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Institutionalization and Conflict Management in the New Europe

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Political institutionalization has become a common concern and catchword, especially as regards the institutionalization of democracy in the post-communist countries and the design of an overarching cooperative order in Europe. However, institutionalization still is far from representing a well-defined analytical concept or an elaborated political strategy. An important question to be answered is: What are the preconditions for a successful strategy of conflict management, based on institutionalization? Cases in point are an envisaged all-European order under the umbrella of the OSCE, sub-regional cooperation (the Visegrád group) and ethnopolitics in the Baltic states. The concept of political institutionalization as defined in the paper draws from Samuel Huntington's classic definition in his book "Political Order in Changing Societies": Institutionalization is the process by which formal institutions and democratic procedures "acquire value and stability". Neoinstitutionalist criteria such as responsive problem treatment, benign elites and common repertoires of action are used to amend and operate the political strategies of conflict management contained in this core concept. Theoretical and empirical analysis shows that whether institutional design and transfer of values and norms result in an ameliorative transformation of conflict depends not so much on establishing effective problem-solving mechanisms and arenas for bargaining but on taking into account path-dependencies of the conflict process in point. Moreover, it is essential that institutionalization does not block the conflict process but opens new opportunities to continue it within a regulating framework.

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1. Conflicting views of institutionalization and conflict management

To a large extent, conflict management and conflict prevention in the 'new' Europe (defined by dissolution of the bloc structures, increased intra-regional interdependence and efforts to create an all-regional institutional order) have become associated with precluding nationalist revival and settling ethnic conflict (cf. Bugajski 1995; Chayes/Chayes 1996; Seidelmann 1996). This paper however consciously abstains from equating conflict with violence and limiting its scope to ethno-nationalist strife. Instead, it investigates in *political* conflict in Europe. It would be a fallacy to assume that the institutional framework of European politics itself is uncontroversial and far from experiencing or even causing conflict. Nowadays, there is obviously no lack of interests in and ideas of a common policy of conflict management and conflict prevention. Nevertheless, those interests and ideas need to be politically assembled, and one must not forget that precisely this is an onerous task which itself carries much seed of conflict.

In various treatments of practical questions of political integration and conflict management in contemporary Europe, the concept of *institutionalization* is a constant point of reference, albeit it has never been elaborated on continuously. Examples are the concern for an overarching "democratic governance" (March/Olsen 1995) and new strategies of democratic consolidation and institutional design (Elster/Offe/Preuss 1998; Heper/Kazancigil/Rockman 1997). In the discipline of international politics, during the first decade after the Cold War the content and extent of international institutions (conceived of as formal cooperative arrangements between rational-egoistic nation states) was regarded the principal strategy in order to realize a stabilizing *conflict transformation* (that is, a reduction of the variety of conflict potentials and a decrease of conflicts over values) as well as to develop an appropriate frame of reference for the analysis of conflict potentials in contemporary West-East relations (cf. Keohane 1993; Keohane/Martin 1995).

All of this points to some important questions of political conflict management through the *institutional channel*. Yet it has not been sufficiently explored how this concept of conflict regulation functions and how it can be applied to cases in point. Rather, one-sided perspectives now as before dominate in the discussions. Institutions and institutionalization often are regarded as an immanent way to general political improvement, amenable to rational design, whereas lower degrees of institutionalization, for example missing visible nodal points of conflict regulation, rashly are associated with institutional decay or a loss of political steering capacity

(cf. Goodin 1996; Lijphart/Waisman 1996; Schneider/Weitsman 1997). Appropriate institutions alone, the scholars arguing for this view assert, can dominate all potentials of political conflict in Europe: Common market institutions accelerate and deepen the turn away from planned economy and automatically bring the newly independent states closer to the European Union and the liberal-democratic systems of its member states; democratic institutions strengthen young political systems and forestall autocratic relapse; social institutions guarantee mentality change; international institutions, finally, unmistakably foster all-regional integration.

Behind these assumptions lie a couple of unarticulated and unclarified political ideas as well as logic gaps: The invoked 'institutions' seem to face no time and space-specific conditions for their existence and effectiveness, and it is only natural that they consequently deepen and/or expand once obstacles disappear. The more the institutions grow and become rooted, the more conflicts vanish. Institutions are seen as equivalent to progress and political effectiveness, they embody models of a 'good' political order easy to recognize and imitate. What these grand institutional tales lack are concepts to answer questions of institutional change and of interplay between institutions and conflict: For example, how does institutional change affect conflict processes and how do conflict processes foster or hamper institutional change?

