

THE EUROPEAN REACTION DURING THE FINANCIEL CRISIS

The ING case

By Julia Lastochkina

During the Dubrovnik course 'The Challenges Of The New Europe' I held a presentation on the European reaction to the financial crisis and the ING case. My main objective was to discuss the changes in policy on the different levels after the crisis occurred.

As the first step of my presentation I discussed the factors that caused the financial crisis. Experts tell us that the core causes of the financial crisis was the following:

- Growth of the housing bubble;
- Subprime lending;
- Financial innovation; and
- Incorrect pricing of risk

This all lead to the collapse of the Lehman Brothers in the US. Later, the crisis spread to the financial institutions in Europe. To make my presentation more concrete I gave an example of the Dutch bank ING, which needed to receive state aid from the Dutch government to be able to continue its business.

In Europe there is a lot of the competition legislation, which aims to avoid the distortion on the market. Art. 87 EC Treaty (now art. 107 TFEU) prohibits the excessive state aid and sets out the condition under which the state aid can be granted. In the circumstances of the financial crisis everyone realised that the competition rules can form a *legal obstacle* for the member States trying to save their economies. To be able to grant the state aid the European Commission needed to adopt a new legal framework based on art. 107(3)(b) TFEU. Under this legal framework the state aid was approved. Turning back to the example of the ING, this bank received EUR 20 billion from the Dutch government.

Moreover, some banks which received the state aid needed to be restructured. ING was one of these banks. As part of the restructuring process ING needed to split off a part of its business. The ING case is quite unique because ING did not agree with this decision and announced that it would file an appeal by the General Court against the decision of the European Commission.

This example shows how far reaching were the powers of the European Commission during the financial crisis.

Another European reaction to the financial crisis came from the Basel Committee, which had the powers to adopt the inter-banking rules, to which all banks should comply. Basel Committee is now drafting a new Basel III regulation. The main objectives of this regulation will be the prohibition of certain types of the innovative financial instruments, which are seen as one of the reasons of the financial crisis, and increase of the capital buffer which the banks obliged to have.

Looking at these changes, we see that we are moving towards more regulation. The question of the discussion was whether more regulation should be seen as something positive or something negative. The opinions during the discussion were split. Some participants thought that we need to let the market do its business while other participants were more in favour of the strict regulation of the financial markets.

CHASING THE GOLD AT THE END OF THE RAINBOW

Economic migrants and their experiences

By Giselle Diego

Societal constructs of inclusion and exclusion are strongly at play in relation to new migrants. My presentation explored the experiences economic migrants face when they begin a new life in a new country where they often face a multitude of barriers to social inclusion. These attitudes and barriers play out very clearly in the employment sector.

I considered the experiences of migrants in two markedly different regions, Southern Africa and Europe, only to find that the experience for new migrants is the same, they are marginalised to the fringes and treated as unwanted outsiders. I concluded the presentation looking at what can be or is not being done on the political level, specifically what EU policy is addressing migration.

South Africa is a real magnet in the region of Southern Africa. It is the country with the most economic and political stability in the area and naturally people from surrounding states flee economic hardship and political unrest. Migration has exacerbated the insecurities and anxieties of locals bringing about an even greater obsession with citizenship and belonging. As a result local attitudes harden towards foreigners.

I drew on some personal field observations from research I undertook in Mpumalanga, South Africa. I met with sugar cane farmers who told me that they often hire Mozambican refugees to harvest the cane. In this region, Mozambican is seen as cheap labor regardless of their legal status. Thus these dirty and dangerous jobs become racialised as they are associated with foreign workers.

For the European perspective I looked at Polish migrants in the United Kingdom because of the unique position citizens of new EU Member States in relation to freedom of movement. I used data collected by a study that interviewed new Polish migrants living in London and their experiences and feelings as new migrants.

The political debate in the UK in relation granting access to the citizens of new EU states focused very much on “what they can do for us.” From the outset the suggestion was that migrants from the EU8 would “fill in the gaps” in the labor market and as a consequence their rights to access employment have been shaped by this proposition. Thus migrants are expected to conform and integrate in a certain manner and working in certain sectors, they must fill these proverbial gaps and society and they must not aspire to anything different, the role they play in their new host society has been predetermined-or at least this is

the message one gets from such political comments. This can result in migrants working in jobs that do not match their skills and level of education. Thus making it very difficult to challenge racial assumptions associated with their status as an outsider- they face barriers to their ability to engage meaningfully with their new society.

