

International Journal of Euro-Mediterranean Studies

VOLUME 8 | 2015 | NUMBER 1

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in Banks' Capital and Risk Decisions

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to Similar Markets Differ in the
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European Commissioner for Research,
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International Journal of Euro-Mediterranean Studies

ISSN 1855-3362 (printed)

ISSN 2232-6022 (online)

[2]

The aim of the International Journal of Euro-Mediterranean Studies is to promote intercultural dialogue and exchanges between societies, develop human resources, and to assure greater mutual understanding in the Euro-Mediterranean region.

L'objectif de la revue internationale d'études Euro-Méditerranéennes est de promouvoir le dialogue interculturel et les échanges entre les sociétés, développer les ressources humaines et assurer une compréhension mutuelle de qualité au sein de la région euro-méditerranéenne.

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IJEMS is indexed in Scopus, International Bibliography of the Social Sciences, Directory of Open Access Journals, Index Islamicus, OCLC, and Summon by Serial Solutions.

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Manuscripts should be submitted electronically via e-mail ijems@emuni.si. Manuscripts are accepted on the understanding that they are original and not under simultaneous consideration by any other publication. Submitted manuscripts may be subject to checks in order to detect instances

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No author fees are charged.



PUBLISHED BY
Euro-Mediterranean University
Sončna pot 20
SI-6320 Portorož, Slovenia

Phone +386 59 25 00 50

Fax +386 59 25 00 54

www.ijems.emuni.si

ijems@emuni.si

Copy-Editor: Katja Kustec

Design and Typesetting:

Alen Ježovnik

Print run: 200. Printed in Slovenia

by Birografika Bori, Ljubljana

Mednarodna revija za evro-mediteranske študije je namenjena mednarodni znanstveni in strokovni javnosti; izhaja v angleščini s povzetki v slovenščini, francoščini in arabščini. Revija je brezplačna.



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The Role of Regulatory Pressure in Banks' Capital and Risk Decisions

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Capital regulation represents the core of prudential regulation in banking. Despite the aim of the regulators to have a safer and more robust banking industry, the effects of capital regulation on banks' capital and risk decisions appear ambiguous. The paper analyses the relationship between capital and risk changes and the impact of regulatory pressure for a sample of European banks during the period 2006–2010, which encompasses the start of the latest financial crisis. Results highlight that banks tend to adopt a different behaviour depending on the capital ratio considered, supporting the so-called 'gamble for resurrection' hypothesis. Evidence supports the rethinking of the regulatory framework, especially with reference to higher and stricter capital requirements.

Key Words: bank, capital, risk, regulation, Tier 1

INTRODUCTION

Capital regulation aims at ensuring that banks hold a level of capital consistent with their risk exposure, and their decisions on capital change as their risk position is modified by endogenous or exogenous factors. Nevertheless, if not correctly designed, capital requirements might produce unwanted effects because of moral hazard and asymmetry of information which lead banks to excessive risk taking (Kahane 1977; Koehn and Santomero 1980; Kim and Santomero 1988; Gennotte and Pyle 1991). Understanding the link between regulation and banks' decision is of utmost importance because it might help policy makers to adjust capital regulations. This issue is particularly relevant in the European area where countries are subject to common general regulation which nevertheless is applied on country basis through national supervisory authorities, potentially generating an uneven playing field. Understanding how Eu-

European banks react to capital regulation, is a key point in the framework of the banking and market union.

[6] The latest crisis stimulated further discussion and brought to the revision of the prudential framework, as well as the introduction of additional measures to control bank risk taking that led to a new set of rules under the name of Basel III.

This study tries to answer to the following question: what was the role of regulatory framework in determining changes in capital ratios and in risk exposure during the crisis? In order to answer this research question, balance sheet data for a sample of 1,442 European banks from 2006 to 2010 are analysed. This study contributes to the existing literature providing updated evidence on the behaviour of European banks in light of the implementation of the third version of the Basel Accord, which although strengthening and modifying the Basel II framework, relies on the same assumptions on banks behaviour. The paper is organised as follows: section 2 reviews the main empirical contributions on the topic and presents the model; section 3 describes the sample; the fourth section discusses the results; the last section draws the conclusions.

CAPITAL AND RISK DECISIONS

The literature on bank capital is extensive and the effects of capital requirements have been studied thoroughly. Theories argue that capital regulation can lead to excessive risk taking if capital requirements are not correctly designed (Kahane 1977; Koehn and Santomero 1980; Kim and Santomero 1988; Gennotte and Pyle 1991) and empirical studies have investigated banks' behaviour to provide evidence on the effects of regulation, but results remain ambiguous.

Changes in capital and risk are modelled in this study using a simultaneous equation framework (Shrieves and Dahl 1992; Jacques and Nigro 1997). According to this setting, banks have a desired (optimal) level of capital and risk, which cannot be observed. Changes in capital and risk are assumed to represent adjustments toward these optimal levels that depend on exogenous factors such as regulation, economic cycle and other variables, e.g. size, level of liquid assets and profitability.



In general, capital and risk changes appear to be severely affected by the banks' ex-ante capital level. A number of studies find that low capitalised banks tend to increase risk when facing a drop in capital ratio, taking the 'gamble for resurrection' and increasing the probability of default (Calem and Rob 1999; Godlewski 2005; Iwatsubo 2005; Camara, Lepetit, and Tarazi 2013).

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Results become even more varied when considering the quality of capital: banks' decisions vary according to the capital ratio considered, i.e. total regulatory capital, Tier 1 capital, or equity (Kleff and Weber 2003; Hussain and Hassan 2005; Memmel and Raupach 2010; Camara, Lepetit, and Tarazi 2013).

Hence, this analysis focuses on three formulations of capital (CAP) to enable a possible comparison of results. Firstly, CAP is interpreted as the total regulatory capital ratio (trCR). This ratio is obtained by the level of capital to risk weighted assets and has a direct relationship with regulatory provisions. Secondly, Tier 1 regulatory capital ratio (t1CR) is included in the analysis as additional measure for the highest quality part of regulatory capital. Lastly, equity to total assets (ETA) is considered. This ratio does not consider risk weighting and might provide different indications. Equity to total assets is a common indicator used by markets to evaluate the capitalisation of firms and does not respond to regulatory provisions. Moreover, it is easy to compute, it has coherence between numerator and denominator, as both are computed using the same rules and has a relationship with leverage.

Risk is measured as the ratio of risk weighted assets to total assets (RWA/TA), in line with the notion of risk formulated by prudential regulation.

Banks decisions are influenced by regulation. In fact, they have to comply with a minimum capital ratio, but they can decide on how much capital to hold above the minimum. Banks with a high capital ratio are considered to be less subject to regulatory pressure, as they hold a buffer sufficient to absorb eventual shocks. On the contrary, banks with a low capital ratio will be subject to more regulatory pressure: on the one hand their capital ratios are likely to be more stressed during downturns and on the other, in case reg-

[8] ulation becomes stricter, they would have to strengthen the capital base or limit their exposure to risk, in order to reach the new regulatory minimum. In general, when banks face an increased regulatory pressure, they tend to adjust their capital ratio by increasing capital and decreasing risk, in line with the regulatory objective (Shrieves and Dahl 1992; Jacques and Nigro 1997; Matejašák, Teplý, and Černohorský 2009) although contrasting evidence is provided by Heid, Porath, and Stolz (2003) and Van Roy (2005). In this study we define regulatory pressure as in Alexandre and Bouaiss (2009): $REG1$ represents the difference between the bank's capital ratio and the minimum capital ratio, which is 8%, and $REG2$ is defined as the product of $REG1$ and the level of the capital ratio at the beginning of the period (CAP_{t-1}) and expresses the speed at which banks adjust their capital.

Banks' characteristics are also likely to affect banks' decisions. Bank size can have a positive or a negative contribution. A positive relationship with bank capital may exist because larger banks tend to be also more complex and this exacerbates the asymmetry of information (Gropp and Heider 2010). On the other hand, size can have a negative impact on capital buffers. Larger banks have an easier access to capital markets (Ahmad, Ariff, and Skyllý 2009) and may have greater flexibility in funding themselves to increase their capital ratios, using for instance hybrid instruments or subordinated debt (Heid, Porath, and Stolz 2003). However, the sign and impact of size is likely to depend on the specialisation: for instance savings and cooperative banks face more restrictions in raising capital (Kleff and Weber 2003). The negative sign might also be related to the 'too big to fail' issue: larger banks may hold less capital because they rely on public intervention in case of distress.

When controlling the impact of size on risk, a positive or a negative sign is expected. In the latter case, a diversification effect would prevail (Lindquist 2004; Van Roy 2005), however, literature finds controversial results.

Liquidity (LIQ) is able to influence both, capital and risk decisions (Allen and Gale 2004; Jokipii and Milne 2011; Athanasoglou 2011), but the expected sign is ambiguous. Liquidity (LIQ) is defined



as liquid assets to customers and short term funding (Athanasoglou 2011). Profitability can impact capital decisions as profitable banks may in fact increase their capital through retained earnings (Kwan and Eisenbeis 1997; Rime 2001; Van Roy 2005; Matejašák, Teplý, and Černohorský 2009). ROA is included in the model, as in previous studies, to account for the profitability of the bank, as well as the ratio of net interest income to total asset (NII/TA).

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As underlined by Altunbas et al. (2007), efficiency is a relevant factor when analysing the relationship between decisions on capital and risk. The cost to income ratio is here considered a simple indicator for efficiency (EFF).

Finally, the rate of GDP growth (GDP) is included in order to check for specific country features, which can affect capital and risk decisions by banks (Lindquist 2004; Van Roy 2005). Capital requirements as stated in Basel I and Basel II have a procyclical behaviour. In fact, when the economic cycle deteriorates, losses increases and the level of capital needed to satisfy capital requirements increases as well. However, it can be difficult for banks to raise capital during economic downturns, as it becomes even scarcer and more costly. Banks could therefore be forced to decrease risky assets, e.g. reducing the amount of loans destined to the real economy. The opposite can happen during economic booms.

The relationship between changes in capital and in risk in this study is represented by the following equations:

$$\begin{aligned} \Delta CAP_{j,t} = & a_0 + a_1 SIZE_{j,t} + a_2 LIQ_{j,t} + a_3 ROA_{j,t} \\ & + a_4 EFF_{j,t} + a_5 GDP_{j,t-1} + a_6 CAP_{j,t-1} \\ & + a_7 RISK_{j,t} + a_8 REG2_{j,t} + E_{j,t} \end{aligned} \quad (1)$$

$$\begin{aligned} \Delta RISK_{j,t} = & b_0 + b_1 SIZE_{j,t} + b_2 LIQ_{j,t} + b_3 EFF_{j,t} \\ & + b_4 GDP_{j,t-1} + b_5 RISK_{j,t-1} + b_6 CAP_{j,t} \\ & + b_7 REG1_{j,t} + b_8 REG2_{j,t} + S_{j,t} \end{aligned} \quad (2)$$

The model shows endogeneity problems, because changes in capital and risk are interrelated and they show up on both equations, as also confirmed by the Hausman test. To deal with endogeneity,

[10] the study applies a GMM approach. Lagged values of capital and risk are used as instruments for changes in capital and risk, as suggested and implemented by previous literature. Additionally, an Arellano-Bover/Blundell-Bond estimation is employed to check the robustness of the results. The estimator is specifically designed for panel with a low number of time-series observations and a high number of groups and is particularly suitable in case of persistent data (Arellano and Bover 1995; Blundell and Bond 1998).

SAMPLE DESCRIPTION

The sample is constituted by European commercial, savings and cooperative banks. Balance sheet information is obtained from Bankscope for the period from 2006 to 2010. This time span enables to have homogeneity in the data, as all the banks apply the same accounting rules starting in 2006, and helps to focus on banks' decisions during the financial crisis. Besides, ending in 2010, it excludes the most dramatic times of the European sovereign debt crisis, which might have further modified banks behaviour. Additionally, focusing on this period helps excluding the amendments made after the European Banking Authority (EBA) recommendations to raise Core Tier 1 capital to 9% in 2011, as well as the choices made under the supervisory monitoring of the leverage ratio and the observation period of the liquidity ratios, which started in 2011 (European Banking Authority 2011).

Banks with assets and total regulatory capital ratio values available for less than four consecutive years and banks with a capital ratio higher than 100% are eliminated from the sample.

The resulting sample is made of 1,442 banks: 513 are commercial banks, 683 are cooperative banks and the remaining 246 are savings banks (table 1). More than half of the banks in the sample are from Western European countries (1,102). To be more specific, almost 37% of the banks in the sample are Italian banks, but their weight on the sample in terms of total assets (as at 2010) is limited (8.91%) if compared for instance to French banks. There are few of the latter (1.46% of the banks in the sample), but represent more than 25% of total assets. The same holds for banks from the United Kingdom



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TABLE 1 Description of the Sample by Country

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|-----|--------------------|-----|-----|--------|---------------|--------|
| 1 | Albania | EE | 3 | 0.21% | 2,511,074 | 0.01% |
| 2 | Andorra | WE | 1 | 0.07% | 5,200,000 | 0.01% |
| 3 | Austria | WE | 17 | 1.18% | 556,619,900 | 1.54% |
| 4 | Belarus | EE | 12 | 0.83% | 24,560,047 | 0.07% |
| 5 | Belgium | WE | 8 | 0.55% | 1,108,900,000 | 3.06% |
| 6 | Bosnia-Herzegovina | EE | 7 | 0.49% | 2,543,303 | 0.01% |
| 7 | Bulgaria | EE | 13 | 0.90% | 24,768,523 | 0.07% |
| 8 | Croatia | EE | 19 | 1.32% | 41,303,234 | 0.11% |
| 9 | Cyprus | WE | 6 | 0.42% | 56,242,000 | 0.16% |
| 10 | Czech Republic | EE | 11 | 0.76% | 116,200,000 | 0.32% |
| 11 | Denmark | WE | 69 | 4.79% | 856,039,971 | 2.36% |
| 12 | Estonia | EE | 5 | 0.35% | 714,925 | 0.00% |
| 13 | Finland | WE | 5 | 0.35% | 436,652,800 | 1.21% |
| 14 | France | WE | 21 | 1.46% | 9,227,700,000 | 25.48% |
| 15 | Germany | WE | 274 | 19.00% | 4,072,687,100 | 11.25% |
| 16 | Greece | WE | 16 | 1.11% | 456,284,800 | 1.26% |
| 17 | Hungary | EE | 6 | 0.42% | 73,800,000 | 0.20% |
| 18 | Ireland | WE | 7 | 0.49% | 540,300,000 | 1.49% |
| 19 | Italy | WE | 531 | 36.82% | 3,227,093,820 | 8.91% |
| 20 | Latvia | EE | 14 | 0.97% | 20,397,889 | 0.06% |
| 21 | Lithuania | EE | 8 | 0.55% | 20,851,623 | 0.06% |
| 22 | Luxembourg | WE | 8 | 0.55% | 196,000,000 | 0.54% |
| 23 | Macedonia (FYROM) | EE | 7 | 0.49% | 2,757,907 | 0.01% |
| 24 | Malta | WE | 2 | 0.14% | 6,486,620 | 0.02% |
| 25 | Moldova | WE | 3 | 0.21% | 645,185 | 0.00% |
| 26 | Montenegro | EE | 2 | 0.14% | 526,000 | 0.00% |
| 27 | Netherlands | WE | 18 | 1.25% | 1,959,329,100 | 5.41% |
| 28 | Norway | EE | 99 | 6.87% | 413,186,849 | 1.14% |
| 29 | Poland | EE | 18 | 1.25% | 194,308,158 | 0.54% |
| 30 | Portugal | EE | 10 | 0.69% | 364,500,000 | 1.01% |
| 31 | Romania | EE | 12 | 0.83% | 51,063,816 | 0.14% |
| 32 | Russian Federation | EE | 43 | 2.98% | 580,295,637 | 1.60% |
| 33 | Serbia | EE | 8 | 0.55% | 5,906,559 | 0.02% |
| 34 | Slovakia | EE | 6 | 0.42% | 36,484,600 | 0.10% |

[11]

Continued on the next page

TABLE 1 *Continued from the previous page*

| (1) (2) | (3) | (4) | (5) | (6) | (7) |
|-------------------|-----|-------|---------|----------------|---------|
| 35 Slovenia | EE | 14 | 0.97% | 45,095,600 | 0.12% |
| 36 Spain | WE | 52 | 3.61% | 2,805,100,000 | 7.75% |
| [12] 37 Sweden | WE | 13 | 0.90% | 689,690,830 | 1.90% |
| 38 Switzerland | WE | 7 | 0.49% | 2,059,171,011 | 5.69% |
| 39 Turkey | WE | 17 | 1.18% | 380,102,354 | 1.05% |
| 40 Ukraine | EE | 23 | 1.60% | 34,054,751 | 0.09% |
| 41 United Kingdom | WE | 27 | 1.87% | 5,513,980,033 | 15.23% |
| Total | | 1,442 | 100.00% | 36,210,056,019 | 100.00% |
| | EE | 340 | 23.58% | | |
| | WE | 1,102 | 76.42% | | |

NOTES Column headings are as follows: (1) number, (2) country, (3) Eastern/Western Europe, (4) number, (5) percentage, (6) total assets as of December 2010, (7) percentage. Elaboration from Bankscope.

that weight for more than 15% in terms of assets. German banks are numerous and their total assets represent 11.25%, but also in this case, there are few large banks and many small banks.

Summary descriptive statistics of the sample are presented in table 2. The average value of total assets over the time period analysed is around 26 billion Euros. The average total regulatory capital ratio (a.trCR) over the period 2006–2010 is around 16.19%, well above the minimum required by the regulation. The median for trCR is slightly lower than the mean (table 2). Most of the banks in the sample therefore seem to be well capitalised in terms of total regulatory capital ratio (table 3). The average Tier 1 regulatory capital ratio is 14.45% for the whole sample.

Table 4 summarises the evolution of the capital ratios in the time period considered, using three different variables: total regulatory capital ratio (trCR), Tier 1 regulatory capital ratio (t1CR) and equity to total assets (ETA).

RESULTS

GMM provides results summarised in table 5. Looking at the capital equations, capital and risk show a statistical significant relationship,



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TABLE 2 Descriptive statistics

| Variable | Obs | Mean | Std. dev. | Min | Max |
|--------------|-------|---------|-----------|--------|------------|
| Total Assets | 6,969 | 26,200* | 145,000* | 3,215 | 2,200,000* |
| t1CR | 5,023 | 14.45 | 7.80 | 0.13 | 97.29 |
| trCR | 6,606 | 16.19 | 7.18 | 0.13 | 99.20 |
| ETA | 6,969 | 9.94 | 5.40 | -0.47 | 93.54 |
| CapTA | 4,000 | 9.77 | 4.87 | 0.75 | 77.93 |
| ROAA | 6,965 | 0.62 | 1.40 | -22.44 | 21.20 |
| NII/av.TA | 6,881 | 3.06 | 1.64 | -0.73 | 25.41 |
| Cost/Income | 6,947 | 65.87 | 24.14 | 1.92 | 731.21 |

NOTES * $\times 1000$. Figures in thousand Euros for Total assets and in percentage for the other variables. Elaboration from Bankscope.

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TABLE 3 Distribution of Banks According to the Average trCR

| Average trCR | No. of banks |
|---------------------------|--------------|
| < 8% | 5 |
| 8% \leq a.trCR < 10.5% | 104 |
| 10.5% \leq a.trCR < 20% | 1094 |
| a.trCR \geq 20% | 239 |

NOTES Elaboration from Bankscope.

