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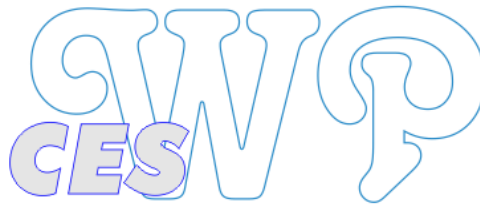
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# Challenges and opportunities for European Union in the XXI<sup>st</sup> century

Ionelia Bianca BOSOANCA\*

## Abstract

*Where do we go and what is the fate of the European Union after Brexit Referendum? What are the prospects for the development of the '27-nation' formula and what are the real problems that the European Union cannot neglect for a long time? These are the most asked questions in the international press but also the speeches of Europe's important figures. The political leaders of the world propose a series of hypotheses and scenarios about the fate of the European Union. Some of them are encouraging, others grimmer, some more radical and others rather moderate. The present paper will discuss the most vulnerable points of the today European Union and will outline the scenarios for the future of this construction. It will be discussed the most plausible scenario and some political figures who sustain this evolution of the European Union by using a qualitative methodology.*

**Keywords:** European Union, Post-Brexit, future, scenarios, policy making process

## Introduction

Nowadays, the European Union is facing with serious problems for which it is necessary to take action to overcome this deadlock. We are referring to issues such as the identity crisis of the European Union, terrorism and migration, British Euroscepticism and their possible departure from the European Union, climate changes issues and energy dependence on Russia, ultra-nationalism led to extreme European states, the rule of law manifested in some European countries and the impossibility of the EU to sanction the lack of concrete instruments of action.

The identity crisis of the European Union is the most important issue which must take into consideration because it causes Euroscepticism among Member States. This is a whole new trend derived from classical populism and combined with neo-populism, an “updated” version of “classical” populism (Mișcoiu, 2013, p.16).

The term populism is now on trend and it has success in influencing votes and it affects the public opinion regarding major areas of interest for the EU. Cambridge Dictionary (2019) defines the term populism as a political ideas and activities that are intended to get the support of ordinary people by giving them what they want. Today populism spans a wide gamut of political movements,

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including anti-euro and anti-immigrant parties in Europe, and Syriza and Podemos in Greece and Spain, respectively, Trump's antitrade nativism in the US, the economic populism of Chavez in Latin America, and many others in between (Rodrik, 2018). Rodrik notes that the term originates from the late nineteenth century, when a coalition of farmers, workers, and miners in the US rallied against the Gold Standard and the Northeastern banking and finance establishment (Rodrik, 2018).

Sergiu (Mişcoiu, 2013, p.20) argues that neo-populism is anchored in everyday reality, the new populists limit themselves criticising the absence or the excess of reforms and to exploiting popular discontent against political opponents without promising the purification or salvation of the people. All it gets more confusing when populism became a political etiquette used in ordinary language to designate a propaganda discourse focused on mutual blames between governing parties and opposition parties (Gherghina and Soare, 2013, p.7).

Terrorism and refugees are two important subjects closely related with populism. For politicians it is easier to mobilize along ethno-national/ cultural cleavages when the globalization shock becomes salient in the form of immigration and refugees (Rodrik, 2018). There was the case of British Referendum which enhance Rodrick's assumption. In addition to this, Becker *et al.* (2016) find that austerity and immigration impacts both played a role in increasing the Brexit vote, in addition to demographic variables and industrial composition.

All of them promote an anti-European message (populist discourse), Eurosceptical leaders who have won more and more votes in local, national and European elections. First came the Brexit vote in the UK in June 2016, followed by the election of Donald Trump as president of the US in November 2016 (Rodríguez-Pose, 2018, p.5). They try to minimize the positive effects that the European Union has brought to citizens highlighting the shortcomings and vulnerabilities of European construction at the moment, but without providing concrete solutions for overcoming these crises. For Eurosceptics the saving solution is the promotion of an exaggerated nationalism that does not have a positive impact on the problems that Europe is currently facing with.

First came the Brexit vote in the UK in June 2016, followed by the election of Donald Trump as president of the US in November 2016 (Rodríguez-Pose, 2018, p.5). All of these issues have intensified on the background of parties that promote an anti-European message (populist discourse), Eurosceptical leaders who have won more and more votes in local, national and European elections. They try to minimize the positive effects that the European Union has brought to citizens highlighting the shortcomings and vulnerabilities of European construction at the moment, but without providing concrete solutions for overcoming these crises.

This paper discusses the major challenges for the European Union in the XXI<sup>st</sup> Century, starting with Brexit and ending with issues such as energy policy or climate changes field. There are some

research questions developed on this paper such as Is Brexit the beginning of the end of the European Union? What is the most important scenario for the future of the European Union? In this paper, a qualitative analysis will be used to highlight the novelty elements analyzed by the proposed theme. As a research method of this paper, the author proposes a study case using the discourse analysis and content analysis. The discourse analysis will help us to outline the scenarios and content analysis will have as main objective the highlighting of some key concepts that will guide us during the research.

## **1. Risk factors for the European Union**

*‘The present of Europe is made up today of doubts’* said Rene Girault (2004, p. 11). Actual doubts of the European Union are based on loss of confidence in European values. Actual risks threaten the European Union with disintegration and European leaders are searching for a solution. The main risk factors for the European Union are issues related to the identity crisis of the European Union, terrorism and migration, British Euroscepticism and their possible departure from the European Union, climate change issues and energy dependence on Russia, ultra-nationalism led to extreme European states, the rule of law manifested in some European countries and the impossibility of the EU to sanction for lack of concrete instruments of action.

### **1.1. Brexit Referendum and its consequences**

The analysis of risk factors begins with the newest issue – the departure of United Kingdom from the European Union - which is in course of developing. Brexit is the product of a fully promoted Euroscepticism that showed how vulnerable the electorate is in front of a political game. That political game wanted to leave British democracy triumphant, a political decision that was supposed to be backed by the British government at that time. Brexit Referendum was an imminent mistake made by British government and now, British Parliament has to assume the fate of United Kingdom’s Government and they have to decide what way they will follow. The European Union has given United Kingdom the opportunity to remain in the Communitarian Bloc by canceling Brexit procedures. They also have the possibility of leaving the European Union with an agreement, but they have voted with ‘no’ all the solution that the European Union had proposed for Brexit issue. Returning to Brexit and its long-term implications, United Kingdom game was extremely dangerous for its own economy, for instance, long-term implications on its trade relations with the other states of the European Union. But the dice was cast and they must take a decision with reference to Brexit Deal or a No Deal Scenario. What is sure is the fact that British politicians are much concerned with their



nationalism and their domestic values than with the European ones, and this attitude is a strong desire embedded in the British tradition.

Some voices said that the whole episode of Brexit would eventually be just a *blow of image to bring London to the center of attention*, and the European Union to negate with those to get privileges. But there are just some suppositions supported by different political or critical voices. The reality is completely different, because this episode is just for the fame of the London to be again in the heart of the global political scene as it was in the past years with events full of glamour (Naumescu, 2017, p. 33) and other events which put it on the attention of the Europe. London knows better than any other capital of Europe to be the star, to capture the interest worldwide, to appear the most important.

The end of this story is approaching fast, with or without the delay requested by Theresa May in front of the European Union officials. But not the result of Brexit is the most important issue for the European Union, more important than a European Union without United Kingdom is the lesson learned by this referendum. Brexit was the first signal alarm that a member state from the European Union has decided to leave this construction and they want to protect their national values. But the history holds over and it is possible to create a trend among the states.

## 1.2. The rise of Euroscepticism

Another risk for the European Union, which may have also stood behind Brexit, is the current rise in populism. The rise of populism in Member States level was intensified on this basis of the political leaders' populist discourse and states' nationalism. Populists try to manipulate the masses in favor of growth in surveys and to gain the popularity of masses by speaking about national principles, sovereignty of the state and the limitation of the decision-making power within the state by the rules coming from Brussels.

Euroscepticism is a phenomenon characterized by the states' failures in identifying with European values promoted by the European Union. In Western societies, political parties are against the EU institutions, against its enlargement and the Schengen area. The free movement of persons is beginning to be disapproved, and even to be a powerful reason to blame the efficiency of joining the European Union. In this respect, religion becomes a sensitive point and solidarity comes out of the landscape, because we can ask ourselves: Is it possible that we are solidary even though our specificity is restricted? Obviously, the answer is no, and this answer also underpins Euroscepticism.

Therefore, the problem of populism is it helps the growth of Euroscepticism in surveys and emergence of leaders with populist views in pro-European states. Populism should be a problem because the story of Brexit can be repeated with other states and the departure may endanger the EU



project with a breakdown. For avoiding the risk of disintegration is important for the European Union to take safety measures. Now, it is important for the European Union not to just focus all their efforts on Brexit, but to find a solution for its own future development.

For dealing with new challenges, democracy needs to be strengthened inside the European Union and mechanisms need to be created to generate the economic growth and expected jobs by citizens. If Britain's departure will be a loss for the European Union, it will have to strengthen its own mechanisms of action and its instruments. It is widely accepted that the European Union has undergone fundamental transformations since the accession of Great Britain. The fall of the Iron Curtain has led to the European project expansion (16 countries becoming new member states), the birth of the euro and European rules currently governing national policies on a very broad spectrum, from environmental to social. It is clear that Britain's membership of the European Union has proven beneficial in certain areas. At the same time, this also meant a loss of national sovereignty and a multiplication of bureaucratic procedures for the business environment, resulting in a lower desire for British citizens to become members of the European Union.

### **1.3. Security challenges**

Another issue of the European Union today's challenge is related to the violation of human rights and the right to stay safe in a country. Nowadays, countries are facing with serious security border's problems, the wave of refugees arriving in Europe seeking a safe place to escape the terror they have experienced in the place where they come from. For some European countries that do not have enough mechanisms to identify the people who are crossing a territory of Europe, the question is whether the European Union will succeed in overcoming the current crises or they will ruin the entire European construction? Is Europe capable of ensuring transparency, accountability and democratic control to restore citizens' confidence?

The answer is quite difficult, because there are many scenarios and points of view of specialists from different fields. In the context of Brexit, Eurosceptics has started stronger to criticize the European values. Eurosceptics have the example of the vote which show that people were not pleased with the European Values and they decided to leave. They are arguing that the European Union did not take into account the issue of safety, economic cooperation and establishment of a common identity for the Member States. They augmented the European Union does not currently have enough means of action to ensure its success in overcoming this deadlock in Europe. Their main critique is the lack of effective European policies and also the fact that states still retain their sovereignty and do not want to give up certain areas of action of the European Union. The President of European

Commission, Jean-Claude Juncker, encourage states to cooperate because he considers that cooperation is the key for the survival of the European Union. He also adds that moving forward together as a Union is the key for all of the scenarios regarding to the future of the European Union (European Commission, 2017, p. 15).

Terrorist actions are becoming more frequent due to high extent of technology and dependence on new technologies. Terrorism affects the safety of the population, international system is being overcome to numerous changes and crises. These crises, in addition to the number of deaths they produced, cause panic among the population and create a sense of insecurity and citizens are forced to change their daily routine, for example, by using safe means of transport.

The issue of terrorism is not a strange concept for the European continent, because there had been many episodes throughout history when European citizens were forced to confront this problem. Several attacks which became well-known took place in London in 2017, in Brussels in March 2016, in December 2016 in Berlin, in Paris in November 2015, etc. There were other terrorist attacks in the world and for this reason we can conclude that terrorism is one of the main problems faced by Europe. Those incidents have marked the European continent, spreading fear among citizens, and now the issue we are dealing with is not about the detection of terrorist causes, but about trying to get citizens to continue to believe in the values of the European Union and not to be afraid that it is not able to provide them security.

European realities following the signing of the Treaties establishing the European Communities have meant cooperation on the most important levels, including border management, defense and security against both internal and external threats. Thus, Justice and Home Affairs are a basic pillar of the European Union. However, this Community policy is constantly threatened by the dynamics of the international system that can generate new threats to the integrity of Europe.

Even if, at the beginning of the construction, economic integration was a priority, over the years Justice and Home Affairs (JHA) touches many aspects of politics, justice, freedom and security. Creating this pillar was not an easy step, was difficult to fully integrate JHA policies, since the whole international and European system calls for more and more frequent compromises and reticence, especially in the case of the transfer of sovereignty or cooperation to prevent and stop organized crime.

Nowadays, leaders of the European Union speak about necessity of a common force, established within the European Union, to protect their common borders and fight against terrorism. Security is not a new subject for the European Union, it has been avoided for a long time on agenda's priorities because of Britain's opposition. President of France, Emmanuel Macron, proposes again the idea of the European Defence Union (Europarl, 2019), he tries to convince European states why is so important that topic. When Macron pleaded for defense, he stressed clearly that *our objective*

*must be to give Europe the capacity to act autonomously, in complementarity with NATO*, adding that the European Defence Union is a necessity for the success of the European Union (European Commission, 2017, p. 7).

Emmanuel Macron's idea of having a European Defense Union was repeated in his interviews on TV and radio or in his public speeches, but his idea was embraced with reaction from Donald Trump. When Macron became president, in May 2017, in his discourse, Macron said "we have to protect ourselves with respect to China, Russia and even the United States", adding that we will not protect Europeans unless we decide to have a true European army (Euractiv, 2018). In response to his affirmation, Trump claimed that European Defence Union is like a nonsense which will not work (Lockie, 2018).

President Macron's terrible mistake was also sanctioned by European Commission. In her speech, Frederica Mogherini, repaired Macron's mistake claimed "We are a political union. There is no competition, there is no mention of a change. We are not building a European army, no one here speaks of a European army..." (Mogherini, 2018).

The story of European Defense Union is not a new topic discussed by France at European Union's meetings. France was mentioning the idea of a European Commonwealth Defense for the first time in 1950. French Socialist Prime Minister, René Pleven, proposed the establishment of a European Commonwealth under the umbrella of the European Defense Initiative. The Treaty was also signed in Paris, in May 1952 – Pleven Plan – signed by the six founding states of the European Community. Surprisingly, in August 1954, Pleven Plan's European Commonwealth Defense it was also rejected by France when a new ad-hoc majority in the National Assembly voted against the Treaty on the idea that it would allow rearmament of Germany. So, French has killed itself their initiative, when their interests and the orientation of the Parliamentary majority has changed. The question now is *Can we still trust the French defense policy of Europe?* (Naumescu, 2018). European Union, despite the Lisbon Treaty and its own ambition to become a security agent on the international scene, has not been capable of fulfilling a replacement role U.S. - E.U. relationship and American supremacy of NATO have still influenced in the positive way the security of European continent (Naumescu, 2014).

With or without doing rumors, France will remain one of the most important stakeholders of the European Union in the next period of discussions about the future of Europe. Probably President Emmanuel Macron generated tensions with the idea of creating the European Defense Army, but as long as France will remain pro-European, it is a clear sign that European Union will survive. Is the idea of European Defence being realistic and what are the chances of being successful? The future evolutions of this topic of interest for the European Union will give us a proper answer.

#### 1.4. Energy dependence and climate changes issues

Now, moving the focus of our attention to another issue of the European Union, we find another hot issue on the European agenda. It is about energy dependence and the impact of climate change on the environment.

In the context of economic growth of Russia, on the international area and the European states' dependence on the natural resources, Europe is facing with serious problems in the context of energetic field. A series of tensions and challenges with reference to the security of the European continent are being highlighted when we discuss about assurance the energy' necessary of the European states. It is essential to develop an energetic policy at the European level which will include the states of the European Union (these states are affected in a direct way by the issue of secured provision with natural gases) and states situated in the proximity of Eastern-European Neighborhood (because they represent a potential partner for the development of the European Union). In this context, we can take into consideration, the opportunities of cooperation between the states and finding the solutions to solve the energy dependence problem.

A sustainable energy policy for the European Union member states will help Europe to succeed in resolving the energy dependence on Russia, by interconnecting alternative routes of transporting natural gasses from outside the Europe in the heart of Europe. Also, a common energy policy for the member states can assure a negotiation with Russia for a lower price of these resources, negotiation carried on behalf of European Union which guarantee a common tariff applied to all member states.

Energy policy affects all Europeans and European Union law has a great influence on national legislation. When the European policies are drafted is important to have a dialogue between European institutions responsible for decision-making process and civil society and professional organizations involved in this field of action. In that way, European Commission will avoid to design an idealistic public policy without a real applicability on member states. In the XXI<sup>st</sup> century it is clear that the European Union and member states need concrete actions, not European policies without applicability.

From the first attempt to achieve the energy policy until the today Energy Union, it took about sixty years. This policy has not had a continuous development because this initiative stagnated for a long time on the agenda of the European Commissioners. There were a series of crises for the energy and environmental policy. It takes a long period of time to adopt a series of strategies and decisions with reference to energy and also for underpinned the legal framework of implementing an Energetic Union Project at the European level.

Energy Union is currently the most important achievement of European Union in the field of energy and climate changes issues. Its main aim is the reform of European governance on energy field, regional policy and cooperation between member states. Energy Union “gives hope for resolving a major paradox of EU energy policy - the inherent tension between national sovereignty over the energy sector and a solidarity – based on Community perspective and cooperation on a scale-by-scale basis Europe” (Szulecki, 2015, p. 2).

The Commission’s vision on the Energy Union “an integrated continent-wide energy system where energy flows freely across borders, based on competition and the best possible use of resources, and with effective regulation of energy markets at EU level where necessary” (European Commission, 2015, p. 2).

To summarize this chapter, we can underline some key ideas. From problems related to Brexit to those related to climate change, the European Union is dealing with a series of challenges which it has to resolve urgently to overcome the actual crisis. Actual risks threaten European Union with disintegration and European leaders are searching for a solution. The main risk factors for the European Union are issues related to the identity crisis of the European Union, terrorism and migration, British Euroscepticism and their possible departure from the European Union, climate change issues and energy dependence on Russia, ultra-nationalism led to extreme European states, the rule of law manifested in some European countries and the impossibility of the EU to sanction for lack of concrete instruments of action. The key of resolving those problem is cooperation between state and a concrete action plan drafted by European Commission and accepted unanimous by the decisional triangle.

In the following chapter we will continue the discussion about the future of the Europe, about the consequences of an important problem which European Union is confronted with – Brexit outcome and the future previsions about the so called “*begging of the end*”.

## **2. Brexit - “*the beginning of the end*”?**

Nowadays, news, written press and online media discuss extensively about the Brexit issue and about the long-term effects on European construction’s future. There are different opinions regardless this topic and some critics stressed the idea of *end of this construction* after the departure of the United Kingdom from the European Union. But at the moment, the action is in progress and the end is uncertain being as a ship without a concrete destination. There are many clues for the end of this story but we do not know exactly what will happen.

Surely, the date - 23 June 2016 – will mark in the history of European Union, one of the most unexpected moment in its evolution. Although the Euroscepticism of the British political class should not surprise us so much because we have become familiar with this kind of attitude. Throughout the period in which Britain stood outside the European Union but also inside of this construction, British citizens were skeptical to the idea of a supranational power which decide their interest. They were used to be traditionalists and conservative, they always fight for its nationalism in relations with European Union. Throw the years, they were used to gain privileges from the European Union and they always strongly negotiate with Europeans for a privileged position. So, this attitude was not a surprise for Europeans, the result of the elections was unexpected because we are used to see discussions initiated by United Kingdom but without a concrete end. The outcome of the election was a surprise for David Cameron himself, the figure who had proposed the idea of a Brexit referendum, to consult citizens towards this issue.

British referendum will remain in history of European construction, as a turning moment of this construction and it will be a lesson both for the European Union and United Kingdom. It is uncertain whether Brexit impact on the evolution of pro-Europeanism will be a lesson for the European Union to redefine its tools of action or is the time of “beginning of the end of the European Union”. Today, we are currently talking about two different scenarios - a complete reconstruction of the European Union as President Emmanuel Macron predicts, or a repair of what has been built so far, as President Jean Claude Juncker recalls in his speeches. What are the dilemmas for European Union and what should EU do to keep up with the new global context? Which are the main policy areas where European Union needs to take urgently measures? What governance formula is needed to be adopted in the near future?

The idea of the end of the European Union after Brexit departure is still debated. Felix Gilbert and David Clay Large, in their book entitled *The end of the European era: 1890 to the Present*, examines how twenty-first-century Europe has addressed issues such as immigration and migration, economic globalization, environmental degradation, and terrorism (Gilbert and Large, 2009). They pointed out all the negative effects and they highlighted how vulnerable the European Union is. Past decades have revealed how much the Euroscepticism trend was intensified in the interior of states. James Kirchick, the author of book entitled *The End of Europe*, reveals ‘Brexit’ is a product of politicians discourse more than the result of all the negative actions which happens around Europe. And when we talk about populism figures, we can start with populism from Latin America, there was Venezuela’s late President Chávez, in Spain, where the Podemos party is, in Greece the label has also been applied to Syriza. Nowadays, According to Molloy (2018), the most successful populists today are on the right, particularly the radical right, “politicians “like Marine Le Pen in France, Viktor



Orbán in Hungary, and Donald Trump in the US, who combine populism with anti-immigrant nativism and authoritarianism”.