However, it must be acknowledged that the *neoinstitutionalist* debates have come to cover questions of concrete problem-solving programs and conflict management. Conflict has of course been a governing subject for neoinstitutionalism from its inception, though rather in theory. Take, for example, research in international politics on the driving factors and different explanatory modes for cooperation between nation states, seen as rational egoists (Baldwin 1993; Kegley 1995; Ruggie 1993), the positive theory of institutions and its models of conflict regulation through structure-induced equilibria (Shepsle 1989; Shepsle/Bonchek 1997), policy research with its interest in the path-dependencies - how current political procedures and decisions of conflict management are influenced by past - (Steinmo/Thelen/Longstreth 1992), or the school of institutional design with its formal typologies of efficient arrangements for political exchange. In contrast to all of this, discussing neoinstitutionalism as a specific strategy of conflict is a comparatively new trend (see for example Galtung 1996; Lederach 1997; Scharpf 1997).

In contrast to this new trend, the broad field of the *theory of institutions* still has little of substance to offer when it comes to answering the question of how neoinstitutionalism can contribute to practical knowledge about conflict management and what elements of a political strategy it entails. One considerable branch of the theory of institutions focuses on designing institutions for optimal collective decision-making. It aims at preventing conflicts right from their inception, for it considers all conflict politically dangerous and a threat to political stability (cf.

Hechter/Opp/Wippler 1990; Shepsle/Weingast 1995). For that school, where institutions reign, conflict disappears, and only if conflict has disappeared does genuine politics begin. Another school emphasizes all politics to be an essentially conflict-laden enterprise, as are decisions about establishing or reforming common institutions (Czada/Windhoff-Héritier 1991; Elster/Offe/Preuss 1998; Ostrom/Feeny/Picht 1993).

Not only have these two strains of thought not found together so far, but they are also in conflict with recent developments in *conflict theory*. In their course, institutions have come to be conceived of as *institutionalizations*, that is, as a result and condensation of concrete interaction processes, not as mere structural frames or political locations designed to shape interaction. At the same time, these institutions in the sense of institutionalizations are classified not as conflict regulating but as conflict *exacerbating*. They are seen as decrepitudes, as deflections form rational problem solving and as effectors of protracted conflict. In this perspective, institutions do not guarantee order and effective problem solving, they rather guarantee the continuity and enlargement of conflict (cf. Arrow et al. 1995; Bauwens/Reychler 1994; Burton/Dukes 1990; Kolodziej/Kanet 1996; Sandole/van der Merwe 1993; Vasquez et al. 1995).

If for neoinstitutionalism conflict remains politically unsuitable and institutionalization not so much seeks to regulate as to eliminate it, for conflict theory precisely the institutionalization of conflict appears unsuitable and to be avoided, because it is associated with an automated reproduction of frictions and with a locked-in inefficient problem treatment. Thus, it is all the more necessary to elucidate the preconditions, strategies and intended as well as unintended consequences of cooperative conflict management in terms of institutionalization.

2. Institutionalization as a strategy of conflict transformation

The starting point for this undertaking is a distinctive concept of institutionalization: Institutionalization as a way of *ameliorative conflict transformation* - that is, not conflict regulation and problem solving related to single cases but a path to improved general capacity to cope with conflict. This capacity includes a common understanding of conflict, common ideas of conflict regulation along with practical procedures and trained willingness to compromise. John R. Commons (1934: 73 and 682) was the fist to speak of such an *institutional idea* of conflict regulation, as opposed to a rationalist idea of conflict regulation. This institutional idea of conflict regulation is not about receipts of problem-solving and attuning individual preferences and calculations of gain. In contrast, it is about regulating transactions, in the course

of which not only 'goods' but also ideas and practices are exchanged. These ideas and practices develop and change during the process of transaction itself (Common's example was Anglo-Saxon common law).

Institutionalization, however, by no means necessitates an ameliorative transformation of conflict. According to Buckley (1967: 161), we need to distinguish between *ameliorative* and *degenerative (or pejorative)* institutionalization. Something not only is institutionalized when it causes value-commitment and consensus. Many problems are precisely so difficult to tackle because they are institutionalized just as much, albeit programmed with disruptive values and ideas. Therefore it is necessary to investigate the conditions for success, the windows of applicability and the risks of political institutionalization as a paradigm for conflict management. The first step to do so is to clarify the underlying definition of the term "conflict".

Conflict is defined here as *reciprocally conscious, incompatible action tendencies or orientations between identifiable actors, manifesting themselves in the interaction processes between those actors* (cf. Glasl 1999: 14-15; Kriesberg 1998a: 2). One often-neglected distinction forms an important additional conceptual basis for the task at hand. We need to appreciate the difference between *conflict potentials* and *manifest conflict processes* (MCPs), as well as between conditions for activating conflict potentials into MCPs and opportunities for the escalation and de-escalation of MCPs (Kriesberg 1998a: 23-25; Rummel 1991: 92-93; Sandole 1993).