Looking to what is being done within the EU system I highlighted a clear lack in as to the very existence of a need to address labor migration issues at an EU level. Forging and EU agenda on migration related issues has encountered structural obstacles. It is an area that is deeply politicized and touches upon sensitive chords of sovereignty. It is clear that political will is lacking among Member States, some of whom appear convinced that the communitarisation of migration particularly those in areas of labor is either necessary or desired.

Migration policy is a very powerful tool to perpetuate harmful attitudes towards migrants. While feelings of xenophobia and marginalization of migrant communities cannot be solely blamed on government policy it plays a very large role. We need to stop using migration as a political weapon and change prevailing attitudes towards migrants in order to break down the insider/outsider paradigm.

The discussion that came out of the presentation was very positive and most of the focus of the discussion was on the rights afforded to citizens from new EU Member States and namely how the right to freedom of movement will change or perpetuate attitudes towards new migrants.

I chose this presentation area because I realised I had something unique to bring to the course. I was the only Australian and I had come from a very different background to the other participants. I wanted to give a presentation that would add to the diversity of the course and the presentation, take a subject that was on the agenda but inject it with a different perspective.

EUROPE IN ACTION!

By Daniela Jocevska

My presentation was related to the first theme “European Integration and Social Inclusion: Chances for overcoming the social exclusion of vulnerable groups?” It was an interesting theme for my research, because I learned (throughout the last four years of my studies) a lot about the European Union, European goals and European policy. The main question of my presentation was how European Union outruns with the temporary problems and ‘how to build a more inclusive Europe?’ Action at the European level had an impact in various ways. The European programs and actions were created in the way to achieve the best, and fastest, results for social welfare and social security. Building a more inclusive Europe is vital to achieve the European Union’s goals of sustained economic growth, more, and better jobs and greater social cohesion.

In the field of social inclusion, EU action has finally created a clear consensus about the following key challenges:

- to eradicate child poverty by breaking the vicious cycle of intergenerational inheritance;
- to make labour markets truly inclusive;
- to overcome discrimination and increase the integration of people with disabilities, ethnic minorities and immigrants;
- to tackle financial exclusion and over indebtedness.

These four key challenges were put high on the European Union’s political agenda. The EU also created a better basis for policy making by involving a range of actors such as NGOs, social partners, local and regional authorities.

These days contemporary Europe is facing in the light of the economic and financial crisis. That means the global crisis today has a huge impact on our economies, our society, our life. Does the crisis bring misery or , does the crisis offered us chances for new policies, new ideas and new possibilities? I tried to describe the new forms of European Governance and strategies that were created on the EU level with one main aim: to overcome existing problems. Last year, EU leaders established the Social Inclusion Process to make a decisive impact on eradicating poverty by 2010-2015. Since then, the European Union has provided a framework for national strategy development as well as for policy coordination between the Member States on issues relating to poverty and social exclusion. Participation by actors such as

NGOs, social partners and local and regional authorities has become an important part of this process. Integrating plans to combat poverty into national policies increased political awareness of poverty, and exclusion, and placed it higher on national political agendas. It encouraged member States to critically examine their policies. It highlighted how countries perform well in certain areas, spurring on other Member States to perform better. Poverty, unemployment, decent housing, financial exclusion and child poverty are recognized as multi-dimensional problems which require urgent integrated actions across a wide range of social, economic and cultural policies.

The credit crunch had and still has a huge impact on our economies. Millions of people over Europe lost their jobs as a result of the crunch. The fight against poverty and social exclusion relies on the integration of people furthest away from labour market. Persistence of large numbers of people at risk of poverty and large numbers of people excluded from the labour market represents an inescapable challenge to the objective of social cohesion enshrined in the European Union treaty. The goals of the Lisbon strategy cannot be realized if we do not make the best use of the human resources present in our societies.

LOWLEVEL OF SOCIAL SOLIDARITY AS A BARRIER ON THE WAY TO THE EU

By Vitalii Iurasov

Economics

During the course in Dubrovnik Brigitte Unger was the one who offered exclusive operative perspective of the Crisis overcoming – inequality negotiation. And Ms. Unger developed her provocative idea, for a professor of economics, ordering the wealthy to share with the poor.

Naivety

And that is the question. Are the rich ready to share? Are we the people ready to share? And the answer is “yes, we are”. The readiness to help each other is cultivated in the concept of social solidarity which has mutual aid in its semantic center.

