

Andrey Starodubtsev

The Politicization of Intergovernmental Transfers in the European Union

WP 2009-08

Bielefeld University



St. Petersburg State University



**Centre for German and
European Studies (CGES)**



CGES Working Papers series includes publication of materials prepared within different activities of the Center for German and European Studies both in St. Petersburg and in Germany: The CGES supports educational programmes, research and scientific dialogues. In accordance with the CGES mission, the Working Papers are dedicated to the interdisciplinary studies of different aspects of German and European societies.

The WP presents results of the research project "Factors of the Financial Transfers Redistribution in the European Union" implemented in 2008-2009 with the support of the CGES within the research cluster "Sub-National Regionalism in Europe"

Andrey Starodubtsev is lecturer at the Smolny College of Liberal Arts and Sciences, Saint-Petersburg State University.

Contact: astarodubtsev@gmail.com

Abstract

The article describes factors influencing the distribution of financial transfers from the European Union (EU) budget among the member-states. With the use of a political economy model, the author reveals the strategies of this policy in the EU. The analysis shows that the EU reproduces the logic of political struggle with regards to budget policy in the nation-states: both socio-economic, and political factors influence the distribution of budgetary transfers.

Models of Policy Implementation

The fact that the state is ruled by politicians who are elected by citizens and who have to be re-elected every few years is problematic. On the one hand, this is an achievement of contemporary democracy which allows society to control the political agenda and its implementation. Yet on the other hand, during the constant struggle for popular support, politicians will use all possible means to ensure the loyalty of the electorate. Therefore a government's policy is doomed to perennially suffer from political interests.

The determinants of a policy's implementation are popular and very important issues in the world of political economy and public policy. Ideally, any policy should be formulated and implemented by political actors (politicians, bureaucrats and interest groups) on the basis of their evaluation of the efficiency of the proposed policy measures. However, there are two aspects that place obstacles in the way of ideal decision-making. Firstly, several groups of actors can have different views on the potential efficiency of any measures. Therefore the government implements the policy that is supported by the dominant group, which can force its preferences on other groups. Secondly, the political nature of the state results in permanent competition for power amongst political groups. Under these circumstances, the most important task of politicians is the maintenance of a population's loyalty to the ruling group, in order to be re-elected in the next election. Hence, the government has to implement precisely the policy that can maximize the popularity of the ruling group.

These two assumptions allow for the application of two basic models of policy implementation (*Alesina, Roubini, Cohen, 1997: 15 - 66*) – partisan and opportunistic.

The partisan model means that every actor has an ideological approach to what measure should be implemented within the framework of a policy, in order to make the best and the most efficient decision. In stable democracies the differences between these approaches are reproduced at the level of party systems. Therefore this model is called “partisan” (or “ideological”). For example, the classic work by D. Hibbs, *Political Parties and Macroeconomic Policy* (Hibbs, 1977) shows that left-wing governments favor low unemployment and high rates of inflation, while right-wing governments implement policies leading to high unemployment and low inflation.

The opportunistic model has its roots in the works of A. Downs (*Downs, 1957*) and W. Nordhaus (*Nordhaus, 1975*). According to this model, politicians and officials (who are subordinated to the politicians) implement the policy that increases their popularity. It was on the basis of this idea that W. Nordhaus developed his conception of the political business cycle. The author clearly showed that budget spending increased before elections and declined after them. This example illustrates the idea that actors don’t retain any ideological approach to macroeconomic development. Instead, the most important decisions in the field of economic policy are based on the logic of political struggle.

Of course, these models are analytical. D. Wittman in his work, *Candidate Motivation: A Synthesis of Alternative Theories* (Wittman, 1983) claims that in a real situation a politician is motivated by both political and ideological preferences: “given two positions with similar probabilities of winning, we can expect the candidate to choose the position closest to his or her most preferred [ideological] position” (Wittman, 1983: 143).

It is obvious, that all of these models are based on the assumption that the elections play an important role in a political system. Therefore we can claim that in the conditions of contemporary democratic states any policy is politicized.

