: Financial Crisis Management at the Regional Level”, took place at Tel Aviv University. The project, which has been funded by the KFG and started in November 2012, was organized by Dr. Arie Krampf and Prof. Barbara Fritz. In addition to Dr. Krampf and Prof. Fritz, contributions were presented by Prof. Benjamin Jerry Cohen, Lau-

risa Mühlich (co-author with Prof. Fritz), Prof. William Grimes (participated through net-meeting), Dr. Sebastian Krapohl, Prof. Sonja Puntischer Riekmann, and Dr. Doris Wydra. Researchers from Tel Aviv University attended the workshop and served as discussants.

The project “Coping with Crisis: Financial Crisis Management at the Regional Level”, is the product of a collective

effort of economists, political economists and political scientists. The key purpose of the project is to understand the process of regional financial integration and coordination and to explain why regions respond differently to the challenge of maintaining financial stability. The point of departure is that recent global and the Eurozone crises led to the consolidation of different regional arrangements and strategies to cope with financial instability. The new strategies and the ideas that legitimize them

shed new light not only on regional and international responses to the current crises, but they also call for a reconsideration of our understanding of regional and international responses to financial instability and of the construction of the global and regional financial governance architectures in the past.

Arie Krampf (former KFG Post-doctoral Research Fellow)



FAMOUS LAST WORDS

I was excited when I learned that I would spend a year at the prestigious Otto-Suhr-Institut für Politikwissenschaft and work with Tanja and Thomas, whom I only knew from their articles and books. And I was almost as excited about going to Berlin, this buzzing, up-and-coming European capital. The year went by incredibly fast. I learnt a lot during my time at the KFG. I found ideal conditions and had a very productive year. I was certainly lucky to have the chance to spend this year here. Looking back, there are so many things I will miss: Among them are the great discussions over lunch with my fellow Post-Docs, the inspiring Monday evening debates, newly found friends and the friendly and collegial atmosphere at the KFG. And perhaps I will even miss the city of Berlin a little. But that seems completely secondary now in retrospect.

Ali Arbia

KFG Post-doctoral Fellow 2012-2013



FAMOUS LAST WORDS

I had the opportunity to spend three years at the Kolleg-Forschergruppe at the Freie Universität Berlin as a doctoral fellow. The time I spent at the KFG was, without any doubt, a tremendous experience, equally importantly, a challenging one. Ph.D. is truly a long way with many ups and downs! And it is definitely not a picnic although the KFG is located in a green corner of the city surrounded by lovely ponds. Being a doctoral fellow at the Research College enabled me to see the light at the end of tunnel on this bumpy road. The College not only provided a unique learning atmosphere in which I had a chance to enjoy being with senior academics, bright researchers, post-docs and Ph.D. candidates, but also financed my field trips and conference participations which made my work more fulfilling than it would have been otherwise. Now I am coming to the end of my Ph.D. journey and the KFG had the lion share in making this ride an enjoyable and stimulating one! Special thanks go to Tanja and Thomas for giving me the chance to be part of this productive research community and also to the administrative team at KFG for the great work and friendly help, and of course to all my doctoral peers.

Digdem Soyaltin

KFG Ph.D. Candidate 2010-2013

Swedish Institute Doctoral fellow at Stockholm University Institute for Turkish Studies (SUITS)



REPORT

Regionalism, Norm Diffusion and Social Policy: Dealing with Old and New Crises in Europe and Latin America

Co-organized by Andrea C. Bianculli & Andrea Ribeiro Hoffmann

The main aim of the workshop was to explore to what extent the provision of social policies at the regional level can address the problems derived from the current economic crisis. While European Union (EU) member states welfare systems are being challenged by unprecedented levels of public indebtedness, regional integration, however, has so far been timid in reproducing domestic social models at the supranational level. On the contrary, Latin American countries have never achieved to build comparably efficient welfare systems; poverty and exclusion have been endemic problems in the region. Regional initiatives on social policy have also been hesitant, but have recently become rather extended.