Besides the promotion of nationalism at the state level and the trend to multiplicity the Brexit effect throughout the states, there are also states which underscored the necessity of a common goals for European states to win the battle with the external dangers. One of the states which is still pro-European and it has a strategic position for a strong European Union is Germany. According to Moller (2019), the position of Germany towards the Brexit and towards the future of the European Union is to maintain “an even greater focus on the cohesion of the remaining 27 – no easy task given the increasing fragmentation of the last few years”. The chancellor of Germany, Angela Merkel, proposed a closer cooperation for *more Europe and deeper integration* (Janning, 2018). Germany is an important resource for the European Union - the engine of this construction - because of its important position in International Relations System and for its pro-European attitude promoted at the European level (Sabbagh and Partington, 2018). So, Germany, from that point of view, remains a most important actor for the European scene, being capable to change the fate of the European Union and save construction from disintegration.

Also, France believes in the European Union because it understands the importance of European Union in the fight against dangers from outside Europe. First sign which stressed the idea of a united European Union was shown by signing the Treaty of Aachen, on January 22, 2018. France President, Emmanuel Macron, confirms the desire of France and Germany to build a united and democratic Europe, by signing the treaty of cooperation and federal-German integration. He underlined the idea that

*no single or two country can do what we all can do together (...) unity, solidarity, cohesion are the words of order of this treaty. Europe would not survive if it were not united. Franco-German responsibility is to give Europe sovereignty (Lupițu, 2019). Macron also added “We do not always move fast enough, but that's what we've done in these decades. I prefer to strengthen the European Union. The world and all our citizens need that. I want a Europe that goes further and builds on these new ambitions. We love our countries and love Europe because we know they are inseparable” (Lupițu, 2019).*

This symbolic treaty comes to strengthen the conviction that Europe will go on with or without the United Kingdom, showing that Europe will continue despite of all this nationalism which tries to disintegrate the European Union. Moreover, this treaty illustrates that co-operation and common goals to carry out are more important in fighting with nationalism. After the vote against Brexit Deal, the European Union is also preparing for the grim scenario of a hard ‘Brexit’. Now, they are ready for a



Hard Brexit scenario and European leaders claim they took all the precautions for a departure without an agreement. Some voices said that there were not expectations of a softer Brexit (Quinn, 2017) and for this reason is most important that Europeans should be ready for this scenario.

Regarding to the evolution of the European Union to *a beginning of the end*, the reality is that Brexit is not the end of EU, Brexit is just another crisis of the construction. In the history of European Union, there were many episodes of crisis but what makes this moment different from earlier existential crises is that the direction of integration is more diffuse now than in the past (Techau, 2016). Niall Ferguson pointed the fact that *immigrant overload, not Brexit, heralds the end of the European Union* (Ferguson, 2018), so his statement shows that there are some sensitive issues that threaten the future of the European Union.

It is hard to believe in the idea of disintegration of the European Union after Brexit because not United Kingdom is the resistance pillar of the entire European construction, there are other states which maintain the equilibrium of this construction and the European Union is used to see Eurosceptical Britain attitude. I also believe that is not the end of the United Kingdom – the European Union relations because British will not want to leave the Europe with losing of all the privileges that they had in the course of holding the status of member country in the EU.

### 3. Scenarios on the future of the European Union

“The European Union of tomorrow will be defined by more integrated foreign policy, the end of the euro, a more complete single market, and more realpolitik” (Techau, 2016). The key word that best describes the future of the European Union is *unity* that will be made on the basis of states cooperation, cooperation which will help Europe to relaunch from crisis. There are no doubts that European Union will continue after Brexit because European leaders will find the key solution for a stronger Europe.

European Commission has made steps towards dialogue with the other parties involved in reforming the European Union, by launching a public consultation in 2016 in order to find solutions for a strong European Union. This dialogue was initially proposed on 2013, but it was successful after Brexit, when the idea of a disintegration of Europe has widespread in mass-media. The results of this extensive consultation with citizens was published in an European Commission document entitled *Citizens' Dialogues and Citizens' Consultations - Progress report*, on 11 December 2018. Jean-Claude Juncker, President of the European Commission underlined the importance of citizens in the process of reforming the European Union saying that “*Europe is above all a Union of citizens. They are the heart, soul and driving force of our project*” (European Commission, 2018). The purpose of

European Commission is to provide guidelines for other institutions of European Union and for member states. The future of Europe is in citizens' hands and 'New' Europe should be in the spotlight by identifying with citizen from each European's state and with European values. This issue will help Europe to pass over this crisis and will restore the trust of the citizens in the EU.

Moving back to the solutions proposed by the European Commission for the future of Europe, there are five scenarios developed on the evolution of Europe, scenarios proposed by *The White Paper*. All scenarios follow the idea of Europe with 27 states and the discussion on Europe's future has been boiled down to a binary choice between more or less Europe (European Commission, 2017, p. 15). Scenarios themselves were not considered detailed blueprints nor policy prescriptions; according to the Commission, they are primarily aimed at steering a debate on the future of the European Union. On the following lines, we will examine all the five scenarios by analyzing the impact on the states, both the richer and the poorer states of the European Union. We can also see differences between the politicians' discourse depending on the interests for a subject or another.

The first scenario named "Carrying On", envisaged a Union going on in its present state, "implementing and upgrading its current reform agenda". By 2025, the EU27 would manage to "positively shape the global agenda in a number of fields such as climate, financial stability and sustainable development". Progress would additionally be made regarding unity on foreign affairs. Although the positive agenda was speculated to yield concrete results, the Commission warned that decision making could remain complex, and that the capacity to deliver may fail to match the expectations.

The positive effects on the agenda of action regarding these scenarios that it continues to deliver concrete results, based on a shared sense of purpose. Citizens' rights derived from EU law are upheld. The unity of the EU27 is preserved but may still be tested in the event of major disputes. Only a collective resolve to deliver jointly on the things that matter will help close the gap between promises on paper and citizens' expectations.

The second scenario, "Nothing but the Single Market", imagined the single market as main focus of the European Union. The latter would consequently step down its work in most policy domains. This scenario would enable a strengthening of the single market for goods and capital. Yet, due to reductions in regulations at the EU level, it could entail a deepening of differences between Member States in areas such as consumer, social and environmental standards. Overall, it may stir growing divergences and limited cooperation.

The EU's re-centered priorities mean that differences of views between Member States on new emerging issues often need to be solved bilaterally, on a case-by-case basis. Citizens' rights derived from EU law may become restricted over time. Decision-making may be simpler to understand but

the capacity to act collectively is limited. This may widen the gap between expectations and delivery at all levels.

In the third scenario, “Those Who Want More Do More”, the EU would proceed as presently, yet one or more “coalition(s) of the willing” would emerge to cooperate on certain policy areas, such as defence or taxation. Concretely, new groups of Member States would agree on budgetary and legal arrangements to deepen their cooperation in chosen areas. The countries remaining outside the alliances would simply carry on with the present state of the Union. This multi-speed Europe would logically entail variances, although the Commission expressed the hope that all the Member States would eventually join the coalitions.

The unity of the EU at 27 is preserved while further cooperation is made possible for those who want. Citizens’ rights derived from EU law start to vary depending on whether or not they live in a country that has chosen to do more. Questions arise about the transparency and accountability of the different layers of decision-making. The gap between expectations and delivery starts to close in the countries that want and choose to do more.

The fourth scenario envisaged by the Commission, “Doing Less More Efficient”, would see the EU focus on a reduced number of policy areas, amongst which for instance innovation, trade, security, and migration. Consequently, the EU would act less - or stop acting altogether - in domains where it is perceived as less necessary, or less productive. Such domains might involve regional development or public health, as well as parts of the employment and social policy. In selecting its new priorities, the Union “seeks to better align 5 promises, expectations and delivery”. However, agreeing upon the areas to prioritize might prove challenging.

Ultimately, a clearer division of responsibilities helps European citizens to better understand what is handled at EU27, national and regional level. This helps to close the gap between promise and delivery, even if expectations remain unmet in certain domains. Citizens’ rights derived from EU law are strengthened in areas where we choose to do more and reduced elsewhere. To start with, the EU27 has real difficulty in agreeing which areas it should prioritize or where it should do less.

Last scenario, “Doing Much More Together”, reflects an ideal of further integration. The Member States would agree to share more power, resources and decision-making. In other terms, “cooperation between all Member States goes further than ever before in all domains”. Eventually, this scenario might lead to faster decision-making, yet creates a risk of alienating a part of the population that does not believe in EU legitimacy.

There is far greater and quicker decision-making at EU level. Citizens have more rights derived directly from EU law. However, there is the risk of alienating parts of society which feel that the EU lacks legitimacy or has taken too much power away from national authorities.

The most important weaknesses of this paper presented by Jean-Claude Juncker with reference to the fate of the European Union is the fact that “the Commission presents its five scenarios in the belief that, between now and 2025, the same old ideological rut can be sustained; it does not even choose one and stand up for it” (Frassoni, 2018).

Nowadays, European arena looks quiet and predictable with many crises and a multitude of challenges. The spring fresh air seems to lead the political desire of change, a harmful battle for popularity at the European level and a Europe which seems to prepare for the war of values, principles and own beliefs. It will be a tenacious campaign both for the European Parliament and for the head of states, because the stake of dispute is huge – a seat for the next five year, in a decisional venue is not an insignificant prize. More and more discourses are under a sign of change, making people feeling unsecured and without more options. Citizens want to renew the political class with new and fresh figures, but sometimes something new is not always the best option. It is time to vote, to decide our own faith and to see what will happen with the European Union next years.

Probably on the ground of an electoral campaign year, things should seem unpredictable because of the multitude of speeches, visions and proposal come from politicians. In the next few years we will see the direction of things and we will observe if things will go better.

Returning to scenarios, “*Those Who Want More Do More*” is the proper option in a tired European Union threatened by disintegration, a Europe with brave and lazy states, developed and undeveloped states, pro-European and Eurosceptical states, big or small states, etc. This scenario emerges states to cooperate and to make “coalition(s) of the willing” for the success of a certain policy areas, encouraging states to be more competitive and to want more for the European Union. This is probably the best scenario in the vision of European Commission because the European Union leaders want a clear way of performing with the European Union and avoiding critics with reference to development of this structure. They have a clear way but also an option for each state – *a multi-speed version* - where states have to choose the best option for their development. Germany and France adhere to his scenario saying that this scenario will guarantee a complex solution for all the states of the European Union and those states invite others states to talk about “a la carte” Europe. First sign which stressed the idea of a united European Union was shown by signing Treaty of Aachen, on January 22, 2018. France President, Emmanuel Macron, confirms the desire of France and Germany to build a united and democratic Europe, by signing the treaty of cooperation and federal-German integration.

*A multi-speed Europe* is the best option for developed states which were tried to motivated undeveloped states to do more that their normal rim of development. As one of Vote Watch Europe’s study said “a multi-speed Europe”. Relevant political data clearly indicates that Western European delegations are much keener on establishing a multi-speed Europe, which would allow a core group

of Member States to take the lead on tax harmonization, establishment of a Eurozone governance and military cooperation. On the other hand, Central and Eastern European countries would support a scenario where the EU focuses more on defence and security and less on harmonization of economic policy. Finally, Nordic countries such as Sweden and Denmark are wary of both perspectives (multi-speed Europe and security oriented Europe) and seem more willing to stick to the status quo. (Vote Watch Europe, 2017).

So, there are states which will loss from this point of a “multi-speed Europe” like countries from the Eastern-Europe because they have a low rite of development and they cannot keep up with the Western-Europe. This region must become more competitive and it cannot afford just to wait a marvel from the “heart core” of the Europe.

I adhere to the idea of Emmanuel Macron, advocating for a more competitive Europe to bring Europe out of the current crisis they are facing. As he said, “the Europe that we know is too slow, too weak, and too ineffective” (Chrisafis, 2017). A radical transformation and a deeper political integration will help the EU to regain the trust of citizens. The pace at which it has gone so far is not possible to go further because this would lead to an even greater weakening of the citizens’ trust in the European Union, but also an upward trend in the growth of Euroscepticism. So, the suitable scenario is to increase confidence in the European Union’s mechanisms, new strong mechanism of action in taking decision at the European level by involving states and citizens and rethinking the tools that currently seem to have been designed to be effective and sanctioning and correcting mistakes that states do.

## Conclusions

In the current article “*Challenges and opportunities for European Union in the XXIst Century*” some of the major issues related to the actual crisis of the European Union were highlighted: terrorism and migration, British Euroscepticism and their possible departure from the European Union, climate changes issues and energy dependence on Russia, ultra-nationalism led to extreme European states, the rule of law manifested in some European countries and the impossibility of the EU to sanction the lack of concrete instruments of action.

All of these issues have intensified on the background of parties that promote an anti-European message (populist discourse), Eurosceptical leaders who have won more and more votes in local, national and European elections. They try to minimize the positive effects that the European Union has brought to citizens highlighting the shortcomings and vulnerabilities of European construction at this moment but without providing concrete solutions for overcoming these crises. For Eurosceptics

the saving solution is the promotion of an exaggerated nationalism that does not have a positive impact on the problems that Europe is currently facing with.

Two questions were behind our analysis in the paper. Regarding the former question, based on study cases, we have demonstrated that the answer is “No”. Following the history and the evolution of European Union from the beginning to present, the reality is that Brexit is not the end of EU. Brexit is just another crisis of the construction. In the history of the European Union, there were many episodes of crisis that have been successfully overcome. Developing new policies and searching for solution of the most controversial subject have a major impact on surviving the European Union. States learned that the key of all these issues is a continuous dialogue and cooperation for solving all the problems. As for the latter question, the answer is quite predictable for the option of “Those Who Want More Do More”. It is the proper option in a tired European Union threatened by disintegration, a Europe with brave and lazy states, developed and undeveloped states, pro-European and Eurosceptical states, big or small states, etc. This scenario emerges states to cooperate and to make “coalition(s) of the willing” for the success of a certain policy areas, encouraging states to be more competitive and to want more for the European Union. This is probably the best scenario in the vision of European Commission because the European Union leaders want a clear way of performing with the European Union and avoiding critics with reference to development of this structure. They have a clear way but also an option for each state – a multi-speed version- where states have to choose the best option for their development.

From problems related to Brexit to those related to climate change, the European Union is dealing with a series of challenges which it has to resolve urgently to overcome the actual crisis. Actual risks threaten the European Union with disintegration and European leaders are searching for a solution. The main risk factors for the European Union are issues related to the identity crisis of the European Union, terrorism and migration, British Euroscepticism and their possible departure from the European Union, climate change issues and energy dependence on Russia, ultra-nationalism led to extreme European states, the rule of law manifested in some European countries and the impossibility of the EU to sanction for lack of concrete instruments of action. The key of resolving those problem is cooperation between state and a concrete action plan drafted by European Commission and accepted unanimous by the decisional triangle.

Regarding to Brexit, I personally believe that the story of this issue will not end here. The vote in the British Parliament was rejected and for this reason Theresa may will not expect the UK to leave the Union without an agreement and that is why she will try to find a compromise solution. First step will be to invoke the Article 50 to postpone the data of the Brexit exit and under the pressure of resignation to reject the agreement, it will hold a second referendum to consult citizens. But also, the



postponement of United Kingdom exit, a scenario in which I personally believe very much, will also be a challenge for the United Kingdom. Why do I say that? Because, in this case the grace time can be both an ally and an enemy. If it takes advantage of its time in its favor and the British Prime Minister will reach the wise decision to convene a new referendum on the fate of leaving the European Union, then the story will probably have a happy ending. If the United Kingdom will postpone the exit for another year just to ask for new concessions to Brussels and other more advantageous conditions for a new agreement, I personally think it will be a new failure to pass the time and postpone the taking of a decision that will have an unfortunate ending for the United Kingdom.

If in the case of Brexit there is a happy ending and an unfortunate end, finally written by the British themselves, when we talk about the future of the European Union, there are just a happy new beginning, maybe just a little better for some states and not as good for the rest who are not competitive and have lazily. But maybe just under the sign of competitiveness will change things for the better in Europe and with it the European Union would be saved from self-destruction.

Definitely, the future of the European Union must take into account the priorities in the field of energy and climate changes because it is our responsibility to keep the Earth safe and to protect the environment. The Energy Union needs to be improved for bringing the desired results and not simply remain announcements of good intentions. Since we are talking about defending, Emmanuel Macron proposes European Defense Army and it remains to be seen if this idea will convince European leaders to be supported. Here, there are some potential economic gains for some Member States and therefore the biggest stake of these proposals is to be accepted to the rest of states.

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# Misunderstanding, conflict and divisions between the Visegrad Group and the European Union – an analytical discourse beyond the public cliché of the migration crisis

Birgit SCHMÖLZ\*

## Abstract

*The current connection between the European Union (EU) and the Visegrad group (V4) seems to resemble a parent-child relation: the perception of a dictating European Commission, on the one hand, and a rather stubborn driven behaviour on part of the Visegrad players, on the other hand, is undeniable. Certainly, the migration crisis was a crucial issue for both sides and it definitely destabilised the harmony balance between the EU and the Central Eastern European (CEE) states. Hence, the question raised is whether there are more fundamental reasons behind the phenomena of a highly tensed environment. This paper strives for an explanation on the self-perceived role of the Visegrad format and the perception of the 'other' within the European Union.*

**Keywords:** Visegrad Group, European polycrisis, role concept, identity concept

## Introduction

The recent developments in the European Union – e.g. the upsurge of right-wing parties and the increasing tendencies towards illiberal governance models – reflect perplexities and syndromes that have caused a great misunderstanding among its European members. The migration crisis has revealed profound disputes. Notable controversy gained the resolution plan on a relocation scheme that the European Commission developed in 2015. For the sake of sharing responsibility this mechanism was designed to navigate the transfer of refugees from one EU member country to another. The capacity of how many refugees a country should receive is objectively measured upon a set of criteria (e.g. number of population, GDP).<sup>1</sup> The Visegrad countries opposed the plan and thus received critics and accusations for their behaviour of showing little solidarity. Further procedures of a coordinated balancing of migration flows are progressing. The current action on the political agenda of the European Union strives towards a long-term policy on migration.

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<sup>1</sup> More information on the relocation model can be found here: [https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/background-information/docs/2\\_eu\\_solidarity\\_a\\_refugee\\_relocation\\_system\\_en.pdf](https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/background-information/docs/2_eu_solidarity_a_refugee_relocation_system_en.pdf)



These developments certainly unfold future questions on how to proceed with the overall EU integration project – such as moving towards a stronger integration or remaining with the prevalence of demarcation. Yet, an answer to this holistic question may not be found as long as the current obstacles are in place. Hence, for reading this paper properly it is essential to understand that the migration crisis represents another trigger for a phenomenon that the European Union has been experiencing and is still struggling to digest: the clash of different mindsets or even ideologies among its member countries. A revival of alleged misperceptions between Eastern and Western European countries has been created amid the debate of the so-called ‘polycrisis’<sup>2</sup>. It brought up again the narrative about an East-West normative gap (Kazharski, 2017). In order to understand this clash and the conflictual atmosphere in the European Union researchers need to study these challenges not only through the lens of migration’s related matters but also focusing on the “understandings about the self” (Jakniūnaitė, 2009, p. 118) of the V4. In search for role- and identity-based answers, this paper will thus analyse the self-perceived or the so-called ego role of the Visegrad group and evaluates the assessment on the V4’s EU membership at present. The group consist of four member countries: Hungary, Poland, Slovakia and the Czech Republic. It was established in 1991 in order to facilitate the accession process and the transfer to multilateral cooperation structures, such as the European Union.

The scientific core element is based on a qualitative database of expert interviews, which further verifies the overall project as strongly empirical. Firstly, the introductory part underlines the relevance of this essay emphasizing its dual dimension and introduces the theoretical approach. Further insights are given on the methodology and data collection, followed by the presentation of the findings that drive towards the final considerations.

## **1. The polycrisis of the European Union – a societal and scientific classification**

For a long time, the Visegrad states have played a minor role on the EU level. But with the aforementioned incident of the relocation rejection, the V4 actors were identified and stigmatized because of their non-conformal behaviour with the set of EU regulations. They were given titles that described their contemporary role in the European Union. In this context the Visegrad states were considered as “enfant terrible” (Radziejewski, 2017). They established themselves as an antithesis to the Brussel’s mainstream (Cameron, 2016). The migration crisis also revealed an inner-European

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<sup>2</sup> In his speeches, Jean-Claude Juncker addresses the current challenges to the EU by using the term polycrisis. It describes the situational and current state of the European Union. For more information visit the following websites: [http://europa.eu/rapid/press-release\\_SPEECH-18-1121\\_en.htm](http://europa.eu/rapid/press-release_SPEECH-18-1121_en.htm)  
[http://europa.eu/rapid/press-release\\_SPEECH-16-2293\\_de.htm](http://europa.eu/rapid/press-release_SPEECH-16-2293_de.htm)

conflict between the Visegrad states and the European Union. Incompatible expectations between the V4 and the EU were thus a logic outcome and are further framed as a newly V4-EU conflict.