Strategies of the Distribution of Intergovernmental Transfers

A striking example of the influence of political factors on the implementation of a policy is the distribution of intergovernmental transfers. The main goal of this policy is twofold: first of all, it's aimed at reducing fiscal imbalances that are a result of a mismatch between the revenue and expenditure obligations of different levels of government in a state. However, financial transfers can also be used to stimulate the development of the strongest regions. Hence, there are two strategies (ideologies) related to the distribution of intergovernmental transfers: 1) support for the least developed regions; 2) support for the most successful regions (*Artobolevsky, 2001; Pivovarov, 2002; Mel'nikov, 2006*).

It seems that the federal government should use the first strategy to reduce social and economic differences because poor regions need financial aid from the federal bodies to stimulate their economic growth. The government's actions include both the compensation of possible financial imbalances in regional budget systems and full-scale investment support for regional economies.

At the same time, some experts state that this strategy of regional policy is not effective because the elites of poor regions feel a reluctance to turn down the federal government transfers and to develop the economies of their own regions independently. In the short-term perspective, regional leaders are more interested in financial aid than in economic reforms with unpredictable results. Therefore, according to another strategy, weak regions should get minimal financial aid that helps them to correct budget imbalances. Major budget and private investments are directed to the most developed regions. Thus, the government solves the problem of elites' motivation: conditional transfers are assigned to the most successful regions. Sometimes, they have to involve poor (as a rule, neighboring) regions in order to get the investment support of the center. Poor regions could be useful for the creation of infrastructure or the development of natural resources. As a result, such regional policy, on the one

hand, develops the economies of successful regions and, on the other hand, assists national government in developing backward regions.

The selection of a strategy is carried out by the government and is, in fact, an ideological action. It can be assumed that the socialist parties will pursue a policy of providing assistance to needy regions, while the right-wing parties will be guided by the idea of helping the strongest. Nevertheless the major obstacle for implementing a strategy of support for the most developed regions remains the orientation of policy makers towards the electoral process. Short periods between elections lead to politicians' preferences for short-term profits instead of long-term ones. Investment projects that provide employment and an acceptable standard of living in the poorest regions seem the most advantageous strategy for political elites in the national states. This allows for the retention of electoral popularity in the short term, while the results of spillover effects are expected in the long term.

The distribution of intergovernmental transfers can also be interpreted in terms of the opportunistic model. This model claims that the main aim of any acting politician (both a president and a member of parliament) is to be re-elected. It's important for a politician of national level to provide for the loyalty of regional elites and of the population towards the actions of the federal center. There are two political processes that encourage national government to ensure the loyalty of the regions: 1) the danger of territorial disintegration (secession) and 2) national elections.

Using federal financial transfers as a means of overcoming disintegration is quite a well-known theme in political science (*Treisman, 1999; Zaharov, 2003; Bulanin, Scherbak, 2005*). The authors of the article *Transfers against Secession: Experience of Denmark and Russia* (*Bulanin, Scherbak, 2005: 80*) demonstrate the mechanism behind this influence. A national government allocates additional assets to the region that declares its willingness to secede from a state. It can be considered as "the buying of loyalty", though these actions

by the national center aim to decrease the competitiveness of the region. This is a reverse side of the financial help provided to regions.

However, a regional policy of a national government can also lead to secession. The most developed regions often declare that they wish to separate from the state. As a rule, such regions are not satisfied with the existing mechanisms for the distribution of revenues which are tilted in favor of the poor regions. There are some examples – Quebec in Canada, Tatarstan and Bashkortostan in Russia.

Besides the fight against secession, federal authorities can use budget transfers to ensure the necessary (from the federal government's point of view) results at national and regional elections. Taking into account the results of the previous Presidential or Parliamentary elections, federal politicians divide all regions into two groups – loyal and oppositional. Joan DeBardeleben, in her work, *Fiscal Federalism and How Russians Vote* (DeBardeleben, 2003) suggested two possible variants of using of this strategy – **political co-optation** and **political cronyism**.

What regions should obtain federal transfers – the most oppositional or the most loyal – to achieve significant results at future elections? At first glance, national government would choose the strategy of political cooptation. This position is based on the idea that voting for the opposition is a consequence of a regional electorate's discontent with their level of social and economic well-being. Therefore, to consolidate its electoral support, the national government should grant financial resources to regional governments which would allow them to implement a populist policy before the elections. However, this strategy can lead to negative results. In this case, regional elites are *de facto* rewarded by the federal center for the failure of their public policy and, as a consequence, discontent arises amongst the population. Regional elites are not interested in changing the economic and political situation in the region. Moreover, they are often not able to put an end to their financial dependence.