What follows from these definitions and from the lessons learned from the differences between the schools of thought outlined above is that *not* the conflict itself and its episodic manifestations should be institutionalized but the pattern and process of conflict regulation. Following Kriesberg (1998a: 7 and 110-111), conflict regulation is institutionalized when and as far as conflict potentials develop and manifest conflict processes happen in well-defined political arenas with a dense network of norms and rules. This is the case when the actors have internalized common rules of the enactment of their conflict and when at the same time these rules are externalized, that is, withdrawn from the actors' immediate access and expressed, for example, in tradition or wording of the law as well as stipulated by a system of sanctions and selective incentives.

Some relevant general foundations of institutionalization as a strategy of conflict management have been elaborated in the field of labor economy, on the basis of considerations over the system of dispute settlement between union and management (cf. Külp/Schneider 1972). Building up on this, institutionalization can be said to rest on three pillars, forming the *PET* principle:

1. General *procedures* such as strike, lockout, arbitration and other well-defined measures in the course of a labor dispute.
2. Reliable *expectations* based on clear types of actors and specific reciprocity.
3. A systematic de-personalization, attributing cleavages and conflicting interests to *types of actors* (e.g. the parties of a wage agreement), not to individuals or small groups.

This triad corresponds to the new consensus in policy analysis, according to which institutionalization has three components: typified action settings, typified action strategies and typified actors (cf. Scharpf 1997: 43-49). This again can be chained up to Huntington's classic definition of political institutionalization from *Political Order in Changing Societies* (1968: 12): "Institutionalization is the process by which organizations and procedures acquire value and stability." Huntington's definition implies a focus on institutions not so much as formal arrangements of the system of government but as democratic action patterns: "Institutions are stable, valued, recurring patterns of behavior" (ibid.).

The characteristic of institutionalization as a strategy of conflict management and of institutionalized conflict management itself is that it does not so much rest on formal settings and conflict resolution as it does on apt action strategies and paths for regulated articulation of conflict. Therefore, institutionalization is not self-enforcing but dependent on 'qualified' and inclined actors who enact and reproduce it. Institutionalization thus requires not only constraints on individual and collective choices but also an allocation of property rights so to enable the actors to act according to the institutional logic (cf. March/Olsen 1995: 28 and their concept of the "logic of appropriateness" as well as Elster/Offe/Preuss 1998: 27-34 and their concept of the "institutionalization of agency").

In addition, institutionalization as a strategy of conflict management is to a large part *reflective institutionalization* (March/Olsen 1995: 42, 44-47 and 245-248, see also ch. 3 of this paper): Its efficacy depends on how the actors frame their conflict and how they interpret and actively use the available rules and strategies in one case and another. It is an often-neglected fact that any institutionalization always requires some external reinforcement mechanisms, which are also of reflective, or soft, type. A useful catalog of those enforcing factors has been compiled by Axelrod (1986: 1103-1108). An example of such a mechanism is the "social proof": Positive signals coming from cooperation already practised by elite actors or established in other fields of conflict.

What these concepts lack nevertheless and what makes it difficult to translate them into policy proposals is that they say nothing about effectors: What are the mechanisms that bring about conflict transformations and what is the underlying

causality? To answer this question, we have to look at the broader field of social science institutionalism. The neoinstitutionalist school of organizational theory for example assumes that the effector of ameliorative conflict transformation is the incorporation of conflict and its processes into well-defined arenas, copying potentially disruptive interaction processes into established contexts and paths of problem treatment (cf. Scott 1995: 117-118). This does not guarantee effective problem solving, but it seems to guarantee the effective localization of conflict in a setting from which it is unlikely to enlarge or escalate dramatically: Transferring conflict interaction from the field of grassroots politics and everyday social relations to a governmental arena secures responsive problem treatment. It is essential, though, that there are well-defined paths for re-embedding, that is, for transporting compromises and solutions back into the immediate process of politics.

An example of this procedure is the translation of societal conflicts into the structures and standard operating procedures of the governmental system. That way for instance, ethno-political conflict can be transformed into a matter of electoral legislation and municipal suffrage for minorities. In this institutional property space, it becomes better foreseeable what political interests minority groups will develop, what strategies they will adopt, to whom they will turn for support and to whom they will come out against. The problem however is that such an approach can easily result in an over-institutionalization of ethnic politics, establishing far too strong frames of interpretation and norms of reciprocity.

In *Latvia* for example, we can observe political decisions being framed in ethno-national categories even where they have no direct impact on ethnic or minority issues. The Latvian government as well as the Russian-speaking minority backed by the Russian government are quick to play the "ethnic card", as they did in March 1998 in the capital of Riga on the occasion of an unannounced demonstration by 1.000 Russian pensioners, who were protesting against tax increases (see Goble 1998). The demonstrators were dispersed by the police charging with batons, and what followed was a severe crisis in Latvian-Russian relations. The Russian foreign ministry accused Latvia of flouting human rights, and Russian parliament, the Duma, took the opportunity to call on President Jeltsin to act with determination and consider economic sanctions in order to enforce a change in Latvian minority policy. This case is symptomatic for it shows how apt even politically insignificant episodes are at disturbing the precarious balance in the Russian-Latvian conflict scheme. The case shows as well how easily institutionalized conflict may be utilized by all parties as a political lever arm so to promote their respective self-interests or summon up legitimacy in face of their electorate.