TABLE 4 Evolution of Capital Ratios

| Year | trCR | t1CR | ETA |
|------|-------|-------|-------|
| 2006 | 16.6 | 14.75 | 10.35 |
| 2007 | 15.77 | 14.10 | 10.14 |
| 2008 | 15.82 | 14.05 | 9.72 |
| 2009 | 16.46 | 14.79 | 9.90 |
| 2010 | 16.47 | 14.66 | 9.51 |

NOTES trCR – total regulatory capital ratio; t1CR – Tier 1 capital ratio; ETA – equity to total assets. Figures in percentage. Elaboration from Bankscope.

even if the level of the coefficient is low: the relationship with trCR is positive, while it has a negative significant impact on changes in ETA and t1CR. This might suggest that banks in the sample tend to increase their overall capital ratio (trCR) when risk increases, but they have the opposite behaviour if they have to adjust their capital level in terms of ETA and t1CR, which express the highest quality components of capital. The net increase could be therefore the result of an increase in the lowest quality instruments, such as Tier 2 and Tier 3, which are not destined to absorb losses in a going concern basis, but only in a gone concern framework, as clarified by the latest regulatory instructions. The behaviour of banks seems to reflect

TABLE 5 GMM for Capital Equations

| Variable | dcap = dtrCR | | dcap = dETA | | dcap = dt1CR | |
|--------------------|--------------|-----------|-------------|-----------|--------------|-----------|
| | 1.1 | 1.2 | 2.1 | 2.2 | 3.1 | 3.2 |
| CONST | 15.572*** | 16.022*** | 5.828*** | 5.798*** | 12.384*** | 12.587*** |
| SIZE | -0.286*** | -0.248*** | -0.182*** | -0.175*** | -0.361*** | -0.343*** |
| LIQ | 0.012*** | 0.011*** | 0.000 | 0.000 | 0.004 | 0.003 |
| ROA | 0.071 | 0.063 | 0.217*** | 0.216*** | 0.215*** | 0.213*** |
| GDP | -0.079*** | -0.084*** | -0.022* | -0.023* | -0.089*** | -0.093*** |
| EFF | -0.013** | -0.012** | -0.016*** | -0.016*** | -0.009** | -0.008** |
| REG2 | 0.018*** | 0.019*** | 0.002*** | 0.002*** | 0.012*** | 0.013*** |
| CAP _{t-1} | -0.875*** | -0.937*** | -0.267*** | -0.270*** | -0.622*** | -0.649*** |
| DRISK | 0.001*** | 0.002*** | -0.003*** | -0.002*** | -0.002*** | -0.001*** |
| AD | | -2.782*** | | -0.412*** | | -1.714*** |
| UND | | -4.228*** | | -0.713 | | -2.864*** |
| R ² | 0.465 | 0.424 | 0.755 | 0.752 | 0.603 | 0.582 |
| Obs. | 3250 | 3250 | 3250 | 3250 | 3159 | 3159 |

NOTES ***, **, * respectively indicate statistical significance at 1%, 5% and 10% level. R² is calculated as the square of the correlation between the observed and the predicted, the latter calculated on the sample. J-Stat is not applicable in this case as the equations are exactly identified.

the possibility to choose between various instruments included in the capital base to increase their capital ratio. Moreover, since capital ratios depend both on the capital level and on risk weighted assets, banks have a possibility to modify their regulatory capital ratio through changes in the numerator or in the denominator and the choice between the two might depend on economic convenience.

The value of capital in $t - 1$ shows a negative significant relationship with changes in t . Banks with high capital ratios tend to decrease their capital ratio in the next period. The impact is stronger for the regulatory capital ratio (trCR). This could indicate that banks try to increase risk while maintaining the same level of capital in order to optimise the use and the cost of the latter. However, if the peculiarity of the time period is taken into consideration, this relationship could be the result of an increased riskiness of assets and a decrease in the capital base. These effects might produce a decrease in



the capital ratio in the next period (as the numerator diminishes and the denominator increases). Moreover, as already discussed, banks must comply with the minimum of 8% capital ratio, therefore banks close to the minimum might have less space to decrease capital ratios if compared with banks that have a very high capital ratio.

[15]

Regulatory pressure modelled as REG 2 has a positive and significant impact on all the specifications. REG 2 represents the speed of adjustment of capital ratios. It is not surprising that the effect is higher for regulatory capital ratios, as these are the variables considered by the supervisory authorities. It is reasonable to believe that REG 2 will be lower for banks far from the minimum and higher for banks approaching the minimum.

Size has a negative coefficient for all the definitions of capital ratio and it is always statistically different from zero. The results support the theories maintaining that larger banks tend to hold lower capital ratios, as they can more easily raise capital in the market. This negative relationship could also be attributed to the moral hazard deriving from the 'too big to fail' status, as larger banks might hold a lower level of capital, relying on the eventual bail out by the government in case of bankrupt. The magnitude of the coefficients varies depending on the type of capital ratio considered. The value of the coefficient is in fact larger for regulatory capital ratios (trCR and t1CR) while it is in general smaller for changes equity to total assets (ETA). Overall, results are in line with previous research.

Liquidity shows a positive sign: more liquid banks tend to increase their capital base. The contribution of the variable appears statistically significant but small, with a coefficient that is around 1% when considering changes in trCR; it is even smaller in size and not significant when considering the other capital ratios. The limited size and significance of the contribution of liquidity could depend on the period analysed. In fact, during the crisis, financial intermediaries tended to retain their liquidity because of the uncertain evolution of events and doubts on the solvency of other institutions.

Return on assets (ROA) generally has a positive impact on changes in capital. The coefficient is statistically significant when capital is measured as t1CR and as ETA. The literature suggests that this

positive relationship derives from the possibility to use earnings to strengthen the capital base (Berger 1995). Apparently, also banks in the sample tend to increase their capital thanks to retained earnings.

- [16] Efficiency computed as cost to income ratio has in general a weak negative sign when changes in capital ratios are considered. More efficient banks, therefore seem to operate with a lower capital ratio and this supports the theory that regulators might allow more efficient banks to operate with less restrictions on their leverage. GDP growth has a negative impact on changes in capital ratios. The effect is stronger for $trCR$ and $t1CR$. Banks located in countries with slower growth tend to increase their capital ratios more, everything else equal. The negative relationship could be influenced by the request to strengthen the capital base made both by markets and regulators, after the bust of crisis. The coefficient appears small and therefore the economic situation of countries seems to contribute, but with a limited strength, as it is reasonable to assume that banks that operate internationally do not take into account only their home country economy but also the ones of the various countries where they operate. Moreover, since the investigation does not include the whole business cycle, it has to be interpreted with care.

In specification 2, the three models include two additional dummy variables describing the level of capital. AD is equal to one for banks which are adequately capitalised, while UND is a dummy variable to isolate undercapitalised banks.¹

The dummy variable for well capitalised banks ($WELL$) is not included in the model, as these banks are taken as a basis for the analysis. The relationship with changes in $trCR$ and in $t1CR$ is negative and significant. Adequately capitalised and undercapitalised banks with high risk levels tend to decrease their regulatory capital more than well capitalised banks. While this could be a surprising result, it might be related to the risk equation and to the 'gamble for resurrection' hypothesis. The period analysed (2006–2010) encompasses the last financial crisis: undercapitalised banks might have suffered losses due to the financial downturn and this could have been trans-



TABLE 6 GMM for Risk Equations

| Variable | trCR | trCR | ETA | ETA | t1CR | t1CR |
|---------------------|-----------|-----------|-----------|-----------|-----------|--------------|
| CONST | 1.426*** | 1.429*** | 1.250*** | 1.240* | 1.485*** | 1.489*** |
| SIZE | -0.037*** | -0.038*** | -0.028*** | -0.029*** | -0.040*** | -0.040*** |
| LIQ | -0.001** | -0.001* | -0.001 | -0.001 | -0.001* | -0.001* [17] |
| GDP | 0.004*** | 0.004*** | 0.004** | 0.004*** | 0.004*** | 0.004*** |
| EFF | -0.001*** | -0.001*** | -0.002*** | -0.002*** | -0.001*** | -0.001*** |
| REG1 | -0.017*** | -0.017*** | 0.010** | 0.013*** | -0.021*** | -0.021*** |
| REG2 | 0.000*** | 0.000*** | 0.000*** | -0.001*** | 0.000*** | 0.000*** |
| RISK _{t-1} | 0.000* | 0.000* | 0.000*** | 0.000 | 0.000 | 0.000 |
| dtrCR | 0.002 | 0.002 | | | | |
| DETA | | | -0.089*** | -0.091*** | | |
| dt1CR | | | | | 0.007 | 0.007*** |
| AD | | -0.004 | | 0.070*** | | -0.009 |
| UND | | -0.079** | | 0.036 | | -0.094 |
| R ² | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 | 0.0001 |
| Obs. | 3250 | 3250 | 3250 | 3250 | 3159 | 3159 |

NOTES drisk = d(rwa/ta). ***, **, * respectively indicate statistical significance at 1%, 5% and 10% level. R² is calculated as the square of the correlation between the observed and the predicted, the latter calculated on the sample. J-Stat is not applicable in this case as the equations are exactly identified.

lated into a further decrease of the capital base, both in terms of regulatory capital and in terms of equity to total assets ratio. Additionally, most of the banks suffered an increase in the riskiness of their asset portfolio.

As a robustness check, the variable for the profitability (ROA) is substituted with net interest income to total assets (NII/TA). Coefficients generally keep the same sign, size and statistical significance in all the specifications of the model.²

Risk equations are now considered (table 6). Overall, results highlight a weak relationship between explanatory variables and changes in risk related to total assets.³

Changes in RISK are negatively influenced by size, consistently with the diversification hypothesis. Larger banks can diversify their assets better and therefore they can pursue a decrease in the overall

level of risk. Liquidity has a weak negative effect on risk decisions. The same type of relationship holds for efficiency.

[18] GDP growth has a positive and significant sign: banks located in countries with a high GDP growth tend to take on a higher level of risk. During booms, banks seem to have a less prudent behaviour to exploit profit opportunities.

Regulatory pressure measured as $REG1$ has a negative and significant coefficient for the two regulatory capital ratios ($trCR$ and $t1CR$). If a bank has a high level of $REG1$ (meaning that the difference between its $trCR$ and the regulatory minimum is positive), everything else equal, it will tend to pursue a decrease in risk. On the contrary, banks with a low $REG1$, which are undercapitalised or adequately capitalised, will pursue an increase in risk. This again supports the 'gamble for resurrection' hypothesis. $REG2$ express the speed of adjustment. The sign is generally positive across capital ratio definition. However, the impact is really small and its contribution to decisions on risk seems to be negligible.

The impact of changes in capital ratio on decisions on risk seems statistically significant only when considering capital as ETA and as $t1CR$, but controlling also for the ex ante level of capital. In the first case the relationship is negative, while in the second it is positive. Therefore, for changes in ETA and $RISK$, a two way negative relationship seems to hold. The same cannot be said for the other capital ratios.

As robustness check, given the structure of the data and of the model, an Arellano-Bover/Blundell-Bond model is also tested. Estimations provide overall similar results (table 7). With reference to the capital equations, signs and statistical significance appear similar to what obtained with GMM, but for a size, which takes a positive significant sign in several specifications. Considering the relationships between capital and risk, changes in risk now positively affect changes in capital also for eta and $t1cr$. Besides, only for eta , past levels of capital ratios (eta_{t-1}) take a positive sign.

Turning to risk equations, the only relevant differences appear to be the change in sign of past levels of risk, although not significant, and of liquidity coefficient (table 8). The latter takes a different sign



The Role of Regulatory Pressure

TABLE 7 Results for Capital Equations with Arellano-Bover/Blundell-Bond Regressions

| Variable | dcap = dtrCR | | dcap = dETA | | dcap = dt1CR | |
|--------------------|--------------|-----------|-------------|-------------|--------------|------------|
| | a.1 | a.2 | b.1 | b.2 | c.1 | c.2 |
| CONST | 14.093*** | 14.882*** | 13.324*** | 9.889*** | 17.866*** | 17.933*** |
| SIZE | 0.392*** | 0.435*** | -0.448*** | -0.191** | -0.002 | 0.160* |
| LIQ | 0.006* | 0.005* | 0.001 | 0.004 | 0.006** | 0.004 |
| ROA | 0.038 | 0.038 | 0.181*** | 0.187*** | 0.153*** | 0.147*** |
| GDP | -0.084*** | -0.079*** | -0.014* | -0.008 | -0.074*** | -0.065*** |
| EFF | -0.014*** | -0.140*** | -0.016*** | -0.014*** | -0.013*** | -0.014*** |
| REG2 | 0.024*** | .025*** | 0.002*** | 0.003*** | 0.024*** | 0.025*** |
| CAP _{t-1} | -0.44*** | -0.491*** | 0.370*** | 0.300*** | -0.050*** | -0.571*** |
| DRISK | 0.005*** | 0.006*** | 0.000 | 0.001 | 0.004* | 0.004** |
| AD | | -9.222*** | | 5.555** | | -15.934*** |
| UND | | 9.235 | | -113.728*** | | 12.639 |
| R ² | 0.014 | 0.014 | 0.06 | 0.009 | 0.016 | 0.012 |
| Obs. | 3250 | 3250 | 3250 | 3250 | 3159 | 3159 |

[19]

NOTES ***, **, * respectively indicate statistical significance at 1%, 5% and 10% level. R² is calculated as the square of the correlation between the observed and the predicted, the latter calculated on the sample.

with significant, but very low coefficient for changes in t1CR. Finally, UND for undercapitalised banks takes a positive instead of a negative sign in all the specifications, suggesting that risk increases more in undercapitalised banks than in other banks.

CONCLUSIONS

This study investigates the decisions on capital and risk for a wide sample of European banks from 2006 to 2010, focussing on the impact of regulatory pressure. The topic has been deeply analysed by previous literature, however results are still controversial.

The main results suggest that banks tend to have a different behaviour depending on the type of capital ratio analysed. A positive relationship between total regulatory capital ratio and risk seems to exist, but the relationship becomes negative when controlling for changes in Tier 1 capital ratio or equity to total assets, which can be

TABLE 8 Results for risk equations with Arellano-Bover/Blundell-Bond regressions

| Variable | trCR | trCR | ETA | ETA | t1CR | t1CR |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| CONST | 2.177*** | 1.804*** | 1.735*** | 1.957*** | 1.892*** | 1.315*** |
| [20] SIZE | -0.093*** | -0.065*** | -0.064*** | -0.082*** | -0.075*** | -0.031*** |
| LIQ | 0.000 | -0.000 | 0.000 | -0.000 | 0.000*** | 0.000 |
| GDP | 0.001*** | 0.002*** | 0.001*** | 0.002*** | 0.002*** | 0.002*** |
| EFF | -0.000*** | -0.000*** | -0.000 | -0.000 | -0.000** | -0.000** |
| REG 1 | -0.023*** | -0.022*** | -0.020*** | -0.020*** | -0.019*** | -0.019*** |
| REG 2 | 0.000*** | 0.000*** | 0.000*** | 0.002*** | 0.000*** | 0.000*** |
| RISK _{t-1} | -0.000 | -0.000 | -0.000 | -0.000 | -0.000 | -0.000 |
| dtrCR | 0.004*** | 0.004*** | | | | |
| DETA | | | 0.010*** | 0.010*** | | |
| dt1cr | | | | | 0.002*** | 0.002*** |
| AD | | -0.403*** | | -0.275*** | | -0.746*** |
| UND | | 4.537** | | 24.759*** | | 6.476*** |
| R ² | 0.017 | 0.005 | 0.021 | 0.003 | 0.023 | 0.001 |
| Obs. | 3250 | 3250 | 3250 | 3250 | 3159 | 3159 |

NOTES $d\text{risk} = d(\text{RWA}/\text{TA})$. ***, **, * respectively indicate statistical significance at 1%, 5% and 10% level. R^2 is calculated as the square of the correlation between the observed and the predicted, the latter calculated on the sample.

considered the ratios capturing the highest quality capital. Regulatory pressure has a relevant impact on banks' decisions, but it does not seem to have the desired effect on low capitalised banks. The aim of the regulation is to induce banks to take risks consistently with their capital base (and vice versa, having a capital base sufficient to compensate for their risk exposure), but low capitalised banks tend to have the opposite behaviour, increasing risk when their capital ratio decreases, approaching the minimum. The results therefore support the so-called 'gamble for resurrection' hypothesis, i.e. banks close to the minimum standards tend to increase their risk exposure in order to benefit from possible profits that in the end could be used to strengthen their capital base. It would be useful to determine a mechanism that enables the supervisor to intervene quickly and promptly in case of a drop in the capital ratio, in order to avoid



that banks with a low level of capital increase their risk in a way that could threaten the stability of the institution and of the whole financial system.

Overall, results support the existence of perverse incentives in banks' behaviour and the inability for the regulation to discipline banks' risk taking effectively. More transparency and a more homogeneous definition of capital as in Basel III can be an effective tool in controlling banks' capital and risk taking behaviour. The findings of this research have relevant policy implication with respect to the European supervisory and regulatory system. The European banking sector is facing the challenges of the financial crisis that especially hit the Euro-Mediterranean countries, which are traditionally more bank-centred and are also severely living the sovereign debt crisis. Given the regulatory revision that requires stricter regulation, it is important to understand the effects of capital requirement on banks' decisions, as the latter can influence their lending behaviour and, as a consequence, the availability of funds to families and firms, hence affecting the economic growth of the area. Constant and further research is needed to deeper investigate the behaviour of banks. [21]

NOTES

- 1 A bank is considered well capitalised if its average trCR is larger or equal to 10.5%; adequately capitalised if average trCR is equal or larger than 8%; undercapitalised if the average trCR is below the 8% regulatory threshold.
- 2 Results are omitted.
- 3 The value of R^2 for RISK is very small. The results should therefore be interpreted with care. It has to be acknowledge, in fact, that R^2 is not the most suitable measure for the goodness of fit in this case, but it has been indicated as other statistics are not applicable. J-stat, for example, can not be calculated because the system of equations is exactly identified.

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Do the Arabian Customers Who Belong to Similar Markets Differ in the Evaluation of Banking Service Quality?

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The main purpose of this paper is to study the customers' evaluation from three similar markets, aiming at finding significant differences among three types of answers. Service quality was measured by using an existing scale from the literature, thus SERVPERF was selected to evaluate three types of answers. Customers of this study came from three similar markets: the Kingdom of Saudi Arabia, the United Arab Emirates and Kuwait. SPSS was used to analyse the data and one-way ANOVA was run to investigate differences among the groups. The findings showed that there were significant differences between the three groups. Also, the results indicated that except empathy, all other four dimensions showed partial differences.

Key Words: service quality, quality of banking service, Arab world, culture

INTRODUCTION

Numerous articles, studying Service Quality – SQ were written as well as many articles discussed the Quality of Banking Service – QBS. Basically, QBS has become an interesting topic for scholars since Parasuraman, Zeithaml, and Berry (1985). Some works had been done before that time (e.g. Rathmell 1966). A good example about seminal work was found by Sasser, Olsen, and Wyckoff (1978) as they proposed five 'gaps,' including the gap between consumers' expectations and the actual service delivered, that determines service quality. All those scholars discussed the SQ and they paved the way for the others.