This problem can be solved by the use of the political cronyism strategy. It offers rewards for loyal regions and threatens punishments for oppositional ones. In this case, governments of oppositional regions have to make efforts to provide the necessary results from the federal elections in their regions.

The European Union as a Depoliticized System

All these models are aimed at answering the main question – Is it a significant fact for the implementation of a policy that politicians have to be re-elected? At the same time, there are systems in which elections are not so important. For example, supranational organizations, which often perform important functions for the national states. As we know, their governing bodies are formed by the national states without implementation of the principles of democratic governance. The most advanced of these organizations is the European Union.

My key thesis is the following: the European Union is a depoliticized political system. There are two approaches to providing a definition of a (de)politicized system. In terms of the above models, a system is known to be politicized when the dominant group carries out the opportunistic model of policy implementation. However we can hardly view the partisan model as evidence of policy depoliticization. Politics is not only a struggle for power but also a struggle for the opportunity to implement a specific policy. Therefore policy implementation based on the political preferences of the dominant group should be interpreted as the politicization of policy.

Simon Hix offers another approach to the definition of “politicization”. Following J. Tsebelis (Tsebelis, 2002) and A. Lijphart (Lijphart, 1977), Hix asks two questions: 1) how many actors have the ability to initiate policy proposals and 2) how many actors have the ability to block policy changes. If there is one agenda-setter and one veto player then the majoritarian model of political system will be implemented. If however there are several actors who are able to initiate and block political decisions and it’s impossible to accept and implement new

decisions without their common consent, then this system will be called a consensus-based system (Hix, 2006: 12).

It is obvious that in terms of the consensus-based system of decision-making, the opportunistic model of policy implementation can not be carried out, as there is no actor who has an opportunity to make a decision that is beneficial only to him/her. We can assume that under these conditions policy making will increasingly be aimed at solving social and economic problems rather than at satisfying the political interests of the actors involved. However the process of the discussion, formation and implementation of policy will be difficult because of the clash of ideologies of different political actors. In the framework of the majoritarian system, the dominant actor is free to make and implement decisions that are, on the one hand, the most beneficial for him/her (opportunistic model) and, the other hand, that seem to him/her to be the most efficient (partisan model).

The European Union is a depoliticized system for several reasons.

Firstly, according to S. Hix, the EU is, “perhaps more consensus-oriented in its design than any political system in the history of modern government” (Hix, 2006: 12). Hix claims that “the EU now has a tri-cameral legislative system: where legislation is initiated by the Commission, and then must pass through a majority in the European Parliament and a qualified-majority in the Council” (Hix, 2006: 13). Each of these institutions can block a decision and therefore it is impossible to formulate and implement a policy that is beneficial to a single actor.

Secondly, this system is designed to “hide political conflicts”: “The Commission consults a large set of actors, including governments and MEPs, before making its initiative public. When it presents its program or its proposals to the public, it defines it as a subtle compromise, which embodies the “common interests”, and often argues that “there is no other choice”” (Magnetite, 2001). We can suggest that in such circumstances, the preparation of politicized policy is impossible.

Thirdly, European politicians occupy a modest place in policy decision-making. The main actors who develop policy are officials from the European Commission and several non-political interest groups. In turn, the implementation and evaluation of policy are carried out by the European Commission. The heads of the member states formulate a general framework of policy, while the members of the European Parliament (MEPs) can only amend the proposed laws.

Initially the Union was established as an international organization. Therefore appointed officials that represent the European Commission are in the core of the system of management. According to the concept of T. Lowi (see Lowi, 1969), the interests of politicians and bureaucrats are different – politicians want to be reelected, and bureaucrats want to implement stable and effective policy.

Thus, we can see that the EU is a system which limits the influence of politicians and their electoral interests. Many researchers of the EU consider this fact to be a significant problem because it leads to, on the one hand, a deficit of democracy, and on the other hand, to a lack of interest in the political process in the EU among citizens, which, in turn, negatively affects the legitimacy of the Union.

Factors Affecting the Redistribution of Intergovernmental Transfers

So, the politicization of financial transfers and the support for weak regions are considered to be the result of the political nature of the modern state. But we can expect that the European Union as a depoliticized system does not reproduce these effects. However modern research does not confirm this assumption.