History of solidarity

We live in a special age where distant types of social solidarity live out their days. We are no more united around myths, traditions, religions and ideologies. All progressive countries are multicultural and try to uphold rational solidarity. Rational choice became the only acknowledged way of behavior and irreparably caused general rational mind and rational solidarity. In the fourteenth century my neighbors would chalk an accurate cross on my door due to the differences in our beliefs, traditions and political choices. Instead we paint our porch together. That is a simplified scheme of rational social life in Ukraine. Because we survive, find a temporary compromise, but we do not a social marriage with mutual understanding;

Charity

Charity is the indicator of social love, rational unity and new modern solidarity. Level of charity activity, attitude to charity, donors and beneficiaries shows the level of solidarity of a specific society. Attitude to death penalty, euthanasia, same-sex marriage can be the indicators too, but in post-soviet societies these topics are out of the social discourse now and charity is the only concept which clearly functions in the informational space.

Ukrainian reality

Students as the most humanistic social and demographic group, a priori tend to be good and do good. But Ukrainian students show the average score of social orientations on the level of atheists and agnostics in

the USA which can not at all be compared with the US student's level of social interest. And that is the problem. Students are the intellectual future of the society in five years they would be more cynical and skeptical and at the same time they would determine the course of things. Ukrainians are not and will not be ready to help each other. In that way they are not ready to integrate. EU, USSR or JJJ. Some help that is! No equality and assistance off Ukrainian's own bat.

Is there any light at the end of the tunnel?

Lack of solidarity is not a verdict. It's a disease and it can be cured. Students can be changed. Society can be changed. Freedom, equality and justice are the cure.

First step (*Another question concerned the criticism upon the European solidarity and engendered the following paragraph*)

Community of the taxpayer* is the most evident European example of the rational solidarity and the generation of such a community in post-soviet countries (which is exist formally but not on the level of people's interaction) could become a first step to the rational solidarity.

*Solidarity and taxpayers – two words which organically appeared and slightly circulated during the course form the kernel of my course attendance success. For Europeans these words are usual and that is important for the vocabulary of the rational society. Solidarity and taxpayers - these are two key words on the way to the rational society and I thank you for such revelation. Usual things can be unusual. Thanks for all!

FANNING THE FLAMES OR CRITICIZING THE CREDIT?

Media's Role in the Financial Crisis

By Sandra Jacobs

Having a lack of understanding of financial issues, failing to foresee the economic crisis and even having a hand in it, it is not just the banks and national governments who are accused of this matter. Journalists who report about the crisis are blamed too (Thompson, 2008). The questions that therefore arise are: what was and is happening with journalists' role in the economic crisis? Why is this subject important? And what can we probably do about this? These topics were treated in the presentation and its main conclusions will be in this report, together with the results of the discussion.

What is going on?

What is actually the problem? American and European journalists are blamed for not having enough knowledge to evaluate financial issues, which resulted in not questioning occurrences in the financial world (Schechter). Some blame media's dependence on advertising revenues, the business press especially earned much money by portraying business personalities instead of questioning their earnings (Schechter, 2009: 7). Next to that, journalists should be reporting too sensational on financial items, while neglecting good messages (Kleinnijenhuis). For example, in the Netherlands, a 'chain reaction' is mentioned; as the crisis (roughly) started in the United States, Dutch journalists reported about that and connected the credit crisis to their national institutions. That can serve as a strengthening effect; once connected to the crisis, it is difficult for companies to be disconnected (Kleinnijenhuis).

Why should we care?

On the one hand, critical and independent media are necessary for a vital democracy. They are 'oil' between citizens and government and can call political actors to account on behalf of 'the society'. However, media's position in society has been changing in the last decades. These changes urged some to speak of 'mediatization,' media are becoming more dominant in political and societal processes (Mazzoleni and Schulz, 1999: 247). Thus the risk that we run when we live in a 'mediated' society and political system, in which at the same time the journalists have a blind spot for certain developments in that society, is that politicians can tend to neglect that spot too. Such a process seemed to happen on the eve of the financial crisis.

Chances

What is more important, is what the participants in the discussion think of this topic, related to what

chances this situation brings. Three actors seem to be relevant when searching for chances in this situation: government, citizens or civil society and journalists or media themselves. Two initial suggestions for finding the balance again are a more critical government, that does not consider media coverage as its primary source and journalists who account regularly for their choices.

A relevant insight from the discussion is that it is important to take into consideration who is blaming who, in most countries, politicians and others regularly blame journalists and it should therefore not be 'new' that their role in the crisis is also scrutinized. However, from the perspective of reports about the financial crisis, it is striking that these critics do not only come from actors outside the media world, but also from the inside, next to media scientists, journalists and reporters are criticizing themselves. Nevertheless, the 'who blames who' question remains important.