Furthermore, one should take into consideration that the crisis is not endemic to the Visegrad countries. The subjects of political confrontation, mentioned at the beginning, have spread all over Europe and are overlapping the spheres of political and societal realities. The migration crisis will be considered as a characteristic reference for the paper. It serves as an adequate point of departure for a deeper analysis of the status quo of the V4's EU membership. Since their accession, the V4's well-being in the EU has not been properly evaluated. A large amount of studies set the focus on the transformation and EU accession processes, predominantly in political science (Grabbe, 2006; Quadrio Curzio and Fortis, 2008; Schimmelfenning, 2005). A contesting research gap uncovers the still prevailing opinion of a successful integration and the advantageous evidences, e.g. political and economic cohesion. But lately these convictions have excluded the contemporary upsurge of antagonism. In this regard, the political research draws attention to the V4 due to the disruptions in the EU in the last couple of years (Dostál, 2015; Fuksiewicz and Lada, 2017; Skrzypek and Skóra, 2018). Nevertheless, an appropriate analytical connection between the aforementioned issues of the polycrisis and the status quo of the Visegrad states in social and political research has been missing so far. From this point of view, the given societal and scientific relevance increases the need for further research on this specific subject.

The reconstruction of social reality and the interpretation of contextual situations and activities are subsumed under the scientific lenses of constructivism. In turn, this alignment leads to an equivalent theory approach: the role concept which encaptures a states' self-image alongside a set of internal patterns like norms, interests and other aspirations that are communicated with the external parties (Holsti, 1987; Rosenau, 1987). The actual role performance which is the tangible outcome on the transnational scene depends on the ego role conception. The latter is processed on national levels in a fundamental way. Political entities are embedded in a transnational environment and interact in a multinational relation network. Therefore, they apply certain roles that incorporate diverse affiliations and identities. Since states interfere with each other, their manifested roles influence the negotiating process. It is in this framework where different expectations of the opponent's role create dissent and incompatibilities – and in the ultimate case it escalates in a role conflict (Backman, 1970, p. 313).

## **2. Methodological data collection**

The commitment to constructivism is also transferred to the methodological realisation. Abstract constructs such as attitudes and viewpoints on selected issues, are collected most efficiently

and epistemic through the qualitative approach. The reconstruction of the situational and political reality in the V4 region is the main scope of research. The underlying research procedure is built upon a strong empirical and interpretative nature. The empirical realisation focuses on public agents (experts) implying a discovery of the structure and conception of the role attributed to the Visegrad group. The participating four think-tank institutions in each V4 country are selected on the basis of the characterising definition of what an expert is: representatives of institutions that transfer professional know-how, and experts who have access to a vast spectrum of detailed information. The ability of the involved expert is to provide stakeholders with specific expertise and to simplify complexities for the public (Döring and Bortz, 2016, p. 375). These criteria are surely given and were highly valued. Personal short briefings with the experts were conducted in advance in order to examine the individual specialisation and level of expertise. At the same time, scientific accuracy is subjected to the contextual specialisations and orientations of the think-tanks and should be reflected critically. In this regard, concerns of other dependencies can be excluded.

Data was generated by means of conducting partially structured, open and problem-focused interviews (Mason, 2002). Over the course of nine interviews, experts shared their experiences and insights into the reasons for the conflictual and idiosyncratic role behaviour of the group. The implementation of a diverse set of questions concerning assimilating items, e.g. motivation for a group attachment or defining representative attributes has been applied (Roccas and Berlin, 2016). Hence, while the main focus lays on “unique behavior traits” (Brecher *et al.*, 1969, p. 79) explained by the role conceptions, the preliminary use of empirical questions can be associated with intergroup relations and behavioural systems (Tajfel and Turner, 2004).

The elaboration of the data set was primary made in a qualitative-interpretative manner (Creswell, 2009; Esterberg, 2002). Furthermore, the generated interview transcripts were imbedded in a computer-based content analysis via MAXQDA (Creswell, 2009; Mason, 2002). Rules and techniques of coding and categorisation ensured the systematically processing and evaluation of the data. The specific construction and deduction of inferences and new findings from the sources was the major intention of the research (Krippendorff, 1969).

### **3. Empirical findings of the Visegrad group’s assessment of their EU membership**

The declaration of the V4’s current role performance obtains an analysis of the present assessment of the EU membership. On a diagnostic stance, the ‘advantages’ and ‘disadvantages’ of the EU accession will be described in the following part. The findings of the database are structured in a latent and non-latent outline.



### 3.1 The persisting achievements of the EU membership in the non-latent testing area

The persisting achievements of the EU membership are still valued and recognized as great successes of the political and economic transformation processes of the former post-soviet states. The following key advantages are highly responsible for a positive association with the membership: stability and security; economic growth and prosperity and, unquestionably, the overall European peace project are considered enormous improvements. On the individual level the membership is exceptionally connected with prosperity and improved living conditions. Societal dynamics have changed insofar as integration and globalising processes enhanced cultural, non-material, and social acquisitions. Liberal values, the ideals of an economic and political most advanced Europe have been adapted and they replaced norms of the former socialist system (Genov, 2016, pp. 136-137; Grabbe, 2006, p. 53). Furthermore, the overall appreciation of the EU as a peace project delivers the connotation of an EU that is seen as a provider for stability and security.

In particular, the socioeconomic advantages – such as the cohesion policies, the structural funds and the access to the common European market – have deeply affected the V4's long-lasting well-being in the European Union. These socioeconomic factors still constitute the collective economic interests of the four states and can be regarded as tremendously important. Being integrated into transnational structures primarily implies the opportunity to benefit from it. During the budget distribution of the years of 2007-2013 the Visegrad states gained half of the cohesion funding (measured according to their GDP)<sup>3</sup>. During the European financial and banking crisis in 2008/2009 Poland was one of the most economically stabilised countries in the EU (Plóciennik, 2018, p. 234). Their recent economic endeavour was observable during the negotiations on the multiannual financial framework. Brexit and additional challenges – for example, terrorism, expenses for security and defence – have caused a budget reform shift that implies new investments for the last-mentioned priorities. The concern of the V4 increases, because they fear that the negotiations will result in financial cutbacks for the next term (MFF 2021-2027) (Balcer *et al.*, 2017). Financial reductions in turn would lead to a perception of being left behind. Consequently, the group insists on a consistent financial support from Brussels since money is still indispensable for certain infrastructural projects in the region. The Visegrad states are well aware of their fragile position. For this reason, the EU membership can be regarded from a very pragmatic perspective, where it serves the rational self-

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<sup>3</sup> This fact emerges from the report on 'EU Cohesion Policy in Central and Eastern European' Countries of the European Central Bank (cf. European Central Bank, 2008, pp. 14-15). Further research has been conducted by Mark Horridge and Bartłomiej Rokicki (2017). Their study analysis the impact of the cohesion policy on the income convergence in all four countries. On the basis of their thesis, which alternative scenarios would have been possible if the Visegrad four had not joined the EU, they introduce "computable general equilibrium (CGE) models" in order to resemble growth of per-capita income in the countries (Horridge and Rokicki, 2017).

interests of its V4 members. Very likely their membership confers socioeconomic principles that serve V4's self-interests. This is responsible for their behavioural traits on the role of the consumer and beneficiaries in the EU and can be metaphorically described as 'cherry picking' (Kazharski, 2017, p. 12) behaviour.

The hard and observable facts prove the transformational progresses that the V4 underwent. Hence, the phenomena of the idiosyncratic role of the V4 is twofold with the second – rather invisible – results now drawing near.

### **3.2 Failures of the EU integration and the latent factors**

The integration into new transnational structures and the adaption of market-based principles within the European unity is now being questioned (Genov, 2016, p. 145). Contrary to the prioritisation of economic long-term interests, scepticism towards the EU integration, especially towards the market transformation, is rising; this scepticism also involves reservations towards the global community with its intertwined cooperation and dependencies (Beasley and Snarr, 2013, p. 318f). The assessment of the EU membership at present can be defined as highly critical and is characterised by a growing feeling of frustration. This argument results from the following empirical findings: the formulation of the narrative of 'buying out the local market' – which meant that foreign investors and their FDI's (Foreign Direct Investments) swamped the business scene – and thus minimized the chances of an own establishment of the cooperate landscape. It also led to a perceived but implicit economic dependency on other European partners (Kagarlitsky, 2007). A second concrete example for the negative attitude towards the economic integration process would be the significant changes on the labour market. With the opening of the markets, high-skilled labour forces left the country to find better work abroad and thus did not contribute to their own emerging economies. Such developments are a contesting subject giving room for general but emotional doubts on the fruitfulness and successful functionality of the market economy. As a consequence, the notion of an economic discrimination occurs and is defining the sensitive relation to the European Union. The EU membership is generally speaking associated with economic improvements since the accession process was an instrument to implement new rules and structures for the economy remodelling (Grabbe, 2006, pp. 43-44). Hence, 14 years after the accession the overall economic growth is noticeable but economic discrimination on the individual level persists. The last-mentioned phenomenon is strongly related to the perspective of socioeconomic circumstances of each person. A connection between the assertions of individual prosperity permits reflecting assertions of the condition of social order (Bauman, 1997).

Frustration also exists when it comes to polity related issues. The V4 perceive themselves as a junior-partner since they are still regarded as the new ones in the European Parliament. An urgent request to be treated as equals among EU partners reinforces the frustration with the EU membership. The reforming process implied in a subtle but pressurized way that the V4 countries should integrate in an exemplary manner. ‘Catching up’ is an equivalent term that expresses this feeling of continuing the role model of the progressive economic and political post-socialist states. „[T]he term ‘the Visegrad group’ became shorthand for the politically and economically most advanced, most ‘Western’ post-communist states’” (Vachudova, 2005, p. 94). Nonetheless, there is a spatial economic gap between the core of the old European countries and the CEE-countries which underlines the still pending east-west economic approximation for the years to come (Gorzelać and Smetkowski, 2010, p. 35; Strupczewski and Guarascio, 2018).

From the perspective of the V4, the EU membership resembles a second-class membership and this in turn leads to a rising discontent. In a more metaphorical way, the EU membership can be described as ‘the bride turned out not as pretty as advertised’ (Kazharski, 2017, p. 13). The perceived inferiority and disparity on the EU level has an impact on the Visegrad’s role performance. It has changed to a rather unnoticed EU partner and its image of a successful integration that is gradually fading. Instead it has been replaced by the self-perceived ego role of a disadvantaged group. This role concept is mutually dependent on their Foreign Policy Behaviour. It gives an explanation of the V4’s critical or even rebelling behaviour. The best example for that is the migration issue. The group has bypassed or simply ignored the outcome of the negotiations on the relocation scheme initiated by the EU interior ministers in September 2015. Only Slovakia and the Czech Republic have accompanied a small number of refugees – Poland and Hungary completely eluded the regulation. The migration crisis finally brought internal positive and external negative popularity and an additional leverage of their resisting behaviour.

### **3.3 The role function as a disadvantaged group**

Regarding their role performance of a disadvantaged group the evidence of the attached role function becomes clear: the V4 drawing attention to an internal and external level in order to proactively exploit and benefit from being treated as second-class members. On the external level the V4 still struggles with the image of humbling and devoted partners even though they are pursuing the status of serious, equal players. As a consequence, the rhetoric interaction among the two partners becomes harsher and it frames the predominance of a V4 versus EU conflict. The European Union emerges in a negative light – and harshly speaking – it is being presented as a scapegoat for the societal frustration in the V4 region. This frustrating strive for recognition serves internal-political

ends. It is mostly utilized by populist voices in the region questioning the costs and advantages of being an EU member. As some experts mention, it is always easier to blame someone else for mistakes than reflecting one's own work and responsibilities. The EU is a convenient excuse for political arguments. With no surprise it can be stated that the EU has become a political match ball for national politics. This is a frequent conclusion in the latest discussions on populism.

Another prevailing component that serves the political reasoning line for a demarcation is the experience of the common historical past. It is deeply rooted in the collective memory of the Central Eastern European societies. The nostalgic practice of remembrance of the post-socialist past is used as a comparative tool to sustain the security related narrative of 'the good old times'. The enduring desire of socioeconomic security – individual as well as collective – can be explained from this angle. There is still the effort for an entire implementation of a consumption-oriented society because it is the prevailing and most obvious sign of a successful EU integration (Bauman, 1997). The impact of history is still part of the political culture and gives a strong explanatory factor. For a better self-comprehension of this intertwining phenomenon of past (perception of security) and present (perception of uncertainty) economic conditions as well as to better understand the position within the European landscape, the V4 group relates itself to post-socialist historical narratives (Segert, 2007, pp. 16-21). The common history triggers a feeling of unity on a national as well as on a transregional level. The concepts of national and collective identity gain revival since a discourse for identification is being created. The historical factor ties the V4 together and thus they act as one entity on the EU level. In this process of inclusiveness and exclusiveness the self of the V4 gets more validation for the political group but also for the citizens. Politically formulated messages are being sent to the citizens and foster the emergence of a regional ingroup. It entails strategies that evoke the narrative of a 'we/V4 versus them/EU'. The purpose of demarcation is pursuing rational interests of political actors such as recruiting their electorate. Contrary to the aspiration of a partnership of equals one can identify a 'we-ness' status, which the V4 communicates on the EU level: 'We are different, and we want be treated differently.' The anti-EU rhetoric is expressed by opposing against certain EU related policies, e.g. the debate on the double standard of food (Barteczko and Kelly, 2017). The V4 acted against the EU escalated during the debate on the relocation policy as of 2015 and has changed the V4's role performance ever since.

A precaution should be given when it comes to the V4's lack of experience with democracy and other political implementations in the transnational arena. To put it in a nutshell: the V4 are seeking for recognition and acceptance of their post-socialist status. This difference should be granted more patience. The aforementioned post-socialist role pattern constitutes the shared ingroup structures of the V4 group. However, there is a common understanding that this is yet an ancient

legacy that hinders the group in their regional progress. Political awareness is thus being generated and it will lead to overcome the image of the post-socialist history in the long-run.

The perception on the EU membership is overshadowed by the notion of an inequality of treatment among European partners and among the V4 and the EU in particular. The self-image of the V4 has radically changed towards the tendency of a looser-image. Mechanisms of economic advancement and economic interdependences have long been considered as substantial contributing factors of transformation but are now being questioned. It is the lack of efficiency that is vanishing, and it reflects not only the socioeconomic insecurity in the V4 societies but also the resentments. As a consequence, the categorisation between the V4 and the EU does not put an end to the conflict between the two actors – on the contrary; it is a sign for escalation. In addition, these results invalidate the outcome of other studies proclaiming an overall positive satisfaction with the EU membership of the V4<sup>4</sup>. Due to the given circumstances of the polycrisis, the paper revealed the critical opinion on the self and the membership in the European Union. Certainly, this should not intensify a narrowed, unilateral but rather a differentiated and contextual thinking of various existing social realities. This is because the latter does exist in the European Union.

## Conclusions

Processes of transnationalism in particular the integration into EU structures are a breeding ground for the V4's multiple functional roles. Both the role of the provocateur and the disadvantaged group come with certain narratives – such as the post-socialist one. This enlargement fatigue is the core phenomenon and at the same time the core problem for the existing growing social frustration. The political orchestration of subjects such as national sovereignty and identity driven issues serve as a compensating political answer in times of great inner-societal uncertainty. Yet, it merely gives an answer to the complexity of globalisation and its immense social implications (Bauman, 1997; Makarychev and Sergunin, 2000, p. 402). The incapability of governments and the increasing failures of elites in their actions is a considerable reason for the high frustration potential in the V4 countries (Makarychev and Sergunin, 2000, p. 402). These unsolved, in fact urgent problems are not only listed on the political agenda of governments in the V4 states but everywhere. In the long run politics have to face these cracks in societies because to a large extend populist parties exploit the destructing symptoms of globalisation. However, these symptoms are equalized with failures of the EU

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<sup>4</sup> The Standard Eurobarometer 88 survey is considered as a comparable figure for the above-mentioned argument. The survey question was: 'Would it be easier to face the future outside the EU?' (QA 18a.5) (cf. European Commission 2017, p. 84).

integration and this in turn is responsible for the downgrading of the EU image. The noisy criticism against Brussels is lobbied under the pretext of national reforms. It will further harm the drifting-apart in the EU and the coherence of the EU community.

A problem-oriented solution approach is necessary. In order to avoid the deepening of rifts within the EU and in particular the rift between Eastern and Western European countries, political stakeholders need concrete instructions. First and foremost, the acceptance of the prevalence of different living conditions in the Eastern and Western part of the EU should be explicitly stressed. These differentials are particularly linked to individual socioeconomic resources (Horridge and Rokicki, 2017). Studies on the specific income convergence take priority in this regard. Another solution approach should aim for adjustments of the different mentalities that concern the future EU project. This attempt engenders a rather holistic assimilation and could be implemented in many different ways (e.g. comparison of electoral behaviour; direct voting mechanism). The retrieval for a common consensus should have priority.

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## The role of social media in enhancing the modern market relations

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### Abstract

*The Social media environment represents one of the most prospective domains of developing marketing campaigns. This fact is a result of the fundamental characteristics of social media networks which could be summarised by the following: low cost of developing an advertising campaign and a wide audience which it can be addressed to. The present research has found that social media marketing can provide immense opportunities in reaching target audiences. Social networks lead to the shrinking world phenomenon which is catalysed by the digital revolution. Moreover, the research has determined that social media changed the way people consume, thus clients are equally interested in the product itself as well as in the story standing behind this product. Communities created within social media platforms represent an important driver of local development. Social media acts as an intermediary between clients and firms increasing the quality of modern market relations since it provides the opportunity to maintain permanent feedback with all market participants. The general conclusion reached summarises the idea that business – consumer relations have been intensified due to the development of social media networks.*

**Keywords:** democratisation of marketing, social networks, community relationship, Facebook, values sharing.

**JEL Classification:** M20, M30, O33, O35, P46

### Introduction

Attention is the most valuable commodity the humanity has ever known, presently, efficiently trade through social media platforms. According to Achrol and Kotler (2012) marketing in a form or other presupposes exchange of goods, services, personages, places or ideas between the elements of society, including individuals and businesses. Presently, social media is a world-wide market where consumers are reached in the most precise way. By far the largest sellers of online advertising are: Alphabet which has registered, in 2016, \$59.62 billion in media revenue. This company is followed by Facebook, \$26.2 billion (2016), YouTube, \$9 billion (2015), Instagram, \$2.81 billion (2016), Twitter

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Inc., \$2.5 billion (2016) (statista.com). The idea behind these numbers is that selling the attention of people has become a crucial feature of the modern economy. This market is the place where technology, marketing and consumerism met. Thus, technological development has considerably changed the way different market participants interact. Computer mediated environments reduced the cost of this interaction, providing a wide range of tools to reach specifically determined marketing objectives. Internet and telecommunication technologies form the digital marketplace, where digital marketing strategies are developed to reach specific target audience. Digitalisation permits to reach directly the target groups, in the shortest and most efficient way. It also makes it possible to model certain markets according to specific interests (Yadav and Pavlou, 2014).

Soukhoroukova *et al.* (2012) underlined that digital environment makes it possible to thoroughly study a market enabling the firms to develop new competitive products and strategies. Widely distributed knowledge needs permanent analysis requiring high standard competences as marketers need to deal with constant change and information flow. New products and new markets development are determined by efficient sourcing, filtering, and evaluation of new ideas. It is believed that presently there are 2.56 billion global mobile or social media users, this fact means that 1/3 of the world's population is a part of the global social media market (We are Social, 2017). The main advantage of social media is linked to its conceptual framework since it combines all strengths of traditional advertising multiplied by the easiness of interchanging information among thousands of users. Nevertheless, as it was mentioned, the volatility on this market matches its convenience. Thus, few will succeed in standing out the immense flow of information and even fewer to successfully ride the wave of word of mouth marketing- one of the key features of social media.

The researched matter in the present paper is complex comprising various aspects starting with the psychology of interaction between firms and businesses and finishing with the impact of social media networks upon SMEs. Therefore, the methodology involved to reach relevant results and conclusions includes mainly qualitative aspects of analysis. Qualitative analysis is applied in order to identify the main drivers of the so called “shrinking world phenomenon”. It describes the main concepts and ideas relating to it and includes a short review of the historical context in which it was proposed. Furthermore, the impact of modern social media upon this phenomenon is assessed and its role is evaluated in the context of the present time consumerism. A qualitative analysis is also applied to assess the impact of social media upon firm-consumer relations in the social media environment. The main advantages which social media offers for both consumers and firms are uncovered. Moreover, the qualitative impact of social media on the perspectives of businesses and at the same time consumers is determined. In this context, it has been decided to come up with relevant examples explaining the general idea behind building marketing in the digital environment. Finally, a

qualitative analysis is used to generally highlight the main beneficiary of the new technologies which are mainly the SMEs.

The present research is intended to provide marketers, practitioners, as well as the academic community with a recent view about how you can reach and maintain consumers' attention long enough, as to be able to build mutually convenient relationships. This paper goes beyond the traditional understating of clients' rationality to comprise certain psychological aspects which determine higher interaction between firms, individuals and the community. Considering this framework, several assumptions need to be made. Firstly, attention is intrinsically ephemeral. Secondly, consumers are highly heterogeneous. Nevertheless, there are several common characteristics for all of them, starting with the fact that, more or less, they are emotional beings, as well as not always rational. Finally, the idea that humanity is highly social and technology has immensely determined the way human interaction takes place can be underlined.

