“The Referendum Facing Scotland in 2014,” by Dr. Andrew Strathern and Dr. Pamela J. Stewart

In Review

“Decentralization, Governance, and Inequality: A Comparative Study,” by Yasemin Carreras

Upcoming Grant & Fellowship Deadlines

EUCE/ESC Spotlight: Alexandra O’Neill

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The Referendum Facing Scotland in 2014

by Dr. Andrew Strathern and Dr. Pamela J. Stewart

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Next September, people in Scotland will have the opportunity to vote in a referendum on whether to become citizens of an independent country or to remain within the overall structure of the United Kingdom (U.K.).

Our field research in Scotland this summer, which was supported by a grant from the EUCE/ESC, focused primarily on rural areas in Ayrshire, Perthshire, and Angus, where we have worked for nearly 20 years on issues of farming policy, language diversity, like the Lowland Scots language, poetry and song, and this year in particular on the upcoming referendum for independence.

One of the benefits of long-term fieldwork is that the research worker gets to know how shifts of opinion and public mood occur over time. This summer, there was great excitement in Scotland, as the debates about history, sovereignty, and the right to hold a referendum held public attention. Though U.K. Prime Minister David Cameron agreed with Alex Salmond, the First Minister of Scotland, that the referendum could be held, he stipulated that it must be a straight out ‘yes’ or ‘no’ vote on independence and not on ‘Devo-Max,’ which is full fiscal autonomy but without full political independence. At the time, political com-

Continued on Page 7
Pictured above left: on Sept. 26, the EUCE/ESC continued its monthly virtual roundtable series, Conversations on Europe, with a video conference devoted to “The German Elections: Outcomes and Impact.” Dr. Steven Sokol (left), President of the World Affairs Council of Pittsburgh, moderated the Conversation, and Dr. Patrick Altdorfer (right), of the Political Science Department at the University of Pittsburgh, was an on-site panelist. Other panelists included: David F. Crew, Distinguished Teaching Professor of History at the University of Texas, Austin; Peter Rehberg, DAAD Associate Professor at UT in the Department of Germanic Studies; Per Urlaub, Assistant Professor of German at UT; Nils Ringe, Associate Professor in the Department of Political Science at the University of Wisconsin, Madison; and Myra Marx Ferree, the Alice H. Cook Professor of Sociology and Director of the EUCE at the University of Wisconsin. Pictured above right: on Oct. 22, the Conversation topic was “Does Turkey Have a Future in Europe?” Participants at the University of Pittsburgh listen to panelist Sinan Ülgen, Visiting Scholar at Carnegie Europe. Other panelists included Henri Barkey, Bernard L. and Bertha F. Cohen Professor at Lehigh University; Dr. Ayselin Yıldız, Director of the European Union Research Center at Yasar University, Turkey; Schamiloglu Uli, Chair of the Central Asian Studies Program at the University of Wisconsin-Madison, and the moderator was Ron Linden, Director of the EUCE/ESC. Also joining the Conversation were participants from the University of Texas, Austin, the University of Illinois, Urbana-Champaign, the University of North Carolina, Chapel Hill, and the University of Florida.

On Nov. 1, Dr. Hans Martens (standing), the former CEO of the European Policy Centre, a Brussels-based think tank, gave a lecture titled, “Listening in on Europe.” Martens is the founder of Martens International Consulting, and is the author of several books on European integration and business strategies for the European market. In his lecture, Martens questioned whether Europe finally has the Euro crisis under control and analyzed the future direction of European integration.
Decentralization, Governance and Inequality: A Comparative Study

by Yasemin Irepoglu-Carreras
PhD Candidate, Department of Political Science

A report published in December 2011 by the Organization for Economic Cooperation and Development (OECD) states that in the last decade the income gap among citizens has risen more than anywhere else in European countries. Each was previously known to be relatively egalitarian, e.g., Germany, Denmark and Sweden. Currently, on average in OECD countries, the income of the richest 10 percent of the population amounts roughly to nine times the income of the poorest 10 percent. After reading the report, I thought deeply on the concept of ‘governance,’ especially the multi-level aspects of it. Questions that prompted me to look further into this issue included: Is this growth in inequality related to the distribution of competences between different levels of governance within countries? Does the interactive nature of governance affect inequality, and if it does, to what extent? More specifically, is inequality associated with political or fiscal decentralization?