First of all, those who make claims about the depoliticized nature of the European Union underestimate the role of the member states. N. Nugent writes: “Budgetary expenditure, like budgetary income, is not determined by ‘objective’

criteria but by political interplay” (*Nugent, 2006: 440*). For example, Nugent speaks about the allocation of budgetary resources in the framework of the Common Agricultural Policy. Interested in electoral support from farmers, national governments are actively involved in the struggle to obtain these funds.

Empirical research also illustrates the influence of MEPs. A. Kemmerling and T. Boddenstein tested the influence of the European political parties on the distribution of budget transfers (in the framework of the Structural Funds aimed at achieving social and economic cohesion throughout the Union). According to the results of this study, the distribution of transfers through the Structural Funds is described with the logic of supporting the least developed regions. At the same time, the authors showed the profound impact of the electoral results achieved by “left” and “eurosceptic” parties on the distribution of transfers (*Kemmerling, Bodenstein, 2006*).

Finally, it seems to be a mistake to consider the interests of European officials in terms of Lowi’s concept. The European Council represents the national governments which have developed the EU up until the point where it threatens the sovereignty of the nation state. The European Parliament, on the other hand, represents a broad range of interests, including the “eurosceptics”.

In this situation the European Commission is a key element of the European Union because it has to do everything possible to strengthen the influence and significance of the European Union. The support of European citizens can be the most important resource for this task. Thus, we can assume that in the European Union the most important political interest is to ensure support from the population of certain European states. It is possible that European policy will be aimed at achieving this goal. To test this assumption there is a need to analyze the distribution of all transfers that are allocated by the EU to its member states.

Methodology of the Analysis

So, the core question of this research is: what are the factors influencing the distribution of transfers among the member states of the EU?

To answer this question, I used the analytical method of multiple regression. Its variables were constructed on the basis of the described models of policy implementation. There are two models of intergovernmental policy: 1) a focus on social and economic factors (partisan model); 2) a focus on political factors (opportunistic model). According to the first model, the Union can choose one of two strategies: a) to support the poorest states or b) to encourage the most developed states. Therefore, we can formulate two mutually exclusive hypotheses:

the less developed a member state is, the greater will be the sum of the transfers that the economy of this country gets;

the more developed a member state is, the greater will be the sum of the transfers that the European Union will allocate.

The second group of hypotheses is valid in a situation when the European Union chooses the opportunistic model. In this case, there are also two strategies: a) appeasement of opponents (political cooptation) or b) encouragement of supporters (political cronyism). So, we can suggest two “political” hypotheses:

2.1 the more loyal a member state is (that is to say, its population) towards European integration, the greater will be the sum of transfers the economy of this country will get;

2.2 the more oppositional a member state is towards European integration is, the greater will be the sum of transfers the European Union will allocate.

I suggest testing two dependent variables: 1) net transfers (per capita) between the EU budget and national budgets; 2) the logarithm of the total EU

expenditures transferred to a national budget during a year.¹ Table 1 illustrates descriptive statistics of this variable.

Table 1

Years	Interval	Mean	Standard deviation
Net transfers (in Euros per capita) in 2005	-145.3 – 360.41	80.61	159.49
The logarithm of the total EU expenditures in 2005	4.86 – 6.41	5.58	0.48
Net transfers (in Euros per capita) in 2008	-144.39 – 572.21	84.52	157.63
The logarithm of the total EU expenditures in 2008	4.78 – 6.63	5.44	0.46

To analyze the potential political motivation of the European Union (first of all, the European Commission), we need to assess the degree of the particular EU member state population’s loyalty to the Union. This can be described with the variables of the percentage of citizens who believe that their country’s membership in the EU is “a good thing” in 2004 (based on the survey by *Eurobarometer*).

The level of social and economic well-being of the member states of the EU was defined with the help of the indicator, “Gross Domestic Product per capita in Purchasing Power Standards”. Finally, the analysis includes the total size of the population as an independent variable. Some authors proved that the size of population is an important factor affecting the distribution of transfers in the EU (*Matilla, 2006; Rodden, 2002*): small states get a greater volume of transfers per capita than large member states. This can be explained with reference to these states’ overrepresentation in central government which is also a political factor.

Descriptive statistics of the independent variables are shown in table 2.