## **1. The role of marketing in the new digital era**

In order to have a more comprehensive view on the researched matter, a subset of relevant literature has been selected. Thus, it can be mentioned that entrepreneurship has always been linked to organisational and individual transformative dynamics. This fact is valid from both a strategic management perspective, as well as employees' operational one. Irrespective of the firms' size, they get through a permanent change, driven by both internal and external factors. Nevertheless, the amplitude of change depends of various aspects, starting with the basic ones, such as the number of employees, and getting to more complex aspects determined by marketing networks, strategies and competitive advantages (Teece, 2012).

Webster and Lusch (2013) argued that marketing has become an important part of our lives since it touches every aspect of our activity. Presently, a successful marketing strategy must be committed to long term goals. First of all, a marketing campaign should promote sustainable values, principles and ideas, avoiding minor, greed determined short term financial gains. In this regard, it should promote both value creation and consumer satisfaction. The priorities should be widened from the customers and firms' narrow interests to a general societal perspective concentrating on citizen-consumer and environment relations. Value co-creation within a socio-economic system must follow the principles of shared visions with a clear identification of the responsibilities that each market participant has. Furthermore, Yoo *et al.* (2012) concluded that digital technologies have penetrated every aspect of our life. They can be found in every service and product we consume. These technologies determine operations of the firms and radically change the way these approach their

consumers. Digital world is beneficial for the business processes since they offer wide opportunities characterised by affordability and accessibility. The main elements of the online world include digital technology platforms, innovation distribution networks, and knowledge of stakeholders. Technology is pervasive, nevertheless, marketer's competences are determinative in assuring company's success. At the same time, Aral (2013) highlighted that social media revolutionised the way we live, work, eat, watch TV, collaborate and finally, create. Business has never been offered such a wide variety of tools to use in order to reach strategic goals as well as operational objectives. The Digital world demolished previous business dogma by offering a totally new perspective. Business transformation is closely linked to digitalisation since the way business and society communicate has consistently changed.

Co-creation is an important feature of modern marketing. Thus, Hoyer *et al.* (2010) underlined the idea that modern technology has made available, for both consumers and marketers, a wide range of tools which makes it possible to foster interaction. This fact resulted in greater role of consumers' ideas, opinions and perceptions in developing and promoting new products. However, marketers, by following different strategies, are not only followers, they could be also creators capable of developing new markets through rightly approaching consumers. The first and the second aspects form co-creation and the role of it in the future will expand due to technological progress. Nevertheless, co-creation is presently weakly understood, since it is a new domain which needs more involvement of the scientific community.

Labrecque *et al.* (2013) stated that the rise of the internet brought significant influence to consumer power. The digital era enabled multiple ways of determining, in details, specific market characteristics to better meet clients' expectations and preferences. The power of consumers is derived from their demands, available information, and established networks. Technological development comes to enable an increased interaction between these variables and a successful marketer should be aware of these aspects to have the right approach. Despite the fact that consumers are determinant in shaping products and services, of increasing importance is the phenomena related to marketer created demand. Lee (2012) mentioned that co-innovation is an important part of present business activity. It emerged as a necessity of firms to adapt to global market changes affected by present socio-economic mega trends. Organisations or firms are no more isolated cells of the society, they should widely interact with various factors i.e. NGOs, media, cultural and religious communities, and adapt to certain needs, wishes or preferences. This fact does not only imply the delivered product dimension but also organisational values, missions and visions. This process, co-innovation determines the production of shared values through the involvement of several key elements: engagement, co-creation, and compelling experience for value creation. The firm's competitiveness

ability depends on the existing linkages and social relations. Galvagno and Dalli (2014) came with the idea that there are two main steps regarding co-creation, co-innovation and values generation which involve science, innovation management, marketing and consumer research. Different analytical tools offer a whole new dimension to identifying individual preferences and necessities. The customer is a generator of wide information flows which should be analysed to better determine the existing trends and identify potential ones. Thus, filtering the wide consumer data flows remains one of the challenges of present marketers. The concept has been broadened by Seraj (2012) who said that presently, knowledge creation is a joint process at which various stakeholders including businesses, consumers, third parties such as experts, or even bloggers participate in. Consumption is no longer only oriented towards satisfying ones needs, it is a form of self-promotion and self-realisation. Socialisation does not necessarily involves family or friends, it considers wider communities unified by certain specific interests. Sharing experiences became a product widely consumed over the web. Instigating engagement and co-creation of value are some of the key features of modern day digital business expressed through intellectual, social, and cultural factors.

At the same time, Tsimonis and Dimitriadis (2014) determined that social media has become an important tool used in achieving specific branding objectives. The digital environment makes it possible to create complex marketing strategies and policies which bring increased return due to its individualised character of firm-customer interaction. Moreover, it allows the possibility to stay in touch with potential buyers raising their awareness about the company's activity. Customer engagement provides opportunities to build client networks around the firm's activity and, therefore, making it more facile to determine other clients to buy certain products or services. Aarikka-Stenroos and Sandberg (2012) concluded that network relations have a determinative role in the distribution and dissemination of innovative products. Firms should be aware of the necessity of strong connectivity with all stakeholders, of whom the most important are customers, in order to ensure the success of their activity. Firms must engage in the complex mediation process which includes the following steps: customer preparation, supply networks building, marketing interaction, relationship consolidation, and credibility building. Competences of the firm to coordinate this complex networks will assure the success of new products or new markets. Moreover, Michelini and Fiorentino (2012) said that modern entrepreneurial challenges motivated businesses to pursue new development models. Thus, the social and inclusive business models have emerged to enhance inter-stakeholders' connectivity. They are based on partner networks directed towards shared values creation. Value chains and use of knowledge, in this regard, are determinative in distributing innovative products or services. Core of the business remains profitability, yet, the vast part of it is decided by the interaction



among the value generation, governance and corporate responsibility, social risks and economic sustainability.

It is of strategic importance to understate how the business should operate social media tools in order to reach its goals. Social media allowed developing brand communities characterised by structure, scale, content and storytelling. Social context and affiliated brand communities are determinative in building efficient firm-customer networks capable of offering permanent interchange of information. Marketing managers must pay attention to keep these communities aligned to the company's activities providing the opportunity for customers to determine strategic directions in new product development (Habibi *et al.*, 2014). Digitalisation has challenged the old business models which have been developed in the 20th century. Technology, in the conditions of globalisation, has changed the logic of business. The IT sector marks the changes of the businesses' strategies and processes which, now, are not only directed towards maximising profitability, but also and more importantly, to reaching sustainability goals. The digital era has connected the entire world and created bridges where technology, represented by the IT sector, is widely interpenetrated with advanced industries as well as day to day consumers (Veit *et al.*, 2014). When developing a new business, it is in the interest of the new entrant to gain certain competitive advantages by choosing a proper development model. In the conditions of creating a new consumer market, the creator has substantial advantage at the beginning which should be wisely exploited to provide the firm future competitive opportunities (Casadesus-Masanell and Zhu, 2013). Presently, it is not surprising to involve consumers in the design process of new products. By involving firm's customer in this process, the company can obtain important information leading to a superior market position expressed through a higher willingness of the clients to buy and provide word of mouth advertising. Moreover, by absorbing permanent consumer feedback, businesses can enlarge their customer base, diversify their profiles, and, therefore, build a more favourable image of the firm. Nevertheless, the marketers' task is to filter the information flow coming from the consumers and select the most feasible ideas (Schreier *et al.*, 2012).

According to Dobre *et al.* (2009) the majority of consumers are rather reluctant to new and innovative products. Nevertheless, a small part of them are opened to new experiences. These consumers are considered to be opinion leaders or risk takers, and therefore, the success of a new product on a market depends on their opinion. Thus, entrepreneurs should be careful in their choosing of their markets to introduce new products as this fact will determine the overall product performance. Kotler and Gertner (2002) highlight that an important role for the success of entrepreneurs in promoting new products is played by the origin country's image. Thus, consumers tend, more often, to be opened to new products coming from states with more favourable perceptions and reputation,

since the country's brand represent a promise for quality and enhanced utility. Consumers tend to buy products from industrialised countries even if the level of quality is the same as compared to other developing nations. Consequently, one will expect to purchase products labelled "Made in Germany" rather than, for instance, those "Made in Vietnam". This assumption is particularly valid when speaking about new products or new product markets.

In the opinion of Sheth and Parvatlyar (1995) an efficient marketing strategy is based on building mutually convenient relationships between marketers and consumers. From this perspective, it is important to identify which the factors motivating consumers to choose a certain company are. Thus, there are a range of components determining the final product choice including personal, social and institutional influences. Therefore, the effectiveness and intensity of the existing marketer-consumer relations motivate the willingness of consumers to try new innovative products or engage in a new market. Atwal and Williams (2017) offered an insight from the perspective of the luxury goods markets. Thus, the traditional luxury branding strategy, where first products are adopted by affluent audiences rather than by the masses, is presently challenged. This fact affects all the products markets starting with clothing and finishing with electronics. In this regard, marketers are challenged in finding new innovative approaches in creating demand for a certain product. Nevertheless, the technological development assured wide availability of the purchase promotion/stimulation tools which, if wisely used, can determine higher returns. Thus, before creating a product market for masses, often its luxury variation is provided to catalyse future demand.

Sarwar and Soomro (2013) underlined the role smartphones play in our lives. Thus, smartphones have intensified the interaction of people with technology. They became an important part of our social life connecting various areas of our activity in just one device. Smartphones have offered a whole new dimension to conducting marketing and changed the way marketers build their strategies. Social interaction by smartphones is accompanied by various challenges, one the most acute being personal privacy. Nevertheless, these devices cannot be replaced, and this fact allows marketers to know consumers better than the proper consumers know themselves. Furthermore, Akturan and Tezcan (2012) covered the area of modern digital payments and its role in performing marketing activities and achieving particular objectives. Consequently, technology has determined the way we pay for the goods and services. Presently many of us use their smartphones with written numbers to pay for real goods. It is no more relevant to carry on burdensome coins and in some cases even paper money since a transaction could be done with a touch on the smartphone's screen. Despite the usefulness and perceived benefits, most people are reticent to these kinds of transactions due to perceived security issues, time and privacy risks. Nevertheless, the real cause determining restrained consumers' attitude is hard to find.

Albuquerque *et al.* (2012) said that the value of promotional activities becomes higher depending on the wider aggregate impact on the individual-level choices. Interdependency between consumers and marketers on a digital market is determinative when considering the success of new products. The firm-based efforts should pursue lighting up word-of-mouth advertising the fact which will multiply the firm's efforts several times and therefore boost the efficiency. Price promotions and traditional marketing, despite having strong impact upon awareness, has little to do with individual purchase decisions, whereas, public relations is more suitable in this regard.

Robinson *et al.* (2013) concluded that the innovation's potential is crucial for the development of humankind. It can be considered as a pill for all ills since the innovation's applicability is various comprising each aspect of human activity. Nevertheless, it should be weighed against multiple uncertainties. New technologies are determinative for our economic success in the conditions of growing global challenges, including global warming and the rising need for resources. Moreover, for a technology to be useful, it should bring utility and be sufficiently efficient to cover the cost of transition to it and at the same time, to cover operational ones. In the area of marketing, innovation regards consumer analytics. Erevelles *et al.* (2016) underlined that consumer analytics has always been a prominent area of interest for marketers. It can offer multiple answers to a wide range of questions. With the raise of digital era, technological revolution, consumer analytics has been given a whole new dimension since the flow of information increased at a rate higher than expected. Competitive advantages are of high importance for the firms to reach their financial goals, thus, various digital tools can be involved to collect and store evidence from consumers, then extract consumer insight and, finally, utilise this insight to reach firm's goals and enhance its competitive capabilities.

Marketing efficiency has been considerably increased with the ascension of social media. This fact is a direct result of the change in the communication pattern with consumers. Emails and telephone calls are, by far, less important as compared to social media. Modern social media tools offer a huge amount of information about consumers, and the real challenge comes with the processing of all this data. Practitioners have changed their research priorities underlining new technologies' superiority over the traditional one (Patino, 2012). Thus, modern managers must keep up with the present changing and interconnected international environment. Both firms and customers are involved in the production of values. Social media, if properly managed, could bring significant advantages to marketers. Moreover, digital infrastructure allows making local-global and global-local relations. The main tasks of managers in this regard are to stay in permanent touch with technology, customers, and social media through actively engaging with clients, implementing technology, and invest in developing employees.

Furthermore, bureaucracy should be limited as much as possible to allow benefiting from talent (Berthon *et al.*, 2012). Moreover, some authors considered the dimension of consumer reviews which are crucial in promoting a product on a certain market. Thus, the higher the level clients engage in analysing and offering a certain opinion is, the higher the probability the product to be introduced on a market and, consequently, to be bought is. This fact is particularly important in the early stage sales and has the tendency to decrease over the time. Marketers and practitioners should take into account various aspects of online reviews when launching a specific product or developing a new product market (Cui *et al.*, 2012). Other authors analysed this issue from the perspective of the SMEs. Thus, according to Zortea-Johnston *et al.* (2012), the modification of customers' needs by the SMEs provides important competitive advantages in the process of doing business. The capacity of firms to model consumer intentions to buy certain products can cause changes of market structure favouring those market participants who are at the origins of this leveraging. These changes are driven by product innovation. Nevertheless, the object of change can either be driven by specific strategies of firms or by certain consumer predispositions.

Therefore, the researched literature offers a throughout insight upon the interaction of marketing with technology underlining various aspects starting with the interdependency of firms with consumers in the process of new product development and finishing with the effects of digitalisation upon payments. Moreover, the importance of new tools in determining marketer's success at different levels i.e. large company or small family owned business has been covered. Nevertheless, the present research comes to underline the role of marketing, particularly in the digital environment, to create new product markets which consumers neither need nor are aware of prior to the marketing campaign.

## **2. A Shrinking world?**

The present connectivity among people has never been so high until the ascension of social media. This fact makes it possible to share information in just seconds among thousands and even millions of people. According to Jon Guare (1990) who popularised the ideas of Frigyes Karinthy, each individual on the planet is six or fewer "handshakes" away from each other, an opinion which was conceptualised in the theory of six degree of separation. In order to understand this concept, the main characteristics of the time when it was proposed should be examined. After the First World War humanity has known a period of accelerated urbanisation. At the same time, an impressive technological breakthrough particularly visible in such important areas of human activity as telecommunications and transport has been started. This fact improved the degree to which people

became interconnected. Large physical distances among human beings were no longer a barrier to communication. Consequently, the population of the globe developed important networks on the basis of which the whole economic activity was established starting with the sale of securities and finishing with radio marketing. It was a revolution since every person got a way or another to interact without having physical contact in a relatively short, accessible and cheap way. In this context the ideas of Karinthy (cited in Guare, 1990) emerged who assumed that at least two individuals could be connected through at most five or six acquaintances. From the very beginning people got interested in the assumption trying to find a way to prove or deny it. Hence, six degrees of separation, as an idea, has become widely popularised in pop culture and technology. Considering the framework of the present paper, it is not as much relevant whether these ideas are correct or not, the concept itself is important since it describes for the first time something similar with what we call modern social networking and its impact.

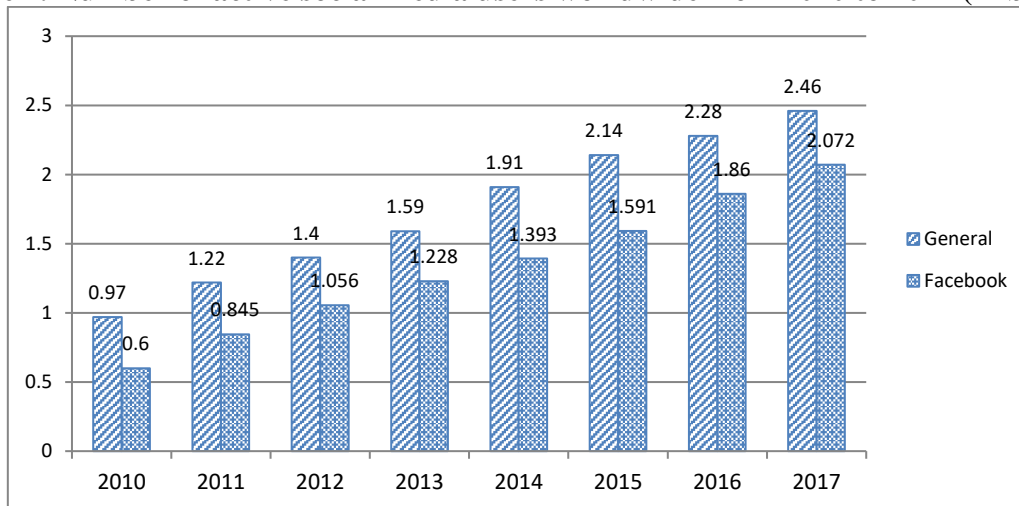
According to a research performed by Facebook (2016) through the use of high complex algorithms, it was found that there are only three and a half degrees of separation among people in USA and 4.57 in the whole world. It should be taken into account that this analysis refers only to the active users of this social network which at that time were 1.6 billion persons. Considering the fact that a normal survey can comprise hundreds or thousands of people and the results are relatively reliable, the conclusion obtained by Facebook through analysing 1.6 billion people's profiles are by far outreaching. The methodology exemplified by the performers of this research is impressive comprising many aspects, each of them directed towards processing and filtering the huge amount of information. Having the possibility to calculate these numbers, properly expresses how advanced modern social media is and which opportunities it opens to marketers.

Shrinking world is a result of technological development which brings people together either, at the beginning, by the use of telegraph or through the intermediation of modern social networks. Nevertheless, none of the technological breakthroughs matches the performance of social media in terms of human interaction which revolutionise the way we live, eat or go shopping. Social media offered a new magnitude to globalisation since we all are influenced by popular trends. The competition in the space of social media is enormous; therefore, the phenomenon of changing trends occurs highly often, what yesterday was trendy, at present it does not interest anybody.

In the paper, Facebook will be considered as the main platform for performing research. There are several important reasons why this social network was solely selected. First of all, it is the largest company of this kind comprising the highest number of users (figure 1). Thus, if in 2010 it included 600 million active social media users or 65% from the total number of people regularly staying on social networks, then in 2017 Facebook reached more than 2 billion users making up almost 85%

from the total number. Therefore, the dominant position of Facebook on this market can be remarked by far.

**Figure 1. Number of active social media users worldwide from 2010 to 2017 (in billions)**

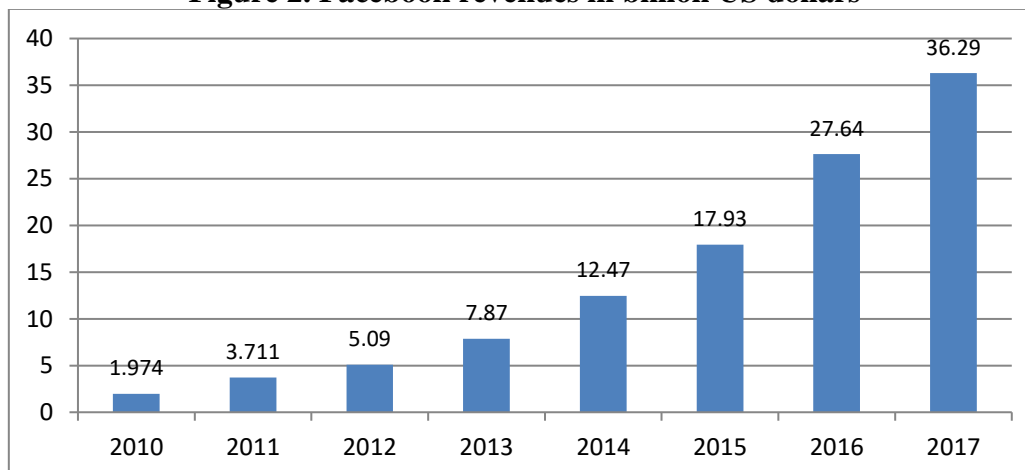


Source: Data retrieved from Statista.com on December 20, 2017

### 3. The Maturity of the social media market

In figure 2, the increase in revenues of Facebook have increased in the period of 2010-2017 can be observed. Therefore, if in 2010 the total revenue of the company reached almost 2 billion US dollars, then in 2017 it overpassed 36 billion (expected financial result for 2017). It should be underlined that according to the data provided by statista.com, the whole market of social media advertising was estimated to be 41 billion US dollars, thus Facebook has generated almost 89% of the total revenues which came from social media marketing. This number has grown with almost 20% since 2014 when the stake of Facebook was 69%.