The specific questions addressed were: What role can regional organizations play in the area of social policy? Can the provision of social policy at the regional level address the long existing problems in Latin American development and the new problems in Europe? To what extent, and how do regional models of social policy in Europe and Latin America travel in the context of their biregional relations? The workshop explored these questions focusing on the demand and supply side of governance at the regional level and the transformative power of regions, based not only on institutional change, but on the diffusion of policy ideas in the area of social policy as well.

To effectively deal with these compelling issues, the workshop included two panels on the more general question of the role regional organizations can play in the area of social policy, whereas three other panels dealt with this issue from a sectoral approach, namely employment, education and health. The perspective of the papers ranged from normative analyses to theoretical approaches and empirically oriented studies of institutional change and policy diffusion in regional organizations and interregional relations.

Following the opening remarks by Tanja Börzel, Tullo Vigevani and Juliano Akira (State University of Sao Paulo) discussed the conditions under which regional organizations can and should deal with the question of poverty, and activities linked to the objective of addressing poverty, such as social policies. Assuming a critical stance, Stephen Clarkson (University of Toronto) and Steffen Hindelang (FU) explored the consequences of the transfer of competences over foreign direct investment to the EU Commission under the Treaty of Lisbon, and how this impacts on the policy space of countries and regional organizations in Latin America in the area of social development. This discussion was followed by a case study on Bolivia and the Corporación Andina de Fomento (CAF), through which Marcelo Medeiros (Federal University of Pernambuco) and his co-authors delved into the impact of regional social and cohesion funds on social investments in member states of regional organizations in times of crisis. Finally, the paper by Sophia Schemel and Kerstin Radtke presented a rich analytical framework to analyze the effects of enlargements on regional existing norms and the substance of social policies.

In the area of employment, and with a focus on equal treatment policies at the EU level, Miriam Hartlapp (University of Bremen) looked into the implications of different time horizons of the actors involved in the supranational process of policy making for the content and effectiveness of social policies. Mariely Lopez Santana (George Mason University) reviewed and discussed policy and governance responses to diffuse and implement a new labor market policy model at the regional and domestic levels as the EU attempted to tackle unemployment. Building on the interaction between regional and international organizations, Eleni Xiarchogiannopoulou (Université Libre de Bruxelles) and Dimitris Tsarouhas (Bilkent University) analyzed the role of the EU in the

diffusion of the policy idea of flexicurity to the International Labour Organization.

Education and research policies were the focus of the fourth panel. Whereas Mercedes Botto (FLACSO-Argentina) analyzed the diffusion of policy reforms in higher education as countries and regional organizations in Latin America attempted to adapt to new global demands and regulatory standards, Daniela Perrotta (University of Buenos Aires) presented a contextualized analysis of MERCOSUR's regional policy for the accreditation and quality assurance of undergraduate university degrees. Turning the focus to the EU, Carina Breschke (FU) looked into a rather unexplored issue: the articulation and consolidation of the European Research Area.

Finally, the fifth panel explored health policy. Andrea C. Bianculli (IBEI) and Andrea Ribeiro Hoffmann (FU) analyzed the extent to which Mercosur reproduces or represents a window of opportunity for member-states to tackle their 'health gap', i.e. the decoupling between norms and their implementation. Looking into recently created organizations, Pía Riggirozzi (University of Southampton) discussed the innovative approach to health promoted by UNASUR as the organization attempts to move beyond intergovernmentalism through the activation of networks. Based on a comparative analysis of the EU and UNASUR, Stephen Kingah presented a paper co-authored with Luk van Langenshove (UNU-CRIS) in which they elaborate an analytical framework to explore the conditions under which regional organizations should engage in cooperation and diffusion of health policies. Also from UNU-CRIS, Liliana Lizarazo presented a paper

co-authored with Philippe de Lombaerde, which explores the conflicts between human rights norms and economic conditionalities imposed by regional and international organizations – namely, the EU and the World Bank – to explore this question comparatively in Colombia and Spain in times of economic crisis.

Apart from the relevant papers presented, the workshop benefitted greatly from the contributions of discussants that provided relevant insights on the papers but also on the wider issue of social governance in the context of regional integration and globalization from different analytical perspectives. These included Sergio Costa (FU), Kai Schulze (University of Potsdam), Juan Díez Medrano (IBEI-Universidad Carlos III de Madrid) and Florian Hoffmann (University of Erfurt).