Mainly, there are two main schools of this discipline, the North American School and the Nordic One. The Nordic School consists of

[26] two dimensions, namely: *functional quality and technical quality*. The North American School identified five dimensions that customers use to evaluate service quality: *tangibles, reliability, responsiveness, assurance and empathy* (Parasuraman, Zeithaml, and Berry 1985). The identified dimensions gave birth to a service quality measurement tool called SERVQUAL.

The main influence recorded for the American School based on the fact that unaccounted researches depended on it, particularly on SERVQUAL. The scale of SERVQUAL which was developed by Parasuraman, Zeithaml, and Berry (1985) played a vital role in the SQ research stream. The other contribution was SERVPERF which was developed by Taylor and Cronin (1994). The Nordic school played an essential role as many thoughts were introduced especially by Nordic scholars (Gronroos 1984; Edverson 1992; Lehtinen and Lehtinen 1982; 1991).

Due to the fact that the bank markets become very competitive, an urgent need was shaped in the sense to understand some aspects of the QBS discipline. The majority of work in the latest 20 years has been focusing on evaluation and measuring of the QBS. Basically, there are three trends for measuring and evaluation of QBS. First, some scholars try to apply SERVQUAL or SERVPERF without any changes, based on the fact that these scales are universal. Second, other scholars try to adjust SERVQUAL or SERVPERF to make it more applicable to the environment of the study. Third: A few scholars have worked hard to design new scales.

LITERATURE REVIEW

After introduced SERVQUAL, many researchers started to use this scale to measure the SQ worldwide, which motivated other scholars to study influences of culture on the service quality. Donthu and Yoo (1998) studied cultural influences on the service quality expectation. Their results implied that consumer vary in both, their overall service quality expectations and their expectations on each dimension of service quality at the same time. A call for studying differences between cultures was raised by Anderson and Fornell (1994), Collier (1994), Furrer et al. (2000) and Horovitz (1990). Subsequently, many articles were published to meet this call (e.g., Mattila 1999;



Winstaed 1997). Many of these studies focused on the differences between the Western culture and the Asian culture. The results discovered some important notions. Researchers concluded that these differences limited the capability of service multinationals to expand their activities internationally (Furrer et al. 2000; Kogut and Singh 1988; Li 1994; Li and Guisinger 1991; 1992). In fact, these notions help to differentiate between these two cultures. Mattila (1999) concluded that customers with Western cultural backgrounds are more likely to rely on the tangible cues from the physical environment to evaluate service quality than their Asian counterparts (Furrer et al. 2000; Mattila 1999). Mok and Armstrong (1998) concluded that tourists from the UK, the USA, Australia, Japan and Taiwan have different expectations in two of the five service quality dimensions, while there was no significant difference for the other three dimensions.

[27]

Researchers went beyond studying differences between cultures. In fact, a new trend has been shaped to study the personality, values, attitudes, interests, and lifestyles. And a call was found to study the psychographics aiming to have an explicit understanding about the service quality. The results indicated that psychographics strongly depends on cultural elements (Heskett, Sasser, and Hart 1990; Furrer et al. 2000). Studying the psychographics was not the mere effort. Another work was found to create a service quality measures that are country/culture specific (Benkhoff 1997; Hofstede 1990; Karatepe, Yavas, and Babakus 2005; Winsted 1997; Yavas 1997; Yavas and Konyar 2002).

QBS was not exempt from the previous discussion. Winsted (1997) compared Japanese and American bank consumers. Basically, he focused on provider behaviours as indicators of service encounter quality. The main contribution for his study was to discover new dimension which had not been a part of the service quality concept before; the 'authenticity' dimension which refers to genuineness of service providers' behaviours. This dimension was an important component of service quality for Japanese consumers. On the other hand, it did not play an important role in the case of the American consumers (Winsted 1997; Karatepe, Yavas, and Babakus 2005).

It is an essential action when taking into account the impact of

[28] the culture and recognizing its implications on the QBS. This belief emerged after noticing that plenty of measurement scales had been developed, but just a few of these take into account only the method of measurement and ignore the principle that the same scale could not be automatically applied to different industries or in different cultures (Angur et al. 1999; Pisman Korda and Snoj 2010; Sangeetha and Mahalingam 2011). As an extension of the previous idea, a call to develop a new method to measure the QBS for different national cultures could be easily noticed. This idea was found due to the fact that banking system using generic widely used measures such as SERVQUAL, and this may end up missing important concerns of their customers. Multi-national companies should go beyond customizing their services to different countries to customize their measures of service quality (Jabnoun and Khalifa 2005).

Most of researchers mentioned the importance of adapting the western scales or developing national scales. This is really accomplished by analysing the service quality literature in the banking industry, which reveals that the majority of studies have been conducted in developed economies or within the western cultural environment rather than developing economies (Hanzaee and Salehi 2011; Herbig and Genestre 1996). A sharp standpoint was developed by scholars to avoid to use SERVQUAL worldwide (Imrie, Cadogan, and McNaughton 2002; Karatepe, Yavas, and Babakus 2005).

THE AWARENESS OF CULTURAL IMPACT ON QBS

Aldlaigan and Buttle (2002) developed and validated a new scale for retail-banking industry in the UK. Based on the fact that this scale was developed in the UK's retail banking context only, the authors mentioned that the scale may be less valid in a different context, since it has been influenced by the respondents' perceptions of UK managerial banking and transactional system. Chaoprasert and Elseyy (2004) conducted a research to improve the QBS in Thailand. They discovered that the behaviour of Thai customers might be different and distinctive from others. Specifically, Thais prefer the personal touch when it comes to services. They contacted familiar bank staff because they believed their needs would be well under-



stood. At the same time, Thais would like to develop good relations with bank employees for the same purpose as stated before. On the other hand, many Thai customers are neither able to understand nor be confident in using self-service machines. Abdullah et al. (2000) worked to develop a new scale for BQS. The final result was to create a national service quality index, 'BSQ Index.' Although the group developed and validated this scale, they were not sure about using this scale worldwide. The importance of awareness of impact of culture grew very rapidly. Jabnoun and Al-Tamimi (2003) worked to measure the QBS in UAE. Because the authors did not have a chance to investigate the national customers separately from residents, the research missed the impact of the national culture on the perception of banks' service quality. The authors classified that as a limitation for the study. Sangeetha and Mahalingam (2011) made a review for the service quality model in banking. Their consequent findings mentioned that not all antecedents models contribute equally to quality and their contributions might be subject to variation in different industries and different countries at different times.

[29]

Hanzaee and Sadeghi (2010, 250) said 'Owing to cultural and environmental effects, consumers in different countries have different perception of what service quality is. Thus, managers who seek to develop service standards may not succeed unless they are aware of the value of environmental differences between countries in terms of economic development, political ideology, cultural value system, and other culture-specific factors.' Some researchers went further; they believed that there was a need to consider the impact of the certain environmental variables and their influence in shaping service quality needed to be further explored in the one country (Munusamy, Chelliah, and Mun 2010).

While the majority of researchers focused on the differences between cultures, some researchers mentioned some evidence due to the fact that there are similar aspects between quality services worldwide. These analogous results are considered as an evidence for the universal aspects for BQS. Karatepe, Yavas, and Babakus (2005) designed a scale based on a study which took place in the Turkish Republic of Northern Cyprus; they mentioned that the di-

[30] mensions identified in the study show similarities to other service quality measures, such as SERVQUAL and SYSTRA-SQ. Counting on this, they suggested that there might be some potentially universal facets of service quality and that perhaps scholars might not need to develop specific measures for each context. Bahia and Nantel (2000) developed a new scale in Canada. This scale was validated only in the French language version. They concluded that the proposed items might serve as the basis for further research and scale development in other languages. Although we have many similar stances, none of those scholars disclosed sharply that a certain scale could be used worldwide.

Between these two standpoints, a third moderate standpoint could be noticed. This point of view was abstracted by Avkiran (1994). Avkiran focused on retail operations as embodied by the branch. The project was hosted by a major Australian trading bank with a large branch network. At the end of his research he mentioned that the result of studies could be applied in countries in a similar position.

HYPOTHESES

There are literally hundreds of papers written on cultural issues in SQ. However, the majority of research occurred in the Western environments. This article attempts to fill in some of the gaps in the literature on the evaluation of the Quality of Banking Service of the customers who belong to similar environment in the Arab world. Studies that studied the culture and SQ (e.g., Donthu and Yoo 1998; Furrer et al. 2000; Kueh and Voon 2007; Ladhari et al. 2011; Laroche et al. 2004; Tsikritsis 2002) used the Hofstede model to investigate the cultural role or impact on SQ. On the other hand, although some of these studies affirm that culture influences evaluations of service quality (Furrer et al. 2000; Kueh and Voon 2007; Tsoukatos and Rand 2007), it looks unsuitable to depend merely on the Hofstede model of culture as this model may vary in one country as sometimes remarkable changes might happen to a certain environment (Fam and Merrilees 1998; Kale 1991; Kueh and Voon 2007). Moreover, Hofstede (1980) provides an extremely broad classification for



Arabic countries like Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia and the United Arab Emirates. While Hofstede's research had an extremely important impact on understanding the cross-cultural behaviour; this large classification is clearly a limitation of his findings and highlights the need for additional research that is country-specific in the Middle East' (Whiteoak, Crawford, and Mapstone 2006, 80).

[31]

Also, there is a proof that 'significant cultural differences are evident across organisations owned and managed by individuals of one nationality, and significant cultural similarities are evident across organisations owned and managed by individuals of different nationalities' (Bhaskaran and Sukumaran 2007, 54).

The Arab world, particularly Gulf States, have their own unique culture. All the Gulf States consider Arabic their official national language, while the common business language is English (Wilkins 2001). The three studied markets made a remarkable effort to Westernise the society with a strong link to the west in general and in particular with the USA (Hammond 2007). As religion plays a vital role in the daily life and because not all Muslims are Arabs, but most Arabs are Muslim (Feghali 1997; Jabra 1971; Rice 2003; Khakhar and Rammal 2013), some countries in the Arab World can be described as heterogeneous communities (e.g. Syria), while the situation is different in the Gulf States, where the majority of population is Arab – Muslim.

This study will investigate the case of customers who belong to similar markets in the Arab World, and will investigate if those customers might evaluate the QBS differently.

H₀ There are no differences in evaluating the quality of the banking service in the three similar cultures: KSA, UAE and Kuwait.

METHODOLOGY

Research Design, Measuring Instrument and Sample

This study aims to find the main differences between similar markets in terms of perceiving the quality of the banking service.

Because the paper is aiming at gathering information in order to

[32] compare three groups and to make inferences about possible differences between the three sampled populations, a one-way ANOVA test was used to compare the means between these three groups of clients and to understand whether there are differences in perceiving the quality of the banking service.

To achieve the previous aim, a unified questionnaire was developed and modified. Subsequently, the same questionnaire was handed out for three different types of clients at three similar environments: KSA, the UAE and Kuwait. The questionnaire based on SERVPERF, which is a wide common scale for measuring and evaluating the BSQ. However, this instrument was created by Taylor and Cronin (1994). This model – SERVPERF based on the American school. Researchers used this instrument as well as SERVQUAL to measure and evaluate BSQ regardless of the impact of culture. This paper applied the same instrument (SERVPERF) to evaluate the BSQ for three kinds of clients to record any differences that might be found.

The questionnaire was personally administered on a sample size of 67, and the paper was constructed on five dimensions: *reliability, responsiveness, assurance, tangibles and empathy* which cover the 21 parameters/scale. The degree of perception of customers for the parameters is quantified by using a 5-point Likert scale (1 – strongly disagree, 2 – disagree, 3 – neutral, 4 – agree, and 5 – strongly agree). However, the customer demographic information was included in the questionnaire. Of the 67 clients surveyed, 62 responded, representing a response rate of 92.53%.

DATA ANALYSIS AND RESULTS

Demographic Profile of Respondents

Of the respondents, the majority were male customers (58.06%). Respondents who were in the age range 23–27 years (45.16%) comprised the largest age group. In addition, the majority were full-time employees (75.81%). The majority of the respondents (62.90%) had BS (or more). In terms of their career, the most of the customers were working in the business and financial sector (30.65%). Considering their Marital status, the majority of respondents were sin-



Do the Arabian Customers Who Belong to Similar Markets ...

TABLE 1 Dimensions

| | |
|------------------|---|
| Tangibility 1 | The Bank has a modern-looking equipment. |
| Tangibility 2 | The Bank's employees have nice appearance. |
| Tangibility 3 | The has Bank visually attractive materials (statements or passbook) associated with bank services. |
| Tangibility 4 | The appearance of the physical facilities of the bank is in line with the type of service provided. |
| Reliability 1 | The bank performs what is promised in time. |
| Reliability 2 | When you have problems, the bank is sympathetic and reassuring. |
| Reliability 3 | The bank performs the service correctly on the first time. |
| Reliability 4 | The bank providing the service by the time promised. |
| Reliability 5 | The bank keeps its records accurate. |
| Responsiveness 1 | You receive a prompt service. |
| Responsiveness 2 | Bank Employees are always ready to respond to customer requests. |
| Responsiveness 3 | Employees of the banks are always willing to help customers. |
| Responsiveness 4 | Employees inform the customer exactly when the service will be performed. |
| Assurance 1 | Employees of the bank instil confidence in customers. |
| Assurance 2 | You feel that you are safe when conducting transactions ... with the bank's employees. |
| Assurance 3 | Employees of the bank are always courteous/polite. |
| Assurance 4 | Employees have knowledge to answer the customer's question. |
| Empathy 1 | A bank considers your best interests. |
| Empathy 2 | Employees of the bank give individual attention to customers. |
| Empathy 3 | Operating hours are convenient to all customers. |
| Empathy 4 | Employees of the bank give personal attention to customers. |
| Empathy 5 | Employees of the bank understand the specific needs of their customers. |

[33]

gle (64.52%). Finally we established that 46.77% of the respondents came from the UAE, 24.19% from Kuwait and 29.03% from KSA.

Discussion on Descriptive Statistics

The One-Way ANOVA evaluation of the bank service that was made by Saudi, Emirati and Kuwaiti clients revealed that there were sig-

TABLE 2 ANOVA Analysis: Tangibility

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|---------------|-----|------------|----|----------|-------|--------|
| Tangibility 1 | (a) | 2.971 | 2 | 1.486 | 1.776 | 0.178 |
| | (b) | 49.367 | 59 | 0.837 | | |
| | (c) | 52.339 | 61 | | | |
| Tangibility 2 | (a) | 6.703 | 2 | 3.352 | 4.339 | 0.017* |
| | (b) | 45.571 | 59 | 0.772 | | |
| | (c) | 52.274 | 61 | | | |
| Tangibility 3 | (a) | 4.948 | 2 | 2.474 | 3.478 | 0.037* |
| | (b) | 41.971 | 59 | 0.711 | | |
| | (c) | 46.919 | 61 | | | |
| Tangibility 4 | (a) | 2.483 | 2 | 1.242 | 1.845 | 0.167 |
| | (b) | 39.710 | 59 | 0.673 | | |
| | (c) | 42.194 | 61 | | | |

NOTES Row headings are as follows: (a) between groups, (b) within groups, (c) total. * $p < 0.05$.

TABLE 3 ANOVA Analysis: Reliability

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|---------------|-----|------------|----|----------|-------|--------|
| Reliability 1 | (a) | 15.941 | 2 | 7.971 | 8.720 | 0.000* |
| | (b) | 53.930 | 59 | 0.914 | | |
| | (c) | 69.871 | 61 | | | |
| Reliability 2 | (a) | 0.624 | 2 | 0.312 | 0.377 | 0.687 |
| | (b) | 48.795 | 59 | 0.827 | | |
| | (c) | 49.419 | 61 | | | |
| Reliability 3 | (a) | 1.832 | 2 | 0.916 | 0.936 | 0.398 |
| | (b) | 57.717 | 59 | 0.978 | | |
| | (c) | 59.548 | 61 | | | |

Continued on the next page

nificant differences in the evaluation of SQ. According to table 2, two items from tangibility dimension show significant differences, thus we need to reject the null hypothesis and to accept the alternative hypothesis for *tangibility 2* and *tangibility 3*. At the same time, we need to accept the null hypothesis for *tangibility 1* and *tangibility 4*.

The result of table 3 indicates that items no. 1 and 4 show signif-



TABLE 3 Continued from the previous page

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|---------------|-----|------------|----|----------|-------|--------|
| Reliability 4 | (a) | 6.490 | 2 | 3.245 | 4.512 | 0.015* |
| | (b) | 42.430 | 59 | 0.719 | | |
| | (c) | 48.919 | 61 | | | |
| Reliability 5 | (a) | 0.645 | 2 | 0.322 | 0.467 | 0.629 |
| | (b) | 40.726 | 59 | 0.690 | | |
| | (c) | 41.371 | 61 | | | |

[35]

NOTES Row headings are as follows: (a) between groups, (b) within groups, (c) total. * $p < 0.05$.

TABLE 4 ANOVA Analysis: Responsiveness

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|------------------|-----|------------|----|----------|-------|--------|
| Responsiveness 1 | (a) | 8.106 | 2 | 4.053 | 3.791 | 0.028* |
| | (b) | 63.071 | 59 | 1.069 | | |
| | (c) | 71.177 | 61 | | | |
| Responsiveness 2 | (a) | 38.881 | 2 | 19.440 | 0.698 | 0.502 |
| | (b) | 1644.103 | 59 | 27.866 | | |
| | (c) | 1682.984 | 61 | | | |
| Responsiveness 3 | (a) | 8.515 | 2 | 4.258 | 4.764 | 0.012* |
| | (b) | 52.726 | 59 | 0.894 | | |
| | (c) | 61.242 | 61 | | | |
| Responsiveness 4 | (a) | 1.928 | 2 | 0.964 | 1.305 | 0.279 |
| | (b) | 43.572 | 59 | 0.739 | | |
| | (c) | 45.500 | 61 | | | |

NOTES Row headings are as follows: (a) between groups, (b) within groups, (c) total. * $p < 0.05$.

icant differences. For this reason we reject the null hypothesis and accept the alternative hypothesis for *reliability 1* and *reliability 4*. On the other hand, null hypothesis is accepted for *reliability 2*, *reliability 3* and *reliability 5*.

The results disclosed in the table 4 lead us to accept the alternative hypothesis for both, *responsiveness 1* and *responsiveness 3*, and to accept the null hypothesis for *responsiveness 2* and *responsiveness 4*.

We concluded from table 5 that there is a significant difference

TABLE 5 ANOVA Analysis: Assurance

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|-------------|-----|------------|----|----------|-------|--------|
| Assurance 4 | (a) | 8.728 | 2 | 4.364 | 5.393 | 0.007* |
| | (b) | 47.740 | 59 | 0.809 | | |
| | (c) | 56.468 | 61 | | | |
| Assurance 1 | (a) | 2.912 | 2 | 1.456 | 1.829 | 0.170 |
| | (b) | 46.975 | 59 | 0.796 | | |
| | (c) | 49.887 | 61 | | | |
| Assurance 2 | (a) | 0.651 | 2 | 0.326 | 0.571 | 0.568 |
| | (b) | 33.623 | 59 | 0.570 | | |
| | (c) | 34.274 | 61 | | | |
| Assurance 3 | (a) | 3.010 | 2 | 1.505 | 1.517 | 0.228 |
| | (b) | 58.538 | 59 | 0.992 | | |
| | (c) | 61.548 | 61 | | | |

NOTES Row headings are as follows: (a) between groups, (b) within groups, (c) total. * $p < 0.05$.

for *assurance 4*, thus we reject the null hypothesis and accept the alternative hypothesis, while we will accept the null hypothesis for *assurance 1*, *assurance 2* and *assurance 3*.