Decentralization, which my dissertation project defines as the shifting of government functions from the center to regional actors, is often advocated as a way to deliver more locally-catered services, such as education or health care to citizens. However, scientifically, little is actually known about how the political geography of countries, or more specifically centralization or decentralization, affects income distribution in a country. In order to answer these questions, I embarked on my dissertation research during the 2012-13 school year as a Dean’s Dissertation Fellow, supported by a Klinzing grant from the EUCE/ESC.

Developed countries and undeveloped countries alike are attempting to recover from the global financial crisis. Governments and international organizations have implemented reforms that utilize centralizing and decentralizing tendencies. It is timely to look at the reasons and implications of income inequality through a new conceptualization that focuses on the importance of economic governance structures on a territorial basis. Rising unemployment and other economic foes, which add to the already existing levels of inequality, require efforts by national and subnational governments in countries. Some countries have regions with the power, resources, and the willingness to address economic concerns, whereas others do not. How does that have a bearing on income inequality? Structures through which countries distribute and redistribute their resources needs further scrutiny.

My project studies the political geography of countries in all its complexity by looking at three different dimensions: One, political decentralization, meaning the degree to which subnational governments can assume political and administrative functions and have regional authority; two, fiscal decentralization, which captures whether and to what extent the subnational authorities are in charge of taxes and redistribution; and three, the formal and informal interactions and the level of ‘shared-rule’ between the central government, regional governments and wage-setting organizations (“interactive governance”). I use a mixed-method approach – combining a large-N quantitative analysis with in-depth studies of the cases of Spain, Sweden, Germany and France. These four cases are part of a typology I have created using two criteria: decentralization and interactive governance structure.

Continued on Page 6
Upcoming Grant and Fellowship Deadlines

EUC/ESE Funding Opportunities

The University of Pittsburgh offers several opportunities for faculty seeking funding related to the European Union. More information and links to applications can be found on our EU website under the “Faculty” tab. The EUC/ESE offers Small Grant funds to support travel for presentation at conferences, consultation or to explore research collections. We can also support efforts by faculty to bring colleagues here for collaboration on research projects. The EUC/ESE supports research and teaching projects on Germany—including lecturing there and bringing visitors here. More information can be found at www.ucis.pitt.edu/euce/node/61. The Center also has funds available to support undergraduates doing research on projects at your direction. We can offer University of Pittsburgh faculty members who provide an EUC/ESE undergraduate student with a directed research opportunity $1,000 per student which can be used to cover expenses related to their research or to provide the students with wages and fringe benefits. For any questions, please call at (412) 648-7405. **Deadline: January 1, 2013.**

EUC/ESE Travel Grants for Graduate Students

The EUC/ESE has funds available to graduate students to help defray costs involved in traveling to and participating in regional, national, or international scholarly conferences. In order to be eligible, graduate students must 1) be presenting a paper (i.e. not acting as discussant or chair) and be on the program of the conference; 2) Be presenting a paper that has some aspect of European life, historical or contemporary, domestic or international, or European integration as its main focus. Find other requirements and application procedures at www.ucis.pitt.edu/euce. **No deadline.**

Senator Geoana Visits Pitt

On Nov. 15, Senator Mircea Geoana, President of the Aspen Institute of Romania and Former Foreign Minister of Romania, visited the University of Pittsburgh. From 2008-2011, Senator Geoana served as President of the Romanian Senate, and from 2005-2010, he was the Chairman of the Social Democratic Party. In 2009, he ran for the Presidency of Romania and lost in an unprecedented narrow election, receiving 49% of the vote. He gave a lecture, “The (Relative) Decline of the West and the Rise of the Rest.” His visit was funded in part by the European Union, The Alexander S. Onassis Public Benefit Foundation (USA) and the Center for Russian and East European Studies (REES). Pictured above (from left to right): Andrew Konitzer, Associate Director of REES, Chancellor Mark A. Nordenberg, Senator Mircea Geoana, Provost Patricia E. Beeson, Ronald Linden, Director of the European Union Center of Excellence/European Studies Center, and Allyson Delnore, Associate Director of the EUC/ESE.

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**EUCE/ESC Spotlight:**

**Alexandra O’Neill**

This month, EUCE/ESC Newsletter Editor Gavin Jenkins interviewed alumnus Alexandra O’Neill, an intern for the European Parliament Liaison Office with U.S. Congress in Washington D.C. In 2013, O’Neill graduated summa cum laude with a double major in Political Science and Communication Rhetoric. She also completed a Western European Certificate that focused on British Studies. O’Neill also served as Newsletter Editor and Secretary for the Pitt College Republicans. She grew up in Scott Township, PA, and attended Chartiers Valley High School.