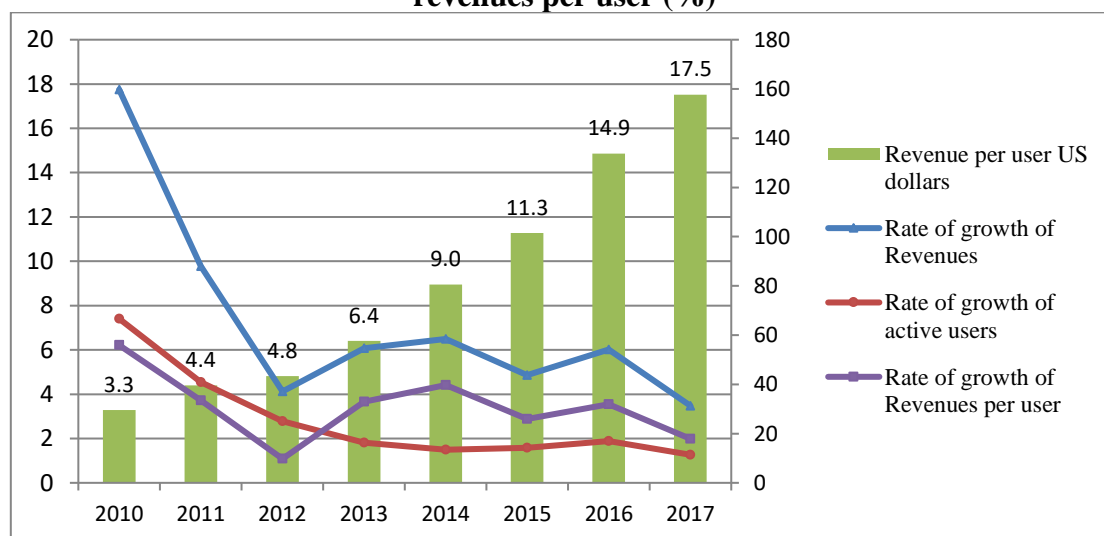
**Figure 2. Facebook revenues in billion US dollars**



Source: Facebook investor relations (2017), available at investor.fb.com.

Within the period of 2010-2017 the size of revenues per active user of Facebook has grown from 3.3 to 17.5 US dollars. Generally speaking, in 8 years the revenues per user have increased with 430%. This fact underlines the idea of the growing penetration of social media in our life since we consume more advertising and marketing content (figure 3). Moreover, social media becomes more complex since there a higher availability of marketing tools are provided to be used to reach the interests of companies which runs marketing campaigns on this social network. Growing revenues are a sign of expanding market comprising two directions, firstly, growing number of users and, secondly, the increase of advertising content consumed by existing users. In order to determine which factor has had a greater power in the enlargement of social media market of Facebook, the rates of growth of revenues and, consequently, of users (figure 3) should be compared. It can be observed that the rate of growth of revenues is higher that of users during the whole period. Nevertheless, it should be mentioned that in the first years it was much higher than the rate of growth of active users, however, over the years the difference has gradually decreased. Therefore, it can be underlined that for 2010 the percentage difference between these rates was more than 90% while for 2017 it decreased to only 20%. The fact that the differences tend to decrease speaks about the process of stabilisation of the market. There is no more bursting growth of the market of social media but rather a more constant one. This condition is imposed by two circumstances including the stabilisation of growth of the number of users and, somehow, the maturity of new technologies and operating algorithms. The third rate which has been calculated regards growth of revenues per user which comes to confirm our inference about the stabilisation of the market.

**Figure 3. Facebook revenue per user (US dollars), Rate of growth of revenues, of users and of revenues per user (%)**



Source: Designed by the author based on the data provided by Statista.com



By analysing the information provided in table 1 it can be observed that the rate of growth of revenues per user is both positively correlated with the rate of growth of revenues and of active users, it is logic since these two indicators are components of the first. Nevertheless, the main idea behind this calculus is to underline that revenues and therefore company's income is firstly motivated by the growth in the complexity of this particular market and, afterwards, its physical expansion. This fact is demonstrated by 0.22-point difference in the correlation index.

**Table 1. Drivers of the growth of Revenues per user**

Correlation	Rate of growth of Revenues	Rate of growth of active users
Rate of growth of Revenues per user	0.86	0.64

Source: Calculated by the author based on the information provided by Statista.com

Concluding this section, it can be highlighted that Facebook is the main social media platform which within the period of 2010-2017 has stabilised and grown in the complexity as a market. In such a way it developed functional intermediation mechanisms between the demand and supply. In our case demand is the need for companies to advertise and develop marketing campaigns while the supply is the people's attention. The main attribute of Facebook regards accumulation, processing of people's attention free of charge while the distribution of it to firms wanting to raise sales, for instance, charging a specific price. It should be pointed out that consumers in this case offer their attention by changing it for specific services Facebook is providing relating to fostering our social interaction.

#### **4. Firm-consumer relationship in the social media environment**

The advantage of social media and in particular of Facebook as a market intermediary regards the possibility to gather all consumers on one platform allowing quick interchange of information through specific channels. Moreover, social media provides the opportunity to pool consumers depending on specific characteristics and features such as interests, age, location, preferences and many others. Thus, despite the fact that all consumers are present in the virtual environment, they are structured according to different principles which ease the process of approaching consumers at least at three levels, including general, narrow group and individual. This possibility is not present in such an extent on other markets. For instance, at the general level awareness rising campaigns of broad interest i.e. relating to national elections, to ecological and climate changes, and other can be undertaken.

Nevertheless, when including specific commercial interests, several elements have to be remembered in order to have success. Firstly, it is necessary to touch the interest of the general public i.e. through promoting a cause, belief, value or by introducing something revolutionary and game-changing on the market, aspects which are necessarily to have a high degree of novelty. In this case, firms besides their resources will cumulate people's attention and enhance their participation. Secondly, the emphasis should not be on accentuated on commercial characteristics, but rather on the primary social goal touching each individual. At the same time the campaigns undertaken at the level of group or individual should consider specific characteristics in such a way as to be relevant for them. Fortunately, social media provides a wide variety of this kind of instruments which are presently extensively involved to boost efficiency in developing reliable and stable relationship with consumers.

From the point of view of the firms, social media, in general, and in particular, Facebook favours both smaller and bigger companies offering equal opportunities. For the small firm social media is beneficial due to possibility to build, in a relatively short period of time, a customers' base and increase their participation in dissemination information about firm's activities, ideas and values. Furthermore, small firms have higher chances in lighting buzz advertising if coming on a market with an innovative idea. This fact is particularly valid for technological start-ups or creative ones. Thus, according to an article published on the international edition of The Guardian in 2017, Nikolay Piryanov succeeded in gathering 195000 pounds from crowd-funding to develop his online jewellery start-up. Also, several products have been developed due to the contribution of crowd-funding which otherwise would not have been introduced on the market. Thus, according to Forbes (2014), The Pebble E-Paper Watch, Ouya (open-source game console) and Pono Music became financed in amount of \$10,266,845 in 37 days, \$8.5 million in 29 days and respectively \$6 million raised in just 30 days. All of the examples underline the idea that social media is a powerful tool which can be used in developing impactful marketing campaigns, which in other conditions would not have been made.

In the case of already established brands, for instance, either in technology or clothes the digital environment offers the possibility to maintain a permanent relationship with the customers. This fact is particularly important in modern competition since the customer is not being seen as "just" a consumer of a firm's products or simply as a client but rather a participant in the process of creation. The Relationships between firms and customers are more often regarded as partnerships which help both parts in satisfying their demands. The simple process of buy-sell has become increasingly complex with many peculiar aspects expressed through a variety of loyalty discounts, firm's community membership opportunities and other aspects.

The focus of modern business is put on the community in which both the firms and customers co-exist and on the respective relationships. In this regard, it is necessary to bring the example of Tesla's CEO and one of the brightest entrepreneur of our time, Elon Musk who responded to a frustrated customer (who said that sales representatives of Tesla were not kind) on Twitter mentioning that it was not ok and the situation should be clarified (CNBC, 2017). There are several messages which derive from this example. Firstly, social media made it possible to flatten the distance between consumers and the firm's highest leadership. It is already a fact, that a post of an average client which gathered a sufficient number of likes or re-posts will determine the firm's higher representatives to take it into account. Secondly, the novelty of this act combined with the high reputation of Elon Musk has brought important favourable attention to Tesla's image. This action has catalysed word of mouth advertising and the most important aspect regards the fact that it did not cost Tesla anything. The act itself and the image of the CEO made it possible to determine people to participate in disseminating information which quickly spread over the social networks, including Facebook, the site where I found the post. Thus, with few resources and indirect marketing it was possible to reach a global audience, an opportunity which only social networks can offer in such an extent and impact. The only disadvantage is its short-term existence.

## **5. Small and Medium Sized Enterprises-Facebook binomial. Win-win choice**

Building communities is the key aspect which determined the success of social media, in general, and in particular of Facebook. SMEs are the driving force of modern social media since they are flexible enough to meet the most peculiar demands of consumers the fact which results from the close relationship with the client. Facebook brought this relationship at a whole new level since it allows maintaining permanent contact and interchange of feedback. In April 2017 Facebook overpassed 65 million advertisers capable of reaching an audience of over 2 billion people (Forbes, 2017). By far the largest part of the businesses is represented by SMEs which boosted the revenues of Facebook within the last years. Firms became interested in going online due to the opportunities offered by this particular social media platform. It brought firms closer to their customers and allowed both businesses and clients to work together for the best interest of the community and of the society as a whole. Moreover, social networks provide the opportunity to go beyond present political and cultural differences, beyond borders, to create global communities united by mutually shared values and beliefs. At the same time, it determines the increase in intensity of the collaboration between firms and their clients at the local level. In any case, social media provides win-win choices due to its conceptual business model based on flexibility.

Certainly, social networks help businesses to grow and develop. At the same time, these firms make the role of networks more important as a digital market. The interaction among technology, business and clients makes it possible to democratise modern marketing. Sheryl Sandberg says “*The technology is democratizing. Your phone can shoot a video ad, and for just a few dollars, you can reach people on Facebook. In the past, it would have likely required a large budget to reach the demographic you wanted*” (Forbes, 2017). The distances among people and business became narrower; this fact allows keeping permanent feedback which is the driving force of progress and community’s growth. The merit of Facebook is that it unites people finding out which are our common interests, ideas and values. Social media revolutionised the concept of business and of marketing, since society is not only interested in what the company is selling, it is also concerned about the story standing behind the firm (Forbes, 2017). Furthermore, mobile technologies made it possible to reach each person individually and keep him/her connected to a narrower or wider community. In such a way, the services offered by Facebook extent to the ease of the process of interaction between business and technology and clients.

## Conclusions

Digitalisation is the newest stage of development of human civilisation. It is a corner-stone of the information society we live in. The importance of the digital revolution could be compared only with industrialisation or renaissance which occurred in the past centuries. Social media is one of the most important parts of the digital environment. It provided a whole new level of interaction between firms and clients and emphasised the role of the community relationships in daily business.

The present research comes to underline that social media in general, and in particular, Facebook has considerably improved the quality of marketing. It provides businesses with an enormous flow of information which can be processed to reach the best results. Moreover, the relationship between firms and customers are considerably enhanced since the last have higher participation in determining businesses to produce more specific and individualised goods. This fact improves the quality of consumer satisfaction determining higher standards of living. Particular opportunities, the social media environment provides for new businesses coming on the market with products characterised by a high degree of novelty. Thus, in a short period of time and with relatively few resources a company having an innovative idea can develop and attract investments. Society and entrepreneurs are both better off since one receives a desired product and the others the financial resources. This fact is possible only because of the conceptual framework of social media environment which shrink the distances both physical and cultural among people creating a

favourable climate where best ideas can find a way to become realised. Besides this, social media has changed the way people consume. Thus, the proper characteristics of the product is equally relevant as well as the story standing behind its creation or creators.

As it was mentioned in the introduction, attention has been the most valuable commodity humanity has ever known. In this case, social media is the market where attention is most efficiently exchanged, including buying or selling it. These attributes belong to businesses who purchase attention and market intermediators which sell it, in our case on Facebook. Nevertheless, consumers are the primary decision making factors who ultimately decide where to direct their attention as well as their money. Market intermediators as well as most of the firms just conform to the desires and wishes of consumers and supply the necessary tangible or intangible goods/ services. However, fewer businesses can create demand and turn the market to bring them a certain advantage. At the same time social media offer particular advantages to SMEs. It can help entrepreneurs to consolidate their positions at the local level and created efficient communities collaborating to reach common goals.

Therefore, it can be mentioned that social media is inherently different from traditional media since it offers a more diversified bundle of tools for marketers to develop advertising campaigns. Moreover, it brings connection between people at a higher level and makes it possible to have permanent feedback between firms and consumers. Relatively low costs of developing marketing campaigns on social media offer considerable opportunities for smaller companies or individuals to create, and obtain the attention of people.

Some of the limitations which this research confronted with regards first of to having all coverage of just one social media company. Nevertheless, a justification is its dominant position on the market, the company comprising by far the largest part of active social media participants. Secondly, many aspects of the research are related to the psychology of humans the area characterised by a high degree of heterogeneity. Therefore, just several driving aspects which represent generally the research's mainframe have been covered.

Further research opportunities regard the possibility of underlining specific methodologies applicable by the firms in order to reach particular consumers and register an expected result. This area could be developed by comprising specific areas in which companies operate taking into account the firms' characteristics including size, resource availability. At the same time, the importance of talent in developing marketing campaigns within social media can be assessed. Moreover, since digitalisation offered broad opportunities, the firms' entrepreneurial culture should adapt accordingly. Thus, in order to attract creative and motivated employees able to face the modern challenges, management of the companies should develop proper cultures to provide the staff with the required liberty but at the same time obtain the desired outcome. As it can be observed, digitalisation in

general, and in particular social media offer increased opportunities for all participants i.e. businesses or free-lancers. In this context, it should be remembered that digitalisation shortened distances among people, but at the same time it determined higher competition in which only those gifted with talent and who developed consistency and perseverance as well as discipline can keep surfing on the wave of the success.

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## Exploring the benefits of urban green roofs: a GIS approach applied to a Greek city

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### Abstract

*The loss of free and green spaces and their associated advantages for the urban population is a major threat for urban sustainability. The idea of planting roofs in order for them to act as natural filters within the urban tissue has been increasingly recognized as a technology that has the potential to diminish drastically the environmental problems of urban centers. In many countries, special laws are introduced which provide citizens with incentives or even involve an obligation to build green roofs. The objective of the research presented herein is to investigate and record the impact of the use of green roofs for the development of urban policies which aim at improving the quality of urban environment, using a combination of Geographical Information Systems (GIS) technology and specialized software. The developed methodological framework is applied to a real-world case study of a medium – sized Greek city. The use of a comprehensive GIS environment not only contributes to improving the quality of research but also offers the possibility of continuous updated information and monitoring of the factors that influence the development of green roof policies.*

**Keywords:** green roofs, urban environment, GIS, urban sustainability, green spaces

### Introduction

Cities have become extremely popular as places for residence and work; more than half of the world's population lives in urban areas (UN-HABITAT, 2013). In large urban agglomerations, buildings invade physical space, often aggressively, causing displacement, drainage, pollution and devastation. The loss of free and green spaces and their associated advantages for the urban population is a major threat for urban sustainability. The urgent need for more urban green space and for improving the energy and environmental performance of buildings under the objective of ameliorating the local microclimate and overall quality of life of urban dwellers, has led to a new tendency worldwide; to create new space on another “higher” level (Velázquez *et al.*, 2018; Shafique

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*et al.*, 2018, Mesimäki, 2018). This had as a result the establishment of another city “above the city”, by incorporating the natural aspect to the building itself (Aravantinos and Kosmaki, 1988).

The idea of planting roofs in order for them to act as natural filters within the urban tissue, meets wide acceptance recently, as it has been increasingly recognized as a technology that has the potential to diminish drastically the environmental problems of urban centers (Berardi *et al.*, 2014). Green roofs have significant environmental, social and economic advantages and are considered able to replace, to a large extent, parks which are missing from modern cities. The total cost involved is not prohibited and the benefits are indisputable. In many countries, special laws are introduced which provide citizens with incentives or even involve an obligation to build green roofs.

For example, in Europe, Basel in Switzerland which has the largest area of green roofs per capita in the world, has promoted green roofs initially via investment in incentive programs, which provided subsidies for green roof installation. In 2002, an amendment to the City of Basel’s Building and Construction Law was passed, according to which all new and renovated flat roofs must be greened, following specific design guidelines (Climate Adapt, 2019). In the USA, San Francisco became the first city to require that certain new buildings should be built with a green roof. According to the law that went into effect beginning of 2017, between 15 to 30% of roof space on most new construction projects should incorporate solar, green roofs, or a combination of both (Snow, 2016).

A very useful tool in illustrating the available green roofs and mapping their positive environmental impact is Geographical Information Systems (GIS); GIS should be an indisputable part of any urban management approach, as it allows combining many different parameters such as societal, economic, environmental, spatial, land use and transport-related etc. in a dynamic environment. It uses an interactive environment, contributing to the effective management and visualization of spatial data.

This paper is part of a wider research still in progress and refers to an in depth analysis of the potential implementation of green strategies. The objective of the research presented herein is to investigate and record the impact of the use of green roofs for the development of urban policies which aim at improving the quality of urban environment, using a combination of Geographical Information Systems (GIS) technology and specialized software. The developed methodological framework is applied to a real-world case study of a medium – sized Greek city.

## **1. Background – Literature review**

The green free spaces of a city can be divided into public (urban public gardens, urban forests, parks, and private spaces, traffic islands, squares, rows of trees, groves etc.) and private (courtyards,

gardens, lawns, unbuilt sites etc.) The relationship between these two forms of green urban free spaces varies and depends on planning, functional, environmental, institutional and cultural factors. Protecting and securing private green spaces is of extreme importance but at the same time difficult due to the private interests linked to land exploitation (Belavilas and Vatavali, 2009). Public green spaces based on their location can be either urban or suburban. The existence of communication links between the two types is critical. Green roofs can play a key role in establishing this connection and support the easier movement of air masses, which can lead to improved air quality and ventilation of the city, as well as to the creation of a pleasant and healthy environment for the urban dwellers.

Green roofs are not based on a novel idea; their origin lies way back in time. From the Hanging Gardens of Babylon, one of the Seven Wonders of the Ancient World, and Ziggurat, the planted scalable platforms on which Babylonians used to build temples to worship their gods in the area of Mesopotamia to the Celtic architecture examples of the Scottish Highlands during the Middle Age, the concept of creating green spaces above the ground was well-known to our antecedents. The period of Renaissance enhanced the interest in green roofs, stimulated by the revival of the classical culture and the trend of importing plants. Around 1400, Cosimo de' Medici, the founder of the House of Medici, created a green roof in his Villa in Florence, using a variety of imported plants. In the early 20th century, green roof gardens were considered an indication of high quality and luxury, and many leading architects of that time such as Antoni Gaudi, Le Corbusier, followed by Friedensreich Hundertwasser were strong supporters of their introduction (Lehmann, 2015; Magill *et al.*, 2011).

Since then, a continuously increasing number of cities worldwide have adopted or/and attempted to promote the implementation of green roofs as a way to tackle many of the modern urban problems. Many countries have established a special legal framework which provides incentives for green roofs' creation. In Toronto, Canada, a 2009 bylaw made green roofs a requirement for new residential, commercial, institutional and industrial buildings with a minimum gross floor area of 2.000m<sup>2</sup> (City of Toronto, 2016), while in Vancouver, developers can be exempt from developer permit fees if a green roof is planned (Plant Connection Inc., 2016). In North America, the green roof industry grew an estimated 18.5% in 2015, with Washington, D.C. being the leading city in green roof installations. Other cities in the USA with a large percentage of green roofs are: Chicago, New York, Denver, Baltimore, Seattle and Boston (GRHC, 2015). In Asia, many impressive examples of green roof design are met in Tokyo, Singapore, Shanghai and Beijing, while green roofs are also very popular in Australia. In Europe, according to a new French environmental legislation of 2015, rooftops in all new buildings in commercial zones across the country should either be partially covered in plants or solar panels. In London, the Greater London's Authority (GLA) "New London Plan" of 2008, included a part named "Living roofs and walls" which supported the introduction of

green roofs in new development or the incorporation of them in existing buildings (Greater London Authority, 2008). Other European countries with a noteworthy (or increasing) number of green rooftops are: Germany, Norway, Denmark, Switzerland, the Netherlands, Spain and Italy (EFB, 2015). According to the EU Directive ((COM (2013) 249 final) "Green Infrastructure - Enhancing Europe's Natural Capital", green roofs suggested as a tool which can contribute in achieving the sustainable development targets set in the context of Horizon 2020.

Green roofs can be divided into three broad types, namely intensive, extensive and semi – intensive (Mahdiyar *et al.*, 2018). Intensive green roofs consist of a thick substrate layer (20 - 200cm) and are capable of accommodating a large variety of plants, including small trees and shrubs as well as human paths, water features, sitting spaces etc. As a result, they are usually associated with a high implementation and maintenance cost and taking care of them can be inherently complex and time consuming. Extensive green roofs are characterized by a thin substrate layer (< 15cm) and therefore only "light" vegetation can be planted successfully on them, such as grass, moss, and flowers. Their maintenance requirements, both in time and monetary terms, are limited; they are the preferable green roof type in cases when the rooftop is not easily accessible. The third type, semi - intensive green roofs, incorporates characteristics of both the aforementioned types; they are of moderate thick substrate layer and small herbaceous plants, grass and ground covers can be found on them. They need maintenance on a more frequent basis comparing to the extensive roofs, but still their requirements in this domain are lower than those of the intensive roofs (Vijayaraghavan, 2016).