As hypothesized, we accept the null hypothesis for the empathy dimension (table 6).

DISCUSSION

Based on the literature, there are three main notions related to the measuring and evaluation of the QBS in different cultures. The first team claims that culture has strong and explicit impact on QBS; the second team claims that the impact of culture can be ignored when the QBS need to be evaluated and/or measured; the third team claims that similar cultures can be evaluated and/or measured using the same scale.

According to the statistical analysis we concluded that there is an opportunity to find differences in the customer evaluation even for those customers who belong to similar cultures. Although we selected very similar areas to apply the same instrument, we found significant differences in some items for most dimensions. Our analysis leads us to accept that each dimension needs to be studied sep-



TABLE 6 ANOVA Analysis: Empathy

| Item | | Sum of sq. | df | Mean sq. | F | Sig. |
|-----------|-----|------------|----|----------|-------|-------|
| Empathy 1 | (a) | 2.238 | 2 | 1.119 | 1.739 | 0.185 |
| | (b) | 37.971 | 59 | 0.644 | | |
| | (c) | 40.210 | 61 | | | |
| Empathy 2 | (a) | 2.052 | 2 | 1.026 | 1.291 | 0.283 |
| | (b) | 46.868 | 59 | 0.794 | | |
| | (c) | 48.919 | 61 | | | |
| Empathy 3 | (a) | 3.465 | 2 | 1.733 | 1.251 | 0.294 |
| | (b) | 81.712 | 59 | 1.385 | | |
| | (c) | 85.177 | 61 | | | |
| Empathy 4 | (a) | 0.805 | 2 | 0.402 | 0.348 | 0.708 |
| | (b) | 68.244 | 59 | 1.157 | | |
| | (c) | 69.048 | 61 | | | |
| Empathy 5 | (a) | 0.672 | 2 | 0.336 | 0.442 | 0.645 |
| | (b) | 44.812 | 59 | 0.760 | | |
| | (c) | 45.484 | 61 | | | |

[37]

NOTES Row headings are as follows: (a) between groups, (b) within groups, (c) total. * $p < 0.05$.

arately; we concluded that one dimension might be partially under the impact of culture.

As we found out that there were significant differences among the three studies markets, the findings of this study confirm the findings of Bhaskaran and Sukumaran (2007) as they concluded that significant cultural differences could be found in organizations which is owned and managed by individuals of one nationality.

By testing the means for the previous answers, we found a possibility that culture can perform significant role in perceiving the BSQ. *Tangibility 2, tangibility 3, reliability 1, reliability 4, responsiveness 1, responsiveness 3, and assurance 4* were classified as items under the impact of culture. We still do not know about the reason why culture can partially affect a dimension.

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The Possibilities of Intercultural Education in European Society

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This paper presents an analysis of theoretical ideas and models that could serve as the basis of intercultural education in the current European society. Initially, it presents the importance of interculturalism for education that is based on research data from Slovenia. Interculturalism is one of the most important educational initiatives in addressing the problem of inequality in education. Further in the text, in the absence of a theoretical basis of intercultural education, four possible theoretical models are analysed and described: the *global ethic model* based on Hans Küng project of Global Ethic; *distance to the Other model* based on Slavoj Žižek's research on violence; *constitutional loyalty model* based on the theory of Jürgen Habermas; and *recognition model* based on the theory of recognition.

Key Words: education, interculturalism, multiculturalism, multiculturalism

INTRODUCTION

Previous research at both, national and international levels has shown that modern plural societies are either multicultural or they are becoming so. Multiculturalism is an empirical fact, and the term describes the reality of contemporary plural societies. Both, theoretical discussions and the social reality of Europe substantiate these findings; however, the definition of a plural and multicultural society is problematic.

In theoretical terms, the equitable social regulation of today's plural society is defined as a 'clash' between liberalism and multiculturalism. These notions emphasize different factors and approaches that seek to provide an answer to many problems, such as respect, acceptance, and the integration of cultural differences into the social sphere (Kymlicka 2003; 2007; Raz 1994; Modood 2007; Parekh

[44] 2000; Young 1990). These theoretical discussions are accompanied by debates in the media and among political parties, as well as in public statements by the most eminent European leaders, whose opinions regarding multiculturalism and differences in Europe are extremely negative. An example of this is the statement by the German Chancellor Angela Merkel in October 2010, saying that the '*multikulti*' has utterly failed in Germany – this strongly resonated in most European countries. At the beginning of 2011, Merkel's statement was followed by similar remarks made by David Cameron, the British Prime Minister, and Nicolas Sarkozy, the then president of the French Republic. However, what has really failed utterly, is the emergence of parallel societies in Europe, which has led to the social alienation of racially marked, lower class immigrants, who are on the verge of society and face social exclusion. Therefore, the experience of multiculturalism in Europe has never been one of inclusion. Instead, it has been characterized by exclusion (Kymlicka 2007), as reflected by the motto, *It is about our country; you will love it or otherwise get out of it* (Žižek 2007).

In the context of recent social events in Europe and European-Mediterranean region, it seems that the metaphor of a foreigner who lives on the backs of others and threatens the lives and livelihoods of the domestic population has re-emerged. This has been manifested in the characters of the *Muslim* and *Greek* (i.e. the symbol of the Mediterranean states) (Salecl 2004). It could be interpreted that these images and the social conditions of Europe have rekindled nationalist discourse and hate literature.

In this article, by using an analytical-interpretive research method, we shall discuss the importance of interculturalism for education and society and focus on the analysis of possible models that may serve as a theoretical basis of intercultural education. The article shall discuss these issues in three different sections. In the first section we shall present the importance of intercultural education that may address the problem of inequality in education. This is presented on a basis of research data from Slovenia considering the fact that Slovenia is described as a multicultural society in which education is recognized as a main driving force in establishing 'a new mul-



ticultural discourse' (Klemenčič, Štremfel, and Rožman 2011, 199). In the second section, four possible models of intercultural education in literature – *global ethic*, *distance to the Other*, *constitutional loyalty*, and *recognition* – are presented, analysed and discussed from an intercultural perspective. The third and the last section shall present the main conclusions regarding intercultural education comprising relevant issues for the European-Mediterranean region.

[45]

THE MEANING OF INTERCULTURAL EDUCATION

Within the paper, *multiculturalism* is defined as a both, a value-neutral term describing a social reality (i.e., related to the migration process and the ethnical heterogeneity within a given territory) and a positive term (as a movement for changing hierarchical relations between majority and minority groups). The term *interculturalism* is related to the understanding of cultural differences and similarities, which ensures the co-existence of different cultures and in which co-existence is an opportunity and not a problem (Skubic Ermenc 2003, 15–18). Both terms are described in a similar way in EU educational policy documents (Commission of the European Communities 2008; Council of Europe 2008). Interculturalism is expressed as *intercultural dialogue*, which is understood as an 'open and respectful exchange of views between individuals and groups with different ethnic, cultural, religious and linguistic backgrounds and heritage on the basis of mutual understanding and respect' (Council of Europe 2008, 10). Interculturalism and intercultural dialogue are therefore recognised as major tools for living together in a diverse society as 'equals in dignity' (p. 10), which are as well present within the European-Mediterranean region (Pavan 2009; Perini 2010).

The idea of interculturalism in education is important on many levels. On the macro-level, it is one of the most important educational initiatives tackling the problem of inequality in education (Gundara and Portera 2008), which reflects the unequal distribution of goods and resources (economic equality), unequal status (status equality), and inequality in decision-making (power equality) (Lynch and Lodge 2002).

The micro level includes the following three aspects of intercul-

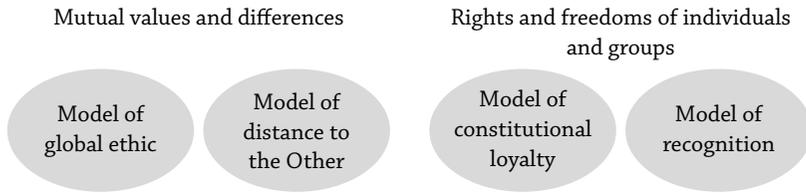
turalism. The first one is the realization of interculturalism in the regions with mixed nationalities. In Slovenia, three ethnicities have a recognized minority status: Italian, Hungarian, and Roma. Their rights are defined by the constitution and other legal provisions. [46] Only the Hungarian and Italian minorities living in regions of mixed nationalities have the right to learn their mother tongue in school, and the Roma people have a right to receive support in learning the Slovene language as a second language. In addition to these recognized ethnic groups, there are larger ethnic groups that stem mostly from the territory of ex-Yugoslavia and do not enjoy any special rights or legal protection¹ (Kroflič 2011; Skubic Ermenc 2003).

Secondly, interculturalism involves all school and educational activities (Mlinar 2007). Research conducted in Slovenia (Skubic Ermenc 2007) found that primary school curricula do not include current racial problems or ethnic discrimination, but instead present a Europe-centric worldview. 'It is as if our state aimed at teaching our children to live in a single-cultural and monolith society, in which persons belonging to other cultures have to assimilate if they wish to be accepted and equal members of the society' (p. 71). Hence, in the absence of educational politics on the state level, learning about respect for otherness and non-discrimination is left to the initiative of individual teachers.

Thirdly, interculturalism is manifested in social movements that have an educational-transformational potential (Hall et al. 2011; Sandlin and Walther 2009). In social movements that aim to act downwards against the existing system of oppression (e.g., against the multicultural politics practiced by the multinational corporations that consider immigrants as 'ideal' workers in the global labour market), it is important to consider the situation within different social groups. Hence, the *Invisible Workers of the World* movement was established in Slovenia, which aims to fight against the social exclusion of immigrants, marginalization, and the invisibility of worker-immigrants (Medica 2012, 40–43). The social movement's message to educators is that educators are not a constituent base of intercultural education but are activists and allies of oppressed groups of children, adults, and communities (Sleeter 1996, 242).



The Possibilities of Intercultural Education



[47]

FIGURE 1 Theoretical Models of Intercultural Education

However, despite the meaning attributed to interculturalism in education, it should be noted that interculturalism has one basic problem. Interculturalism itself never developed its own theoretical basis beyond its humanistic tradition on which it could rely (Coulby 2006; Gundara and Portera 2008). We present four models from the written sources against this background, which may serve as a theoretical basis of intercultural education. These models are as follows: *global ethic*, *distance to the Other*, *constitutional loyalty*, and *recognition*. The models are discussed from an intercultural perspective, which Skubic Ermenc (2006) defined as a pedagogical principle that promotes the following: the establishment of fair relations with others/ethnicities; perceiving the other as equivalent and not as deficient; conducting pedagogical processes that are oriented to the real success of minorities; and the development of common values (p. 153).

POTENTIAL THEORETICAL MODELS OF INTERCULTURAL EDUCATION

Theoretical models of intercultural education can be divided according to their central approaches, that is, whether they accept the need for common values or emphasize mutual differences, or whether they present a way of comprehending the rights and freedoms of individuals and social groups. These are illustrated in figure 1.

Global Ethic

In his work, *Clash of Civilizations*, Huntington (2005) provided a thesis that culture and cultural identity define global models of connecting and breaking-up after the World War II. According to

[48] Huntington, culture, not economy or ideology, is the central driving force of the world, because alliances between countries are based on both, cultural closeness and cultural differences. Huntington thus rejects the idea of a unified world society (universal world civilization) based on mutual principles and the values of freedom, equality, and human rights. In this respect, he replies to Fukuyama's (1992) thesis in *The End of History and the Last Man*.²

According to Huntington (2005), the core problem is that there is no 'universal civilization' with a universal culture, mutual values, beliefs, practices, and institutions. It is true that people in all societies share certain defined mutual values (e.g. murder is wrong) and fundamental institutions (e.g. family) and a 'minimal' morality based on fundamental concepts, such as right and wrong. However, this is far from the idea of a mutual universal civilization. In his opinion, this idea is a product of Western civilization, according to which it has justified the domination of Western culture over other societies, and of the need of other societies to imitate Western practices and institutions (p. 78).

Where does Huntington find a solution to the scenario that he illustrates in the clash of different cultures and civilizations? He finds it in the abandonment of the universal principles of one civilization, followed by the acceptance of differences and the search for mutual values of all civilizations. The author emphasizes three rules, among which the third rule refers to the idea that people in all civilizations search for and try to spread values, institutions, and practices that are common to people in different civilizations (pp. 406–411). In the 1990s, this rule was developed by the Swiss theologian Hans Küng to further the *Global Ethic* project.

The purpose of the Global Ethic project is to realize a consensus of mutual values and ethical norms for all people, irrespective of their religious, ideological or national origins. The project's goal is not to achieve and discover new ethical norms, but to consider the values that all people find in their own cultural traditions. In *Declaration Toward a Global Ethic* Küng (2008) argues that there is a global ethic in the sense that its principles can be accepted by people of different ethical principles, whether they are religious or not. He believes that



there is a fundamental agreement about binding values and moral beliefs among different religions, which can serve as a basis for the global ethic. He also underlines that the global ethic does not refer to a global ideology, new religion, or the dominance of only one religion. Instead, it refers to a general agreement of values without the presence of which all communities would suffer the dangers of chaos and dictatorship (pp. 6–8).

[49]

So what is global ethic? It is composed of two basic principles: the first is the principle of humanity (all people, irrespective of their sex, color, and economic status, should be treated humanely) and the golden rule principle (do not do unto others what you do not want others to do unto you). The second are four guidelines, which demand that everyone is responsible for the following: a culture of non-violence and respect for everyone's life; a culture of solidarity and a fair economic system; a culture of tolerance and real life; and a culture of equality and partnership between men and women (pp. 191–192). The Slovenian philosopher Tine Hribar (2008) developed a similar approach. According to Hribar, in all world religions, four basic ancient values of humanity define the global ethic: the sanctity of life; the veneration of the dead; the dignity of humanity; and the golden rule (p. 290). Values as a common global denominator of humanity are not subject of philosophical concepts, but they are a universal heritage to all civilizations (the golden rule present in all religions is a proof of this). The global ethic can be universal because it is derived from all parts of the world. It is a minimal global denominator of Europeans, Chinese, Indians, Muslims, and Americans, as well as of Hinduism, Buddhism, Daoism, Confucianism, Judaism, and Christianity. Hence, the global ethic does not derive from an intercultural dialogue but from the assumption of such a dialogue.

The question that arises is the following: Are not all these values common to humanity already defined as the humans rights (United Nations 1948)? We make two arguments against the adequacy of human rights with regard to the issue of intercultural education. The first argument concerns *legal process*. The relations between individuals can be addressed only on a formal level and not on a level of interpersonal relations, as ethics is defined as responsibilities and

[50] obligations of one individual to another (Krofič, Klarič, and Peček Čuk 2009, 15; Medveš 2007, 13). The second argument concerns *cultural determinacy*. Human rights often do not encompass various anthropological notions of humanity, which is evident from cultural conflicts that arise because of different perspectives on basic values (Badiou 1996; Rorty 1996). Let us consider two examples: the cultural conflict of the Muslims and the moral-political standards of secular Europe, which prohibited wearing headscarves in France, and the prohibition against publishing the Muhammad cartoons in a Danish newspaper. In Europe, both symbols are usually perceived as an attack on human rights. Wearing headscarves is interpreted as a symbol of inferiority and evidence of gender inequality in Muslim cultures. However, in some Muslim cultures, many women decide to wear headscarves on their own initiative in order to protect themselves from being perceived as sexual objects. The cartoons of Muhammad published in a newspaper were perceived in Europe as an encroachment on the freedom of expression, whereas in the Muslim countries these were considered insulting and viewed as hate propaganda (Krofič 2009a, 10).

These examples show that human rights can be exercised on different cultural levels and that even legal reasons expressed in the examples reflect a conflicting nature of legal language, which cannot be a basis for developing deeper intercultural relations. With regard to a global ethic, even though this model is based on an affirmative idea that embodies the principle of *justice* (Kant 1998; Rawls 1971) and the principle of *humanity*, which appreciates the dignity of all people, irrespective of their origin, we are still left with the question of whether the global ethic could shed its religious nature, embracing atheists and people with other world views?

Distance to the Other

In the autumn of 2005, a significant number of public outbursts of violence that were related to the issue of multiculturalism occurred in French suburbs. A certain social group perceived itself excluded from the French political and social sphere, although they lived in France. According to Slavoj Žižek (2007, 73), the purpose of the riots



was to draw public attention to their existence and to inform people that although they were French citizens, they were not recognised as such:

[T]he message of the riots was not the protesters' idea that the French republican universalism threatened their ethnical-religious identity, but it was completely the opposite—that they were not included in this universalism and they were on the completely other side of the Wall, which separated the visible part from the invisible republican sphere. [51]

According to Žižek, the public reactions to the protests can be divided into two groups. The first group represents the clash of civilizations. Immigrants should not abuse the hospitality of the French people, and as guests they should have respect for French culture; there is no excuse for their violent behaviour and young immigrants need discipline and hard work. The other group opposed the idea of social programs and integration, because they deprive the young immigrants of an economic and social future, which led them to organise violent protests. Žižek agrees with neither opinion because according to him, both are equally bad. He seeks affirmation by asking the following question: Today, why are we witnesses to the fear of presence of the Other? Is it a reaction to the decay of the protective symbolic walls by which others were kept at a distance in order to protect us from the encroachment of the others (p. 54)?

The second wave of protests happened in the same year, but it took place in Arabic countries. These protests were characterized by huge, violent demonstrations that reacted to the offensive cartoons of the prophet Muhammad, published in a Danish newspaper. Why did something that was published in a Danish newspaper with a low circulation provoke violent reactions in distant Muslim countries? It is not as if Denmark and Syria were neighboring countries. The reason is that the Other is an intruder and satisfies his needs in another way (i.e. perceives himself in his own social practices and rituals), and this annoys us. His presence threatens our way of life, which may provoke us to act aggressively in order to elim-

[52] inate the disturbing intruder. Žižek therefore argues that we have to supplement the attitude of mutual understanding with the attitude of mutual avoidance by 'keeping an appropriate distance, with the new code of "discretion"' (p. 55). According to Žižek, European culture has already embedded distance from the Other in its social structure. Hence, it is usual for me to ignore the Other although we live together. When interacting with the Other, I apply certain externally defined rules, without sharing their inner world: '[P]erhaps the lesson to be learned is that a certain dose of alienation is definitely required for a peaceful co-existence of different living styles. The alienation sometimes does not present a problem, but a solution' (p. 55).

The Other is acceptable if his presence is not intrusive – in other words, if he or she is not actually an African, Muslim, or Chinese Other but is a *good* Other, just like us (comp. Badiou 1996, 23; Galeotti 2009, 168; Habermas 2007, 13; Kymlicka 2005, 457). In this context, tolerance gains another meaning. Tolerance of the Other means that I should not get very close to the Other and interfere with his or her personal space. Therefore, I keep the Other at a distance.