**Q:** What has your internship with the EPLO in Washington, D.C. been like? What are your responsibilities?

**A:** My responsibilities include working as a liaison between US Congress and the European Parliament. I attend Congressional hearings on Capitol Hill as well as various think tanks and university events that focus on economic, government oversight, and agricultural issues. After attending the event, I submit a report that summarizes the important details, and my superiors send the report to Brussels. This is how the staff in Brussels is kept apprised of these key issues. Additionally, an emphasis on any EU dimension is highlighted in the memo. Furthermore, I compile information about weekly current events for feedback on my topics for Brussels. I will continue this internship in Brussels in January 2014.

My degrees and certificate from the University of Pittsburgh provided me with the foundation necessary to succeed at this internship. I focused my political science study on comparative politics, which emphasized US and EU relations. The information I learned when writing my capstone research paper in political science on the European Commission and the bailout crisis has helped me when attending events that focus on EU economic issues.

**Q:** How did you become interested in European studies?

**A:** I became interested in European studies because I have always enjoyed learning about various cultures. At a very young age, I was lucky enough to travel around Europe. As a result, I decided I wanted to experience customs and traditions more in depth. This led to my study abroad experience through Pitt in London where I completed an internship with the Green Party and a class on British broadcasting. The internship with the Green Party exposed me to an opposing political view, and without compromising my principles, I could understand and respect another point of view. Being able to work with others in an impartial manner is an important element that will aid me in my future career. This experience was so pivotal that I decided to focus on international relations in my future career because it gave me the opportunity to learn by living in another part of the world.

**Q:** What did you like about your West European Studies

Continued on Page 6
classes at Pitt? How have they helped you?

A: I really enjoyed the language aspect of the Western European Studies program. I studied Spanish for a number of years, and studying Irish with Marie Young was a unique and wonderful experience. This really allowed me to see those cultures in a whole different light. Additionally, my political science class on Western Europe gave me the foundation I needed regarding EU politics. This was particularly helpful because it gave me a solid background on the EU institutions.

Q: What is your plan after your internship? What career path are you hoping to take?

A: After this internship, I am planning to pursue a Master's degree in international affairs with a focus on the European Union. I later hope to work in public policy.

Q: Were there any events/lectures that the EUCE/ESC held that influenced you in any way?

A: I attended the lecture on “We Carried Your Secrets” and the corresponding lecture by Jon McCourt deepened my understanding of the evolving role of religion in Europe. This lecture helped me to understand a key theme that still resonates in Europe; cultural differences within Europe. This has been specifically pertinent to the enlargement of the European Union.

The Case of Spain: The Case of ‘Evolving’ Federalism

Spain constitutes the federal – non-interactive governance category in my typology. I first started my research in Madrid. As an officially unitary country with so-called federal arrangements, Spain is made of 17 autonomous communities (ACs). Starting in 1979, Spain transitioned from a very centralized state to one with decentralized features, after the end of the Franco regime with the creation of 17 ACs. However, the dichotomies of “unitary/federal” and “centralized/decentralized” do not really apply to Spain. I point this out in my dissertation and stress that a more refined analysis is necessary in understanding the governance structure. For this reason, it is all the more interesting and suitable to analyze the Spanish case by focusing on the importance of this unique governance structure and how it significantly influences the overall income distribution in the country.

As research shows, in the case of Spain, there are crucial links between decentralization, governance and inequality. The so-called federal governance structure of Spain is prone to changes concerning the power structure between the central government and the ACs. Powers have devolved to the regions gradually and some took more time to get powers in taxes and public services. Yet, how willing are the different levels of the governance structure – the central government, the ACs and the local government – to achieve common objectives that will impact income distribution, and hence income inequality? Expert opinions demonstrate disagreement on how much the different levels of government show ‘willingness’ and possess ‘capacity’ to interact on fiscal matters. Furthermore, the roles of social actors, such as trade unions, have been reduced in the recent years on issues such as centralized wage bargaining.

Experts argue that in Spain there is at least a commitment on fiscal equalization by the central government. However, due to the decentralized, disproportionately federal, and non-interactive aspects of governance, the redistributive policies fall short of eradicating personal and territorial inequality. Furthermore, the differences in the political dominance of political parties (Partido Socialista versus Partido Popular) at multiple levels of government can have an important impact on redistributive policy making.
mentators suggested that some proponents of the referendum secretly wished for Devo-Max because it might be easier to secure a majority in favor of that than for independence. By mid-summer, Cameron was already claiming victory for his campaign to keep Scotland within the U.K.