Thus it is a fallacy to assume that political institutionalization, in this case the institutionalization of ethnicity, directly promotes ameliorative conflict transformation

in the sense that it necessarily encloses ethnic conflict, translating it into regularized procedures of political and societal cleavage management. Rather, as Gurr (1993: 6) has pointed out, the institutionalization of ethnicity is always precarious in that it may provide the actors with opportunities to gain social capital for holding disputes which they need for their political purposes.

3. Rationalist vs. reflective institutionalization

The fundamental problem with deriving practical strategies for conflict management from the concept of institution as well as from neoinstitutionalist thought in general is that the meaning of the basic terms differs from one approach to the other. There are two big schools of thought (e.g. Grafstein 1992; Peters 1999; Soltan/Uslaner/Haufler 1998): rationalist institutionalism, a methodological individualist train of reasoning favoring rational choice as basic concept and reflective institutionalism, a methodological collectivist train of reasoning relying on the methods of sociology and social history.

For *rationalist institutionalism* (exemplified by Dodd/Jillson 1994; Ostrom 1990; Shepsle/Bonchek 1997), institutions are rules for efficient collective decision-making and programs for guided change. They regulate conflicts which not yet have found their place in the political arena. The basic mechanism is to influence the actors' preferences and strategic choices through a system of selective incentives (Richter/Furubotn 1997). On these grounds, the conflict process is expected to institutionalize itself and find its own rules without any further external reinforcement. This heavily draws from the concept of structure-induced equilibrium, at the same time creating constraints on and new resources for the actors' behavior (Shepsle/Weingast 1981). The practical strategy of conflict management according to rationalist institutionalism is institutional design (cf. Goodin 1996; Hechter/Opp/Wippler 1990): Constructing functional property spaces, enclosing conflict processes into them, allocating property rights and selective incentives, centralizing scattered norms and affecting the actors' payoffs, thus trying to alter preferences. In order to be functional, however, institutional property spaces need to have "institutional fit", that is, they must be compatible with the social reality to which they are applied and not add odds with other institutional mechanisms already in operation there. Immediate relevance of the regulating mechanism hence is more important than perfect instrumentality (Young/Underdal 1997: 16-21).

In practice, rational institutionalist conflict management consists in elite procedures, roundtables, structured dialogues and the like. The basic approach is to hand manifest conflict processes over to special political arenas where elites replay the conflict on a

representational basis. For such a strategy to be successful, it is indispensable that the structure of the conflict in question (mainly the involved types of actors and the debated issues) does not change over time.

For *reflective institutionalism* (exemplified by Brinton/Nee 1998; Grendstad/Selle 1995; Powell/DiMaggio 1991), institutions are lock-ins and path-dependencies, stemming from 'historical' conflicts and their solutions tied to that particular time but having outlived the issues, coalitions of interest and political strategies that once brought them about (this is best elaborated in the historical-sociological approach, see e.g. Rueschemeyer/Skocpol 1996). In a rational institutionalist's view, they have become mere barriers for responsive, gradual policy change (cf. Arrow et al. 1995). Reflective institutionalists, however, argue that these institutions bear an efficient secret, for they are right from their inception embedded in the social and political processes they are meant to regulate. Reflective institutionalization as a strategy of conflict management attempts to thicken the cognitive, the normative and the 'moral' context of conflict interaction in order to create reciprocal perceptions of elementary common grounds, to defuse conflict potentials and to prevent conflict potentials from turning in manifest conflict processes (cf. Grendstad/Selle 1995; March/Olsen 1995; Offe 1996).

Reflective institutionalism is skeptical of the efficacy of selective incentives and institutional design, for it sees conflict processes highly path-dependent and not located in a specific arena that would make it amenable to strategies of functional regulation. Rather, in its view, conflict typically comprises different strains of controversial issues, the relations between them being fuzzy and involving "policy crowding" (Linder/Peters 1990: 65): New problems interfere with old solutions and vice versa, and different solutions impede each other. It is worth to notice that, while American neorealism in international politics (as established by Waltz 1979) is now usually taken to be close to the logic of rationalist institutionalism (for rationalist institutionalism in international affairs, see for example Baldwin 1993; Haftendorn/Keohane/Wallander 1999), *European neorealism*, especially the systemic-structuralist approach set forth by Buzan/Jones/Little (1993) and the synoptic-integrative approach of the Munich School (Kindermann 1986, 1996; Meier-Walser 1994; Siedschlag 1997, 1998) have some important contributions to make to elaborate on the 'reflectivist' concept of institutions and conflict transformation.