Žižek's conclusion is that sometimes a dose of alienation is necessary for the peaceful co-existence of different living styles and that the distance within the 'antinomy of the tolerant mind' (Žižek 2007, 97) is a solution not a problem in the practical social context or in educational practice. Certain examples should not be ignored. However, we do not think that the concept of *distance to the Other* could serve as a basis for developing a broad intercultural educational policy. Instead of establishing 'bridges,' this concept leads to the establishment of parallel worlds and 'separated lives.'

Constitutional Loyalty

Jürgen Habermas's (2007) concept of constitutional loyalty begins with an assumption that the constitution of a liberal democratic state should be sufficient, which means that its legitimacy rests in the cognitive assumptions that are independent from religious and metaphysical traditions. The democratic constitution (the basis of



fundamental rights) should legitimately fill the gap resulting from the neutralization of the worldviews of national authorities. With regard to the constitution, all individuals should respect each other as equal members of the political community, despite dissenting world views and religious beliefs. In a pluralist society with a liberal constitution, tolerance is understood as the rational consideration of the possibility of dissent in communication among believers and unbelievers (pp. 79–81).

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In Habermas' view, the legal definition of the problem of tolerance requires a distinction between the things that should be tolerated and the things that should not be tolerated. The secular state guarantees tolerance if it ensures that the global concept of pluralism based on mutual respect is developed in the public sphere. Whether the state respects the principle of neutrality and whether the legal and judicial authorities in the state correctly institutionalize tolerance, is evident in their reasons for excluding intolerant behaviour. Numerous legally disputable examples in some countries represent the idea of distinction between the practices and laws of the major religion and culture on one hand and the aspirations of the religious minorities on the other hand. For example, the demands of the religious minorities in Germany are made in the name of the freedom of religion and can be divided into demands for equal or special status (e.g. permission for Sikh people to wear turbans, for Jewish people to be served kosher food, for Muslims to pray during working hours) or demands for public services (e.g. learning the mother tongue in public schools). In such cases, it is for the court to decide (Habermas 2007, 200)

who should reconcile with the other's ethic: Christian peasants with the muezzin's call to prayer? Domestic animal protection organization with the ritual slaughtering of animals? Unconfessional students or students of another religion with a headscarf of the Mohammad's teacher? A Turkish parent with the co-educational sports class of his daughter?

The freedom of religion puts the neutrality of the country's

[54] democracy to the test. It is often endangered by the status of the majority culture as it abuses its power to determine what is to be defined as a binding political culture. The essence of cultural rights is that they ensure the same access to the practices and rituals that are essential for defining and maintaining the identity of a certain community.

This is not to be understood as a cultural self-realization of the communities within their own identity. It requires the integration of the citizens within the frame of the political culture that is common to all (p. 202). The basic idea of constitutional loyalty should serve as a solution to the dual problem of tolerance: constitutional loyalty expects the 'majority' to be tolerant in matters permitted by the constitution; at the same time, it expects the 'minority' to abandon the cultural practices that do not comply with the constitution. The regulations given in the organizational part of the constitution (e.g. allocation of special rights to cultural minorities) and multicultural practices for the protection of discriminated groups (e.g. giving grant resources for linguistic programs and educational curricula) are preventive measures against the exclusion of minority groups.

According to Anna Elisabetta Galeotti (2009), the limitation of the model of constitutional loyalty is its ignorance of differences. In the public sphere, the model frees individuals from their differences, giving equal political power to all citizens; however, it does not treat citizens as separate individuals, and thus it denies the public the importance of their identities. Because the principle of tolerance is already included in the constitutions of liberal democracies and is translated into the system of rights, it is irrelevant to refer to tolerance as to a definition of the individual's choices with regard to religious, moral, and esthetical values (pp. 24-33). In other words, why does the chador present a problem in France and other liberal democracies, when freedom of religion and freedom of expression are already set forth in their constitutions? Is it possible to define the 'limit of the permitted' precisely by the constitution or to define cultural independence logically within the legal discourse of the constitution?



Recognition

Recognition has become a key term. It is an 'old' concept in Hegel's philosophy and was revived by political theorists in order to conceptualise today's battle with identity and difference. Hegel's concept of 'struggling for recognition' in the world of global capitalism, promoting intercultural changes and pluralism of values, and politicalising identities and differences has gained a new value (Fraser and Honneth 2003).

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In particular, the term 'recognition' relates to the Hegelian (1998) phenomenology of spirit. Recognition means an ideal relation between both subjects (master and servant), in which both see the other as equal and separate from the other. This relation is essential for understanding subjectivity, because one becomes an individual subject only by virtue of recognizing and being recognized by the other. A Hegelian thesis lurks behind this model of recognition, according to which social relations are prior to individuals and inter-subjectivity is prior to subjectivity. Contrary to redistribution (Rawls 1971), recognition is closer to ethics in that it promotes substantive goals of self-realization, unlike morality which promotes justice. It was because of neo-Hegelians, such as Charles Taylor and Axel Honneth, that recognition became a central term in social philosophy favoring 'the politics of difference' (Fraser and Honneth 2003, 10).

The general assumption that social battles related to race, gender, and sexuality are actually battles for recognition, has prevailed for several decades. The thesis that all identities are worth being recognized is based on this assumption, as each individual is worth dignity (Bingham 2006, 235). The folk paradigm of recognition sees injustice as the un-recognition of people, which is a denial of individual dignity. The individual is not recognized in the larger community and the practices of inadequate recognition are applied to them, creating a tendency to assimilation, invisibility, and malevolence. The politics of recognition looks forward to a world that is keen on differences and where assimilation to the majority or the dominant cultural norms is not necessary for gaining equal respect (Fraser and Honneth 2003, 7).

[56] Today, the relevance of the theory of recognition is that it could be used to supplement Rawls' concept of distributive justice with regard to social injustice. Moreover, it can theorize the concept of tolerance beyond its liberal definition (as a moral and social strength) to the demand for public recognition of the collective identities of marginalized social groups (Galeotti 2009, 24).

The concept of recognition is present in education as well. It refers to three important areas in education: ethics, politics, and epistemology (Kroflič 2010). Ethical theories relate to the demand that the other should be treated and accepted just as he or she is or will become. Political theories present the idea that the identity status of the individual in society should not be an obstacle to achieving his or her social goods, and the individual should have a possibility to realize his or her position and identity (e.g. immigrants and people with different sexual orientations) in the public sphere. Epistemological theories consider the mental horizon of the other, which leads to the recognition of a deeper reality of the phenomenon (p. 8).

Recognition on one hand can be seen as a political tendency toward equal treatment of the individual's social status, and on the other hand as the ethical demand for recognition of the individual's identity, which is a necessary part of the optimal pedagogical relation. Three aspects are relevant for the process of recognition within the educational sphere: personal recognition of the student; acceptance and respect of the student as a socially and cognitively capable being; and a mutual relation between the student and the teacher, which is necessary for both, because the student needs the teacher as the teacher needs the student for the recognition of professional and personal identity (Kroflič 2009b, 115). These views are reflected in practices of interculturalism at school. The task of teachers is neither to reduce the diversity nor to stand still and watch diversity grow, but to 'engage' in a dialogue with the students. The point is not to know about someone else's culture, but to help construct an individual understanding of it. Immigrant children may discuss their identities at home or with their friends; however, if they do not talk about their identity at school, then it does not exist at school. When



teachers only listen to discussions about a student's identity (i.e. another cultural identity) and do not speak to the issues of identity, they deny an important part of that student's identity. Thus, when students present their culture to teachers, the latter should to reply with their own cultural attitudes, while staying open to arguments resulting from different cultural positions (Sidorkin 2002, 96). [57]

The demand for recognition does not mean that a different life style needs to be recognised, but it should be publicly accepted as a part of 'normal' possibilities. These personalities should not be labelled with a collective identity and stigmatised by exclusion (e.g. cultural difference, different sexual orientation, etc.). Recognition requires the public visibility of differences and their positive realization, the development of mutual roles, and intolerance of all behaviours that are humiliating to weak identities. In this regard, we see the affirmation of recognition. It defines otherness as a demand for the public recognition of the collective identities of marginalized social groups, which is particularly reflected in intercultural education.

CONCLUSION

We defined intercultural education as one of the most important educational initiatives to address the problem of inequality in education. This initiative is presented on three levels. On the level of the just distribution of goods, interculturalism is realised in the forms of compensational programs, through the principle of equal starting possibilities (redistribution). On the level of the just treatment of the individual's social status and the acknowledgement of the individual's identity (recognition), interculturalism promotes the equal relation to other cultures and therefore equally addresses all participants in education. On the level of equal representation in the processes of decision-making (representation), interculturalism can redistribute power by confronting power relations, such as when a dominant group has the power to define inclusion and exclusion.

Regardless of the importance of the intercultural education, one issue remains open for debate. Intercultural education has not developed a theoretical basis to which it can refer. Therefore, we de-

[58] scribed four possible theoretical models of intercultural education, which are by no means the only possible ones, and discussed their advantages and disadvantages. The model of a global ethic promotes the development of common values by embracing the principles of justice (the golden rule) and humanity (the Other as equal and not deficient). However, the question of religious disposition remains open. In contrast, the model of distance to the Other hinges on the distance, alienation and non-interference with the Other's space. It is based on the opposite characteristics of interculturalism as a pedagogical principle. The model of constitutional loyalty favors the equal access to traditions and practices by all citizens, overtaking the principle of justice in compensational (linguistic) programs, while denying the public recognition of the identities of others. The latter is an aspiration of the recognition model; it promotes equal treatment of other cultures, strives for the principle of humanity (dignity), and addresses all participants in education.

In this sense we recognize intercultural education seeking to combine the principle of justice with the principle of humanity or constitutional loyalty with recognition model as a strong driving force towards establishing European and European-Mediterranean path of mutual understanding and respect of otherness; a way of achieving European-Mediterranean community based on intercultural dialogue and a society where we can 'live together as equals in dignity.'

NOTES

- 1 According to the census in 2002, the total population in Slovenia was 2 million: 12.3% of the population do not consider the Slovene language a mother tongue. This percentage includes 2258 Italians, 6242 Hungarians, 3246 Roma people, 21,542 Bosniaks, 35,642 Croats, 10,467 Muslims, 38,964 Serbs and others (Kroflič 2011, 164).
- 2 The author discusses the end of history and the prevalence of the liberal democracy as a universal form of governance.

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Euro-Mediterranean Cooperation in Science and Innovation: 20 Years of the Barcelona Process

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The Barcelona Declaration, the Association Agreements between the EU and the south Mediterranean countries, together with the Union for the Mediterranean ‘Paris Declaration,’ constitute the framework for cooperation policy development between the EU and the southern Mediterranean countries. This paper intends to highlight the milestones of such cooperation in Science and Innovation, reviewing the existing instruments and programmes, appraising the challenges and opportunities and proposing measures for future actions. In conclusion, the author highlights the importance of developing the sense of co-ownership for the cooperation, introducing structural and institutional reforms and building the capacity of youth in the southern Mediterranean countries and capitalizing on the value added of brain circulation. Two specific cooperation initiatives were singled out: The Partnership for Research and Innovation in the Mediterranean Area (PRIMA) and the Common Euro-Mediterranean Innovation Agenda.

Key Words: Euro-Mediterranean cooperation, partnership in research and innovation, instruments and programmes, PRIMA

The southern Mediterranean region,¹ including Morocco, Algeria, Tunisia, Libya, Egypt, Palestine, Israel, Jordan, Lebanon and Syria, is a region of strategic importance to the EU. These countries also referred to as the Mediterranean Partner countries (MPCS), constitute Europe’s southern neighbourhood as defined by the European Neighbourhood Policy (ENP). The MPCS face common societal challenges including, but not limited to, water and food security, environment conservation and energy supplies, migration and brain drain, social exclusion, unemployment of youth and political instability. These challenges if not timely addressed will heighten

[64] the economic and political turmoil and may eventually lead to lawlessness and violent conflicts, as witnessed in some of the worst affected countries of the region. Such instability already affects Europe's security whether from illegal migration, flow of refugees from conflict zones or through spill over of violence across the Mediterranean.

This notion is not new; actually the Europe 2020 strategy (European Commission 2010) regards cooperation with neighbourhood countries on societal challenges as central to Europe's efforts to better help its own development policy. Many of these challenges could be effectively addressed through joint Euro-Mediterranean initiatives and actions utilizing Science, Technology and Innovation (STI) to drive the economy and bring about inclusive and sustainable growth.

The launching of the Barcelona Process with its Declaration in 1995 created a scheme for Euro-Mediterranean cooperation and partnership aiming at establishing an area of peace, stability and prosperity. It proposed a framework to support dialogue among cultures of the region, to disseminate a culture of human rights and democratic citizenship and to promote economic development along the southern rim of the Mediterranean, thus shaping the EU policy toward the southern Mediterranean Countries. This provided the initial impetus for Euro-Mediterranean cooperation in Science, Technology and Innovation (STI).

In 2003, the EU launched a new policy instrument, the European Neighbourhood Policy (ENP), which addressed through its financial instrument, the European Neighbourhood and Partnership Instrument (ENPI), cooperation with the neighbouring countries of the EU in geographical areas. The Mediterranean countries represent the Southern Neighbourhood area. This was followed by signing association agreements between the EU and the individual southern Mediterranean countries, with underlying action plans serving as an implementation and follow-up tool. Signing the Association agreements opened the door for the Mediterranean Partner Countries (MPCs) to establish Science and Technology Cooperation Agreements with the EU. To date, Morocco, Algeria, Tunisia, Egypt



and Jordan, in addition to Israel and Turkey have concluded such agreements.

The Union for the Mediterranean (UfM) launched in Paris in July of 2008 aimed at reinvigorating the partnership between the EU, Associated countries and the southern Mediterranean countries. The new process, being governed by a joint Presidency from the EU and the MPCs, sets a practise of co-governance and co-decision making. Higher Education and Research were underlined as one of the six priority areas of the UfM. This was accompanied by inaugurating the Euro-Mediterranean University (EMUNI) hosted in Slovenia to facilitate achieving a common Euro-Mediterranean area of Higher Education and Research.

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The Barcelona Declaration (1995), the Association Agreements, together with the Union for the Mediterranean 'Paris Declaration' (Joint Declaration of the Paris Summit for the Mediterranean' 2008), constitute the framework of cooperation between the EU and the MPCs, acting as reference points for the cooperation policy development.

PURPOSE OF THE PAPER

Today, 20 years after the initiation of the Barcelona process, with many programmes, instruments and projects in place, it is time to reflect critically on how this partnership has developed and decide on how to proceed with a shared vision towards true Euro-Mediterranean cooperation in STI. With the above in mind, this paper intends to highlight the milestones of EU-MPCs cooperation in STI, appraise its progress and propose measures for future actions. As such, this paper could serve as a framework for policy makers and a brief guide for practitioners.

POLICY FRAMEWORK

The mainstay of EU-MPC policy dialogue is the Group of Senior Officials in Research and Innovation (EU-Med GSO), formerly known as Monitoring Committee for Euro-Mediterranean Cooperation in Research and Innovation (MOCO). The GSO was initially established along the Barcelona process in 1995 and later, in 2008, it started to

function as an instrument under the UfM. This committee, which brings together representatives of Ministers of Research from 43 Euro-Med countries, is considered as the Euro-Mediterranean Senior Officials Meeting (SOM) for Research and Innovation.

[66] The GSO has been regularly holding annual meetings from 1995 until present time. It has been instrumental in identifying challenges and proposing actions to enhance Euro-Med STI cooperation. It has also played an important role in reviewing the course and providing guidance for EU-funded STI cooperation projects, in particular the regional coordination and support actions (InCo-Nets). Under the UfM, it has also served as the body which endorses R&I, projects for funding. Perhaps, its most significant task has been assigned by the 1st Euro-Mediterranean Ministerial conference for Higher Education and Research, which was held in Cairo in June 2007; the GSO was mandated to review the progress of the implementation of the conference paper, 'The Cairo Declaration.'

Another platform for Euro-Med policy dialogue is provided by the EU-funded INCO-Net projects, which coordination and support actions (CSA) under FP7. Besides serving as a platform for policy dialogue and coordination, the InCo-Nets raise awareness and build the capacity of research and innovation communities in the target region (MPC) in order to enhance the engagement and participation of the different stakeholders in cooperation along the Framework Programme. The MIRA (FP7 Mediterranean Research and Innovation action, coordinated by CSIC in Spain from 2008–2012), MED-SPRING (FP7 Mediterranean Science Research and Innovation Gateway, coordinated by CIHEAM Bari in Italy from 2012–2016) and more recently MERID (H2020 Middle East Research and Innovation Dialogue, coordinated by EMUNI in Slovenia from 2015–2018) represent successful examples of such projects.

In addition to the Bi-regional InCo-Nets, the FP7 has also funded bilateral CSA (BILATS). These are calls targeting cooperation with specific countries with which the EU has Science and technology agreements ('Agreement of Scientific and Technical Cooperation between the European Community and the Kingdom of Morocco' 2004; 'Agreement of Scientific and Technical Cooperation between



the European Community and the Tunisian Republic' 2004; 'Agreement of Scientific and Technical Cooperation between the European Community and the Arab Republic of Egypt' 2005).

THE CAIRO DECLARATION

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The first and only meeting of the Euro-Mediterranean Ministers of Higher Education and Research was held in Cairo, Egypt on June 18, 2007, under the title 'Towards a Euro-Mediterranean Higher Education and Research Area.' The conference was co-chaired by Germany, representing the rotating Presidency of the Council of the EU, and the host country, Egypt. Coming 12 years after the onset of the Barcelona Process and endorsing a comprehensive paper, the 'Cairo Declaration,' this meeting represents a milestone in Euro-Mediterranean cooperation in Higher Education and Research.

The Cairo Declaration ('Towards a Euro-Mediterranean Higher Education and Research Area' 2007) represents an ambitious comprehensive document with a set of clear objectives and underlying concrete deliverables for attaining those objectives. Stressing the need to move toward the creation of an Euro-Mediterranean Research and Innovation Area, the Declaration advocated modernizing the R&D policies and supporting institutional capacity building in the MPCs. It also emphasized the need to enhance the participation of the MPCs in the EU's Framework Programme of Research and Innovation, while taking into account their particular needs and the mutual interest and benefit. Promoting Innovation in the MPCs by enhancing exploitation of the Research outputs by society and Industry, in addition to favouring mobility of researchers were also underlined. There has not been another Ministerial meeting since, therefore the Cairo Declaration continues to constitute the main regional policy framework for cooperation in research.

In May 2011, addressing the on-going popular uprisings in the Mediterranean, the EU issued a Joint Communication by the EU External Action and the European Commission 'A New Response to a Changing Neighbourhood' (European Commission 2011) stressing the need for a new approach to strengthen the partnership between the EU and the ENP countries. The MPCs were offered a 'Partner-

[68] ship for Democracy and Shared Prosperity.’ This partnership focused on three main pillars; democratic transformation, partnership with the civil society and inclusive and sustainable growth. Working towards the development of a ‘common knowledge and innovation space’ (CKIS) was underlined as a cooperation priority.

A month later, in June 2011 during the 15th meeting of the Euro-Mediterranean GSO in Szeged, Hungary, under the co-presidency of Egypt and France, the MPC representatives underlined their desire to introduce co-ownership of EU-MPC actions in research and innovation with the underlying principles of demand-driven and impact-driven cooperation based on co-decision making and co-funding of joint actions of mutual interest and shared benefit.