¹ In the study the EU budgets in 2005 and 2008 were analyzed. The analysis includes 16 member states in 2005 and 26 states in 2008. The case of Luxembourg was excluded due to extreme rates of transfers received per capita. This phenomenon is a separate issue that needs further study.

Table 2

Variable	Interval	Mean value	Standard deviation
Gross domestic product per capita in Purchasing Power standards in 2004 (GDP04)	74.60 – 142.10	111.19	19.32
Percentage of citizens who believe that their country's membership in the EU is "a good thing" in 2004 (OPINION04)	38 – 77	58	11.68
Total population in a member state in 2004 (POPUL04)	399867 - 82500849	2.4E+07	26982254
Gross domestic product per capita in Purchasing Power standards in 2007 (GDP07)	37.7 – 147.8	91.72	29.94
Percentage of citizens who believe that their country's membership in the EU is "a good thing" in 2007 (OPINION07)	34 – 79	57	12.92
Total population in a member state in 2007 (POPUL07)	407810 - 82314906	1.9E+07	23373473

The results of analysis

Table 3 shows the results of the regression analysis where the dependent variable is the logarithm of the total EU expenditures in 2005.

Table 3

	Coefficients	Std. Error	T-statistics	Significance
Constant	5.52	0.67	8.25	0.00
GDP04	-0.008	0.005	-1.46	0.17
POPUL04	-0.00	0.000	-2.34	0.03
OPINION04	0.02	0.009	2.22	0.04
R-square 0.51				
Adj. R-square 0.39				
Total 16				

What does this mean? First of all – it provides a most interesting and unexpected result – the social and economic well-being of the EU member states does not influence the distribution of transfers (the level of significance is higher than 10%). Two important factors are the popularity of the EU among the population of the member states and the total population in these countries. The

signs of the coefficients indicate that the funds are received by the most loyal member states.

The results of the analysis where the dependent variable is net transfers (in Euros per capita) in 2005 are presented below (table 4).

Table 4

	Coefficients	Std. Error	T-statistics	Significance
Constant	277.29	230.89	1.20	0.25
GDP04	-4.12	1.78	-2.30	0.04
POPUL04	-0.00	0.00	-1.65	0.12
OPINION04	5.36	2.95	1.81	0.09
R-square 0.47				
Adj. R-square 0.35				
Total 16				

This table shows different results. The most significant factor is the economic situation of the state. We can claim that the largest amounts of transfers are received by the member states that have a modest economic situation. This pattern may be associated with the fact that the least advantaged member states both receive more financial aid and make a smaller contribution to the European budget. Taking into account the low impact of the size of the population (the level of significance is 12%), the indicator of the EU's popularity among the population of the member states can be regarded as relatively significant (10%). The results show that an increase in the popularity of the EU of 1% leads to a growth of transfers amounting to 5 Euros per capita. It is noteworthy that binary analysis does not show any connection between the EU's popularity and the level of economic well-being of the member states (coefficient 0.24).

Quite different results are produced by the analysis that includes the factors of transfer distribution in 2008, after the EU enlargement. Table 5 illustrates the results of the analysis where the dependent variable is the logarithm of the EU's total expenditures.

Table 5

	Coefficients	Std. Error	T-statistics	Significance
Constant	4.75	0.43	10.95	0.00
GDP07	0.003	0.003	1.03	0.31
POPUL07	-0.000	0.000	-2.37	0.02
OPINION07	0.010	0.007	1.52	0.14
R-square 0.27				
Adj. R-square 0.17				
Total 26				

The important result is the lack of influence of the economic position on the distribution of transfers (significance 31%). At the same time the popularity of the EU among the member states is insignificant (14%). The most significant factor is the size of the member states' population: the smaller the population is, the more financial resources are transferred to the economy of that member state.

Table 6 shows the results of the analysis where the dependent variable is net transfers per capita in 2008.

Table 6

	Coefficients	Std. Error	T-statistics	Significance
Constant	157.22	147.71	1.06	0.29
GDP07	-1.91	0.99	-1.92	0.06
POPUL07	-0.000	0.00	-1.49	0.15
OPINION07	2.43	2.25	1.08	0.29
R-square 0.27				
Adj. R-square 0.17				
Total 26				

The most significant factor is the economic situation of a member state, however even this variable is significant only at the level of 10%. The direction of dependence is inverse: reducing this indicator by one unit increases net transfers by nearly two Euros per capita.