The background to this claim is interesting. First, the U.K. government had immediately launched a campaign to warn the Scottish voters that Scotland simply could not afford independence, arguing that it is too dependent on money from England, which has a much larger population. Chancellor of the U.K. Exchequer, George Osborne, was a leader in this campaign. Threats to pensions formed a prominent part of all this, since senior citizens in Scotland tend to be cautious and doubtful with regard to finances in general, and many are dependent on state pensions. Chancellor Osborne raised other questions about the national debt and what portion of it an independent Scotland would have to shoulder. He also raised points about the future of the currency.

Furthermore, numerous experts gave conflicting views on the conditions, stringent or easy, on which Scotland might enter the E.U. if a vote for independence was ‘yes.’

One of the most aggressive campaigns took place on the farming front. Agriculture is important in Scotland and subsidies derived from the EU Common Agriculture Policy are vital to some agricultural sectors, especially less favored areas, like hillside farms with low fertility but high cultural value. On one side, the Minister for Agriculture in the Scottish government argued that independence would bring opportunities and improvements for Scotland within the E.U. On the other side, the ‘Better Together’ movement proponents argued exactly the opposite, preaching safety in numbers, within the U.K.

It became clear that these conflicting arguments about the future were not only a product of a long history of complex relations between England and Scotland, but also an integral part of the contemporary political process itself. The question of the fear factor came out as a potent political element in debate, bandied around on either side of it. Senses of creative opportunity were pitted against caution and fear with the implication that the status quo should therefore be maintained.

From day to day, particular issues came to the fore in unexpected ways. A contact of ours reported that his teenage children’s votes might be determined by possible increases in roaming charges for cell phone calls between England and Scotland if the vote was in favor of independence. Fear of this outcome would cause young people to vote against independence. This rumor was prompted by statements to that effect by U.K. government sources. The Scottish government replied by pointing out that the European Union Commission was proposing to keep roaming charges between EU countries at a lower overall rate because the charges were unreasonably high already.

However, larger considerations came into play. Some of the matters had to do with who would be entitled to vote in the Referendum. It emerged that those who officially reside in Scotland would have this right, which meant that many people not of Scottish identity would be able to vote, whereas persons with Scottish identity belonging to the Diaspora, in England and elsewhere, would not have this privilege. There was a big debate about whether prisoners could vote, turning on whether only certain kinds of offenses should mean disqualification. The Scottish Assembly passed a motion to allow 16 year-olds to vote (hence the cell phone concerns), and this meant that programs for schools to teach teenagers about the issues had to be instituted. Each of these points caused a flurry of discussion.

Understandably, the fear factor was connected with economics. In the past the Scottish National Party had campaigned on the grounds that too much of the money from the North Sea oil rigs had flowed south to London, and independence could halt this process. Economists for the U.K. government now came up with estimates that in the future the production levels of North Sea oil would fall considerably, so that revenues from it would not sig-
nificantly boost the Scottish economy. Other economists, however, suggested that with improved methods of extraction income could be maintained. Interesting within this debate was a growing controversy about the potentials of fracking and its possible environmental dangers. Norway’s success from oil production was cited, and some participants in the debate further argued that an independent Scotland could team up with Scandinavian countries to form a Northern European alliance of countries either within the EU or outside of it. Another argument centered on wind farms. These could potentially be made a source of revenue for a Scottish government through the sale of electrical power. One such wind farm in our field area is said to be currently the biggest in Europe. The Shetland Islanders weighed in with another complexity: they demanded that, independence or not, their regional interests should claim more political attention. At personal levels, we constantly encountered sharply divergent views. At one store, an attendant declared that she was against independence because business firms that gave employment to people might go south to England. The store supervisor, however, had a different stance. “We are the forgotten people” she declared roundly, “so if we don’t speak up for ourselves (and vote Yes) who will?”

These lively debates will continue unresolved until September. We were particularly interested in the debate because of our parallel ongoing work in the Republic of Ireland and in Northern Ireland. Scotland and Ireland have intertwined, though politically different, histories and contemporary problems, and Scotland’s future will be highly relevant for Ireland also, as well as of great interest to the Scottish Diaspora population, including people in Western Pennsylvania. We would like to invite interdisciplinary scholars to communicate with us about issues pertinent to the future of Scotland in Europe. On a broad front we have developed a growing network of scholars and others, including the Diaspora, who have an interest in the inter-relations between Scotland, Ireland (and related places partly defined by a Celtic heritage, such as Wales), which we have called the Scottish and Irish Studies Unit (SISU). In the future, we hope to create the basis for a Center for Scottish and Irish Studies at the University of Pittsburgh.