Especially promising here is the method of *constellation analysis* as developed by the Munich School of neorealism. Constellation analysis takes into account that conflict processes, their escalation as well as their settlement, depend on perceptions - or on misperceptions - and that conflict processes themselves are a natural ingredient of all social interaction, of which politics is an integral part, not a distinct sphere. Moreover, constellation analysis assumes politics and conflict processes to be no chains of

readjusted calculations of advantage and phenomena of rational choice but to be joint acts, comprising interaction on different levels of aggregation, in overlapping institutions and in intersecting action systems. Therefore, empirical hermeneutics (the analyses of socio-cultural patterns of self-understanding and interpretation, resulting strategies typical of specific actors' conflict behavior as well as of the dynamic processes of communication and perception) form an integral part of any conflict analysis. This broad scope makes it necessary to employ a wide range of analytical concepts and methods from the wider field of social sciences. Consequently, this version of neorealism has much in common with the methods of reflective-institutionalist analysis and its strategy of conflict transformation.

Drawing for example from organizational theory (Czarniawska/Sevón 1996; Scott/Meyer et al. 1994), historical institutionalism (Steinmo/Thelen/Longstreth 1992) and cultural theory (Grendstad/Selle 1995; Thompson/Ellis/Wildawski 1990), the concept of reflective institutionalization aims at a 'deep' transformation of conflict, ameliorating the underlying culture of conflict with its frames and scripts, not just altering preferences and strategies (Kriesberg 1998a; Lederach 1997). Ideally, this results in proactive, or preemptive, conflict management: The emergence of a common property space that prevents deep frictions and conflicts of interest from developing. Conflict management, then, becomes a process of endogenous transformation. Its maxim is not to import new values but to activate already existing but hidden positive values. Lederach (1995) argues in respect of ethnic conflict that independent of whether it provides new opportunities, property rights or expectations of relative gain, increasing the conflicting parties' general level of capability of acting (for example officially acknowledging them as a legitimate interest group) defuses critical tensions. This new capability of acting imparts new self-assurance, creates a positive shadow of the future and thus reduces the incentives for manifest conflict behavior, which again gives way to the development of long-term, less explosive expectations and strategies. A problem is that for this model to function, the evolving culture of accommodation must remain localized, that is, stay within the underlying frame of issues.

An instructive political example here is the *European Union's (EU)* preparation for enlargement and its pre-accession strategy designed to acquaint the candidate countries in Central and Eastern Europe (CEE) with the obligations and procedures under the treaty of Amsterdam (on EU enlargement, see Mayhew 1998). In this context, reflective institutionalization is an often neglected challenge for the EU. The Union preparing for enlargement not only needs to ensure that the candidates comply with the regulations for the common market and have economies strong enough to withstand the pressure of the Union's economic dynamics. The EU must also anticipatorily socialize its prospective members into the soft network of values,

norms, rules and procedures that govern its politics in the areas of intergovernmental cooperation (as opposed to supranational integration), such as primarily the Common Foreign and Security Policy (CFSP), now striving to become a genuine European Security and Defense Policy (ESDP) (see Zielonka 1998). In addition, relevant fields of intergovernmental cooperation in the EU also include, for example, cultural policy.