Next to that, the discussion makes clear that media systems in the countries of the several participants differ. In the Netherlands, there exists 'public' (partly paid by tax revenues) broadcasting, with three channels for broadcasting organizations, which receive broadcasting time according to their amount of members. It should be noted that, 'commercial' television is totally financed by advertisement revenues. This provoked a participant from the Ukraine to say that 'it is not so bad' in the Netherlands as it might seem in the presentation. This is also connected with the another remark, which considered whether media's role can be evaluated negatively or not, since journalists are actually just 'doing their job', while the presentation is quite critical with talking about blame.

Therefore, main insights from the presentation are that while it might seem justifiable to criticize journalists' role in a negative sense, comparison with other countries and their media systems, might show that this evaluation could be less negative.

WHO TO VOTE IN TIMES OF CRISIS?

The case of the Czech Republic

By Petra Kuklova

The presentation is devoted to the political behavior of Czech voters in the time of the economic/currency crisis. On the basis of data collected I searched for similarities and connections between voting behavior and crisis.

The research question was: Do Czechs vote for the left oriented parties or for the right oriented parties in times of crisis? In looking for the answer I used the theory of Norwegian sociologist Stein Rokkan, who defined four main cleavages in society, on which political parties are based. I worked only with one of those cleavages, which uses a concept of socio-economic conflict line. The term for this cleavage is: employers x employees. It basically divides parties on the left oriented ones and the right oriented ones.

I split Czech political parties into left/right oriented parties according to the economic orientation of their political programs. Left oriented parties are practicing a policy of welfare economics with intervention of the state administration; on the contrary, the right oriented parties champion the policy of laissez-faire and the liberal market.

The theoretical part is added by an analytical one, where I analyze four/five significant seasons in the post-communist era of Czech Republic. The first one was the enthusiasm after the Velvet revolution in 1989, which was very specific. This was the only phase for which we cannot use the Rokkan's cleavage theory. More suitable for describing it is using another cleavage: communism x anticommunism, which was common in other post-communist states. The 1990 elections was the more significant line between communist elites and anticommunist opposition. The second group of parties obviously won. Socio-economic cleavage receded.

The second season was the elections of 1992, when the enthusiasm of Czech society was highly visible. Those elections, won right oriented parties, with more than 2/3 of received votes. The third important elections – early ones, came in 1998 at the time of currency crisis. Czechs voted for left oriented parties more than for others. The proportion was 98:82 in favor of the Left. In 2002, the time of crisis was still going on, which meant that inflation and unemployment rate was high and society felt uncertain about job security and the future generally. At that time, Czechs voted for left oriented parties again.

In the summary we can conclude two main points: firstly, since the 1992 elections the main cleavage in Czech society is employers – employees. Secondly, it is obvious that in those times of economic crisis Czechs vote for left oriented parties.

From the discussion some interesting views on the topic arose. We touched on such things as, impact of mass media and methods of political marketing on voting behavior. But my purpose was to look at the voting behavior only from the point of view of economic crisis in relation with the socio-economic cleavage. Another interesting note was that voting behavior in crisis differs from country to country. We found out that usually in Western democracies people vote more often for right oriented parties in the time of crisis. This is mainly due to the level of political culture, which differs in Western and Eastern democracies. In the area of central/eastern Europe, there is visible the heritage of communism even now, twenty years after the collapse of undemocratic regimes. Daniela Jocevska also mentioned, that in her home country, Macedonia, there is a very thin border line between right and left oriented parties, so sometimes it is hard to distinguish their socio-economic cleavage and policy. But I think that after analyzing political programs and voting in Parliament we are still able to follow the parties' behavior and we can place them on right or left side of political spectrum.

According to me, an interesting question which could have been asked, would also be the voting behavior of Czechs in European elections. The answer would be very simple, because generally the polls to European Parliament are in the Czech Republic treated as a “referenda” about contemporary Czech government. Czech society thinks these elections are not so important, because common people usually cannot directly see what is happening in the European Union. The turnout in these elections is very low - only about 28% and it is still falling (as in other European Union member states).

RETRAINING UNEMPLOYED YOUTH AS A PREVENTION TO SOCIAL EXCLUSION IN THE TIME OF CRISIS

By Martina Čapková

In my report I respond to one of the main consequences of the current economic crisis – unemployment. I focus on unemployed youth and graduates in the Czech Republic. In the Czech Republic the Crisis started in autumn 2008. This situation represents a huge problem especially for young people, who have recently finished their studies but have not been given an opportunity to participate in the labor market. The rate of unemployment for young people (to 24 years of age) increased from 9,9 % in 2008 to 16,6 % in 2009. This means that there is a problem with entry into the labor market really exists. The relevance of youth unemployment lies in a fact that the failed entrance into the labor market and experience with long term unemployment affects their ability to get an adequate job in the future. Simultaneously, successful participation in the labor market is essential for the avoidance of social exclusion.

