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**Research Proposal**  
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**Topic:** *The Europeanisation of the German co-operation in Central and Eastern Europe. A study of the bilateral technical assistance in Estonia, Poland and Hungary.*

Due to a historical responsibility to CEEC, German contributions to bilateral as well as multilateral assistance to the transformation of CEEC are the most important in terms of volume and mobilisation beside the United-States', UK's and France's (OECD-CAD, 1996)<sup>1</sup>. **But is this assistance and its impact on CEEC as specific as it is commonly said to be? In how far is the assistance in fact mainly benefiting to German business actors?**

**1. Theory (questions, hypothesis)**

As I believe that a sociology of international relations based on an interactionist point of view is epistemologically richer than the mainstream perspective<sup>2</sup>, I would like to focus on the challenging, co-operating and overlapping assistance activities driven by diverse German actors (*Bund, Länder, cities, state agencies, companies, chamber of commerce, NGO's, labour groups, business consultants...*). *How do these actors anticipate the enlargement as far as they help associating the Eastern partners at European transnational networks? What kind of resources do they mobilise in order to build or integrate co-operation networks drawn on the "business of assistance" (J. Putzel, 1998)?* Projects related to social and environmental preoccupations will be the core of my analysis, as these sectors have recently become priorities in the enlargement process. While one of IR concerns is to analyse the changing role of the state in the globalisation context, I would like to show that **in those sectors, where the European welfare state is traditionally very present, governmental actors are in fact relayed by non-governmental and especially business ones.** Therefore, I will focus on interactions between different actors on these fields.

**The main empirical questions will be the following: *In how far is the EU liberalisation process affecting co-operation networks built at different levels between German and CEE actors? How do governmental and non-governmental (mostly business) actors co-operate on social and environmental projects of assistance?***

At a larger and more theoretical scale, the place of the state in the "business of assistance" will be questioned: how is the German foreign policy evolving in the context of multilateralisation<sup>3</sup>? Mainstream scholars consider foreign policy as the exclusive domain of

<sup>1</sup> In 1994, the German government represented half of the total G7 aid, and since 1989, it contributes to more than 25% of the EU Phare budget.

Many administrations, especially from centralised states, are interested in research analysis on strategies adopted by other European and especially federal governments in the framework of the assistance to CEEC. Only few academic works concentrate on the German aid to CEEC.

<sup>2</sup> On the epistemology of a sociology of international relations, see B. Badie, M-C Smouts (1999). For a transnational definition of IR, see Thomas Risse (1995). For network analysis, see Manuel Castells (1998).

<sup>3</sup> On this point, we follow Peter Katzenstein's analysis of Germany's position in Europe. This author claims that Germany's foreign policy is embedded in the multilateral European context, and that the federal components of the state reduce it to a semi-sovereign state. Peter Katzenstein (1987, 1997a, 1997b). Furthermore, there is a large literature on the Europeanisation of public policies that we apply here to foreign policy (For example see Heather Grabbe, Claudio Radaelli, Beate Kohler-Koch).

states: For them, diplomatic preoccupations are disconnected from economic and social ones. I would like to point through the analysis of the German assistance to CEEC that foreign policy in fact concentrates on the building of networks at different international, national, regional and local levels, and that in the context of globalisation and European integration, private and transnational actors are more and more associated to the implementation of foreign policy<sup>4</sup>. One should understand this as a response to the growing interconnection between external and national preoccupations, as well as between diplomatic, economic, social and environmental policies<sup>5</sup>.

***My theoretical concern will therefore consist in understanding how the EU integration and enlargement processes are redefining traditional relations between state, market and civil society, in western as well as CEE countries, by encouraging the making of transnational networks.***

In order to analyse this, **I have chosen to concentrate on the bilateral governmental programme *Transform***. Built on the logic of transnational networking, *Transform* or “the general concept of consulting on democracy building and on social market economy in transition countries”, is the major initiative of the German government in favour of bilateral technical co-operation with Central and Eastern European countries (CEEC). Created by the Kohl government in 1993 in order to co-ordinate bilateral assistance projects begun in 1989, it was conceived as a complement to the EU Phare programme. *It mainly consists in education and formation of selected partners from 11 countries, which, according to criteria determined by the OECD, are involved in a transformation process*<sup>6</sup>. Between 1993 and 2000, more than 1500 projects were implemented through *Transform* in manifold sectors – economics, politics, agriculture, law, environment, social matters – although in reality, they mainly concentrate on economics. Between 1990 and 2000, **a total of 2.377 billion DM**<sup>7</sup> was spent for consulting activities as well as other matters, mostly under the label *Transform*.