Green roofs can have environmental, economic and social benefits. Among the main environmental benefits associated with the existence of green roofs are the improvement of urban air quality (Rowe, 2011), the mitigation of the "Urban Heat Island effect<sup>1</sup>" phenomenon (Getter and Rowe, 2006) and the retention of precipitation water (storm water management) (Berndtsson, 2010). Moreover, green roofs can serve as shelter for urban fauna and flora (Lundholm, 2006; Baumann, 2006) and as a way to reduce noise pollution within the city boundaries (Yang *et al.*, 2010), provide additional insulation (Silva *et al.*, 2015) and increase urban cultivation/farming (Hui, 2011). In addition to that, the composting of organic waste to fertilize green roofs can contribute in recycling and limiting the saturation of landfills (Delaney and Madigan, 2014).

A significant economic advantage of green roofs is energy savings; buildings which have a green rooftop are usually cooler during the warmest months of the year and have a higher inner temperature during winter, limiting this way the need for heating/air-conditioning. The amount of

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<sup>1</sup> The "Urban Heat Island Effect" (UHI) is defined as the increase of air temperature in urban agglomerations of high density, due to the change of land use in built environments, characterized by the replacement of green spaces and vegetation with asphalt roads and surfaces made of concrete and similar materials. As a result, urban areas are essentially warmer than surrounding suburban and rural areas, especially during nighttime. The high air temperature in UHI increases the needs for air-conditioning and thus air pollutants' and greenhouse gas' emissions, while favoring the creation of smog (Gagliano *et al.*, 2015).

savings is case specific and depends on many factors such as building's size, local climate and green roof's type (Blackhurst *et al.*, 2010). By ameliorating the quality of life, public sectors' health costs' savings can be achieved (Clark *et al.*, 2008) and in cases when urban farming is applied, the monetary amount dedicated to purchasing food can be diminished (Tomalty *et al.*, 2010). The real estate value of a property also usually rises when the property (or the building where it is located) contains a green roof. This value increment varies but generally citizens consider properties which provide environmentally responsible features more attractive (Knepper, 2000).

Other less quantifiable advantages of green roofs include social benefits such as increased community space and improved livability of cities (Oberndorfer *et al.*, 2007). Green roofs are related to the aesthetic upgrade of urban landscape and they can stimulate social interaction and enhance communication among citizens. At the same time, they contribute in reducing stress and anxiety which tend to characterize every aspect of modern urban life and thus in protecting urban dwellers' mental health. Furthermore, green roofs can be useful in promoting the environmental profile of public and /or private sector's organizations (Lee *et al.*, 2014; Loder, 2014).

Despite their indisputable advantages, green roofs are related to certain negative consequences and challenges as well. The main factor that could impede the creation of a green roof is usually the high cost associated with its implementation and maintenance (Nurmi *et al.*, 2016). In addition to that, return on investment cannot be easily estimated. Another drawback of green roofs, especially of those located in areas of drought climate, is the need for constant watering, fertilizing and investment of time. There is also the danger of causing structural damage to the building or the possibility that a water leakage occurs. What is more, fixing or/and replacing a green roof layer in case of damage is not a simple process and it usually requires an important amount of money (Claus and Rousseau, 2007; Vijayaraghavan, 2016).

Lately, the number of studies which attempt to approach the topic of green roofs and assess their effectiveness based on GIS technology and/or sophisticated modelling techniques have experienced a noteworthy increase. Examples include the following:

Karteris *et al.* (2016) examined the green roof potential and quantified its associated benefits with a focus on the city of Thessaloniki, Greece, utilizing a combination of satellite images, orthoimagery, GIS techniques and environmental modelling. Modelling techniques were also employed by Kokogiannakis *et al.* (2011) in order to create a database for the evaluation, in a user-friendly way, of the energy performance of green roofs with respect to different climate attributes in China. The impact of green roofs on urban microclimate was investigated by Saiz Alcazar *et al.* (2016), through the quantification of their contribution in adjusting the temperature of the environment during the warmest months of the year in areas of a Mediterranean - continental climate,



with the aid of a three dimensional microclimate model. Virk *et al.* (2015), also using microclimate modelling, focused on London and evaluated the performance of green roofs in terms of decreasing energy use in office spaces, located in a Business Improvement District (BID) in the city centre. Seven green roof studies with a different geographical scope were compared and contrasted by Semaan and Pearce (2016), under the objective of identifying the advantages of green roofs in different type of climates as well as highlighting the differences which depend on location. Luo *et al.* (2011) designed an application system for urban green roof management based on GIS and Google Earth technology. A GIS analysis was performed by Berger (2013), aiming at the identification of buildings which have the highest green roof potential in New York City. Lamsal (2012) suggested a GIS - integrated cost - benefit analysis which takes into account the positive externalities, for investigating the implementation of green roofs in Atlanta region, USA.

## 2. Case analysis

In Greek cities, a reduction in number and deterioration in quality of urban public green spaces is observed. These spaces, victims of rapid urbanization and over-estimation of land value after 1960, were briefly addressed only in the margins of urban planning and in their majority they were randomly created (Ioannou *et al.*, 2004). This is in contrast with the common practice followed in Europe and worldwide, where green is an essential axis of urban organization and a main parameter of the urban area. Similar degradation characterizes many private green spaces, due the buildings' construction regulation, such as distances between buildings, land coverage ratio and buildings' density.

These phenomena have become more intense recently, leading often to stifling living conditions within the cities. It is worth mentioning that in 60% of Greek cities, green and water spaces cover less than 20% of their total area, while in the remaining 40%, it ranges between 20% and 29%, placing Greece in the penultimate position among European countries, after Hungary. An indication of the difficult current situation in Greece is given by the values of the index "urban green area per inhabitant" for the two largest Greek cities (2,55 for Athens and 2,73 for Thessaloniki) (EEA-JRC, 2013).

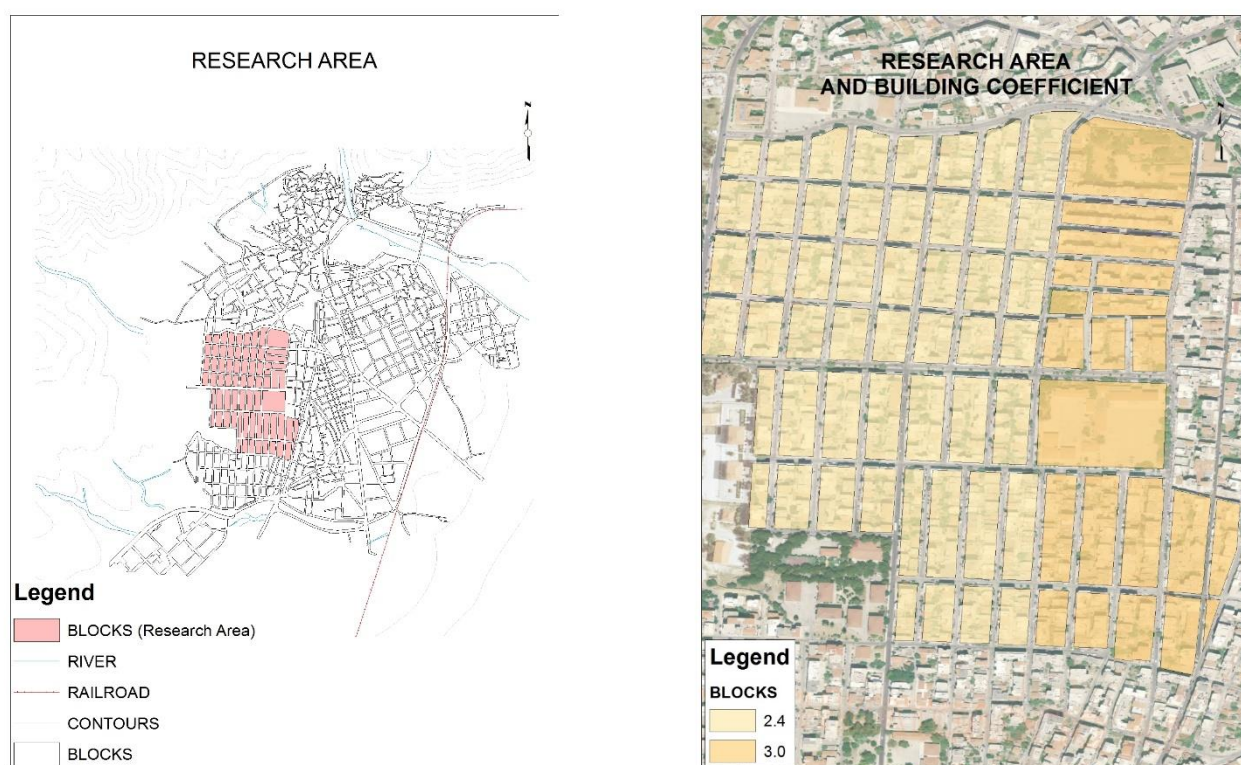
The paper focuses on Xanthi, a city of about 55,000 inhabitants (2011), situated in northern Greece. The city is located in an altitude of 60-145m. The large gradients have defined the form and development of the historic core and the flat zones have defined its modern extensions. The urban tissue consists of distinct sections with a particularly interesting variety in form and density, which is followed in general terms in its consecutive extensions: traditional parts with a coherent organic



tissue, newer extensions with rectangular grid or normal geometries with great variety in the size of blocks (Giannopoulou *et al.*, 2014) (Figure 1a).

The research area has been built at the beginning of the 20th century as a refugees' residential neighbourhood. It was planned using strict rectangular grid with elongated blocks, divided in small sites, with street width 8–10m. The residential units were located in pairs, having semi – basement and mezzanine. The reconstruction of the area began in 1970's, when ownership titles were given to the inhabitants. The process of consideration, which was the main building mechanism in combination with the failures of the General Construction Regulation (high densities, built – unbuilt space relationship) have led to the almost global domination of multi-storey buildings and in public and private open green space shrinkage (Giannopoulou *et al.*, 2015) (Figure 1b).

**Figure 1a. Xanthi and research area b. Research area – building coefficient**



Source: own representation

### 3. Methodological framework

A Geographical Information System (GIS) was created, containing both spatial and descriptive information. All the spatial information regarding buildings, blocks, streets and green spaces was based on the digitalization of maps of the National Cadastre and Mapping Agency. The descriptive data that were used as input relied on detailed fieldwork recording. More precisely, information

concerning buildings' height and size, building coefficient, construction age, roof type etc. was used. Focusing on green spaces, the boundaries of the areas they cover were designed and they were divided in spaces inside and outside blocks, public and private, while the location of trees was also specified. Moreover, data regarding each block's population (based on the most recent census of 2011 of the Hellenic Statistical Authority) were inserted to the GIS platform.

Next step was to define the suitability characteristics of buildings, excluding the ones where either for security or for structural reasons, the application of the green roof technology was unrealistic. In order to examine the suitability of buildings and identify potential restrictions, the existing legal/institutional framework was investigated. This is followed by the estimation of the green space that corresponds to every resident, before and after the aforementioned potential green roofs.

Finally, the environmental conditions of the area were modelled using Townscope software platform and the MRT (Mean Radiant Temperature) index before and after potential green roof implementation was calculated. Townscope is a software platform developed by LEMA (Local Environment Management & Analysis) Research Group of the University of Liege, Belgium, by Azar, Teller and Petillon during the European POLIS Project (1996 - 1998). Combining robust computational power and user-friendly graphical representation potential, it can be used to calculate the environmental conditions which influence the research area (EnergyCity, 2013; Teller and Azar, 2001). In this context, the software provides the opportunity to examine (and therefore assess) different alternative scenarios and policies regarding urban open spaces' shaping and configuration.

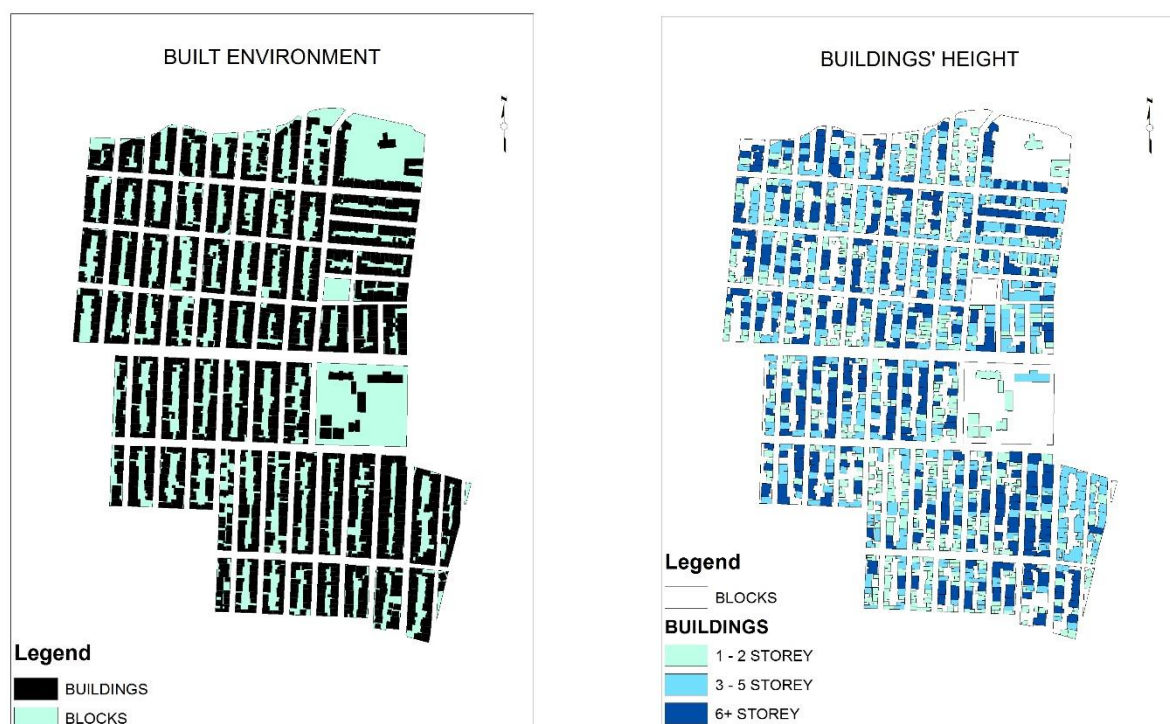
The MRT is among the most crucial factors affecting human thermal comfort in an open urban space (Huang *et al.*, 2014). It is defined as the "uniform temperature of an imaginary enclosure in which the radiant heat transfer from the human body equals the radiant heat transfer in the actual non-uniform enclosure". It incorporates all short and long wave radiation fluxes (direct and reflected), to which the human body is exposed (Thorsson *et al.*, 2007).

#### **4. Results and Discussion**

The cartographic representation through the production of thematic maps using GIS technology conducts a first approach of identifying the basic characteristics of the urban environment and achieving a complete overview of it. More precisely: The size and location of private open spaces is a factor which has greatly influenced the unique character of the research area. According to the existing building regulation which includes 45% of the research area's buildings, maximum 70% of a site's area can be covered, while the allocation of the unbuilt space is performed taking into account

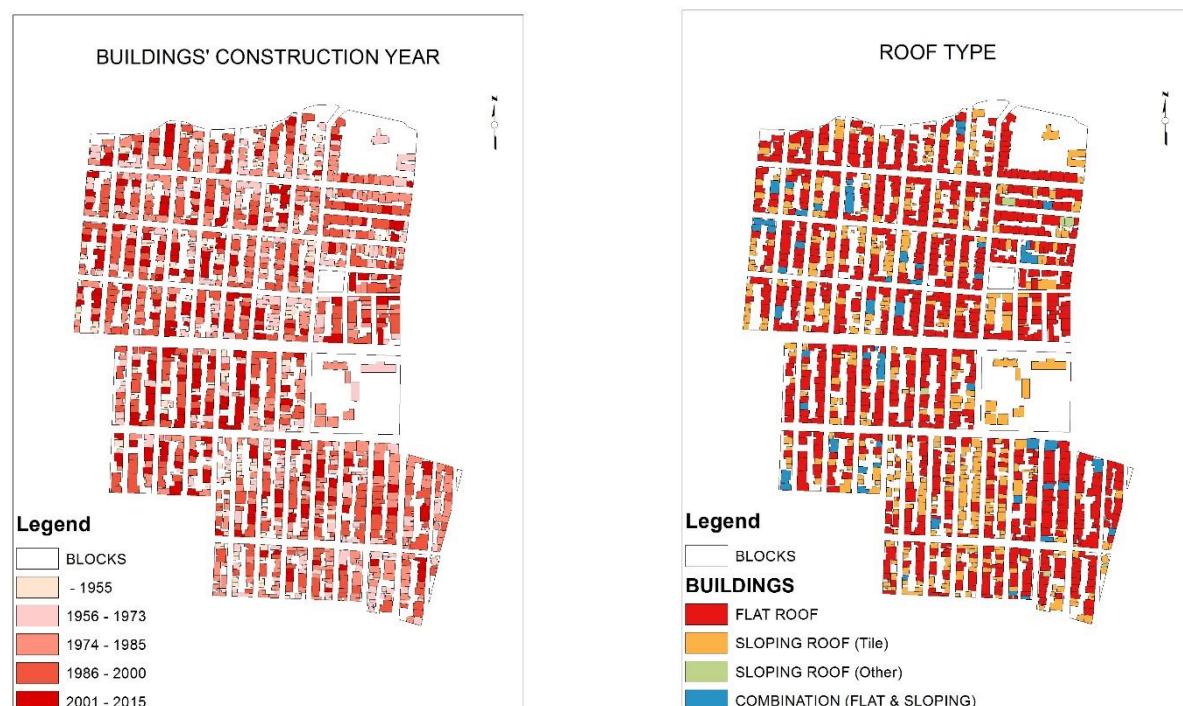
additional restrictions about the distances between buildings and streets or/and site's boundaries; therefore, leading to its fragmentation in the majority of cases. The previous building regulation which was applied until 1985 and also refers to 45% of the research area's buildings (the rest 10% includes the remaining refugees' old houses) suggested allocating the unbuilt part of the building just next to the back limit of each site and the built part on the front and edgeways part, enhancing this way the Urban Heat Island effect (Figure 2a).

**Figure 2a. Built environment b. Buildings' height**



Source: own representation

The building stock mainly consists of residential multi-family buildings which have three storeys or more, 19% of which have mixed use (shops or offices, on the ground floor and apartments on the other floors) (Figure 2b). A basic classification according to their year of construction is illustrated in Figure 3a. The age criterion is very important due to the fact that additional information concerning the building's energy behaviour, such as typology, materials, elements, and construction practices applied can be retrieved with the aid of it (Theodoridou *at al.*, 2011). The majority of buildings have flat roofs, with typical stairwell and elevator shafts as well as penthouse's terrace areas. Slopped roofs are characteristic for single-family houses, of 1-2 storeys (Figure 3b).

**Figure 3a. Buildings' construction year b. Roof type**

Source: own representation

Two criteria were applied to evaluate the buildings' suitability for the green roof applications. The first criterion concerned excluding buildings with sloping roofs and those with combined roofs (flat and sloping). The fact that most of the buildings within the research area contain flat roofs is a parameter which encourages green roof installations. The actual available green roof area of all the flat roofs was obtained by subtracting the surfaces of the staircase and elevator shafts, the perimeter parapets and other roof elements like penthouse terraces, on which green roofs cannot be applied according to the present construction regulations. The second criterion concerned their maximum permissible static loads, based on the first actually strict National Antiseismic Regulation in 1985.

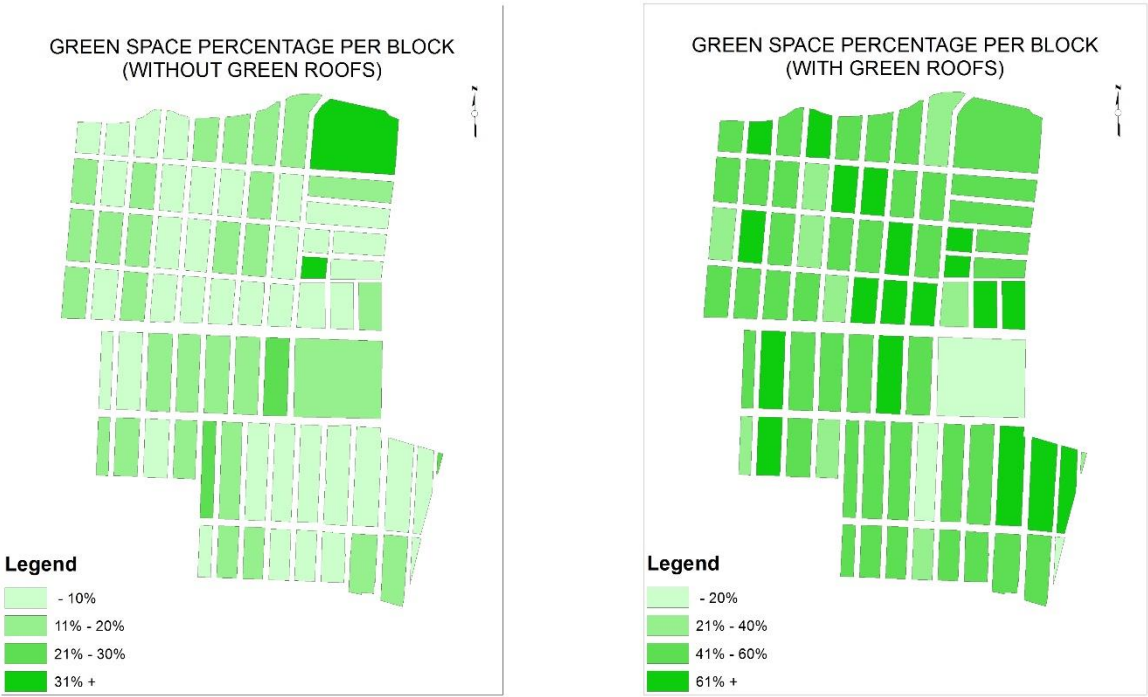


Figure 4a. Green spaces b. Research area - 3D Representation (Buildings and Urban Green)



Source: own representation

Figure 5. Green space percentage per block a. without green roofs b. with green roofs



Source: own representation

Within this context, the buildings dated before 1985 and after 1985 were examined separately and simulated with extensive and semi-intensive green roofs respectively. From a total of 1100 buildings of the area, 700 were found to be suitable according to the two aforementioned criteria (Figure 6a).