The unfolding revolutionary events in the region appear to have generated the requisite political interest and impetus to push the regional research cooperation agenda forward. The European Commission’s Directorate General for Research and Innovation organized in April 2012 an important conference with the key regional stakeholders in order to further define ‘An Agenda for Renewed Partnership.’ This event reinforced the ongoing discussions towards developing a new support framework to enhance innovation at national and regional level in the Southern Mediterranean. Following this event, Article 185 of the ‘Consolidated Version of the Treaty on the Functioning of the European Union’ (2012) was proposed as a suitable instrument to tackle the global challenges of the Mediterranean region in an integrated way. The Article 185 TFEU states: ‘In implementing the multiannual framework programme, the Union may make provision, in agreement with the Member States concerned, for participation in research and development programmes undertaken by several Member States, including participation in the structures created for the execution of those programmes.’

At the margins of the Informal Competitiveness Council held in June 2012 in Nicosia, several EU member states led by Italy announced an initiative to work towards an article 185 TFEU, launching the ‘Partnership in Research and Innovation in the Mediterranean Area’ (PRIMA). The PRIMA initiative received a further endorsement during two subsequent Competitiveness Councils held un-



der the Greek Presidency (May 2014 in Brussels) and the Italian Presidency of the Council of the (December 2014 in Napoli). The PRIMA proposal is currently undergoing impact assessment by the EU.

Following the decisions of the December 2013 meeting of the EU-Mediterranean GSO, a working group to define a *Common Euro-Mediterranean Innovation Agenda* was established, chaired by Egypt. The first draft of this agenda was presented in April 2014 in a workshop organized by the Commission in Brussels. The agenda was endorsed by the subsequent EU-Med GSO in September 2014. The common Euro-Mediterranean Innovation agenda aims to:

- Unleash the innovative potential in the region in order to make direct use of research and innovation for socio-economic development in the medium and long term;
- Address the vital needs of the region for funds and technical assistance in the sphere of innovation and commercial exploitation of research results;
- Initiate a suitable support framework to enhance innovation at national and regional level in the Southern Mediterranean in line with the Common Knowledge and Innovation Space priority;
- Prioritise financing of innovative entrepreneurs, with a special focus on youth and women;
- Support the establishment of multilateral partnerships with MS, Southern Mediterranean countries, International Financial Institutions (IFIS), private sector, civil society and other stakeholders.

INSTRUMENTS & PROGRAMMES

The backbone of EU-MPCS cooperation in Research is the *EU Framework Programme for Research and Innovation, FP7*. Its launch coincided with the signing of the S&T Agreements and furthering the bilateral policy dialogue through the Joint Science and Technology Cooperation Committees with several of the MPCS. In addition, the MPCS participation in FP7 was facilitated by the InCo-Nets, MIRA

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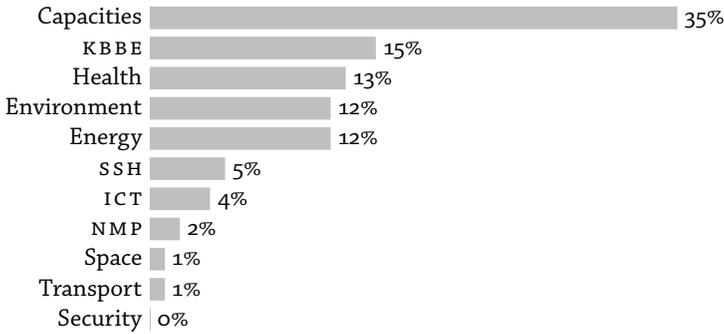


FIGURE 1 MPCs participation in FP7 by theme (adapted from European Commission 2014)

and MED-SPRING, which played an important role in raising awareness of Mediterranean research communities, building their capacities and suggesting topics for cooperation based on mutual interest of EU MS and MPCs.

As of February 2014, about 580 institutions from the MPCs had signed grant agreements within the FP7, working along more than 400 projects with a total EU contribution of around 60 Million EUR. Figure 1 (European Commission 2014) shows that the majority of the participation was in the sub-programme of Capacities, including coordination and support actions. Within the Collaborative Research sub-programme, 4 thematic areas stand out as the main areas of cooperation, in order of participation they are, Food, Agriculture & Biotechnology, Health, Energy and Environment including water.

The *Euro-Mediterranean Industrial Cooperation Programme*, managed by Directorate General Enterprise in consultation with the Working Party on Euro-Mediterranean Industrial Cooperation, is an instrument created under the Barcelona Process and it is financed by the provisions of the Bilateral Association Agreements and the ENI.

The *Competiveness and Innovation Framework Program (CIP)* was open to the participation of MPC along FP7 through the Entrepreneurship and Innovation Programme (EIP). CIP is currently part of H2020.

The *ENPI Regional Indicative Programme* for Euro-Mediterranean



Partnership is the most important instrument for regional cooperation. It was supported by a scheduled total funding of 343,3 Million Euro for the period 2007-2010, following the priorities defined in the Barcelona Process, later redefined under the UfM in the Marseilles summit of November 2008. Here, again, RTD is a high priority in several actions, notably the Mediterranean Strategy for Sustainable Development, including the 'Horizon 2020' project aimed at decontaminating the Mediterranean Sea, the integration of the energy, transport, ICT and research markets. The funding earmarked for the activities of sustainable development for the year 2009 was 69 Million Euro, and for 2010 was 47 Million Euro. This Programme is the most important financial instrument for the EU-MPC regional cooperation. The development of this ENPI through the RDI programmes is providing a substantial input to the capacity building in several MPCs.

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ENPI *Cross-Border Cooperation* (CBC) is based on earlier experiences under 'TACIS' and 'Phare' Programmes providing pre-accession support to Eastern European States, Interreg, providing funding for inter-regional cooperation in Europe and the MEDA Programme which was the main instrument implementing cooperation measures with southern Mediterranean countries in the period of 1996-2006. The core policy objectives of CBC on the external borders of the Union are to support sustainable development along both sides of the EU's external borders, to help ameliorate differences in living standards across these borders, and to address the challenges and opportunities following on EU enlargement or otherwise arising from the proximity between regions across our land and sea borders. The ENPI-CBC 'Mediterranean Sea Basin Programme' had a budget of 173 million Million Euro (ENPI and MED n. d.).

The Facility for Euro-Mediterranean Investment and Partnership (FEMIP) was created in 2002 and provides funding for private sector development in the Mediterranean region aimed at sustainable economic growth. Tentatively, a capital of about 32 Million Euro/year is allocated to FEMIP for technical assistance and risk capital. However, in the 2005 summit of Barcelona, a Neighbourhood Investment Fund, built on the FEMIP, was allocated 700 Million Euro (roughly

100 Million Euro/year) to be used to lend to the ENP, including the MPC, acting as a leverage to multiply the financial engagement by other actors, notably the MS (ENPI and MED n. d.).

[72] *Technical Assistance and Information Exchange Programme (TAIEX)* provides short-term technical assistance and advice on convergence with EU legislation, best practices and standards and on related administrative capacity needs, technical training and peer assistance, as well as a data base and information network that facilitates the monitoring of approximation measures. MPC partner countries have taken up this demand-driven instrument, which is key in supporting the transition and reform processes.

OBSTACLES AND RECOMMENDATIONS

The policy framework, instruments and programmes outlined above demonstrate that a lot of consideration has been given to EU-Mediterranean cooperation and partnership since the advent of the Barcelona Process in 1995. Substantial progress has been achieved, especially in participation in joint initiatives and projects. However, the cooperation across the Mediterranean still suffers considerable structural weaknesses and there are remaining obstacles in the face of building the desired partnership.

The main obstacle for a structured scientific cooperation lies in the *lack of 'symmetry' between the cooperating systems*. The cooperation system is complex, and includes, besides the scientific capacity and mutual interests, which are basic requirements, matching of administrative and financial procedures. The main consequence of non-compatible cooperating systems is a growing frustration and demotivation of the partners.

The heavy and cumbersome *administration of the European research funds* suffered by the European participants is even more agonizing for Mediterranean participants. We are witnessing in the recent years progressive retreat of excellent scientists from the MPCs from the Framework Programme due to their incapability to handle the administrative aspects of participating in EU-funded projects. These scientists receive little or no administrative support from their institutions. More must be done to improve the process



of cooperation in its multiple dimensions: scientific, administrative and financial.

The difficulty of establishing partnerships among asymmetrical cooperating systems, with frequently uneven capacities, requires effective *coordination and harmonisation between the cooperating partners and instruments*. This coordination is not only lacking between the national systems across the Mediterranean, but is also inadequate between the bi-lateral and bi-regional cooperation instruments, including still between the EU instruments themselves. However, this does not preclude *structural measures and institutional reforms* that the MPCs have to undertake in order to modernise their STI governance and augment their absorption capacity of funds. Another important factor, particularly emerging with the recent popular revolts in the Mediterranean, is the *sense of ownership for the cooperation*, particularly by the MPCs, which should be further developed. The cooperation fields should be more demand-driven and the instruments and programmes redesigned to be more impact-oriented. The impact should be perceived by the civil societies on both shores of the Mediterranean in order to attain that sense of co-ownership and partnership.

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A *wider participatory approach* based on co-decision making and co-management of programmes/projects funds is needed. For this to happen, co-funding of joint activities by the MPCs is essential to develop this sense of ownership and determine the cooperation areas and instruments that are both demand driven and impact oriented. This is indeed the will of most, if not all, MPCs expressed in several occasions from 2011 onwards. This also constitutes the basis of the PRIMA initiative, which many of the EU member states and MPCs are proposing.

However, any initiative to be effective it has to address the different components of the research and innovation ecosystem in a comprehensive and inclusive manner. Among others, the transition towards a knowledge-based economy in MPCs requires:

- Establishing Institutional frameworks capable of swift management of the resources used for research and the efficient

utilisation of knowledge and its transformation into business ideas and supporting of entrepreneurship.

[74]

- Capacity building of the academic community to create, share and use knowledge, with special emphasis on professional training and promoting Doctorate Programs in high priority areas dictated by the demands of the industrial and business sectors.
- Investment in dynamic infrastructures, including information infrastructures and systems, for the industrial and research sectors.
- Setting up national research and innovation programs to create synergies between the research and business sectors.
- Developing regional demand-driven innovation and entrepreneurship programmes that would engage the growing population of youth in the MPCs.

CONCLUSIONS AND FUTURE PERSPECTIVES

The popular uprisings in the south Mediterranean since January 2011 have driven the region in the throes of major political, economic and societal transformations, the results of which are yet to be witnessed. Democracy and citizens' empowerment; viable economic, trade and employment models; sustainable social inclusion and education and research policies are emerging as fundamental areas of transformation in the region.

Meanwhile, the major critical challenges facing the Euro-Mediterranean region, including the refugees' crisis and the recent surge in fundamentalism and terrorism, urgently necessitate rethinking the EU's strategy towards its southern neighbours. However, the time might not be better. The occasion of the 20th anniversary of the Barcelona Process and the on going review of the ENP provide an opportunity to reorganise the EU-Mediterranean and the UfM's cooperation strategy to address such dynamic transformations and critical challenges.

Education, Research and Innovation should be at the heart of this strategy. This is vital not only to pursue a sustainable development agenda in the MPCs, based on the principles of the knowledge econ-



omy, but also to capitalise on *science diplomacy*, which is a source of Europe's soft power, as an effective tool and a sound catalyst for the desired cooperation areas. The perception of citizens regarding the benefits of science, its universal nature, and its detachment from ideological, socio-political or religious conflicts, empowers its role as a valuable cooperation strategy. Furthermore, *fostering the societies' knowledge, educating its youth and building its innovation capacity will, on the long term, bring about the desired democratic transformation and inclusive economic growth, which will in turn combat extremist ideologies and violence.* [75]

Considering the fact that youth comprises about half of the population in the Southern Mediterranean and their important role as catalysts for development and change, empowering youth provides a unique opportunity to constructively build the region's future. Specific actions directed to building the capacity of youth should be an integral part of any EU strategy for the South-Mediterranean, not only to limit illegal migration, but more importantly to encourage the value-added of *brain circulation* and avoid those young individuals falling victims to extremist ideologies.

On a final note, the PRIMA initiative utilizing article 185 of the TFEU and The Common Euro-Mediterranean Innovation Agenda are the result of a lengthy and vigorous process of high-level policy dialogue and hard work, in which the MPCs developed a sense of co-ownership and co-decision making. It is of utmost importance that these initiatives are supported for implementation within a comprehensive strategy for EU-Mediterranean cooperation based on the principles of co-ownership, co-responsibility with co-funding of impact-driven actions of mutual interest and shared benefit.

NOTES

- 1 For the purpose of this paper the South Mediterranean region includes the ENP countries in the South. However, it should be noted that Israel was associated to FP7 and is associated to Horizon 2020, making its situation completely different from the one of the other countries not associated to the Framework Programme, therefore it is not covered by the paper. Similarly, Turkey, is not covered as one of the MPCs, since it is a Candidate to EU membership – and is also associated to Framework Programme.

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Interview with Carlos Moedas, European Commissioner for Research, Science and Innovation

CARLOS MOEDAS
European Commission, Belgium

In what kind of common projects, programs and actions does the Commission see the highest potential for the development of research and innovation in the Euro-Mediterranean area?

This year we celebrate the 20th anniversary of the Euro-Mediterranean cooperation, formally launched with the Barcelona Process in 1995. During these 20 years, research and innovation priorities on both shores of the Mediterranean have been coming closer. Numerous bilateral and bi-regional common initiatives have taken place, and we have seen a shift towards a mature research and innovation partnership based on co-ownership, shared interest and mutual benefit.

The European Commission and particularly its Directorate-General for Research and Innovation have always been very supportive of this process. We have devoted a great deal of resources in support of this cooperation, channelled mainly through the EU's framework programmes.

We hold reinforced bilateral dialogues based on Science and Technology Agreements with a number of countries from the Southern Mediterranean – Tunisia, Morocco, Egypt, Jordan and Algeria. Israel is an associated country to the EU framework programme and we are currently holding negotiations with Tunisia for its association to the programme. The bilateral dialogues serve as platforms for regular exchange on research and innovation policy, promotion of the research and innovation cooperation, and elaboration of joint medium and long-term priorities. These bilateral dialogues contribute also to the bi-regional Euro-Mediterranean cooperation in research and innovation, institutionalized in 1995, when

[78] in the context of the Barcelona process, a Euro-Mediterranean Committee in Research and Technological Development (MoCo) was established – recently renamed Euro-Mediterranean Group of Senior Officials in Research and Innovation (EU-Med GSO). The EU-Med GSO plays a central role in monitoring and stimulating the Euro-Mediterranean cooperation in research and innovation.

The EU-Med GSO has supported two landmark Euro-Mediterranean bi-regional initiatives in Research and Innovation – the Partnership in research and innovation in the Mediterranean Area (PRIMA) and the establishment of a Common Euro-Mediterranean Innovation Agenda.

Work is currently on-going in the European Commission in support of these two ambitious initiatives which will mark even further integration and alignment of the joint Euro-Mediterranean actions in research and innovation.

It is worth noting that PRIMA will mobilise joint research on two of the most urgent challenges to the Euro-Mediterranean area: the efficiency and sustainability of food production and water provision. The initiative paves the way towards a joint programme on the basis of Article 185 of the Treaty on the Functioning of the European Union, aimed at improving the cooperation in research and innovation in the Mediterranean Area and creating a stable long-term and sustainable framework based on mutual benefit, co-ownership, co-decision, and co-financing.

A recent proof of the strong commitment for joint efforts and co-ownership of the countries has been also the joint research and innovation call, launched under the bi-regional Euro-Mediterranean platform – ERANETMED, which resulted in mobilizing around €13 million from 14 countries on both shores of the Mediterranean.

All these initiatives show the great potential of the Euro-Mediterranean research and innovation cooperation and we will continue to support it through various actions. Let's also recall that the EU's Horizon 2020, the world's largest research and innovation programme, is open for participation to the Southern Mediterranean researchers and innovators. In addition they are eligible for automatic funding.



How are for example joint research and innovation programmes supported by the EU?

EU supports joint research and innovation programmes through several instruments. First, it is the Public to Public Partnerships (P2PS) which aim at aligning national strategies and overcoming fragmentation of public research efforts. Second, the ERA-NET instrument which is designed to support public-public partnerships in their preparation, establishment of networking structures, design, implementation and coordination of joint activities as well as topping up of single joint calls and of actions of a transnational nature. And third, Article 185 of the Treaty on the Functioning of the European Union (TFEU) enables the EU to participate in research programmes undertaken jointly by several Member States and Joint Programming Initiatives. This is a structured and strategic process whereby Member States agree, on a voluntary basis and in a partnership approach, on common visions and strategic research agendas to address major societal challenges.

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Where does the Commission see the biggest obstacles to creating a Common Knowledge and Innovation Space (CKIS) with the Southern Mediterranean?

The Common Knowledge and Innovation Space between EU and its neighbours has been outlined as a priority of the European Neighbourhood Policy (ENP) after the turbulent events in the Southern Mediterranean in 2011. I believe that research, science and innovation will occupy even more central role in the on-going revision of the ENP. This common space is meant to cover policy dialogue, national and regional capacity-building, cooperation in research and innovation, increased mobility opportunities for students, researchers and academics throughout the region and externally.

The challenging political, economic and security situation in the Southern Mediterranean is certainly among the biggest obstacles to any long-term initiative. But I am an optimist and believe we should continue joining forces with our partners in finding sustainable, knowledge-based solutions to the problems of the region – which in fact are shared problems. We can no longer address alone

[80] cross-border challenges such as migration, radicalization, food, water and energy security, environment and climate change. Therefore, it is in EU's utmost interest to support the Southern Mediterranean countries' policy shift from short-term economic reforms towards knowledge-based sustainable job creation and human capital development.

Certainly, the efforts on the EU side should be complemented by efforts on behalf of our South Mediterranean partners. They need to adapt and strengthen their research, science and innovation ecosystems in order to benefit fully from existing opportunities. At present, scientific, technological and innovation capacities of most Southern Mediterranean countries remain modest, so there is a need for publicly and privately supported schemes for research and innovation.

Some of the specific challenges to research and innovation in the South Mediterranean include low availability of funding; outdated or non-existent regulation and procedures; public procurement; collaboration across the region (South-South); lack of standardization and value-based quality criteria for both processes and outcome of product development; and costly or non-existent patent procedures. Progress in adapting and developing the research and innovation instruments has been hampered by the absence of monitoring and evaluation of these instruments in a coherent manner, and a lack of sufficient good practices exchange between institutions or across countries.

Despite these challenges, a wide range of research and innovation instruments has been tested in practically all countries, most of which focus on networking, start-ups, incubators, technological poles and industrial clusters. These instruments reflect the need to expand the focus towards more applied research.

Where does the Commission see the highest potential for EMUNI's contribution to development of research and innovation in the Euro-Mediterranean area?

EMUNI is an important actor in the Euro-Mediterranean cooperation enabling the most essential but sometimes challenging bridge



between different cultures, religions and mentalities. With its big network of universities from the EU and the broader Southern Mediterranean region, various initiatives and recently opened Centre for Arab, Islamic and Middle Eastern Studies, it could play a key role in narrowing the biggest gap we face today – that between our societies. It has a central role to play also in engaging youth, fostering a culture of tolerance, understanding and a common sense of belonging.

[81]

I would like to stress that we can and should grasp all opportunities to engage the young generation, both of the EU and in the Southern Mediterranean region, building on the highly-educated researchers and innovators as well as providing opportunities for structural partnerships of mutual interest, including joint MA or PhD programmes, twinning, fostering transnational innovation and entrepreneurship and mutually beneficial research and business networks.