In the course of enlargement and for the cohesion and effectiveness of an enlarged EU, there are several important dimensions of reflective institutionalization, which are likely to regulate as well as to generate conflict. The accession strategy employed by the EU necessarily shapes strong paths for the candidate countries' politics. It conveys patterns of identity ('liberal democracy', 'market economy', 'Western community'), well-defined role models and detailed catalogues of normative facts (in the first place the Acquis Communautaire, that is mainly the directory of the legal regulations and directives for the common market). Necessarily, acceding to the EU starts as a fundamentally unbalanced process, confronting the prospective members with unnegotiable adaptive pressures. However, for the accession strategy to be successful and for the EU to enlarge not just geographically and expanding its common market but to politically and socially integrate the new members, it will be decisive that adaptive pressures (meeting the accession criteria) and expected utilities of a membership in the Union balance out each other. The problem is therefore to ensure sufficient institutionalization of "agency" (Elster/Offe/Preuss 1998: 27-34). An important aspect overlooked by the economy-centered mainstream of research on EU-enlargement (such as Baldone/Sdogati 1997) is how the candidate countries cope with discrepancies and conflicts between their self-images, their ideas of 'Europe' and their interest in the EU on the one hand and the EU's collective interests and official idea of Europe on the other.
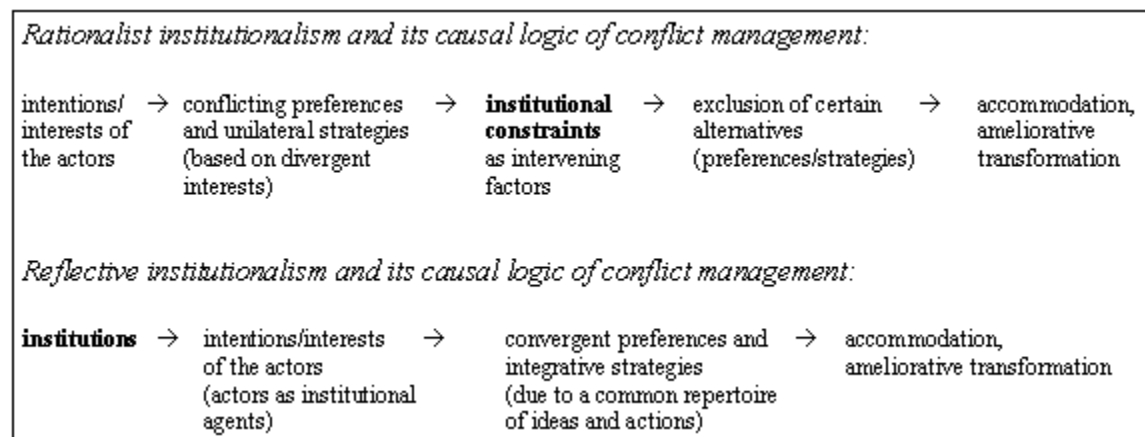
Between 1993 and 1997, the EU followed a promising pre-accession strategy suited to cope with problems of this kind. It was called the "Structured Dialogue", which was a multilateral mechanism between the EU and the associated countries that was intended to secure a relatively conflict-free course of the enlargement process (Lippert/Becker 1998). However, in 1998 the Structured Dialogue was silently buried when the European Commission came out with its Agenda 2000, confining the Union's strategy of enlargement to problems of ensuring efficient market economy. Economy has naturally been the backbone of European integration, but it is neither enough for solving or preventing conflicts in the course of the accession of new members nor for achieving the political union the EU intends to become.

The Structured Dialogue was an instructive example of *reflective institutionalization as a practical strategy*. It was a multilateral framework for discussion, for acquaintance with EU standard operating procedures and for preemptive conflict management in EU-CEE relations. It also had considerable potential for bringing

conflicting positions on current issues in the broader field of foreign policy and international relations into line. There were meetings on the level of the foreign ministers on a regular basis, informing the candidate countries about decisions within CFSP and serving as a platform for developing common positions to hold in the OSCE or the UN, including the politics towards former Yugoslavia and strategies to prevent proliferation of weapons of mass destruction (Mayhew 1998: 48).

A sincere problem with the Structured Dialogue, which is typical of reflective institutionalization as a strategy of conflict management, was that its specific functions and mechanisms soon became obscured in an evolving process of generalized interaction and emerging generalized expectations. In the course of this, dividing lines were blurred, making it difficult to determine who is in the club and who is out. Both sides soon came to practice the Structured Dialogue as a unilateral enterprise, leaving little space for norms of reciprocity to grow (Lippert/Becker 1998): The Central and Eastern European Countries used it as an opportunity to fight out a 'beauty contest' and to attempt to assign themselves the status of 'almost members', linking themselves to internal policy processes of the Union. The EU, on the other hand, has never intended to offer procedures for circumventing the institutional and legal boundaries of its club and made no attempts to develop flexible options for integrating the candidate countries into its procedures on a level lower than the threshold of membership.

Coming back to the conceptual foundations, the following figure illustrates rationalist and reflective institutionalization as a strategy of conflict management and their respective causal logic (adapted from Siedschlag, forthcoming).

Rationalist institutionalism and its causal logic of conflict management:

intentions/ → conflicting preferences → **institutional** → exclusion of certain → accommodation,
interests of   and unilateral strategies   **constraints**   alternatives   ameliorative
the actors   (based on divergent   as intervening   (preferences/strategies)   transformation
  interests)   factors

Reflective institutionalism and its causal logic of conflict management:

institutions → intentions/interests → convergent preferences and → accommodation,
  of the actors   integrative strategies   ameliorative transformation
  (actors as institutional   (due to a common repertoire
  agents)   of ideas and actions)

From the practitioner's perspective, the point is: When does which of the two models apply best? Research on early warning and conflict prevention (Kriesberg 1998b; Lund 1996) suggests the following scheme:

Rationalist institutionalization best applies to preventing well-known conflict potentials from triggering manifest conflict processes as well as to initiate a de-escalation of manifest conflict processes by providing arenas for reciprocation (tit for tat) and for the emergence of common conflict procedures on the grounds of which expectations and incentives for self-commitment can grow. For rationalist institutionalization to exert its full effect, the conflict in question should have the following characteristics: It should be a conflict over well-defined issues, not over diffuse concerns or over values; there should be responsive problem treatment (i.e., the actors should argue about the specific underlying issues and act specifically according to the related cleavages); and the competing actors should hold common perceptions about what their conflict is and how far it reaches.