For that reason I am interested in using measures of active labor market policy in the Czech Republic in relation to unemployed young people. In this paper I test the hypothesis that with the economic recession the usage of retraining in relation to unemployed young people increases. I focus on changes in the retraining range and targeting the youth during the Crisis in the Czech Republic. The research is based on the data from the Ministry of Work and Social Affairs of the Czech Republic in the period from 2005 to 2009.

The unemployed youth are disadvantaged in the labor market primarily because of their lack of work experience, so they often have a low level of human capital. The second factor is the discrepancy between the professional structure of graduates and the demands of the labor market. The unemployment of young people is dangerous because of its consequences – deformation of work habits, a downturn of motivation for working and seeking work opportunities, a loss of professional knowledge and skills, and a restriction of social contacts (Kotíková in Sirovátka and Mareš 2003). Retraining has the potential to solve these implications. Retraining is an educational program used to obtain new qualifications or to extend the current qualification. Through its indirect effect, retraining influences quality of life by providing the unemployed with social contacts, reinforces self-confidence, increases the labor market orientation and employability and maintains or creates work habits and the sense for obligations.

The outcomes show that a range of retraining in relation to young people has a descending tendency both in relative and absolute number. In 2005 the age group up to 19 years of age was represented in retraining by 7,2 % (2672 people) as a proportion of the total retraining and the category from 20 to 24 years by 18,8 % (6981), whereas in 2009 there were only 3,5 % (1384 people) younger than 19 and 12,1 % (4762 people) from 20 to 24. The situation around targeting is similar. We observe a decline in targeting to the youngest unemployed in comparison with the year 2005 – the index of targeting dropped from 1,4 to 0,7 (respectively 0,9 in the category 20-24) in 2009. This means that young people are underrepresented in the program. At the same time the category to 19 represents the second lowest index category in 2009, while in 2005 young people to 24 years of age were the most frequent participants in retraining.

The key point of this report is that the impact of unemployment, I mean not only the job loss but also the loss of motivation, work habits and social contacts, can be solved through indirect effects of retraining. Because of this fact I suggest more intensive usage of retraining with unemployed youth. The submitted hypothesis has not been confirmed - the range of retraining and also targeting has a decreasing tendency. I assume that young people in the situation of a high unemployment rate and no vacancies can decide to go back to school. The second possible explanation is that they can participate in another program with similar effects (for example job clubs).

One of the main discussed issues in the paper has been the discrepancy between the professional structure of graduates and the labor market demands. It is very difficult to adapt the education system to the flexible labor market. Another important question has been to what extent retraining is the solution to the massive problem. I think that retraining is not an appropriate solution for people without motivation to study or those who actually have a high level of human capital. An obstacle for the massive usage is also a lower level of the retraining direct effect.

Source:

Kotíková, J. (2003), *Rizikové skupiny uchazečů o zaměstnání z pohledu úřadu práce*, in Sirovátka, T., Mareš, P. Trh práce, nezaměstnanost, sociální politika, Brno, Masarykova univerzita

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RENÉ'S PAGE

Orhan Rock View



IMPRESSION

Dmytro Zaiets

Ballad about Dubrovnik

The last day of seminar
I'll go to the bay leaving doubtless
Where the sadness dozes in undercurrent
Where the seagulls scream above the sandbar
Like the mysterious silhouette of love forgotten.

Where wind above the heap of clouds blows the dawn
Where waves turn azure without reading
The old town Dubrovnik
Left the scare in my heart.

In the fuss of the city and flow of the cars
It's time to return – there is nothing to do.
And walk down from conquered intellect tops
And my heart is not here,
But lefts in Croatian mountains forever.

Quit the arguments not needed
I've proved everything myself
Better then this course
Is only a new course in Dubrovnik
Where I'm bound to be.

The last day of seminar
Much words and hops, much songs and themes
Wakes Dubrovnik in my soul,
And calls for my staying.

The last day of seminar
Much is known to me:
Souvenir shops and bars,

And fellows, of course
Whom Europe gathered today
And director's names:
Wieger, Bart, Ladi and Paul –
The apocalypses' knights.

Being prisoners of schedule
Workshops and launches are dancing with spring songs:
Funny commercials.

Before I'm away in the dark night
And measure kilometers home
I sit a little bit in the circle of friends
And twaddle lovely about integration.

I feel so comfortable here
Where the tops of the mountains
And canvas of tile roofs
Just near the window.