***Transform*** was officially elaborated to democratise and shape rules and institutions in CEEC according to the German “model” of social market economy<sup>8</sup>. But as for Phare (Lequesne, 1996), **it helps in reality backing up German companies in targeted countries**, i.e. regions where the German economy had already developed before 1989. In this context, **the policy framework of *Transform* is definitively liberal and the social market economy is rather a label used by public actors in order to reach two majors aims**: 1) make German private actors win assistance contracts and influence structural and legal features as well as practices, 2) build long lasting networks drawn on confidence through education and training, and change Germany’s image abroad by publicising successful projects. As some actors denounce the failure of many projects, what are the obstacles encountered by the diverse actors at different levels? ***How far is the European integration an exit gate for the different actors, which in return shapes their actions (Europeanisation)?***

<sup>4</sup> This remark refers to a large literature on the privatisation of the state.

<sup>5</sup> On the first point, see Robert Putnam (1988).

<sup>6</sup> They include Belarus, Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovakia, Russia, Ukraine, and since 1998, Slovenia.

<sup>7</sup> For the year 1998, the repartition of *Transform*’s budget in each sector was as follows: commercial sector (46%), training and qualifications (12%), financial sector (9%), consulting on government and law (8%), agricultural sector (7%), research (7%), consulting on administration (5%), labour, social, health (4%), environment (2%). BMWi (1998).

<sup>8</sup> Since its creation in the late 1940s, the concept of social market economy has adopted different definitions. According to Peter Eichhorn (1995), it can be defined by 3 characteristics: *solidarity* (the welfare system), *collectivity* (the corporate system), and *plurality* (the federal system, the multiplicity of autonomous actors).

As the accumulated experience of bilateral assistance is now used by German experts in order to win EU financing, this study precisely consists in (1) identifying the networks between Germany and CEEC in the social and environmental sectors, their origins and their evolving tasks in the transnational co-operation; (2) analysing which coalitions of governmental and non-governmental actors are built around specific projects, their local impact in CEEC – especially on labour markets – and the economy it generates abroad.

As there are only few accessible and trustable evaluation reports, and because it is particularly difficult to “measure” the impact of trans-sector-related actions, I will concentrate on specific and representative case studies.

## 2. Methodology

I have chosen to cross the “modelling” and “comparative method” research designs.

**One of my hypothesis is following: in cases where the German federal state only has a co-ordinator role, projects are more likely to reach their aims than when private innovation is refrained by the state, and this independently from the CEEC national political context.** Considering that financial amounts engaged are not the only relevant tools to measure the failures and successes, an empirical study of transnational networks between German and CEE governmental and non-governmental actors, of their instruments and beliefs, as well as of the difficulties encountered on specific projects, is required.

Hereby are some **variables drawn up in order to evaluate the effective impact of local projects:**

- 1) Nature of mobilised actors : The number and importance of public (international, national, regional, local) and private (companies, NGOs, consultants...) actors
- 2) Synergy of networks: The mobilisation of long-lasting bilateral (*Ostpolitik, regional, Transform*) and/or multilateral (Phare...) networks
- 3) Financial investment: The respective shares of public and private amounts
- 4) Financial return on investment (time): short, middle or long term expectations?
- 5) Local impact: labour market, adequacy with EU environmental norms...
- 6) Immaterial return on investment (image): publicisation, mediatisation of projects

For example, in an ideal case, if a project involves few governmental actors, implies a rapid return on investment, and generates positive effects on the local labour market, it is more likely to be welcomed as successful by German *and* by CEE actors<sup>9</sup>.

I did not chose yet the precise projects for the study, but **I want to make a comparative analysis of environmental and social projects driven by German actors in Estonia, Poland and Hungary**, countries which have different, contrasting politic and economic pathways. It will then be interesting to test the model and see if constants or differences are observed, depending on the above-mentioned criteria. Classification tools will have to be elaborated depending on the empirical results.

In order to deepen the analysis, I will first try to **explain the origins of the networks** (for example between the Land of Schleswig-Holstein and Estonia...) **by contextualising the chosen case studies.** The following questions will have to be kept in mind: *What were the existing networks before 1989? How did the networks evolve and develop after 1989? What are the new actors?* Therefore, official declarations, documents and evaluations (*Transform, Phare...*), press releases and existing academic analysis will be consulted. Interviews with politicians, civil servants, economic and civil actors at different levels (EU, national, regional, local) will be necessary in order to get complementary information.

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<sup>9</sup> There again, the official assistance is conceived as a means of serving economic interests, which, on the political side and when publicised may change Germany’s image abroad. In this sense, the strategies aim at anticipating the enlargement.

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