Finally, the co-organizers summarized the main points of the extremely rich presentations and discussions, which certainly opened a space for the discussion of social policies and regional organizations. To build up on this, the co-organizers pointed out two ways ahead in terms of follow-up and possibilities of further collaboration: co-authors will work on an edited volume proposal, and a second meeting will take place in the context of the FLACSO-ISA Joint Conference scheduled for July 2014 in Buenos Aires, Argentina.

**Andrea C. Bianculli (former Post-doctoral Research Fellow),
Andrea Ribeiro Hoffmann (Visiting Assistant Professor for
European Integration)**

WORKING PAPERS

Latest Working Papers

All KFG Working Papers are available [here](#).

WORKING PAPER 51

Templates for Trade: Change, Persistence and Path Dependence in U. S. and EU Preferential Trade Agreements

ALI ARBIA – SEPTEMBER 2013

Over the last two decades, Preferential Trade Agreements (PTAs) proliferated through the international trading system. PTAs created a web of rules paralleling and extending the system of the World Trade Organization (WTO). PTAs are an increasingly dominant feature of the international trading system, adding to a steadily increasing complexity. Their content is rarely studied systematically across agreements, and the mechanisms leading to their genesis are little understood. It is typically assumed that actors like the European Union (EU) and the United States (U. S.) work off a template when negotiating PTAs. Some argue that this allows them, amongst others, to impose a regulatory regime. This working paper attempts to put this claim to the test. Using diffusion theory as framework, it analyzes PTAs signed by the EU, the U. S. and their regional trading partners. Understanding the use of templates will help negotiating parties to assess the margin of maneuver when negotiating PTAs with the EU and the U. S. as well as the rigidity of their mandate. The analysis is conducted on a regional and a domestic level using aggregated data on PTA content and a qualitative assessment of selected PTA provisions (anti-corruption, environment and cultural cooperation). The study finds that the flexibility of these mandates is considerable and that templates, if used at all, can change substantially over time.

WORKING PAPER 52

Political Legitimacy in a Non-optimal Currency Area

FRITZ W. SCHARPF – OCTOBER 2013

On the basis of a brief reconstruction of the causes and impacts of the Euro crisis, this paper explores, counterfactually and hypothetically, whether the new Euro regime, insisting on fiscal austerity and supply-side reforms, could have prevented the rise of the crisis or is able to deal with its disastrous economic and social impact. A comparison with the likely impact of transfer-based Keynesian reflation suggests that, in both cases, economic success is uncertain, while both approaches are likely to produce severely negative side-effects. In light of such dismal policy choices, attempts to politicize European election campaigns are more likely to provoke unmanageable policy conflict than to overcome the input-oriented, democratic deficit of European economic governance.

WORKING PAPER 53

Regional Blocs, Transnational Actors and Interest Mediation: The Cases of Mexico and Turkey

IŞIK ÖZEL – NOVEMBER 2013

This working paper explores the processes in which accession to different regional blocs has affected the ways the state interacts with societal actors, along with the interest representation and mediation models in both member and accession countries. Focusing on Turkey and Mexico, two upper-middle-income countries situated on the fringes of major powers and integrated into the regional blocs led by those, the paper examines the differential impact of the European Union (EU) and the North American Free Trade Agreement (NAFTA) on

the organization and mediation of business interests; the ways in which these interests are incorporated into policy-making; and the processes of social dialogue. Taking into consideration the fundamental differences between these two regionalisms, it looks into both direct and indirect mechanisms with respect to the influence of regional-level actors on domestic actors and institutions. Maintaining that the impact of regional blocs cannot be easily isolated from that of international, transnational actors and processes, the paper scrutinizes the respective roles of international actors and transnational networks which, at times, have become more influential than the regional blocs in bringing about major institutional changes at the domestic level. Thus, it sheds light on processes of comparative regionalization and their varying influences on distinct polities, which is usually combined and even furthered or, rather, obstructed by the influences of transnational, international and global forces, along with domestic actors and institutions.