The end is near
The last day of meeting,
Far from the dust of active Volcano,
I clearly see my nearest future
Counting weeks before arriving
In Dubrovnik, 2012.

Much haven't I said and done
The only one thing to do is to smile.
At last shivering has gone,
Now, leave for home!

NEW CHANCES FOR INCLUDING THE DISABLED IN CROATIA

The crisis and civil society's role as a implementer of public policies

By Anka Kekez Koštro

The presentation “*New chances for including the disabled in Croatia: the crisis and civil society's role as implementer of public policies*” addressed the strategic capacity of Government and the role of Civil Society in the process of implementation of public policies addressing social problems and promoting social inclusion of vulnerable groups. The changing roles of Government and Civil Society were explored on the Croatian Policy for of Persons with Disabilities.

The Republic of Croatia is a participant of all major international human rights conventions, including the UN Convention on the Rights of Persons with Disabilities. Since 2003 Croatia has a national policy documents framing the policy for persons with disabilities. At this moment the document National Strategy for Equalization of Opportunities for Persons with Disabilities 2007-2015, adopted in 2007, defines goals, objectives as well as instruments and actors that are included in explored policy.

The Strategy envisions equalization of opportunities in 15 areas tackling different life quality dimensions as well as service provision. These areas include health, social welfare, life in community, education, rehabilitation and employment, legal protection, mobility, political and social participation, culture, recreation and sport as well as the activities of associations of persons with disabilities. Because of its involvement in different policy sectors, this policy represents comprehensive cluster policy thus demanding coordination of different actors and consolidation of different sectors in the implementation process.

Central government, ministries, agencies and institutions are anticipated as coordinators and main carriers of activities and implementers of services while local government is listed as a co- implementer in more than half measures. Nonprofit organizations are envisioned as non-formal actors and partners in the implementation, but the Strategy is not providing guidelines for the collaboration of formal and non-formal actors. As the policy is implemented in complex framework of various service providers and different sector, the most crucial barriers that are affecting the realization of rights and equalization of opportunities for persons with disabilities are connected with lack of coordination among service providers from different sectors and at different levels of government.

The problem that is a burden for the implementation of Strategy is the fragmentation of system that priorities institutions before beneficiaries. Fragmented system and services do primarily perceive beneficiary as person with needs and services are addressing these needs. Lack of coordination among service providers results in placing institutions in the centre instead arranging system around beneficiary as a center. Therefore, for example, a child with developmental difficulties will use various services provided by health institutions, educational system, social system but these service will not be integrated. Educational, social and health systems rarely collaborate and are partially sharing information what results in the lack of service complementarities and overlapping.

The problem of disintegrated system is present in all levels of government, but it becomes even more evident when looking at the regional and local level governments which are the co-implementers of over half measures anticipated by the Strategy. The realization of these measures is burdened by weak policy decentralization and the general lack of fiscal decentralization. Local and regional governments in Croatia have limited policy capacities and budgets. On the other hand, they are perceived closer to citizens and they are trying to address citizen's demands while using their own local budgets for establishing own institutions or supporting the work of nonprofit organizations. Due to fact that budget revenues differ from municipality to municipality and due to fact that policy capacities in some municipalities are underdeveloped while other are investing time and energy for plan and implement local policies, the rights and needs of persons with disabilities are addressed with big differences from region to region. That is resulting in unequal access to services and opportunities for individuals in dependence of the location where they live.

Finally, local and national government when providing services often instrumentalise nonprofits that act as service providers providing different set of services. Most common practice is open calls/tenders through which funds are provided for projects designed and implemented by nonprofit organization. Through funded projects nonprofits provide wide set of services, act as a source of innovation and are offering flexibility while placing the beneficiary in the centre. Although nonprofits are recognized by both policy beneficiaries and formal service providers as efficient and effective service provider there is still no systematic approach to their engagement in the implementation. National and local governments rarely use the mode of service subcontracting and the quality standards, procedures of subcontracting and licensing are still not established.

Fragmentation of services on national level, unequal service provision on local level and the lack of subcontracting practice by both national and local level represent at the same time the challenge and the chance for the Government facing the effect of crises and decreased budget revenues. In the discussion

following the presentation nonprofit organization were identified not only as efficient service providers that often offer good cost benefit ratio, but also as case managers which are connecting disintegrated system. Nonprofits, mainly while implementing projects financially supported by local, regional and national government, are often connecting different institutional service providers and are integrating activities among different level of government. In that work they are not only providing complementary service to these provided by public institutions but are also compensating the unfulfilled role of case managers that is anticipated for Centers for Social Welfare or Family Centers, that are both institutions established by national government with branches all regions across Croatia. The discussion was concluded with identified need to further explore, (re)identify and (re)define the role of formal and non-formal case managers that should be connecting the fragmented system.