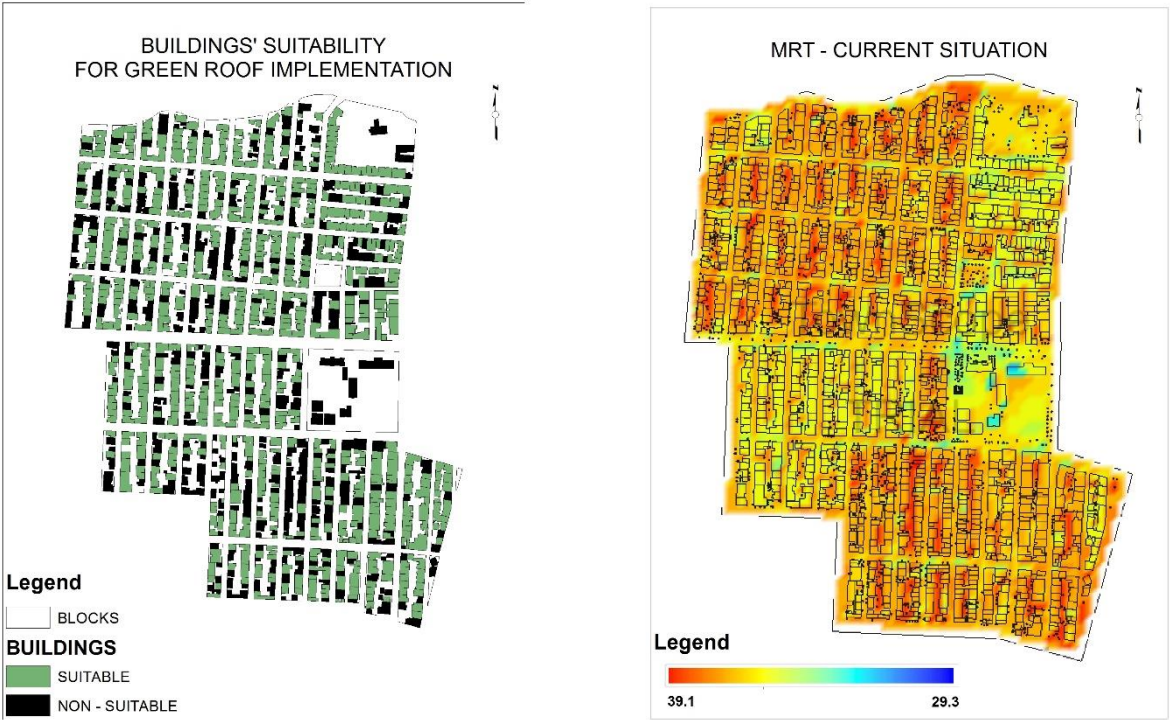
Green in urban open spaces is extremely limited and is gathered mostly in a small park in the north-eastern part of the area. According to the current legal framework, private open spaces should contain natural areas with trees and plants covering at least 2/3 of the unbuilt space of each site. Nevertheless, illegal interpretation of the urban planning law and covering all the available unbuilt space using tough elements and forms that modify the topography of the ground are common phenomena. The existing urban planning practice appears to be tolerant in such interventions and law violations, leading to general deterioration of the quality of the urban environment. The percentage of green spaces per block has increased drastically after the implementation of green roofs (Figure 5a, 5b).

The 3D file of the research area (Figure 4b) was created using Autocad2016 and then it was used after adaptations as input to Townscope software platform, in which the essential parameters for the analysis were defined. May 15th was selected as the base day for the calculations. The parameters for which values were set in this stage are: humidity, climate type, air turbidity, average temperature and air speed, as well as clothing. For the average temperature and air speed, the last 10 years' average was calculated, based on measurements that have taken place at the local meteorological station (25°C and 4m/s respectively).

Following that, the reflection and emissivity properties of the most common materials of the external surfaces of the area were defined, the recognition of which was made through a land field survey. The simulation procedure included semi-intensive green roofs for buildings constructed after 1980 as well as extensive roofs for buildings constructed before 1980. The results of the simulation are presented in the maps of Figures 6b, 7a and 7b.

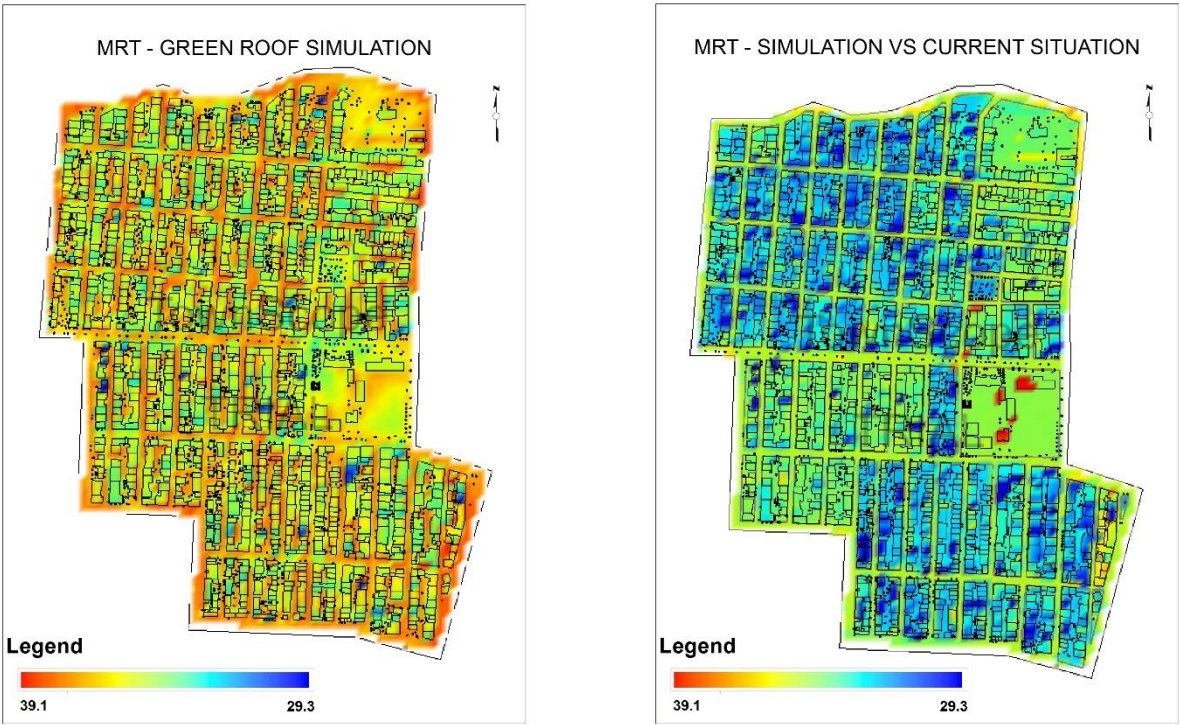
Figure 6b simulates the current situation of the research area; MRT index takes a minimum value of 29.71°C and a maximum of 31.05°C. The minimum value appears at the block where school buildings are located, while the maximum ones at the unbuilt spaces within the blocks which are situated in the north-northwestern and south-southeastern part of the area. Figure 7a which illustrates the simulation results after the green roof implementation, MRT index is lower (between 29.3°C and 30.9°C). Maximum values in this case are met at the streets' network, while values at the unbuilt spaces within the blocks are rather uniform.

**Figure 6a. Buildings' suitability for green roof implementation b. MRT - Current Situation**



Source: own representation

**Figure 7a. MRT - Green roof simulation b. MRT - Simulation vs current situation**



Source: own representation



Figure 7b illustrates the differences between the current situation and the potential future scenario after green roofs' implementation. The maximum reduction of the MRT index observed is 1.15°C. The increase of the MRT index by 0.5°C occurs in the school block which are not suitable for green roof implementation. The average reduction of the index is approximately 10% and takes place in those areas where MRT, according to Figure 6b, has currently its highest values.

## Conclusions - Perspectives

The fruitful results of the methodological approach suggested herein are expected to facilitate decision – making and communication between the multiple actors involved in the process, as well as foster social understanding of the green roof concepts, towards the principles of sustainable and smart city development. The use of a comprehensive GIS environment not only contributes to improving the quality of research but also offers the possibility of continuous updated information and monitoring of the factors that influence development of green roof policies. In addition to that, the collaboration with specialized software would facilitate the thorough examination, analysis and correlation of parameters involved, towards the principles of sustainable and smart city development.

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## Posted workers on the route to a European Labour Market. Case study: OSH-related vulnerabilities of posted workers in Spain

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### Abstract

*The article aims at analyzing the main problems of posted workers in the European Union, especially the elements linked to the relationship between national and European authorities, taking into consideration the European multilevel governance system. The research on which this article is based on is the result of a project that encompasses 9 national study cases, with the aim of understanding how the EU-regulation and national OSH systems affect the health and safety of (posted) workers in a transnational workplace. The data used are gathered through desk-research, as well as fieldwork. The study-case presented within the article is that of Spain. Muddling through the complicated and complex institutional framework, we identified that the main vulnerabilities of the posted workers are related to the a) inequality of payment for the same work; b) poor living conditions; c) cultural and language barriers; d) lack of health insurance and different regulations on work accidents; e) poor representativeness.*

**Keywords:** Posted workers, EU labour market, EU multilevel governance, integration.

### Introduction

Despite the marginal impact of posting on total EU employment rates, it could be considered as an interesting tool to stimulate intra-EU labour mobility, to stimulate intra-EU competition, to increase the income of posted workers<sup>1</sup>, to create social convergence and finally to support adjustment to ‘asymmetric shocks’ (Wispelaere and Pacolet, 2016, p. 24). Posting has implications for health and safety aspects at work, as it can further be seen. The workers are still subject to the regulations of the country of origin and see how some of their rights are violated, for example, in terms of wages, working conditions, union representation, etc.

Some specific limitations on the posting of workers have to do with the fact that the control systems are designed to be applied at the national level. However, when the work activity is taking place between several countries at the same time, the tasks relating verification, confirmation and

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<sup>1</sup> A posted worker is an employee who is sent by his employer to temporarily develop the job in another Member State.



sanctioning face much more difficulties. Despite the reforms of the displacement directive and the attempts to improve, for example, this application of transnational sanctions, they have not yet managed to be effective at the scale that this phenomenon would require.

The current internal (re)evaluation of the EU's integration process and the discussions on the Future of Europe, its internal market and its related policies should have a special focus on the posted workers' issues, given the increasing dimension of this type of economic activity and particularly, the goal of reaching an authentic European labour market. Thus, if the scenarios were to be *Doing Much More Together* (Member States decide to do much more together across all policy areas) or *Those Who Want More Do More* (the EU27 allows willing Member States to do more together in specific areas)<sup>2</sup>, the problem of posting of workers should represent one of the main issues for Europeanization, given its implications for deepening the EU policies' and the progress towards the EU labour market. A real free movement of workers and capital cannot be achieved as long as the regulations regarding working conditions, occupational safety and health or taxing are different in a European single labour market under construction. Moreover, even if the scenario were to be *Nothing but the Single Market* (the EU27 is gradually re-centred on the single market), these elements would be necessary for completing the single market, once it also comprises the labour market. The scenarios that may have negative effects on the progress of the common labour market, including its component regarding posted workers, would be *Doing Less More Efficiently* (the EU27 focuses on delivering more and faster in selected policy areas, while doing less elsewhere) and *Carrying On* (the EU27 focuses on delivering its positive reform agenda). Since it accessed the European Union in 1985 together with Portugal, Spain has been perceived as being a net receiver in terms of posted workers that chose the Spanish national territory as their destination of work. The situation changed with the financial crisis and soon Spain transformed from a net receiver into a net sender between 2010 and 2014 (EU Commission, 2017). According to the European Commission data and comparing the inflows and outflows from Spain over 2010 - 2015 period, we noticed some important differences. Firstly, Spain was no longer the third receiving country but the eighth with only 54,037 posted workers going to Spain in 2015. At the same time the number of Spanish posted workers that left Spain was more than double, i.e. 125 711 persons, making Spain the 5th sending country. As a result, if in 2010 Spain was a net receiver, having more posted workers within its national territory than Spanish workers posted abroad, in 2015 Spain became a net sender.

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<sup>2</sup> European Commission, White paper on the future of Europe: Five scenarios, 1 March 2017, [https://ec.europa.eu/commission/future-europe/white-paper-future-europe/white-paper-future-europe-five-scenarios\\_en](https://ec.europa.eu/commission/future-europe/white-paper-future-europe/white-paper-future-europe-five-scenarios_en)



When Spain entered the EU, there was a huge debate on the topic of Spanish workers that would use the freedom of movement to move for work in a higher-income member state with higher salaries. Thus, the public debates about the potential influx of Spanish workers fostered the legislation changes regarding foreign employers, whether posted or not. However, “it was only after the enlargement of the European Union in 1995 with Austria, Finland and Sweden – potential higher wage receiving countries - that the deadlock in the discussions between supporters and opponents was broken in favour of the former group of Member States” (EU Commission, 2007).

Later on, when other states became part of the European Union, like Romania and Bulgaria, Spain was among the countries that demanded the implementation of several restrictions regarding the domains and the number of possible posted workers from those countries (Wagner, 2015). Until 2010 the situation of posted workers from Spain as a receiving country was not very clear, due to the lack of available data. However, in relative terms it was observed that perhaps due to the restrictions that the country imposed to the new comers, the immigration process was mainly from outside of the EU. Even though there are no official statistics regarding the intra-EU posting, the available data show that most of the posted workers are highly qualified professionals. However, there is also information about workers involved in agriculture and constructions. “In this context, the situation of posted workers has not received very much attention until recently in the context of the decisions of the European Court of Justice on posted workers” (Caprile, 2010).

The current data<sup>3</sup> on posting show that there are 147,424 Spanish workers posted abroad, while 52,353 workers are posted in Spain. The received workers’ estimated share among the working population of the country of destination is 0.3%, most of them coming from Germany, France, Italy, Portugal, Poland and Belgium. The sent workers’ estimated share among the working population of the country of destination is 0.5%, most of them going to France, Germany, Portugal, United Kingdom, Italy and Belgium.

The research on which this article is based is result of a project that encompasses 9 national study cases, with the aim of understanding how the EU-regulation and national Occupational Safety and Health (OSH) systems affect the health and safety of (posted) workers in a transnational workplace. The data used are gathered through desk-research, as well as fieldwork. The desk-research sets the normative framework, mapping the relevant institutional stakeholders and the available statistical data, while the fieldwork offers a deeper understanding of the national OSH system and the problems that are faced by posted workers.

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<sup>3</sup> European Parliament, Posted workers: the facts on the reform, <http://www.europarl.europa.eu/news/en/headlines/society/20171012STO85930/posted-workers-the-facts-on-the-reform-infographic>

The empirical research of the Spanish study-case as receiver and sender is based on seven semi-structured interviews, out of which six were conducted with representatives of the institutions that are involved in formulating the policy, controlling the transposition of regulations and monitoring the implementation of measures that have an impact on the OSH of posted workers, while one interview is with a posted worker.

## **1. Occupational Safety and Health component of the European Labour Market**

### **1.1. OSH-related implications of posting for the European Labour Market**

European regulations should guarantee the application of minimum wages and a series of basic conditions, the control of working conditions, but sometimes this does not happen. Therefore, there are workers who had done the same job for much lower salaries than what they earn in the countries where they are posted. This exploitation and social dumping bring a prejudice to posted workers and ends up being a prejudice to the workers of the countries of arrival as well. In many cases, the salary earned by posted workers is usually higher than what they used to receive in their countries of origin, which may keep them interested in continuing their work out of the country. Nevertheless, it is often found that the companies that post them are also charging them some additional compulsory services, which reduce their earnings compared to local workers which do not undergo the same additional charges, as the interviews highlighted.

In many cases, the company that posts the workers are also providing them with accommodation that might be of very poor quality or inadequate conditions for living over long periods of time. For example, some facilities are old holiday campsites, located outside the city, which force workers to be isolated, without near shops, without access to amenities and that requires long hours of commuting before getting to work. In other cases, the accommodation is owned by the company itself or by collaborating companies, where the companies will charge quite high rents directly deduced from workers' salaries. This is not always the case, but it does appear with some regularity, as indicated in the interviews. Given the fact that Sargeant and Tucker (2009) highlight particular problems of social exclusion/social isolation as a third layer of vulnerability, these accommodation issues would fit in this category.

There are also many cases of letterbox companies. These are companies established in a sending country, but they don't run any type of activity, apart from posting the workers. They appear and disappear very quickly making it difficult to monitor their activity and prosecute them in cases of rule violation. Sometimes, posted workers discover when they return to their home countries that the

company had not paid social security or that it owed them a several months of salary payments. But as the company does not any longer exist, then the workers cannot claim their rights.

To sum up, the main issues faced by posed workers have to do with the violation of wages, equal pay, the right to the same salary for the same work performed and, sometimes, issues of limiting the rights and individual freedoms of these workers.

## **1.2. The OSH-related normative framework regarding the posted workers in the EU and Spain**

The European Union has a series of regulating documents regarding the issue of posted workers, particularly the Council Directive 96/71/EC on the posting of workers, the Directive (EU) 2018/957 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and the Directive 2014/67/EU on the enforcement of Directive 96/71/EC.

In terms of legislation, Spain has a minimum protection of posted workers. However, at the level of sources of minimum salaries, in the Spanish state there are binding collective agreements (European Foundation for the Improvement of Living and Working Conditions, 2010). The Directive 96/71/EC of the European Parliament and Council from 16 December 1996 concerning the posting of workers in the framework of services provision was transposed in the national legislation through the Law 45/1999, from 29 November. Additionally, the Law 31/1995, on Prevention of Occupational Risks is another regulating document regarding occupational safety and health of posted workers in Spain.

In Spain, there are three institutions that are involved in the management of posted workers: The Ministry of Employment and Social Security, the Labour Inspectorate and the National Institute of Safety and Hygiene. The Ministry is the entity responsible for implementing public policies in this regard. In the case of health and safety, almost all of them are transpositions of EU directives. While the Labour Inspectorate is responsible for controlling the compliance with the aforementioned regulations, the National Institute of Safety and Hygiene's role is studying the phenomena and disseminating information.

Apart from public institutions, there are also a number of social partners involved in the process. The most representative union organizations at the national level are Comisiones Obreras (Workers' Commissions) and Unión General de Trabajadores (General Union of Workers). At regional level it is noteworthy the activity of Confederación Intersindical Galega (Galician Unions Confederacy) and of Eusko Langileen Alkartasuna - Solidaridad de los Trabajadores Vascos (Basque Workers' Solidarity).

Trade unions play a horizontal role in pressuring European authorities to implement these types of directives among the Member States. In the case of Spain, unions have played a much more secondary role. The performance of trade unions in Europe has been limited by the decision of the European Court of Justice, which has in many cases limited the action of European trade unions, including their actions relating the posted workers (the *Vicking*, *Laval* cases). They have also limited the capacity of the unions to carry out actions of denunciation of prejudicial consequences of posting workers in their territory. Trade unions are very active in some sectors, such as metalworking, for example, but there are few transnational companies in the metal sector.

According to Art. 5 of Law 45/1999, the business owners that post workers to Spain under the transnational provision of services must notify the posting to the labour authority of the Autonomous Community where the services are to be provided, prior to commencement and irrespective of its duration. If services are to be provided in the Autonomous Cities of Ceuta and Melilla, the information on the posting must be addressed to the work and immigration departments of the respective Government Delegations. There shall be no need to notify the posting if its duration is not more than eight days.

Whether permanent or temporary, the type of employment does not have an impact on the access and type of training regarding occupational health and safety. There is an attempt to create a unified card so that the worker does not have to be re-trained several times. Nevertheless, this measure is criticized because there are different understandings to what does training mean. Sitting at a desk and explaining something to the worker can be considered a good or acceptable training for the employer, but it is not necessarily sufficient and adequate for the worker because it does not guarantee the quality of training.

The difference between various types of regulating documents is given by the profession it is made for, not by the type of contract (permanent or temporary). This is regulated in the sectorial collective agreements. There are some sectors which are very organized and others that are not (eg. commerce and the hotel trade), where there is almost no training. The prevention law is the basic regulation. But in the more hazardous sectors (such as construction, metalworking) certain specific training is required, more technical and involving a greater number of hours, as well as more formative content.