Reflective institutionalization best applies to defusing conflict potentials and creating a benign environment for deliberative bargaining between the opponents. It also is appropriate when conflict regulation schemes have been imported from outside and now are to be rooted in their new setting, enclosing manifest conflict processes already going on. For reflective institutionalization to exert its full effect, the conflict in question should have the following characteristics: There should be common repertoires of action shared by all opponents, the conflict should be located in a stable arena, and the conflict-regulating mechanisms should have good institutional fit with the governing values and procedures in the field; moreover, all controversies notwithstanding, there should be an overarching latent value commitment.

Apart from these differences, rationalist and reflective institutionalization face some common problems. Institutionalization as a model for ameliorative conflict transformation can only function so long as the conflict basically remains the same, there is a consensus between the adversaries what core issues they are struggling over and the actors do not change significantly. Especially when new issues emerge or the common institutional frame of conflict enactment is expanded to include new types of conflict, it is probable that institutionalization will bring about a *pejorative transformation* of conflict.

Perrow (1986: 168) has identified two typical processes of such a pejorative conflict transformation. First, attempts to transfer a functioning arrangement of conflict regulation to new problems risks to produce *over-externalization*: Instrumental problem-solutions give way to opportunism, that is, the actors aimlessly orient themselves to general scales of values they deem valid for the moment. Second, attempting to create new regulating mechanisms within a common institutional setting risks resulting in *over-organization*: Control becomes too strong and the institutional arrangement decays into a shortsighted cartel of its actors' self-interests. Institutionalization then also becomes over-functionalized, for the actors do not use its

resources broadly but highly selectively and rigidly, wherever adhering to institutional norms and procedures promises comparative advantage.

In the following chapter, the theoretical concepts referred to here and the cited preconditions for successful conflict management based on political institutionalization will be illustrated and amended where necessary by looking at some practical cases.

4. European cases of political institutionalization and conflict transformation

a) Organization for Security and Cooperation in Europe (OSCE): The invisible hand of an all-European institution

The OSCE is a classic example of an international *institution* in the strict sense of the word: It does not rest on a treaty according to international law, but all its 'textual' foundations are mere declarations of common principles and intended operating procedures. However, the OSCE avails of an organizational structure, including the Permanent Council, the Chairman on Office, an own bureaucracy and long-term field missions. This has much potential for shaping paths of ameliorative conflict transformation, and indeed there are several success stories, reaching from solving conflict between the NATO countries and Russia about conventional arms reduction to settling secessionist and ethnic dispute in the countries of the former Soviet Union and also on the Balkans. In late 1998, for example, the OSCE started its Kosovo Verification Mission, which however was interrupted on the eve of the NATO air raids.

Established in 1974-75 in order to manage the Cold War in Europe, the Conference for Security and Cooperation in Europe (CSCE) - renamed the Organization for Security and Cooperation in Europe or OSCE in 1994 - adapted more rapidly and fundamentally to the new security challenges and needs to manage conflict in Europe than did other institutions (on the OSCE's role in the new Europe, see Bothe/Ronzitti/Rosas 1997; Hopmann 1999; on OSCE institutions, mechanisms and missions, see http://www.osceprag.cz). It comprises virtually all states of Europe, including Russia, plus the U.S. and Canada. In the 1990ies, NATO, the EU and the Council of Europe were preoccupied with adapting their organizational framework and standard operating procedures to the new political setting, long being too consumed with various internal conflicts between national ideas and interests to take up the task of stability projection and rule-making for conflict prevention, early warning and early action. The CSCE/OSCE, in contrast, only began to supplant itself with an organizational framework after post-Cold War Europe had already

experienced some bitter foretaste of crisis and violence, mainly in the field of nationalist secession, ethnic minorities and transition to democracy.

Whereas the OSCE has been reprimanded for its consensual rule of decision-making as well as its general focus in service of the idea of greater Europe and all-European conflict management, it must be said that especially this generality has proven to be its particular strength. Quite different from NATO, for example, the OSCE did not need to wrap itself up for years in internal frictions as to how translate asset-specific investments and strategies into more general action capital allowing to conduct a policy of stability projection and enlargement. In contrast, OSCE's participating states elaborated normative standards and common procedures for conflict prevention and early warning in response to particular crises.

Nevertheless, the OSCE's practical engagement in processes of conflict management and conflict prevention has only grown slowly and is now as before confined by its consensual rule and political tradition. According to its charter and tradition, the OSCE as an institution to provide for security and cooperation on an all-regional scale is confined in its activities to potentially 'big' conflicts, or at least it has to define a case in point as such a potentially big conflict. To allow for OSCE activity, a conflict must have an obvious and unanimously acknowledged security impact above the local level and bear potential to threaten the new balance of power in Europe on a broad scale.