YOUNG PEOPLE IN CONFRONTATION WITH UNEMPLOYMENT

Report by Andrijana Ilijevska

The economic crises has influence on young people, the influence is visible on their level of education and their job options. Because of a lack of job opportunities and a lack of work experience young people are staying longer in school. Positive trend, such as highly motivation to get a good education, but today more youths are pursuing higher levels of schooling than in the past, because they are aware of the importance of education and skills in the labour market. The level of education and training necessary to acquire the skills demanded in the labour market has risen considerably in the recent decades.

In the Republic of Macedonia the number of enrolled students in primary and secondary education in the school year 2007/2008 is smaller for 13.5 % (percent) compared with school year 1997/1998. Enrolment in tertiary education is increasing, because of constant changes in tertiary education, opening of a few universities working in other languages than Macedonian (Albanian, English). Also the Macedonian government gives many scholarships and loans to students, also deterioration in the job market leads young people to believe that the studying is more acceptable alternative for them instead sitting and waiting for their first job opportunity.

While the number of youth in secondary and tertiary education has increased, the labour market in our country is not able to accommodate this large group of skilled young graduates. This is partly due to a failure in our country to closely link the educational system to the needs of the labour market.

In Macedonia most of the young people just want to know which jobs are secure and they want to start earning money as quickly as possible. Young people without qualifications cannot find their own job (less educated youths are experiencing much higher levels of joblessness), however, even young people with a good education are not guaranteed finding a job.

The unemployment of young people in the Republic of Macedonia is higher than in Western European Countries, the rate of youth unemployment rate is 58,4 % in compare with youth unemployment rate in EU countries (2008).2008	EU	Macedonia
Youth unemployment rate (15 -24)	14,6%	58,4%
Youth unemployment rate - female	14,7%	57,2%
Youth unemployment rate - male	14,6%	59,1%

The intention of this paper is to explain the current situation of young people in Macedonia, and also giving a direction for solving actual problems.

The final intention is about making a reform in the labor system with creating skill development and a high competence, educated workforce. But the reform needs to be implemented into educational system, and to provide highly educated young people prepared to deal with new challenges. Educated people can be good workers especially in very complicated working places. So there is need to assure them that by staying longer in school they will acquire knowledge relevant to what the labour market needs.

But there is another approach about further education after graduating, telling us that could be no benefit in raising education and training levels, because the expectations of young people are not suitable with job opportunities, and also with available working places. Providing young people with opportunities to learn through work may prove more effective than attempting to upgrade their skills before they enter the labor force.

The conclusion from the discussion, was that current situation in our country with the youth employment situation is not without consequences for young people's daily lives. They are more financially dependent on the state and their parents, and they must find a way to cope with the situation, but not with further education. The state must continue to make a commitment to improve the quality of jobs and to fight for decent work for young people by addressing the precarious nature of jobs for young people. Efforts must be made to promote health and safety at work and access to social security (which will also prevent some young people from moving into the informal economy).

There are many ways to provide better live for young people, but the most important way is by providing them with real job opportunities.

EUROPEAN VALUES AND EUROPEAN IDENTITY

Common currency as a symbol in economic crisis

By Pavel Krchňák

The aim of my presentation was to present a comparison of results of subjective feeling to be European between countries have already adopted Euro as common currency and the rest of members of EU with their own national currencies. The main research question was: *How big is relation between adopting of Euro as common currency and level of feeling Europeans?* The presentation started with the theoretical framework. The theoretical part provided definition of identity from an ethno-symbolic view (A. D. Smith). After the brief theoretical part there was mentioned main challenge: *Erosion of the Eurozone and consequent failure of common currency project due to contemporary economic crisis, its impacts and risky fiscal policy on national level.* In the second part, I presented an analysis of data from Eurobarometer series, World Values Survey (2004) and European Values Survey (Third wave 1999-2000) that showed that there is no significant difference in feeling an European citizen between a group of countries using common currency and the countries without Euro. Therefore, if common currency would fail it would not stop European integration itself and the process of building of European identity because this phenomenon is much broadly based on multi-dimensional concept of 'European values'.

Oleksandra Nenko from University of Kiev asked the first question from the audience. The question was about the clash in the design conception of the euro coins and banknotes. I described that one side of banknotes and coins is designed with universal symbolic themes for all European countries (e. g. Gothic and other types of architecture) and the second side is designed by specific national symbols as an expression diversity of the cultural traditions in European countries.