## **2. OSH-related vulnerabilities of posted workers**

Sargeant and Tucker (2009) define migrant workers as workers without a permanent status in the receiving countries, which is applicable to a variety of immigrants, such as recent, temporary,

seasonal and posted migrant workers. This means that a set of issues, unequal treatment and OSH-related dangers can arise from this temporary status.

The problems of posted workers can be explained only by understanding that each case and each sector has its own specific. However, there are some problems that transcend the field of activity and give us a good framework for understanding. It is often the case that the company takes advantage of those matters which are difficult to control by public authorities or which are poorly regulated. To this end, it is the workers who are in a tangled situation, because they do not know the legislation of the hosting countries well enough. Therefore they do not have the means to fight against the treatment they are being exposed to.

The companies that work with posted workers are usually trying to save costs. Thus, it is very likely that they face poor living conditions or that the employers discount the housing costs directly from their salaries. One of the interviewees presented the case of some workers from Portugal that had been complaining about their housing conditions, so they were eventually accommodated in a better place, but the employer lowered their salary, as a result.

The interview with a university professor highlighted that the working and living conditions of workers posted to the Netherlands in the logistics sector are a good example of dealing with problems such as accommodation. The company forced them to live in its own accommodations in order to continue giving them work. These accommodations were cut off from the city life. Thus, when the workers decided that they wanted to go to live in a rented apartment in the centre of the city, in order to be able to learn the language, to have more leisure options or other motivations, the company threatened them that they would be fired. In the end, with this kind of practice, the workers are almost captive.

Another problem has to do with the participation itself or the right for representation, to defend the interests of posted workers in hosting countries. We found that posted workers, in general, do not know about having union representation or representation in the decision-making structures of the company in which they work. What they have is just an informal interlocutor within the company in order to keep an open communication channel. Given that, in general, posted workers do not speak the language of the country where they are, they have limited possibilities for engaging in conversations with other workers, to know the hosting country legislation, or about the existing trade unions. In many cases, the company delegates do not have the right to represent or to speak in the name of these workers. They are not authorized to become interlocutors for these workers. In practice, workers are subjected to a series of pressures and difficulties and do not have the required channels of representation that any worker should be provided, at least within the European Union.

The European health insurance card only covers emergencies and very serious accidents. Workers have to pay beforehand to the health services of the host country and then they get the reimbursement, but it is not direct health care like in the country itself. There are many countries that have not regulated how work accidents must be reported. In Spain, the obligation of reporting a work accident was not regulated until the Royal Decree Law 9/2017. However, regulatory development is needed to verify whether this obligation is met or not.

Another problematic aspect is the language. Many posted workers do not speak the language of the hosting country; therefore, they do not know how to communicate or consult with colleagues about work or other aspects.

Other problems are generated by the fact that workers get to spend just brief periods of time in every workplace. And that also affects their OSH protection, because the organizational culture creates a routine that makes the worker do things easier, reducing risks and which cannot be achieved if workers do not stay long enough for the routine to be established.

Being subjected to some of these very questionable above-mentioned conditions can also imply the impossibility to connect with the authorities or the lack of power to make a real choice when it comes to doing or not doing something dangerous for them (not wearing equipment in a certain situation, for example). Developing a website for them has proved to be insufficient. Most often they cannot get in touch with authorities, nor with delegates or unions.

There can also be language and cultural barriers. There are prevention services that give language courses to workers, but that is when there is a very large presence of workers of that nationality. For example, there are manuals in Romanian to give information to Romanian workers. With the Portuguese there are no problems, as the workers and employers understand each other. The other majority of workers are Hispanic-Americans and there are obviously no language problems. It's up to workers to get over the cultural barriers they encounter, given that the firm has no legal obligation in this sense. Thus, this aspect further deepens the vulnerability of posted workers. Just as Sargeant and Tucker (2009) identified, education and language skills are a second layer of vulnerabilities.

### **3. OSH-related multilevel governance regarding posted workers**

#### **3.1. Roles of the actors of multilevel governance**

The Ministry of Employment and Social Security is the entity responsible for implementing public policies. In the case of health and safety, almost all are transpositions of EU directives. This

Ministry also coordinates with other ministries, according to sector. For example, it collaborates with the Ministry of Health for things of health surveillance and surveillance protocols.

The Labour Inspectorate is responsible for controlling the compliance with the national regulations (many of them being a result of transposing EU directives). There are departments that propose amendments to the laws, on the one side, and there are also the bodies in charge of enforcing them, on the other. There is a Labour Inspectorate office in every province. The organization of the provincial inspectorates depends on the size of the province (for example, we cannot compare Madrid with Huelva). In the larger Inspectorates there is a unit specialized in social security, a unit specialized in occupational safety and health and one that is focused on the law of work and wages. In small Inspectorates, all the inspectors do a bit of everything: there are a number of inspectors who have divided the area, so they have to handle everything that arises in that area, as well as the visits to the companies. Within the autonomous communities there are territorial delegations that coordinate the action at the level of a set of provinces. It is however notable that they are particularly small. There are also the central services that try to guide the activity of provinces: they plan actions in different areas, they solve normative doubts that may arise and they give assistance on international issues in order to facilitate the collaboration with other member states.

The National Institute of Safety and Hygiene is the body in charge of promoting safety and health in terms of carrying out studies and analyses. They also do informative campaigns, with the purpose of disclosure. Nevertheless, although they have an important role in disseminating information, they do not control compliance with the regulations, nor they go to companies for control.

The relationship between the two institutions is tight, given that the Labour Inspectorate is part of the Ministry of Employment and Social Security. Furthermore, the National Institute of Safety and Hygiene is in charge of undertaking the research needed by decision makers in order to have the best set of information when it comes to modifying or introducing new elements into the national legislation.

The task of the Labour Inspectorate within the Ministry of Employment and Social Security is to control the workers, as they have competences in all social areas respective to work (working conditions, safety and health and social security). Then, the work of the inspectorate is conducted through the complaint of the workers themselves and by actions planned by sectors of special risk or of special interest at a particular time. The inspectors pay regular visits in order to verify the identity of the registered workers and to see their working conditions. If deficiencies are detected, the company is sanctioned. Among the powers of the Inspectorate lies its right to control if workers have



a work permit, to detect whether a posted worker is treated as such, while everything is checked to see if the regulations are complied with.

The inspections involving posted workers are particularly complicated as it involves two countries, whereas if one of them does not collaborate, the inspectorate cannot act. When encountering posted workers from another country, the Inspectorate advances the request for collaboration to that country (to verify workers' level of training, or if he has health surveillance in his country of origin). If they get not answer, the mechanism cannot continue. Therefore, if this collaboration does not work, it is impossible to control them.

From the point of view of the Inspectorate, the procedure is to act by complaint, or by planned actions in certain sectors with risks (especially in the sector of security and social health, such as visiting companies, and find out exactly what they are doing, and the work conditions) and, when a deficiency is detected, action is taken.

There is, with the support of computer systems (since much more data is available) a tendency to plan the action according to the statistical data on work accidents emerged. But it is mostly done in social security, where there is more information. In safety and health, the only criteria are the number of work accidents and that of occupational diseases, but it is not a consolidated practice, because there are no consistent figures on these aspects.

To enhance coordination with other states, the Labour Inspectorate of the Ministry of Employment and Social Security of Spain tries to strengthen bilateral relations, especially with the states of main flow of workers. Therefore, there are bilateral agreements with France, Portugal, with Romania and Poland. Meetings are held at the level of the directors (of Inspectorate) and an attempt is made to strengthen the flow of information, based on reinforced cooperation.

The Labour Inspectorate works with the rest of the National Inspectorates through the Network of Senior Labour Inspectors (SLIC). Through the SLIC, IT tools have been created that allow the exchange of information between the Inspectors, such as the Internal Market Information System (IMI). Therefore, if the authority in another state is already checked in the System, a form can be easily filled in, using a series of questions about the regulations of posted workers that can be automatically translated into the other country's language. Within the system, the protection of workers and confidentiality are absolute. There has been an increase in the set of available questions, particularly with regard to safety and health.

Also, if there is a subcontracting relationship, the contractor must check if the subcontractor fulfils its obligations. If the subcontractor / below breaches any obligation, the (main) contractor has a joint liability. Therefore, if the subcontractor receives a fine and if he does not pay, the contractor

has to pay. The prime contractor has the obligation to oversee every aspect, to verify and monitor all the companies that work under them, and to make sure that all workers receive the training, etc.

Company-level committees and worker representatives are two recognized ways of representing workers in Spain. On the one hand there is the representation of the unions themselves, which may be present in the work place, and, on the other hand, there are the work councils which depend on the size of the company (although these are mandatory for larger companies).

In the companies with more than 50 employees, there are delegates of prevention and they are usually chosen between the representatives of the workers at the level of union representation. They are representatives that have competences only in safety and health prevention. Their role is to monitor compliance with all the OSH regulations within the company. When they observe something that is not in accordance with the regulations, they notify the employer or directly the Inspectorate. In the Spanish legislation (more precisely, in the Law 31/1995, on Prevention of Occupational Risks), both the union representatives and the prevention delegates are protected so that they cannot be dismissed.

When drafting a new law, the trade unions are also asked to state their opinion. In addition, when the unions detect something that does not work, they usually submit the complaint to the Inspectorate. They have a very direct contact with the workplace, so they can control everything that happens there and can be among the first to find out about the existing problems. The unions do a lot of work of health and safety disclosure and information provision to workers. It is important to know which are the most representative unions and who have the right to sign collective agreements of general scope. As already mentioned, at national level it would be Comisiones Obreras (Workers' Commissions) and Unión General de Trabajadores (General Union of Workers). At the regional level, it would be Confederación Intersindical Galega (Galician Unions Confederacy) and Eusko Langileen Alkartasuna - Solidaridad de los Trabajadores Vascos (Basque Workers' Solidarity).

The unions follow up and support the most disadvantaged actors. Nevertheless, it is always more difficult in a small company than in a large company, because union membership is always more important in large companies.

In some specific sectors, such as transport, there are also other instances involved that have to do with occupational safety and occupational risks (eg. the General Directorate of Traffic, which depends on the Ministry of the Interior and the Police itself). In Spain the regulation of road traffic depends on the Civil Guard. Being one of the security forces of the state, ordering, monitoring of compliance with the road traffic regulation and verifying the rest time, speed limits, load weight etc are among its powers.

### **3.2. Information dissemination**

Employers are responsible for informing their workers. Historically, starting with the Franco regime, the Spanish information services were customized on the specific of every type of work, but they disappeared over time. Nowadays, it is employers and unions that have the role to disseminate the information to workers. The Labour Inspectorate only advises employers and workers during visits, but it does not also have the role of informing workers. The occupational health and safety cabinets of the autonomous communities have an informative function and promotion of occupational risks.

The Labour Inspectorate's role increases through the transposition of the Framework Directive, given that according to this, the Inspectorate should inform workers of all the health and safety conditions of the specific work post and the general conditions of companies in which they are going to provide services before starting work.

### **3.3. Liability**

Companies are obliged by law to make some cards for each employee based on the level of risk they are exposed to, and they do a training in which they are told what risks are involved by their profession. To this end, there is a person in the company who is dedicated by law to these issues. He is assigned to go to each each worker, explaining and signing a record, which stands as proof that he/she has received training and is aware of the existing risks. This should be done periodically. There are two minimum requirements before a new employee joins the company: medical analysis (that is also a legal obligation) and safety training.

### **3.4. Training**

For those posted workers who come to Spain, the Inspection would control that the workers at that moment have the training, but this depends a lot on the sector, because the training has to be done before they start working. The training must be updated according to the sector, the work to be carried out, and the equipment that is being used. In case workers change the team or go to another work centre with different risks, they have to repeat the training. Afterwards, it is the inspector who determines if the worker has the proper training.

In the transport sector there are small brochures with information for workers in relation to the regulations. In many cases of traffic violations, the workers are not aware of their rights related to the matter.

Companies hire specialized companies for prevention services. They bring manuals, brochures and other materials to help them carry out the training of the workers and, in general, they are those that are in charge of delivering the training.

### **3.5. Artefacts**

There is no minimum equipment provided by legislation. What is provided above all is the protective equipment, which depends on the existing risks. Based on a risk assessment that aims to determine the workplace following the specific activities, a preventive action planning is generated, which is established for each activity. If the worker has to perform the activity with goggles, safety boots, helmet etc., all the protective equipment has to be provided by the company. In addition, companies have the obligation to properly mark when there is a step, risk of falling or electric risk.

### **3.6. Monitoring**

The monitoring procedure is sometimes complicated because the initial training was received in the country of origin. Then, according to some of the experts interviewed, you need to contact the National Inspectorate of the respective country to certify that the worker actually has the training. This is especially important to see if that training is legal, because sometimes the papers are falsified and as they are in another language, the Labour Inspectorate of Spain does not know what the reality is. Therefore, the documents are scanned and sent to the labour inspectorate of the country of origin to confirm the data.

### **3.7. Practices for accidents involving posted workers**

In Spain, the obligation of reporting a work accident was not regulated until the Royal Decree Law no. 9/2017. It is now specifically regulated that if an accident at work occurs, then it must be immediately be reported to the Labour Inspectorate. When posted workers are involved, the case also needs to be reported by the Labour Inspectorate to their counterpart from the country of origin. As it was reported by some of the experts interviewed, whereas there is no functional communication system, the authorities find out when the accident is deadly or serious when it comes out in the press.

When a worker suffers an accident or an injury because of the fault of the employer, he/she should charge a benefit of loss. In this case, the amount of money the worker receives is paid by the employer. Therefore, the Labour Inspectorate has to know what happened in the accident and needs the reports of the transnational parties involved. The report on the accident investigation is requested whenever there is an accident in another state in which a Spanish worker is involved.

Normally, the social security of the state in which the posted worker is providing services is applied, but there are some exceptions. One noteworthy example discussed with the experts interviewed is an accident that a representative of a public authority recalled, involving of a Spanish posted worker in the Netherlands. The Spanish company that was displacing the worker in the Netherlands had an injured worker. The problem appeared when the worker went to the hospital with the European health card and he was not taken care of, because it was not serious or urgent enough. They would have offered him medical services, but only if he paid them, even though he would have been reimbursed later on. He refused the treatment at that point because he did not have money to pay for the service in advance. In the end, he had to come to Spain for healthcare. The employment relationship between the company and the worker in question ceased, and he afterwards sued the company to recover his costs.

## **Conclusions**

The problems encountered by the posted workers involve a wide range of institutions, regulations and practices that should design a joint framework in order to solve them. In Spain, there are three institutions that are involved in the management of posted workers: The Ministry of Employment and Social Security, the Labour Inspectorate and the National Institute of Safety and Hygiene. The Ministry is the entity responsible for implementing public policies in this regard. In the case of health and safety, almost all of them are transpositions of EU directives. The Labour Inspectorate is responsible for controlling the compliance with the aforementioned regulations, while the National Institute of Safety and Hygiene has a role in studying the phenomena and disseminating information. The transportation sector is quite particular, as they are also regulated by other actors, such as the transport authorities themselves.

The problems faced by posted workers, as reported in most of the interviews and in the specific literature refer to: a) inequality of payment for the same work; b) poor living conditions; c) cultural and language barriers; d) lack of health insurance and different regulations on work accidents; e) poor representativeness.

There are two aspects that are noteworthy regarding the equality of payment. First and foremost, the workers should be guaranteed equal payment for the same work, provided in the same area. Even though there were recommendations in this regard, many times it does not happen. Therefore, there are workers who have done the same job with much lower salaries than those that exist in the countries where they are working. However, through the transposition of the new European Directive on Posting, this issue should be solved in two-years' time. Secondly, it is the problem of having important differences of payment for the same work, between countries/regions. This only deepens the gap towards a more cohesive Europe and encourages the mobility of workers, regardless of the living conditions they are offered in the hosting country.

In many cases, the company that posted workers generally provides them with accommodation that, in general, is of poor quality or conditions that are not adequate for long-time living. They face long hours of commuting and many times they live far from the city, thus leaving them with few options on how to spend their free time. The interviewees have also stated that there are cases when the payment for the accommodation and other living costs is directly taken from the payroll. Even worse, the accommodation is not only poor but also overpriced.

The case of Spain is quite particular in what regards the language barriers of the workers that come to work in Spain (whether posted or not). The majority of them come from Portugal or Latin-American countries, which gives them the advantage of communicating easily. However, the problem stays real, as there are also workers that are posted in Spain and do not speak the same language (as it is the case of Romanians), as well as that of Spanish workers posted to work in other European countries. The cultural barrier widens even more if the workers are accommodated far from the cities: they have few interactions with the locals, no social activities, thus leading to a feeling of inadequacy.

When it comes to health services, the European health insurance card only covers emergencies and very serious accidents. Workers have to pay beforehand to the health services of the host country and then they get the reimbursement, but it is not direct health care like in home countries.

There are many countries that have not regulated how work accidents must be reported. In Spain, the obligation of reporting a work accident was not regulated until the Royal Decree Law no. 9/2017. However, the investigation of a work accident of a posted worker requires the cooperation of the responsible institutions in both countries, which makes the process very time-consuming.

The employer is responsible for informing his workers. Historically there were information services in Spain for any type of worker, but they have gradually disappeared. Through the prevention law, which is a transposition of the Framework Directive, the Labour Inspectorate has the obligation to inform workers of all the health and safety conditions of the specific work post and general conditions of the companies in which they are going to provide services before starting work. The

unions do a lot of work of health and safety disclosure and information providing to workers. The unions follow up and support the actors that could be the most disadvantaged. However, in a small company, it is always more difficult than in a large company, because union membership is always more important in large companies. Trade unions play a horizontal role in pressuring European authorities to implement these types of directives among the Member States. In the case of Spain, Spanish unions have played a secondary role. There are also fields in which the unions have played a much more active role, such as metalworking and others.

It is worth noting that, because of the difficulties encountered in communicating with their counterparts from other countries, the Labour Inspectorate of the Ministry of Employment and Social Security of Spain tries to strengthen bilateral relations, especially with the states with which they have the most exchange of workers. There are bilateral agreements with France, Portugal, Romania and Poland. Meetings are held at the level of the directors (Inspectorate) and an attempt is made to strengthen the flow of information. Even though there is the IMI platform at the disposal of the authorities, strengthening the bilateral relations through individual partnerships seems to be more effective.

Recommendations for the workplace would imply organising awareness raising preventive campaigns. Even though the Labour Inspectorate's control visits are the best way to see how the staff is working, what protective equipment they wear and to talk to the workers, it is quite difficult, since it requires a lot of human resources.

As it is very difficult to verify if the posted workers received the initial training before their arrival in the new workplace, the quality of the safety training received when the employee joins the company is very important. The responsibility of the quality of the safety training is at the level of the Labour Inspectorate, whereas the responsibility for delivering the trainings periodically should be at the level of the employer.

In Spain there are many small and medium enterprises. The problem with the OSH representatives is that they are only compulsory in large companies. In small businesses this is a problem, that sometimes there are no OSH representatives and then the workers are not informed, they do not know who to turn to. Hence, in large companies, where there are large committees of prevention representatives, workers are more protected. Within the small companies, it is the Labour Inspectorate that has to fulfil another task, that of advising the workers. It is therefore very important that the Labour Inspectorate pays visits without having a complaint for the investigation, in order to try to reach these small companies, which may lack representativeness. It is a complicated situation, because in companies with 10 workers or less it is a burden to dedicate one employee to this representation activity only.



Therefore, the recommendations regarding the industry level involves supporting the sectorial trade unions so that they could fill in the gap of the representatives in the SMEs.

In terms of social security, the A1 documents can be ordered after posting and then, each control is complicated, because sometimes the workers do not have the A1 and after a month they come with the A1. In Spain, registration in social security must always be prior to the start of work. It is an obligation that devoids the purpose of meaning if it is not done prior. In terms of posted workers, a recommendation at national level would be that the A1 form should be filled in before leaving the country of origin.

Another recommendation would be to create an electronic register that would systematize all data regarding posting, which would be used for the purposes of improving the access to these communications and of cutting the time needed for carrying out of the procedures involved.

A recommendation at the European level regards the communication between the countries that need to share information about posted workers, given that the data should have a fast flow and it should be provided in all relevant languages. The infrastructure at the European level is already being created, but from a certain point on, cooperation is fragmented because of the interests of a certain country involved in the exchanges.

The current proposal of setting a European Labour Agency might be the solution for many of the issues at stake: facilitating and monitoring the dialogue between national counterparts in order to finish the investigations, harmonising practices and quality check of the National Labour Inspectorates. The European Labour Authority was announced in September 2017 by President Juncker in his 2017 State of the European Union address to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way. Following consultations and an impact assessment, a legislative proposal was presented on March 13, 2018. The Authority should be up and running in 2019 and reach its full operational capacity by 2023. This proposal is also part of the roll-out of the European Pillar of Social Rights (European Commission, 2018).

After the transposition of the new EU posting Directive, and reaching the point of having equal pay for the same work provided in the same area, there should be made advancements regarding a minimum wage set at EU-level.

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