

**Proceedings of the Institute for European Studies,  
International University Audentes  
No. 4**



**INTERNATIONAL UNIVERSITY  
AUDENTES**

**SOCIO-ECONOMIC AND INSTITUTIONAL  
ENVIRONMENT: HARMONISATION IN THE  
EU COUNTRIES OF BALTIC SEA RIM**

**A collection of research articles dedicated to the 10<sup>th</sup>  
Anniversary of the Institute for European Studies**



**Institute for European Studies  
International University Audentes  
Tallinn School of Economics and Business Administration  
Tallinn, 2008**

**Compiled by** Prof. Aksel Kirch (editor-in-chief)

**Editors:** Aksel Kirch, Tanel Kerikmäe and Mait Talts

**Editorial Board:** **Peeter Müürsepp**, **Eero Loone**, **Katrin Nyman-Metcalf**, **Toomas Varrak**, **Ülo Ennuste** (International University Audentes, TUT), **Siobhan Kattago** (Tallinn University), **Pranas Žukauskas** (Vytautas Magnus University, Lithuania), **Peter Weinreich** (University of Ulster, United Kingdom), **András Inotai** (Institute for World Economics of the Hungarian Academy of Sciences, Hungary), **Joan Löfgren** (Tampere, University, Finland)

**Copyreaders:** Kersti Linask, Mall Kulasalu and Terence Goldberg

This peer-reviewed collection of articles has been published due to the financial support of International University Audentes at Tallinn School of Economics and Business Administration of Tallinn University of Technology

**Published by** the Institute for European Studies, International University Audentes, Tallinn, Estonia

© The authors / the Institute for European Studies, International University Audentes. TUT

ISBN 978-9985-9779-4-1 (printed version)

ISBN 978-9985-9779-5-8 (online)

ISSN 1736-4949

# Contents

<b>Foreword</b> (by Aksel Kirch) .....	5
<b>Notes on the Contributors</b> .....	6

## SECTION I: ECONOMY AND ECONOMIC ISSUES

<b>Ülo Ennuste.</b> Synthetic Conceptions of Implementing Mechanisms Design for Public Socio-Economic Information Structure: Illustrative Estonian Examples.....	9
<b>Kari Liuhto.</b> How to open the Gordian knot between the EU and Russia.....	40
<b>Olga Nežerenko.</b> Is there a place for problems of energy resource transit in EU's Baltic Sea Strategy?.....	48

## SECTION II: RUSSIA'S AND ETHNIC MINORITY STUDIES

<b>Mihails Rodins.</b> Transformation of Russian society and the role of elites during social change.....	57
<b>Aksel Kirch and Tarmo Tuisk.</b> Estonians and Russians in Estonia: Is the Soviet Past still Dominating the Present.....	67
<b>Vladislav Volkov.</b> Content Evolution of the concept «ethnic minority» in Latvian sociology in the period 1991 - 2007.....	95
<b>Brigita Zepa.</b> Integration policy in Latvia: theory and practice.....	106

## SECTION III: HISTORY AND POLITICS

<b>David Ramiro Troitiño.</b> De Gaulle and the European Communities..	139
<b>Vlad Vernygora and Natalia Chaban.</b> An Invisible Giant: A 'Snapshot' of the EU as a Subject of Juridical Interactions.....	154
<b>Arutyun Arutyunyan.</b> Intellectual Property Law vs. Essential Facility Doctrine. Microsoft vs. Commission.....	171

## **SECTION IV: BOOK REVIEWS**

**András Inotai.** János Kornai: From Socialism to Capitalism. Eight Essays.  
Central European University Press, Budapest – New York,  
2008.XVI+240.....194

## Foreword

The book you are holding in your hands is a peer-reviewed collection of research articles, which is the fourth edition in the series of the *Proceedings of the Institute for European Studies*, Estonia. The beginning of the series dates back to 2002. However, in 2008 the Institute for European Studies celebrated its 10th Anniversary, and therefore the range of topics discussed in this Anniversary Collection is wider than ever. Nevertheless, the articles have been selected carefully according to the opinion of peer-reviewers, distinguished specialists of their particular field among those received during the open international call for papers. One of the unifying topics of this collection is the usage of the models of development of socio-economic and institutional environment and the integration of the society, which has been observed both from the perspective of a member state as well as from the perspective of the union.

For example, Ülo Ennuste analyses in his article the veraciousness and availability of the socio-economic information on the example of Estonia, the superficiality and concealedness of which creates serious problems. In his opinion the situation for the rightful planning and economic forecasting of the public sector is highly problematic and does not create optimism. The article by Kari Liuhto dedicated to one of the most interesting issues – the economic relations between EU and Russia. According to him there might be some unused possibilities to improve them, especially from the view-point of energy security.

Olga Nežerenko deals with the problems of Baltic Sea energy resource transit. As the matter of fact, the impact of the increase of the transit by sea has large negative consequences for the nature in this region. The Baltic Sea Strategy underway at European Parliament may become one of the models of sustainable development for Baltic Sea Region. The integration on supranational level cannot be successful without the integration in the member states themselves. This concerns especially new members. Brigita Zepa and Vladislav Volkov deal with the problems of ethnic integration in Latvian society. Aksel Kirch and Tarmo Tuisk focus in their article on the phenomenon of historical memory, which has caused certain alienation from the Present among Russians living in Estonia. Some articles in this collection are dedicated to the problems of the historical development of the European Union. The authors of these articles are David Ramiro Troitino, Vlad Vernygora and Natalia Chaban.

The last concluding article is a review by András Inotai written on the occasion of the publication of the newest book by one of the most well-known Hungarian economists Janos Kornai. Inotai values very much the decade-long work by Kornai.