WORKING PAPER 54

Those Who Knock on Europe's Door Must Repent? Bilateral Border Disputes and EU Enlargement

ANDREW GEDDES AND ANDREW TAYLOR – NOVEMBER 2013

This paper explores a neglected aspect of the wider debate about EU enlargement; namely bilateral disputes between a Member State and an applicant, where the former uses, or threatens to use, its membership to block membership to resolve a dispute. As we show through analysis of three cases - Italy and Slovenia, Slovenia and Croatia, and Greece and Macedonia - the EU's transformative power does not always flow 'outwards' towards the state seeking membership. This raises interesting questions about enlargement as international bargaining between sovereign states filtered via a supranational entity formally responsible for the negotiations. Our cases suggest limits to the EU's transformative power in the context of disputes that are linked to the meaning and significance of borders. When enlargement intersects with identity politics, the result can be potentially destabilizing in ways that can lead to a decline in the EU's legitimacy. It is not surprising that the Commission prefers disputes to be resolved bilaterally or via a third-party.

WORKING PAPER 55

Follow your Neighbor? Regional Emulation and the Design of Transparency Policies

DANIEL BERLINER – NOVEMBER 2013

How do countries make policy in an uncertain world? Do policymakers look inward, rationally designing policies to fit domestic interests, ideas, and institutions? Or do they look outward, imitating policy elements from other countries? And if the latter, where do they look? Focusing on the specific policy area of Freedom of Information laws, I argue that regional emulation plays an important role in shaping policy design. Policymakers face substantial uncertainty over the consequences of different design choices, and so emulate other countries as policy models. I further argue that, due to availability bias, countries in the same region serve as the most important such models. After reviewing numerous examples of such emulation, I model the policy similarity between 4,096 pairs of countries, and find that countries in the same region, or more geographically proximate, tend to have more similar laws than other country-pairs. These results are robust to different categorizations of region, fixed effects capturing country-specific features, and testing against alternative forms of emulation as well as alternative diffusion mechanisms of competition, coercion, conditionality, and learning. This approach also highlights the diffusion of policy design, as opposed to adoption, as an important future direction for policy diffusion research.

WORKING PAPER 56

The Transformation of European Migration Governance

ANDREW GEDDES - NOVEMBER 2013

This paper explores the role played by the production and use of knowledge about international migration – or to be more specific the incompleteness of such knowledge – in driving new forms of EU migration governance. The focus is on the transformation of modes of governance linked to the roles played by instrumental, social and communicative logics of institutional action. The paper shows that, while the key referent for migration governance in Europe remains the state and associated state-centered logics of control, it is now evident that both the understanding of the issues and the pursuit of policy objectives are clearly shaped by the EU. A key reason for this is the role played by uncertainty related not only to the causes and effects of international migration, but also about the actual numbers of international migrants living both regularly and irregularly in EU member states. In contrast to existing approaches that see uncertainty and incomplete knowledge as causes of policy failure, this paper sees uncertainty and incomplete knowledge as creating social and political opportunities for EU action linked to the quest for more and ‘better’ knowledge with resultant conceptual and practical space for ‘transgovernmental’ relations among government units working across borders.

WORKING PAPER 57

The Effect of Trade Agendas on Regulatory Governance - When the EU Meets the Global South

ANDREA C. BIANCULLI – NOVEMBER 2013

This paper focuses on the significance of regulatory governance at the regional level. In doing so, it analyzes to what extent and how North-South negotiations give rise to particular forms of regulatory governance in the developing world. To what extent do these forms vary across policy areas? Which elements account for the observed differences and similarities? Empirically, the paper explores the negotiation process between the European Union (EU) and the Southern Common Market (Mercosur), which aims to promote trade liberalization on the one hand, and the harmonization of regulatory frameworks on the other. The focus is on the trade and cooperative agendas involved in trade facilitation and education. Findings suggest that the negotiation of North-South agreements impacts on the ways in which different forms of regulatory governance are expressed, but this varies among particular policy issues. Both the type of norm promoted and the capacity building mechanisms envisaged create a particular ideational and material context, all of which in turn affects the actor constellation – type of actor, specific role and network configuration – hence leading to different regulatory governance regimes among policy areas, yet within the same trade negotiation.