Interpretation of the Results

The aim of this study is to test the impact of political and economic factors on the distribution of transfers from the EU budget. Contemporary political economy tells us that in the framework of any political system there is a struggle between the need to implement effective economic policy and the need to

maintain electoral loyalty from the lower levels of government. In modern democracies such popularity (together with efficiency) is the basis for the political system's legitimacy.

The results allow us to draw the following conclusions.

Firstly, the economic position of the EU's member states has a quite significant influence on the distribution of transfers, especially if the dependent variable is net transfers, i.e. the difference between a member states' contribution to the European budget and the EU's aid to a member state. We can claim that in the framework of the partisan model of policy making in the EU, the strategy of providing support to the least developed regions is implemented. On the other hand, the indicator of net transfers invites us to analyze not only direct transfers from the European budget to the economy of the member states, but also a state's contribution to the European budget. Obviously, the activities of the EU are funded primarily by the most economically powerful states. Binary analysis shows the relationship between the economic situation in a member state (valued as GDP per person) and the contribution of a state to the EU budget (per person) at the level of 0.92. Hence, economically weak states simply invest in the EU budget less which leads to a higher rate of net transfers.

Secondly, when the dependent variable is the European transfers to the member states (per capita), the factor of a country's economic situation loses influence, but the most important factor remains the size of the population in a state: the smaller a population in a state is, the greater the sum of transfers a state receives. This result is not surprising. Researchers tend to explain this pattern by the over-representation of some member states in the governing bodies of the EU. It is widely known that even under proportional representation small parts of the system become more influential than larger ones. This pattern is more evident in the framework of consensus systems, where all actors are equal and hence small parts are overrepresented.

The norm of equal representation is considered by the theories of federalism as an important (if not decisive) tool to prevent the tyranny of the

majority and reduce the political conflict between the majority and minority (*Riker, 1964*) - It is supposed to prevent a possible collapse of the federation. Alfred Stepan points out that such a system limits the ability of the majority and therefore of democracy itself (*Stepan, 1999: 23 – 24*). Thus, the allocation of budget transfers in favor of small states can be regarded as a “political decision” aimed at preserving the integrity of the system.

Thirdly, in 2005 the EU’s popularity among the population was an important factor influencing the distribution of transfers. According to the results of this research, the EU implemented the strategy of cronyism whereby funds are redistributed to states with the most loyal populations. We cannot exclude the possibility that the popularity of the EU is associated with some economic factors. However, according to binary analysis, this indicator does not connect with the economic situation. I will not argue that the EU seeks to support those states that are most loyal to the Union. It may be that the scope of cooperation between the EU and the member states is greater in the case where citizens of a state support the EU. We can assume that in those countries where the EU is unpopular, elites slow the pace of cooperation as a result of the mood of the electorate.

Fourth, it can be claimed that the result of the comparison of two European budgets – 2005 and 2008 – shows a predominance of the same patterns, which means that the rules of the game have not changed significantly with the inclusion of the new member states.

Conclusion

Of course, the results of the analysis – a relatively low R-square and a low level of significance of the verifiable factors – indicates that the process of decision making in the EU is much more difficult. However even from this simple combination of factors we can draw conclusions about the models of policy implementation in the EU. Empirical analysis shows us that the system of the distribution of transfers in the EU is constructed in such a way as to take into

account the political interests of the EU, one of which is to maintain the unity and legitimacy of the Union. Thus we see that the politicization of policy (that is adherence to the political interests of the authorities, not to the idea of the effectiveness of the policy) is possible not only in systems with actors who must contend with re-election. The very logic of the reproduction of the political system and its desire for self-preservation leads to the necessity to strike a balance between the various factors influencing the implementation of a policy.