**Aksel Kirch, editor-in-chief**

## Notes on the Contributors

**András Inotai**, DSc, Professor, General Director of the Institute for World Economy of Hungarian Academy of Sciences since 1991. Major fields of research: Economic integration, EC and Central and Eastern Europe, East-West economic relations, structural changes in the world economy, direct capital flows and host country behaviour, reforming the Hungarian political economy.

**Arutyun Arutyunyan**, Bachelor's degree in Law from Audentes University (summa cum laude) in 2006 and Master's degree in European Business Law from Pallas Consortium held at Essex University. Participated in various moot courts, current interests are mainly in the business application of law.

**Natalia Chaban**, PhD, MA in media studies from New York University. PhD in linguistics from Kyiv State Linguistic University. Dr Chaban is Deputy Director and Senior Lecturer at the National Centre for Research on Europe, University of Canterbury, New Zealand. Currently she is coordinating the multi-national research project "Public, Elite and Media Perceptions of the EU in Asia Pacific Region". Research interests: cognitive and semiotic aspects of political and media discourses; identity studies in European context

**Ülo Ennuste**, DSc, Professor at Tallinn University of Technology. Main fields of interests: theory of economic systems and planning under incomplete information. Author and co-author of several books and widely published articles. The latest publication include: „*Dual market transition in Estonia 1987-2006: Institutional mechanism analysis approach*“-*Europe after historical enlargement. Proceedings of the Institute for European Studies, International University Audentes, 2007, 3.*

**Aksel Kirch**, PhD, former senior Research Fellow at Estonian Academy of Sciences Institute for Philosophy, Sociology & Law and in the Institute of Social and International Studies. Since 2003 he has been working as an Associate Professor at International University Audentes and the Director of the Institute for European Studies. In 2008 elected Professor of European Studies. He has conducted several sociological surveys, he is a

co-author and co-editor of several books: *Estonia on the way to Europe: Developing Economic Environment and Changing Identities* (2004); *Europe After Historical Enlargement* (2007).

**Kari Liuhio** PhD, holds the Professorship in International Business, the Director of the Pan-European Institute at Turku School of Economics. Research interests include the EU-Russia economic relations, energy relations in particular, foreign investments into Russia, and the investments of Russian firms abroad. Involved in several Russia-related projects funded by Finnish and foreign institutions: the European Commission, the European Parliament, the United Nation, and the World Bank. Latest publications include: *The Kaliningrad region before and after EU enlargement. In: Europe after historical enlargement -Proceeding of the Institute for European Studies, International University Audentes, 2007, No3*; *Genesis of Economic Nationalism in Russia* (Turku School of Economics, PEI Electronic Publication), 2008, No 3.

**Olga Nežerenko**, BA degree in 2004 and MBA from Audentes University in 2006. Since 2008 a PhD Student at Tallinn University of Technology, School of Economics and Business Administration. Research interests include European Integration, the EU-Russia relations, Transport and energy logistic in the Baltic region.

**Mihails Rodins**, PhD, a Lecturer of Comparative Politics, Department of Political Science, University of Latvia 1984 - 2007. Since 2008 an Associate Professor at the School of International Relations, International University Audentes, Tallinn University of Technology. Research interests: political culture and participation; national identity, ethnic conflicts and national integration; political elite in the Baltic States and Russian Federation and comparative methodology.

**Tarmo Tuisk**, studied at Tallinn University of Technology. He has been working at the Institute of International and Social Studies and teaching quantitative methods for the students of sociology at Estonian Institute for Humanities. Currently research assistant at the Institute for European Studies at International University Audentes.

**David Ramiro Troitiño**, PhD. Studied Social History in the University of Salamanca, Spain. PhD in International Law, University of Salamanca. Since 2006 he has been lecturing at Tartu University, International University Audentes, and Tallinn University of Technology. Participated at scientific conferences in Turkey, Spain, Georgia and Azerbaijan. Last publication: “*The Future of European Union*” - *Audentese Ülikooli Toimetised*, 2008, No 9.

**Brigita Zepa**, PhD, Professor at the University of Latvia and Director of the Baltic Institute of Social Sciences. Project leader on a number of international and Latvian projects, author of more than 40 scientific publications on ethnopolitics, civil society, integration of society, social identity, education policy. Latest publications: *Ethnopolitical Tension in Latvia: Looking for the Conflict Solution* (2005); *Integration: Practice and Perspectives* (2006); *We. Celebration. The State. A Sociological Study of How National Holidays are Celebrated* (2008).

**Vlad Vernygora**, LLB, Ukrainian National Law Academy, Kharkiv; BA First Class Honours in European Studies, University of Canterbury, Christchurch, the Chairman of the Ukrainian Association of New Zealand (Northern Regions). Vlad Vernygora is currently a MA researcher at the National Centre for Research on Europe, University of Canterbury, New Zealand. Research interests: studies of Central-Eastern Europe, its interaction with the EU and New Zealand, Constitutional law and European neo-regionalism.

**Vladislav Volkov**, DSc. Studied philosophy at Ural State University, Yekaterinburg in 1981-1986. In 1989 he got a degree of a candidate for philosophical sciences, in 1999 doctor of sociology. Since 1989 back in Latvia, taught at different universities and higher schools. Since 1992 a researcher of the Institute of Philosophy and Sociology of the University of Latvia. Scientific specialization – sociological investigation of the Russian minority in Latvia. Since 2005 the Director of the Institute of Social Research at Daugavpils University. Author of 4 monographs on the issues of the Russian minority in Latvia.