All these actions could foster brain circulation, create an enlarged area of scientific and technological excellence, prevent brain drain and contribute to counteracting radicalization by opening minds and providing concrete prospects for development.

The high innovation potential in the Southern Mediterranean, particularly among creative youth, needs to be guided and further developed. This youth potential contrasts with Europe's aging population. It represents untapped potential for cooperation and complementarity and demonstrates the viability of such principles as common interest and shared benefit.

EMUNI is also coordinating a valuable science diplomacy platform funded by Horizon 2020, the Middle East Research and Innovation Dialogue (MERID). It targets the EU-Middle East cooperation in research and innovation and is an example of science diplomacy in practice, involving partners from the EU Member States in addition to Egypt, Jordan, Lebanon and Palestine as well as Iran and Iraq. By engaging scientists, civil society and policy makers in effective dialogue and common activities, it acts as a bridge between science, society and policy. Its ultimate goal is to employ research, science and innovation as channels for nourishing a culture of coop-

eration, conflict prevention and transformation. We are looking at MERID as an important contributor in facilitating the EU-Middle East strategic partnership in research, science and innovation and promoting science diplomacy.

[82]

In which policy areas does the Commission expect the Euro-Mediterranean research community to contribute the most with its research activities and subsequent policy recommendations to the EU?

The Euro-Mediterranean research community is an active and indispensable stakeholder in the broader Euro-Mediterranean cooperation. Given our geographical proximity and interdependence both shores of the Mediterranean face many common challenges. Some of them have a strong scientific and technological dimension, such as food, water and energy security, environment and climate change, or health. Others need a more concerted research effort on behalf of our social scientists, such as migration, brain drain, radicalization, lack of job security and citizens' participation in political, social and economic development. Research, science and innovation are key to addressing these challenges sustainably and providing cross-border solutions.

I have already mentioned a forward-looking initiative, the Partnership in Research and Innovation in the Mediterranean Area (PRIMA). The initiative has been elaborated jointly by several EU Member States and South Mediterranean countries with the objective of integrating national research programmes. It is aimed at mobilizing joint research efforts on two of the most urgent challenges the Euro-Mediterranean area faces – efficiency and sustainability of food production and water provision. This initiative will have an impact well beyond research and innovation due to its strong socio-economic relevance.

How does the European Commission see the potential of science diplomacy to contribute to the development of research and innovation in the Euro-Mediterranean area? Please refer to the following two sub questions:

Looking at science diplomacy as an instrument of the EU external action



and as an instrument of the EU member states' foreign policies, how does the Commission contribute to the consistency of EU external action implementation in this matter (within the competences it has of course)?

Science diplomacy is not new in the EU context and there have been already a few prominent science diplomacy examples. However it is still an emerging concept and we are working to consolidate it in a dedicated EU strategy or policy.

[83]

As an instrument of 'smart, soft power' and a mechanism for improving relations with key countries and regions around the world, science diplomacy is a key tool of EU's external action. It uses the scientific values of rationality, transparency and universality to foster common understanding, build trust, and promote cooperation between people regardless of their cultural, national or religious backgrounds. It provides the EU with additional communication channels and new directions, particularly in stalemate situations and relations where few other mechanisms are feasible as well as on sensitive bilateral and multilateral issues.

Many of our on-going international research and innovation activities could be considered through the science diplomacy viewpoint, but as an instrument of EU external action, science diplomacy remains largely untapped. That is why I have made it one of my mandate's priorities to promote science diplomacy further through on-going and new actions.

Let's not forget that science diplomacy played an important role for building today's Europe, including through initiatives such as the establishment of the European Organization for Nuclear Research (CERN), which not only aims to solve the greatest mysteries of the universe but has become a model for combining scientific excellence with science diplomacy.

Looking at science diplomacy as a field of international politics, how does the Commission see the potential of progress in this field contributing to improvement of other fields of cooperation in the Europe-Mediterranean area?

Science diplomacy can be highly instrumental in the EU – Southern Mediterranean cooperation as its most explicit 'test' is when it

brings together people in areas of tensions to jointly address shared challenges. It has a particular added value in conflict areas and complex security environments. The universal language of science can open channels of communication and build trust where few other mechanisms are feasible.

[84]

It can also provide space for sharing knowledge and experience on issues such as conflict prevention, crisis management, and societal and human dimensions of security. It can contribute to improving relations between countries when formal political relationships are weak or non-existing, e.g. in protracted conflicts in complex multicultural and multi-confessional environments such as the Middle East.

In this sense, science diplomacy can make an important contribution to stability in the Southern Mediterranean. Science education can provide a counter narrative to violent extremism and youth radicalisation. Investing in human capital development in the region helps us address the root causes of migration. Strengthening the cooperation with the Southern Mediterranean countries' diaspora and highly qualified migrants in the EU and promoting 'brain circulation' programmes will help us make sure that both the EU and the countries of origin benefit from expatriated talent. Creating an enlarged area of scientific and technological excellence – preventing intellectual migration – creates economic stability that gives young people the space they need to dream, aspire and develop. Stability that brings hope and security. Seeking to implement the EU scientific visa (especially for the Southern Mediterranean researchers and scientists participating in EU funded projects and activities) will be a key step in this regard. We are also looking at possible measures to address the needs of the Syrian academic refugees.

Among the instruments of science diplomacy, international research infrastructures are among the most visible and lasting ones. The SESAME research and technology centre in Jordan is a prime example.

SESAME is a unique international endeavour, inspired by CERN and launched in 2004 under the auspices of UNESCO with the aim of using science diplomacy in fostering prosperity and a culture of



peace and cooperation in the Broader Middle East. Its members include Bahrain, Cyprus, Egypt, Iran, Israel, Jordan, Pakistan, Palestine and Turkey. Major and emerging global actors active in the region enjoy observer status in the project (USA, Russia, China, Brazil and others) as well as several EU Member States. EU is a major contributor and supporter of this flagship science diplomacy initiative (more than €12 million so far through various EU instruments, including the EU framework programmes).

[85]

In addition, SESAME is expected to have a broad socio-economic impact in the region as it can be used for a wide range of applications from the imaging of diseases, designing of pharmaceuticals, and solar cell enhancements, to CO₂ capture and assessing archaeological artefacts. In this sense, SESAME can make a valuable contribution to investment, employment and local businesses. Even more importantly, it can help to build a modern-day commonwealth of scholars for whom political and religious barriers would be irrelevant.

The EU research and innovation programme Horizon 2020 supports also several multilateral projects such as the Middle East Research and Innovation Dialogue project (MERID) which I already mentioned. Horizon 2020 as well as its predecessor, the Seventh framework programme (FP7), have also funded several research and innovation projects, where Israelis and Palestinians worked jointly to find common solutions to shared challenges in the spheres of energy, climate change, security and social sciences and humanities.



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Résumés

Le rôle de la pression réglementaire des fonds propres bancaires et les décisions risquées

ALESSANDRA TANDA

Réglementation du fonds propres représente le cœur de la réglementation prudentielle dans le secteur bancaire. Malgré l'objectif des régulateurs d'avoir un secteur bancaire plus assuré et plus robuste, les effets de la réglementation du fonds propres bancaire et les décisions risquées paraissent ambigus. L'article porte l'analyse du rapport entre le capital et les fluctuations du risque, ainsi que l'effet de la pression réglementaire d'une proportion des banques européennes durant la période entre 2006–2010, qui a marqué le début de la dernière crise financière. Les résultats soulignent que les banques ont la tendance à adopter un comportement différent selon le ratio du fonds considéré, en soutenant ce qu'on appelle l'hypothèse du gamble for resurrection. Les preuves d'analyse reconsidèrent le cadre réglementaire, en particulier en référence aux fonds propres plus élevées et plus strictes.

Mots clés : banque, les fonds propres, le risque, la réglementation, Niveau 1
IJEMS 8 (1): 5–23

Est-ce que les clients arabes qui appartiennent aux marchés similaires varient dans l'évaluation de la qualité des services bancaires ?

MUSTAFA W. NOURALLAH

Le but principal de cet article est d'étudier l'évaluation des clients qui appartiennent aux trois marchés similaires, visant à trouver des différences importantes entre les trois types de réponses. La qualité du service est mesurée en utilisant une échelle présente dans la littérature, ainsi *SERVPERF* a été choisi pour évaluer trois types de réponses. Les clients de cette étude proviennent de trois marchés similaires : le Royaume d'Arabie Saoudite, les Emirats Arabes Unis et le Koweït. *SPSS* a été utilisé pour analyser les données ainsi que *ANOVA* unidirectionnelle été appliqué pour étudier les différences entre les groupes. Les résultats ont montré qu'il y avait des différences notables entre les trois groupes. En outre, les

résultats indiquent qu'à l'exception d'empathie, les autres quatre dimensions sont partiellement différentes.

Mots clés : la qualité du service, la qualité du service bancaire, le monde Arabe, la culture

[88] IJEMS 8 (1): 25-41

Les possibilités de l'éducation interculturelle dans la société européenne

BORUT MIKULEC

Cet article présente l'analyse des idées et des modèles théoriques qui pourraient servir comme une base d'éducation interculturelle dans la société européenne actuelle. Initialement, l'article présente l'importance de l'interculturalisme dans l'éducation sur les données de recherche portant sur la Slovénie. L'interculturalisme est une des initiatives éducatives les plus importants dans la lutte contre le problème de l'inégalité dans l'éducation. En l'absence d'une base théorique de l'éducation interculturelle, il y a plus loin dans le texte quatre modèles théoriques possibles : le modèle éthique globale fondée sur le projet Hans Küng d'éthique globale ; distance à l'Autre modèle basé sur la violence de Slavoj Žižek ; modèle de la loyauté constitutionnelle basée sur la théorie de Jürgen Habermas ; et le modèle de reconnaissance base sur la théorie de la reconnaissance.

Mots clés : l'éducation, l'interculturalisme, le multiculturalisme, la multiculturalité

IJEMS 8 (1): 43-61

La coopération Euro-méditerranéen en science et innovation : 20 ans après le processus de Barcelone

ABDELHAMID EL-ZOHEIRY

L'encadrement du développement de la politique coopérative entre l'UE et les pays sud-méditerranéens est constitué de la Déclaration de Barcelone, les accords d'association entre l'UE et les pays sud-méditerranéens en collaboration avec l'Union pour la Méditerranée et sa Déclaration de Paris. Cet article vise à souligner les étapes clés de cette coopération en science et innovation, ainsi que examiner les instruments et programmes existants, évaluer les défis et les opportunités et proposer des mesures pour les actions futures. En conclusion, l'auteur souligne l'importance de



développer le sens de la copropriété pour la coopération, ainsi que l'introduction des réformes structurelles et institutionnelles et le renforcement de capacité de la jeunesse dans les pays sud-méditerranéens et bénéficier de la valeur ajoutée de la circulation des cerveaux. Il y a deux initiatives de coopération spécifiques qui ont été désignées dans l'article ; Le Partenariat pour la recherche et l'innovation dans la région méditerranéenne (PRIMA) et le Programme d'innovation commune euro-méditerranéenne.

[89]

Mots clés : La coopération euro-méditerranéenne, le partenariat dans la recherche et l'innovation, les instruments et les programmes, PRIMA
IJEMS 8 (1): 63-76



Povzetki

Vloga regulatornega pritiska v bančnem kapitalu in tveganih odločitvah

ALESSANDRA TANDA

Kapitalska regulacija predstavlja bistvo previdnostne regulacije v bančništvu. Kljub temu, da regulatorji stremijo k varnejši in stabilnejši industriji, se učinki kapitalskih regulatorjev na bančni kapital in tvegane odločitve zdijo nejasni. Članek analizira odnos med kapitalom in spremembami tveganja in vplivom regulatornega pritiska na določene evropske banke med letoma 2006 in 2010, ki zajema začetek zadnje finančne krize. Rezultati kažejo, da banke težijo k sprejemanju različnega obnašanja, odvisno od kapitalskega razmerja, ki je v igri, kar podpira t. i. hipotezo *gamble for resurrection*. Dokazi podpirajo idejo o ponovnem razmisleku o regulatornih okvirjih, še posebej glede višjih in strožjih kapitalskih zahtev.

Ključne besede: banka, kapital, tveganje, regulacija, Tier 1

IJEMS 8 (1): 5–23

Ali se arabski potrošniki, ki pripadajo istemu trgu, razlikujejo v ocenjevanju kakovosti bančnih storitev?

MUSTAFA W. NOURALLAH

Glavni namen članka je preučiti potrošnikove ocene s treh podobnih trgov s ciljem najti pomembne razlike med tremi tipi odgovorov. Kakovost storitev je bila merjena z uporabo obstoječe lestvice iz literature, zato je bil za ocenjevanje treh tipov odgovorov izbran *SERVPERF*. Stranke te študije so prihajali s treh podobnih trgov: Kraljevine Savdove Arabije, Združenih arabskih emiratov in Kuvajta. Za obdelavo podatkov je bil uporabljen program *SPSS*, medtem ko je bil za preučevanje razlik med skupinami uporabljen program *ANOVA*. Izsledki so pokazali, da so bile med tremim skupinami pomembne razlike. Prav tako so rezultati pokazali delne razlike pri vseh štirih razsežnostih, razen pri empatiji.

Ključne besede: kakovost storitev, kakovost bančnih storitev, arabski svet, kultura

IJEMS 8 (1): 25–41

Možnosti medkulturnega izobraževanja v evropski družbi

BORUT MIKULEC

Članek predstavlja analizo teoretskih idej in modelov, ki bi lahko služili kot osnova za medkulturno izobraževanje v trenutni evropski družbi.

[92] Najprej predstavi pomembnost interkulturalizma za izobraževanje, ki temelji na raziskovalnih podatkih iz Slovenije. Interkulturalizem je eden najpomembnejših izobraževalnih pobud pri naslavljanju težav z neenakostjo v izobraževanju. V nadaljevanju so ob odsotnosti teoretske osnove medkulturnega izobraževanja analizirani in opisani štiri mogoči teoretski modeli: globalni etični model, ki temelji na projektu Hansa Künga o globalni etiki; odmik od drugega modela, temelječ na raziskavi Slavoja Žižka o nasilju; model ustavne lojalnosti, temelječ na teoriji Jürgna Habermasa; in model prepoznavanja, temelječ na teoriji prepoznavanja.

Ključne besede: izobraževanje, interkulturalizem, multikulturalizem, multikulturalnost

IJEMS 8 (1): 43–61

Evro-sredozemsko sodelovanje na področju znanosti

in inovacij: 20 let barcelonskega procesa

ABDELHAMID EL-ZOHEIRY

Barcelonska deklaracija in pridružitveni sporazum med EU in državami južnega Sredozemlja, skupaj s pariško deklaracijo Unije za Sredozemlje, oblikujejo okvir za razvoj politike sodelovanja med EU in državami južnega Sredozemlja. Članek je namenjen osvetlitvi mejnikov tovrstnega sodelovanja na področju znanosti in inovacij, ter nudi pregled obstoječih instrumentov in programov, ovrednoti izzive in priložnosti ter predlaga ukrepe za bodoče delovanje. V zaključku avtor poudari pomembnost oblikovanja občutka skupne odgovornosti za sodelovanje, uvajanja strukturnih in institucionalnih reform in izgrajevanja zmogljivosti mladih v državah južnega Sredozemlja ter poudarjanja dodane vrednosti t. i. kroženja možganov. Izpostavljeni sta dve posebni pobudi sodelovanja: Partnerstvo za raziskave in inovacije v Sredozemskem prostoru (PRIMA) in Skupni evro-sredozemski inovacijski program.

Ključne besede: Evro-sredozemsko sodelovanje, partnerstvo na področju raziskav in inovacij, instrumenti in programi, PRIMA

IJEMS 8 (1): 63–76



ملخصات

دور الضغط التنظيمي على رأس مال البنوك وقرارات المخاطرة أليساندرا تاندا

يمثل نظام رأس المال جوهر النظام الإحتراسي المصرفي. بالرغم من أن هدف المنظمين هو الحصول على صناعة مصرفية أكثر أماناً وقوة، فإن تأثيرات نظام رأس المال على رأس مال البنوك وقرارات المخاطر يعتبر غامضاً. يحلل البحث العلاقة بين رأس المال وتغيرات المخاطر وأثر الضغط التنظيمي على عينة من البنوك الأوروبية خلال الفترة 2006-2010 والتي تشمل على بداية الأزمة المالية الأخيرة. تبرز النتائج إلى أن البنوك تتجه إلى تبني سلوك مختلف بناء على نسبة رأس المال المفترض، يدعم النظرية المزعومة " مضاربة الإحياء ". يدعم الدليل إعادة النظر في الهيكل التنظيمي وخاصة بالإستناد إلى متطلبات رأس مال أعلى وصارمة.

الكلمات الدالة: بنك، رأس مال، مخاطرة، تنظيم، المستوى الأول
النص بالكامل 8 (1) ص 5-23

هل يختلف العملاء العرب الذين ينتمون لأسواق متشابهة في تقييم جودة الخدمة البنكية؟ مصطفى و. نور الله

الهدف الرئيسي لهذا البحث هو دراسة تقييم عملاء من ثلاثة أسواق متشابهة مستهدفاً إكتشاف إختلافات ذات أهمية بين ثلاث أنواع من الإجابات. لقد تم قياس جودة الخدمة بإستخدام منهج قائم من الأدب، وبالتالي تم إختيار منهج قياس جودة الخدمة (SERVPERF) لتقييم ثلاثة أنواع من الإجابات. يأتي عملاء هذه الدراسة من ثلاثة أسواق متشابهة وهم: المملكة العربية السعودية، الإمارات العربية المتحدة والكويت. لقد استخدم برنامج الحزمة الإحصائية للعلوم الاجتماعية (إس.بي.إس.إس) لتحليل المعلومات وتشغيل نموذج التباين من أجل تحليل المعلومات بطريقة وحيدة الاتجاه لفحص الإختلافات بين المجموعات. ولقد أظهرت المعطيات أن هناك إختلافات مميزة بين الثلاث مجموعات. كما أن النتائج تشير إلى أنه فيما عدا التعاطف فإن كافة الأبعاد الأربعة الأخرى أظهرت إختلافات جزئية.

الكلمات الدالة: جودة الخدمة، جودة الخدمة البنكية، العالم العربي، حضارة
النص بالكامل 8 (1) ص 25-41

إمكانيات تعليم متعدد الثقافات في المجتمع الأوروبي بورت ميكويتس

[94] يقدم هذا البحث تحليل لأفكار نظرية ونماذج والتي يمكن أن تستخدم كأساس للتعليم المتعدد الثقافات في المجتمع الأوروبي الحالي. مبدئياً فإنها تقدم أهمية التعدد الثقافي للتعليم القائم على بيانات البحث من سلوفينيا. يعد التعدد الثقافي أحد أهم المبادرات التعليمية التي تتعامل مع مشكلة عدم المساواة في التعليم. لاحقاً في النص وفي غياب الأساس النظري للتعليم المتعدد الثقافات، تم تحليل وتوصيف أربعة نماذج نظرية محتملة: نموذج الأخلاق العالمية القائم على مشروع هانس كونج للأخلاق العالمية، يُعد النموذج الآخر القائم على بحث سلافوج زيزيك للعنف، نموذج الولاء الدستوري القائم على نظرية جورج هابرماس ونموذج الاعتراف القائم على نظرية الاعتراف.