References

1. Alesina A., Roubini N., Cohen G.D. (1997). *Political Cycles and the Macroeconomy*. Cambridge, MA, London: MIT Press.
2. Artobolevsky S. (2001). Regional'naya politika, napravlenaya na snizhenie territorial'nyh ekonomicheskikh i social'nyh disproportsiy v Rossiiskoy Federacii: proekt koncepcii [Regional Policy, Aimed to Alleviating of Territorial Economic and Social Disparity in Russian Federation: A Project of Conception], in: *Region: ekonomika i sociologiya*, № 1, p. 4 - 34.
3. Bulanin N., Scherbak A. (2005). (2005). Transferty protiv secessii: Opyt Danii i Rossii [Transfers against Secession: Experience of Denmark and Russia], in: *Mirovaya ekonomika i mezhdunarodnye otnosheniya* [World Economy and International Relations], № 11, p. 78 – 85.
4. DeBardeleben J. (2003). Fiscal Federalism and How Russians Vote. *Europe-Asia Studies*, vol. 55, N 3, p. 339 – 363.
5. Downs A. (1957). *Economic Theory of Democracy*. New York: Harper.
6. Elklit J., Svennson P. (1997). What Makes Elections Free and Fair?, in: *Journal of Democracy*, vol. 8, N 3, p. 32 – 46.
7. Hibbs D. (1977). Political Parties and Macroeconomic Policy. *American Political Science Review*, vol. 71, N4, p. 1467 – 1487.
8. Hix S. (2006). Why the EU needs (Left-Right) politics? Policy Reform and Accountability Are Impossible Without It, in: *Politics: The Right or the Wrong Sort of Medicine for the EU? Policy Paper №19*. Notre Europe.
9. Kemmerling A., Bodenstein T. (2006). Partisan Politics in Regional Redistribution. Do Parties Affect the Distribution of EU Structural Funds across Regions?, in: *European Union Politics*. Vol. 7(3). P. 373 – 392.
10. Lijphart A. (1977). *Democracy in Plural Societies. A Comparative Exploration*.
11. Lowi T. (1969). *The End of Liberalism*. NY.
12. Magnette P. (2001). European Governance and Civic Participation: Can the European Union be politicized? (<http://centers.law.nyu.edu/jeanmonnet/papers/01/010901.html#TopOfPage>)
13. Matilla M. (2006). Fiscal Transfers and Redistribution in the European Union: Do Smaller Member States Get More Than Their Share?, in: *Journal of European Public Policy*, № 1, vol. 13, pp. 34 – 51.
14. Mel'nikov R. (2006). Federal'naya regional'naya ekonomicheskaya politika: strategicheskie al'ternativy i puti realizacii [Federal Regional Economic Policy: Strategic Alternatives and Ways of Their Implementation], in: *Federalism*, № 2, p. 47 - 62.
15. Nordhaus W. (1975). The Political Business Cycle. *Review of Economic Studies*, vol. 42, N 2, p. 169 – 190.
16. Nugent N. (2006). *The Government and Politics of the European Union*. Palgrave Macmillan.
17. Pivovarov Y. (2002). Szhatie ekonomicheskoy ojkumeny Rossii [Decrease of Economic Oecumene in Russia], in: *Mirovaya ekonomika i mezhdunarodnye otnosheniya* [World Economy and International Relations], № 4, p. 63 - 69.
18. Riker W. (1964). *Federalism. Origin, Operation, Significance*. Boston and Toronto.

19. Rodden J. (2002). Strength in Numbers? Representation and Redistribution in the European Union, in: European Union Politics, vol. 3, № 2, pp. 151 – 175.
20. Stepan A. (1999). Federalism and Democracy; Beyond the U.S. Model, in: Journal of Democracy, vol. 10, №4, pp. 19 – 34.
21. Treisman D.S. (1999). After the Deluge: Regional Crises and Political Consolidation in Russia. Ann Arbor, MI: University of Michigan Press.
22. Tsebelis G. (2002). Nested Games: Rational Choice in Comparative Politics. Berkeley, LA, London.
23. Wittman D. (1983). Candidate Motivation: A Synthesis Alternative Theories, in: The American Political Science Review, Vol. 77, No. 1 (Mar., 1983), pp. 142 – 157.
24. Zaharov A. (2003). *E pluribus unum: ocherki sovremennogo federalizma*. [E pluribus unum: Essays on Contemporary Federalism]. M.: Moskovskaya shkola politicheskikh issledovaniy.



ZDES Working Papers

Arbeitspapiere des Zentrums für Deutschland- und Europastudien

Рабочие тетради Центра изучения Германии и Европы

Universität Bielefeld – Fakultät für Soziologie
Postfach 100131 – 33501 Bielefeld – Deutschland

Staatliche Universität St. Petersburg – 7/9 Universitetskaja Nab.
199034 St. Petersburg – Russland

<http://zdes.spb.ru/>

info@zdes.spb.ru