Prof. Dr. Frans van Waarden from Utrecht University provided his own personal view on the influence of European identity in connection with common European currency. He described his feeling of using Euro as very comfortable and absence of duty to exchange money among current countries creates common sense of belonging to clearly defined territory. From this point of view the effect of common European currency is very positive and it intensifies the feeling of being a European. He also expressed his opinion on this topic. Prof. Waarden emphasized importance of this topic in contemporary context of Greek economic crisis and its consequences on the common currency project.

Joras Ferwerda also from Utrecht University presented his doubts about questionable relationship of the causes and implications of common currency on intensifying European identity. According to Joras there

is no clear proof what is the exact cause and what is the implication in research. I accepted the doubts but again emphasized that the problem of European identity is much more complex and this is one of the limits of the research mentioned at the beginning of the presentation.

During the questions mentioned above there were a few comments and remarks presented by Eline van Nistelrooij, Frank van Schendel or chair Prof. Dr. Bart van Steenbergen. The discussion provided me many inspirations. Especially some very good points from Joras about approaches towards the research were very well aimed and highlighted the crucial problem of all researches about identity-building processes.

LET'S TALK OF A NEW EUROPE?!

By Evert Schot

In Bart van Steenberghe's presentation at the start of the Dubrovnik course, he posed that learning a second (or even, third) language by European citizens would be advantageous for the European integration process. In my tomato reply, I criticized this argument. In my view, learning an extra language is not enough for people to get more closely involved with one another. In my own presentation, I gave one reason for this. My thesis was that *mass media pose limitations for discussion on European topics across national borders, thereby inhibiting a 'European public sphere' (EPS) to develop.*

Why would we want a 'European public sphere'?

Europe, mostly in the form of the EU, is getting more and more important in the daily lives of Europeans. On the other hand, people do not know much about European affairs. As Eriksen (2005:350) argues: "The general public usually become engaged in European affairs only if they involve some national issue or are initiated by scandals". This in fact is not so strange, considering that EU-institutions, issues and actors are already quite unknown in itself.

This low interest in European affairs is not without consequences. It creates a communication deficit for EU policy. Although much is decided in Brussels, there is no input of the public on these issues, and also no real feedback of the decisions made by the political actors. This makes that a communication deficit ('not getting the message through') creates a democratic deficit, with all its consequences for legitimizing policy output. So, to prevent the EU from becoming "an administrative apparatus, detached from its citizens", it is important to bring people together to discuss European topics with each other in a similar vein. This is, in fact, the essence of a European public sphere (Van der Steeg, 2004:1).

Why is it not already happening?

An EPS in practice will be mostly formed in the mass media (Van der Steeg, 2004). This is congruent with data from European survey, which asked Europeans what their most important sources of information about the EU were. Television (73%) and daily newspapers (54%) were by far the most important ones (Eurobarometer 61). In these types of media especially, the national viewpoint in bringing European news stands out as the primary criterion in agenda-setting, deciding newsworthiness and news selection. Furthermore, the current mass media in Europe are nationally based, written or presented in the national language by national actors (over 80% on European news; De Vreese et al, 2006) and situated in

the national culture. All this creates limitations for an EPS to develop. After outlining the limitations posed by the mass media, I will now turn to the possible ways out of this impasse. What developments could help?

Are there any Chances (in Crisis?)

First, let us look at the current (financial-economic) crisis and its effects on the matter. The effects of the crisis can be seen in two ways. On the one hand, it created news! Think, for example, of the news flow related to the financial problems in Greece and the effects on the rest of the Eurogroup. On the other, however, these issues are still being framed in a national way. The focus remains on the effects these European issues have on the individual countries, e.g. the focus on the effects of international help on the (Dutch) taxes. So, still the effects of the delivery of the news by mass media are found.

In essence, two things can be done. The first, “changing the source”, is based on changing the (national) mass media in bringing news in a different way. In a series of interviews with editors and journalists in different European countries (AIM Project, 2006), the most important reasons for the national focus are (a) limited knowledge by the editors and (b) the perception by the journalists that the general public has no interest in ‘what happens in Brussels’ and (c) the perception that nothing of (real) interest happens in Brussels. These attitudes have to be altered before European news will make it to the front pages. A second strategy is “changing sources”, thereby bypassing mass media in bringing the news to the people. In this, new social media can be the medium of the future. They mean a direct link between people all over Europe, cutting away the (reluctant) layer of journalists. Of course, blogs, twitter etc. also have their limitations (like a (still) low internet connection rate, or limited knowledge of the EU by bloggers). Still, they seem *the way* out of the impasse of the EPS, and *the way* in which people, who do speak several European languages, can get in touch with each other.

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