الكلمات الدالة: التعليم، متعدد الثقافات، تعدد الثقافات، التعددية الثقافية
النص بالكامل 8 (1) ص 43-61

التعاون الأورو-متوسطي في العلوم والإبداع: 20 سنة لإجراء برشلونة عبد الحميد الزهيري

يشكل إعلان برشلونة وإتفاقيات الشراكة بين الإتحاد الأوروبي ودول جنوب البحر المتوسط معاً مع الإتحاد المتوسطي "إعلان باريس"، إطاراً لسياسة التعاون التنموي بين الإتحاد الأوروبي ودول جنوب البحر المتوسط. يسعى هذا البحث إلى أن يشير إلى معالم هذا التعاون في العلوم والإبتكار، مراجعة الأدوات والبرامج الموجودة، تقييم التحديات والفرص وإقتراح معايير للأعمال المستقبلية. في الختام فإن الكاتب يشير إلى أهمية تنمية حس التعاون المشترك، تقديم إصلاح هيكلية ومؤسسية وبناء قدرة الشباب في دول جنوب البحر المتوسط والاستفادة من القيمة المضافة لتداول الأفكار. لقد تم توضيح مبادرتين للتعاون محددتين، الشراكة للبحث والإبتكار في محيط البحر المتوسط (بريما) والأجندة المعتمدة للإبتكار الأورو-متوسطي.

الكلمات الدالة: التعاون الأورو-متوسطي، شراكة البحث والإبتكار، أدوات وبرامج، بريما
النص بالكامل 8 (1) ص 63-76

Current and Future Events in the Euro-Mediterranean Area

- ✦ *Legal Theory and Legal Philosophy*
Organiser: Graduate School of Government and European Studies
Type of event: International conference
Date: November, 2015 Venue: Ljubljana, Slovenia
Web page: <http://www.fds.si/index.php>

- ✦ *Doctoral conference*
Organiser: Graduate School of Government and European Studies
Type of event: International conference
Date: May, 2016 Venue: Ljubljana, Slovenia
Web page: <http://www.fds.si/index.php>

- ✦ *Short Course on Ultrasound in Infectious Diseases and Tropical Medicine*
Organiser: University of Pavia
Type of event: International Course
Date: 2–6 February, 2016 Venue: Pavia, Italy
Web page: <http://www.tropicalultrasound.org>

- ✦ *Focused Assessment with Sonography of Cystic Echinococcosis (FASE)*
Organiser: University of Pavia
Type of event: Winter School
Date: 8–12 March, 2016 Venue: Pavia, Italy
Web page: n.a.

- ✦ *Performance Management in Healthcare Organisations*
Organiser: University of Pavia
Type of event: Leadership school
Date: 3–5 December 2015 Venue: Pavia, Italy and Cambridge, UK
Web page: http://mariachiarademarti.wix.com/pm_school

- ✦ *Environmental Communication Project 'Skyros 2015'*
Organiser: University of the Aegean

Current and Future Events

Type of event: Environmental Communication Training
in real life conditions

Date: May 2015–November 2016 *Venue:* Skyros Island, Greece

Web page: <https://www.facebook.com/photo.php?fbid=10206624745839684&set=oa.875981922459515&type=1&theater>

[96]

- ❑ *Ex Oriente Lux II – Aegyptiaka Symposium: Religion, Politics and Culture in the Mediterranean from the 8th to 6th c. B.C.*
Organiser: University of the Aegean
Type of event: International conference
Date: April, 2016 *Venue:* Rhodes Island, Greece
Web page: <http://www.aegyptiaka.gr/index.php/en/symposium-2016>

- ❑ *Overview of the Project BEC and its Collaborating Structures*
Organiser: University of the Aegean and Bureau of Employment and Career
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Mytilene Island, Greece
Web page: <http://dasta.aegean.gr>

- ❑ *Overview of the Placement Program of the School Departments of Lemnos and Mytilene*
Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Mytilene Island, Greece
Web page: <http://pa.aegean.gr>

- ❑ *Overview of the Placement Program of the School Departments of Chios*
Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Chios Island, Greece
Web page: <http://pa.aegean.gr>

- ❑ *Overview of the Placement Program of the School Departments of Rhodes*
Organiser: University of the Aegean



Type of event: Conference/workshop
Date: October, 2015 *Venue:* Rhodes Island, Greece
Web page: <http://pa.aegean.gr>

- ☒ *Overview of the Placement Program of the School Departments of Samos*

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Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Samos Island, Greece
Web page: <http://pa.aegean.gr>

- ☒ *Overview of the Placement Program of the School Departments of Syros*

Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Syros Island, Greece
Web page: <http://pa.aegean.gr>

- ☒ *Entrepreneurship and Innovation*

Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Mytilene Island, Greece
Web page: <http://mke.aegean.gr>

- ☒ *Entrepreneurship and Innovation*

Organiser: University of the Aegean
Type of event: Conference/workshop
Date: October, 2015 *Venue:* Samos Island, Greece
Web page: <http://mke.aegean.gr>

- ☒ *9th Conference in Actuarial Science & Finance on Samos*

Organiser: University of the Aegean
Type of event: Conference
Date: 18–22 May, 2016 *Venue:* Samos Island, Greece
Web page: www.aegean.gr

- ☒ *2nd International Conference on Nanotheranostics (ICON 2015)*

Organiser: University of Cyprus
Type of event: International Conference

Current and Future Events

Date: 29 October–1 November, 2015 Venue: Limassol, Cyprus
Web page: <http://iconconference.org>

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- ☐ *18th IEEE Mediterranean Electrotechnical Conference (MELECON 2016)*
Organiser: University of Cyprus
Type of event: International Conference
Date: 18–20 April, 2016 Venue: Limassol, Cyprus
Web page: <http://melecon2016.org/>

- ☐ *IEEE International Topical Meeting on Microwave Photonics (MWP 2015)*
Organiser: University of Cyprus
Type of event: International Conference
Date: 26–29 October, 2015 Venue: Paphos, Cyprus
Web page: <http://mwp2015.org>

- ☐ *Enhancement of Synergies within the MedUnNET, with the Educators of MEDIES, the NGO's of MIO-ECSDE, the Parliamentarians of COMPSUD and the Journalists of COMJESD*
Organiser: UNESCO Chair on Sustainable Development Management and Education in the Mediterranean/University of Athens, MIO-ECSDE/MEDIES Secretariat
Type of event: Academic and research coordination of the network
Date: September 2015–June 2016 Venue: Athens (Greece)
Web page: www.medies.net, www.mio-ecsde.org

- ☐ *Mediterranean Youth Responses towards Sustainable Development and Current Crisis*
Organiser: UNESCO Chair on Sustainable Development Management and Education in the Mediterranean/University of Athens, MIO-ECSDE/MEDIES Secretariat, under the political guidance of the Union for the Mediterranean (UfM)
Type of event: Survey
Date: April 2015–June 2016 Venue: Mediterranean
Web page: www.medies.net, www.mio-ecsde.org

- ☐ *Integrated Sustainable Waste and Resource Management and the Pollutant Release and Transfer Register*



Organiser: UNESCO Chair on Sustainable Development Management and Education in the Mediterranean/University of Athens, MIO-EC SDE

Type of event: Distance Learning Modules

Date: from January 2015 (open resource) *Venue:* TBD

Web page: <http://www.envirolearning.net/h2o2o/index.php>

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☒ *Mediterranean Food & Diet*

Organiser: UNESCO Chair on Sustainable Development Management and Education in the Mediterranean, University of Athens & MEDIES Secretariat

Type of event: Distance Learning Modules

Date: to be announced soon *Venue:* TBD

Web page: <http://elearn.elke.uoa.gr>

☒ *Partnership and e-Learning course on Education for Sustainable Development in Designated Areas (PeLESDA)*

Organiser: University of Athens

Type of event: Summer School

Date: July, 2016 *Venue:* Amfissa city (Greece)

Web page: to be published soon

☒ *Finalization of the Action Plan on ESD*

Organiser: UNESCO Chair on Sustainable Development Management and Education in the Mediterranean/University of Athens, MIO-EC SDE/MEDIES Secretariat, under the political guidance of the Union for the Mediterranean (UfM)

Type of event: Advocacy

Date: September 2015–July 2016 *Venue:* TBD

Web page: www.medies.net

☒ *The 7th Language and Technology Conference (LTC 2015)*

Organiser: Adam Mickiewicz University, Poznań

Type of event: international conference

Date: 27–29 November, 2015 *Venue:* Poznań, Poland

Web page: <http://www.ltc.amu.edu.pl/>

☒ *2nd International Symposium on Figurative Thought and Language*

Organiser: University of Pavia

Current and Future Events

Type of event: International Linguistics Conference

Date: 28–30 October, 2015 *Venue:* Pavia, Italy

Web page: <https://sites.google.com/site/figurativethoughtandlanguage/home>

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- ✦ *Dysphagia2015 – Screening, Inquadramento e Trattamento delle Disfagie Neurogene, V Edizione*
Organiser: University of Pavia
Type of event: Conference
Date: 8–10 October, 2015 *Venue:* Pavia, Italy
Web page: www.bquadro-congressi.it, www.mondino.it

- ✦ *Master Program in Cooperation and Development*
Organiser: University of Pavia
Type of event: Post graduate course in Cooperation and Development (Master)
Date: October 2015–January 2017 *Venue:* Pavia, Italy
Web page: www.cdnpavia.net

- ✦ *In Search of Equivalence VIII.*
Organiser: Institute of Russian Studies
Type of event: international conference
Date: 8 October, 2015 *Venue:* Presov, Slovakia
Web page: <http://www.unipo.sk/en/faculty-of-arts/institutes/institute-russian>

- ✦ *Sergei Yesenin in Slovak Translations (to the 120th Anniversary of Yesenin's Birth)*
Organiser: Institute of Russian Studies, Faculty of Arts, University of Prešov, Slovakia
Type of event: round table
Date: 11 November, 2015 *Venue:* Presov, Slovakia
Web page: <http://www.unipo.sk/en/faculty-of-arts/institutes/institute-russian>

- ✦ *Mirrors of Translation Studies II, Translation & Interpreting Shifts: Identity Shifts*
Organiser: The Institute of Translation and Interpreting, Faculty of Arts, University of Prešov in Prešov, Slovakia



Type of event: international conference

Date: 6–7 October, 2015 *Venue:* Prešov, Slovakia

Web page: <http://iptatpresov.weebly.com/konferencia-zt-ii-conference-mts-ii.html>

☒ *Innovation and Israeli Agricultural Technologies*

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Organiser: Galilee Institute in Israel

Type of event: Course

Date: 28 October–4 November, 2015 *Venue:* Galilee Institute, Israel

Web

page: <http://www.galilcol.ac.il/agriculture/course/62/Innovations.html>

☒ *Managing Universities Libraries for Online Education*

Organiser: Galilee Institute in Israel

Type of event: /

Date: 12–25 November, 2015 *Venue:* Galilee Institute, Israel

Web page: <http://www.galilcol.ac.il/courses/course/71/MULOE.html>

☒ *Strategic Planning for Universities Council Members*

Organiser: Galilee Institute in Israel

Type of event: /

Date: 18–25 November, 2015 *Venue:* Galilee Institute, Israel

Web page: <http://www.galilcol.ac.il/courses/course/73/SPHE.html>

☒ *Two Nations and Three Religions in Israel and Palestine*

Organiser: Galilee Institute in Israel

Type of event: Programme for graduate students and faculty members

Date: 29 December 2015–10 January 2016

Venue: Galilee Institute, Israel

Web page: <http://www.galilcol.ac.il/middle-east/sessions/course.asp?sessionId=2&courseId=2>

☒ *Management of Higher Education Institutions*

Organiser: Galilee Institute in Israel

Type of event: Course

Date: 21 January–1 February, 2016 *Venue:* Galilee Institute, Israel

Web page: http://www.galilcol.ac.il/courses/course/34/Higher_Education.html

Current and Future Events

☐ *UFP Research Days*

Organiser: University Fernando Pessoa

Type of event: International conference

Date: 9–11 March, 2016 *Venue:* Porto, Portugal

Web page: <http://gadi.ufp.pt/dias-da-investigacao-na-ufp/?lang=en>

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☐ *Physiotherapy Conference*

Organiser: University Fernando Pessoa

Type of event: Conference

Date: 9–10 October, 2015 *Venue:* Porto, Portugal

Web page: none

☐ *3rd APASD Conference – Diminished Autonomy, Vulnerability and Responsibility*

Organiser: University Fernando Pessoa and Associação para a Segurança dos Doentes

Type of event: Conference

Date: 5–6 November, 2015 *Venue:* Porto, Portugal

Web page: <http://apasdcongresso.ufp.edu.pt>

☐ *2015 RMEI General Assembly*

Organiser: RMEI, Cairo University

Type of event: Workshops on sustainable development

Date: 20–24 November, 2015 *Venue:* Cairo, Egypt

Web page: www.rmei.info

☐ *Aggiornamento professionale Pesca Sicilia*

Organiser: Accademia Eraclitea

Type of event: Bando di attuazione della misura 1.5 tipologie 1 e 2 Sviluppo sostenibile delle zone di pesca

Date: 15 March–15 June, 2016 *Venue:* Trapani, Italia

Web page: <http://www.gac2014.eraclitea.com/>

☐ *Library and UNAK Association Joint Symposium*

Organiser: Hacettepe Üniversitesi

Type of event: Symposium

Date: 1–3 October, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr



- ☒ *Rheumatology and Rehabilitation Days*
Organiser: Hacettepe Üniversitesi
Type of event: Symposium
Date: 5–6 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *TÜBİTAK Project Exhibition*
Organiser: Hacettepe Üniversitesi
Type of event: Exhibition
Date: 5–9 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *International Symposium of Representation of Turkish Culture via Translation*
Organiser: Hacettepe Üniversitesi
Type of event: Symposium
Date: 15–16 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *Geriatric Sciences Symposium*
Organiser: Hacettepe Üniversitesi
Type of event: Symposium
Date: 15–16 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *Protez Ortez Congress*
Organiser: Hacettepe Üniversitesi
Type of event: Congress
Date: 22–24 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *3rd Physics Engineering Education Workshop*
Organiser: Hacettepe Üniversitesi
Type of event: Workshop
Date: 23 October, 2015 Venue: Hacettepe University
Web page: www.hacettepe.edu.tr
- ☒ *Turkish 4th Population Studies Conference*
Organiser: Hacettepe Üniversitesi

Current and Future Events

Type of event: Conference

Date: 5–6 November, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

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☒ *Clinic and Communication Congress*

Organiser: Hacettepe Üniversitesi

Type of event: Congress

Date: 12–14 November, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *National Radiation Protection Congress*

Organiser: Hacettepe Üniversitesi

Type of event: Congress

Date: 19–21 November, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *Congress Mechanical Engineering Association*

Organiser: Hacettepe Üniversitesi

Type of event: Congress

Date: 20–21 November, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *24 November Teacher Day Event*

Organiser: Hacettepe Üniversitesi

Type of event: Meeting

Date: 24 November, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *Conservatory Recitals*

Organiser: Hacettepe Üniversitesi

Type of event: Performance

Date: 15 December, 2015 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *Pediatric Chest Diseases Congress*

Organiser: Hacettepe Üniversitesi

Type of event: Congress

Date: 15–16 January, 2016 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr



☒ *'Nursing Week' events*

Organiser: Hacettepe Üniversitesi

Type of event: Event week

Date: 12 May, 2016 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

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☒ *'Youth Week' events*

Organiser: Hacettepe Üniversitesi

Type of event: Event week

Date: 15–22 May, 2016 *Venue:* Hacettepe University

Web page: www.hacettepe.edu.tr

☒ *Student Mobility – International Semester*

Organiser: International School for Social Business Studies

Type of event: Student mobility

Date: January 2016 – July 2016 *Venue:* Celje, Slovenia

Web page: <http://mfdps.si/>

☒ *Master Study Programme Management and Quality in Education*

Organiser: International School for Social Business Studies

Type of event: Master study programme

Date: Study Year 2015/2016 *Venue:* Celje, Slovenia

Web page: <http://mfdps.si/>

☒ *Doctoral Study Programme Knowledge Management*

Organiser: International School for Social Business Studies

Type of event: Doctoral study programme

Date: Study Year 2015/2016 *Venue:* Celje, Slovenia

Web page: <http://mfdps.si/>

☒ *International Week for Guest Higher Education Teachers and Staff*

Organiser: International School for Social Business Studies

Type of event: International Week

Date: 18–22 April, 2016 *Venue:* Celje, Slovenia

Web page: <http://mfdps.si/>

☒ *International Scientific Conference on Management of Knowledge and Learning MakeLearn 2016*

Organiser: International School for Social Business Studies in cooperation with: Politehnica University Timisoara, Romania,

Current and Future Events

Kasetsart University, Bangkok, Thailand, Maria Curie Skłodowska University, Lublin, Poland

Type of event: International Scientific Conference

Date: 25–28 May, 2016 *Venue:* Timisoara, Romania

Web page: <http://makelearn.mfdps.si/>

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☐ *Doctoral Students' Workshop on Academic Writing for Publishing Scientific Papers in International Journals*

Organiser: International School for Social Business Studies in cooperation with: Politehnica University Timisoara, Romania, Kasetsart University, Bangkok, Thailand, Maria Curie Skłodowska University, Lublin, Poland

Type of event: Doctoral Students' Workshop

Date: 27–28 May, 2016 *Venue:* Timisoara, Romania

Web page: <http://makelearn.mfdps.si/>

☐ *Mediterranean Summer School Innovation in Business Entrepreneurship*

Organiser: International School for Social Business Studies

Type of event: Summer School

Date: 27 June 2016–8 July 2016 *Venue:* Portorož, Slovenia

Web page: <http://summerschool.issbs.si/>

☐ *Energy Systems and Technologies for Sustainable Development*

Organiser: Pharos University in Alexandria (PUA), Egypt

Type of event: International conference

Date: 19–21 December, 2015 *Venue:* Alexandria, Egypt

Web page: <http://www.pua.edu.eg/icesd>

☐ *Advances in Pharmaceutical Sciences*

Organiser: Pharos University in Alexandria (PUA), Egypt

Type of event: International conference

Date: 27–29 October, 2015 *Venue:* Alexandria, Egypt

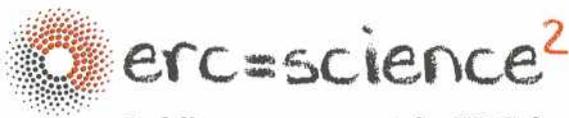
Web page: www.pua.edu.eg/icaps





The Project

The ERC = Science2 project funded by the European Research Council (ERC) and coordinated by ScienceBusiness, is a communication project aimed at broadening the ERC's popular and political support as widely as possible across Europe. ERC = Science2 will talk about the science done in the framework of ERC grants and their cutting edge variety that can capture the imagination, change the world and stimulate curiosity. To this end, the consortium will launch a novel communications campaign, including catchy contents and easy to understand examples of cutting edge research findings, that will be promoted and distributed across an unusually broad network of science and natural history museums, zoos and aquaria, universities and research organisations in Europe. Activities will involve innovative approaches for communicating science to children and teenagers through provoking and entertaining formats, as well as events tailored to reach out to young academics and researchers, such as science cafés, brown-bag lunches, and research speed-dating.



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