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CULTURAL DIVERSITY AND NATIONAL PERFORMANCE

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OBJECTIVE

Under the circumstances of Europeanization and Globalization, cultural and ethnic diversity is expected to further increase both in the EU and in the ENPI countries. The main objective of this paper is to draw lessons about institutions and policies that promote incorporation of diversity as a dynamic element of Europeanization and an addressee of ENPI policies.

MAIN RESULTS AND POLICY IMPLICATIONS

This paper focuses on impacts of cultural diversity and ethnic fractionalization on different aspects of national performance. On the other hand, the paper attempts to draw lessons and policy recommendations from countries that combine strong performance with high diversity, following the theoretical approach of actor-centered institutionalism.

Based on empirical surveys that were mostly conducted outside the European contexts, a big part of theory argues that diversity has negative impacts on social capital (especially on generalized trust) and quality of governance, on economic performance and human development, on social cohesion (in terms of inequality). In other words, there are many scholars who claim (based on empirical data) that diversity is bad for national performance.

A first aim of this paper was to test this widely accepted hypothesis. More precisely, it should be checked whether the assumption about negative impacts of diversity does apply in most of the EU and the ENPI countries. For this reason, literature on diversity has been critically reviewed and analyzed, especially concerning aspects and components of diversity, as well as different approaches and methods of defining and measuring diversity. Empirical results from surveys on diversity in different countries (EU and ENPI) countries have been presented and compared. Then, national scores of diversity (Fearon Index of Diversity) were put side by side with national performance in governance, global competitiveness and human development, as well as with the level of generalized trust in each country, using data from the World Bank, the World Economic Forum, the UNDP, the Gallup World Poll and the World Values Survey.

Furthermore, especially concerning the EU-15 that have followed the Europeanization path for a longer period, the GINI index of inequality/equality has been compared to the level of diversity in each country.

As a result of this exercise, the widely accepted assumption that cultural diversity and ethnic fractionalization have negative impacts on institutional and economic performance, human development, social cohesion (in terms of equality/inequality) and generalized trust could not be confirmed in many neighboring countries, candidate countries and new member states, while it certainly could not be confirmed in EU-15 states. Especially in countries following the Europeanization path for a longer period, in long-established democracies, in countries with good governance and strong institutional performance, cultural diversity does not seem to have any perceivable negative impacts on national performance.

Subsequently, it has been investigated, among EU and ENPI countries, whether acceptance of diversity is significantly stronger in some of them. In order to find out whether diversity is accepted, selected empirical data coming from the World Bank, the Gallup World Poll and the World Values Survey have been used. These data referred to the rule of law, public confidence to the judicial system, tolerance towards immigrants and minorities in each country. Furthermore, empirical findings concerning prevailing traditional or rational, survival or self-expression values have been used. Using these data as indicators, some conclusions could be drawn, concerning the acceptance of diversity in each one of the investigated countries. There was a clear picture, that countries with good governance, strong competitiveness and high human development are also characterized through acceptance of diversity. On the other side, specific national historical contexts also seem to influence tolerance towards diversity.

In a final step, institutional and cultural features of EU-15 countries (that means, those EU countries with a longer record on the Europeanization path), focusing on the ones that were previously found to be more open to diversity while also reaching good scores of national performance have been selected and systematized, following actor-centered institutionalism. Citizenship regimes, state traditions, political cultures and welfare state models in EU-15 countries have been compared in order to pick over institutional features and elements whose quality has been assessed to support acceptance of diversity.

An individualistic-civic citizenship regime, active employment policies, open markets, a culture of deliberation and consensual practices can obviously contribute to stronger acceptance of diversity, just as institutional capacity and governance quality in general are doing. Since the European Union and its' neighbors are not simply willing to incorporate increasing cultural diversity, but also aim at taking full advantage of its positive effects on trade, FDI's and innovation, respective policies should be further developed, from now on, further emphasizing on institutional capacities and governance performance.