In addition to this problem, divergent views of what should be the leading idea of conflict prevention and conflict management inhibit the OSCE's institutional efficacy and can produce political conflict between its participating states. The U.S. under the Clinton presidency preferred to limit OSCE activities to monitoring human rights violations, spreading norms of democracy and providing a non-coercive framework for peaceful settlement of conflicts in the area of the former Soviet Union. Britain has always emphasized the OSCE to be more an international forum for exchanging views than an international organization entitled to take collective action. Its has constantly objected any plans to give the OSCE a stronger underpinning in the field of peacekeeping, let alone peace enforcement, fearing this would undermine NATO and the transatlantic link. The British idea of all-European conflict management under the aegis of the OSCE is to agree on a kind of Magna Charter for peaceful settlement of conflict, resting on declaring common principles rather than elaborating specific political strategies and mechanisms. France, in contrast, has long had a sincere interest in strengthening OSCE norms and procedures. This interest however is limited to disarmament and arms control.

The Central European countries in their strife for NATO membership wanted to see the OSCE limited to a lose system of communication about values and problems of

common interest, avoiding any institutional duplication in the field of European security that might open a discussion about possible alternatives to an expansion of NATO. Though, as soon as NATO membership became a realistic expectation, the Central European countries, especially Poland, developed a sincere interest in the OSCE as an arena for discussing conflicting concepts of regional stabilization, for developing mechanisms of conflict prevention and peaceful settlement of conflict in the Community of Independent States and for containing U.S.-Russian conflict over NATO enlargement.

Russia itself has long insisted on developing the OSCE into a string institution with efficient potential for peace enforcement, not just political mechanisms for consultation and dialogue in the case of crises (on the foundations of Russia's relations to European security institutions, see Arbatov/Kaiser/Legvold 1999; Baranovski 1995; Mandelbaum 1998). It also valued the OSCE as providing voice opportunities for claiming the status of a large power equal to the U.S. and articulating its national interests on an all-regional scale. However, in the last four years, disappointment with OSCE and its alleged domination by the U.S. and the NATO countries have had Russia scale down much of its engagement for an all-European institution of security and conflict prevention, now seemingly giving preference to bilateral frameworks on the basis of NATO's strategic outreach program, such as the NATO-Russia Founding Act and the Permanent Joint Council.

Nevertheless, Russia has repeatedly declared officially its appreciation and support of most of the OSCE activities in the area of the former Soviet Union. The OSCE is and remains the only European security institution in which the Russian Federation is a partner with equal rights and in the functioning of which Russia has always had a strong practical interest. Consequently, Russia's initial principal reservations against any involvement of Western states in conflict management in the countries of the former Soviet Union have ceased. Moreover, not only has Russia not objected to OSCE activities in this region but it also has made many active contributions that were decisive for the success of OSCE missions.

An example is Russia's positive role as co-chairman of the Minsk group, which promoted the coordination of international efforts to regulate the conflict in Nagorno-Karabakh, an Armenian enclave in Azerbaijan. Moreover, Russia started several initiatives to strengthen the OSCE's framework for conflict prevention and peacemaking. Out of its concern for the 25 million Russians living abroad, Russia also seeks to strengthen the OSCE's role in the field of minority protection and human rights, as well as - in particular with a view to the situation in Ukraine - to develop regulations to guarantee independent media. Other Russian proposals for strengthening the role of the OSCE include codified rules for the establishment and

termination of long-term missions and allocation of resources so to enable OSCE to conduct small-scale military operations of peace enforcement.

These positive developments notwithstanding, it must also be acknowledged that the OSCE's institutional character involves problems with applying its high normative standards to conflict cases in point. As any genuinely institutional arrangement, the OSCE suffers form the discrepancy between the existence of norms and the factual relevance of those norms. This factual relevance of norms largely depends on an active enactment of the norms by the actors themselves, and this enactment often enough has suffered from predominant calculations in terms of the national self-interest as well as from conflict about the leading principles of OSCE activity and the very character of the OSCE itself, as outlined above.

This is especially true for the various crisis mechanisms the OSCE participating states have agreed upon. There is, for example, a mechanism for diplomatic consultations which has never been activated, a mechanism for observation and fact-finding in case of unusual military activities, which has been used in the case of former Yugoslavia but did not exert strong effects, as well as a mechanism for peaceful settlement of conflict (the so-called Valetta mechanism agreed on in 1991). The practical irrelevance of the Valetta mechanism is a telling example of how conflict management even in an area marked by such a high degree of international institutionalization and integration as Europe strongly depends on converging national interests. Fearing a too strong and too broad shadow of the future, the European countries have always abstained from strongly committing themselves to common mechanisms of crisis management. They have also been anxious not to undermine the principle of consensus (or at best consensus minus one) that governs decision-making within the OSCE, let alone establish compulsive mechanisms for conflict regulation.

These shortcomings notwithstanding, it is the OSCE that has defined clear rules for confronting minority conflicts in Europe, overcoming the principle of non-interference in the internal affairs of a country. Minority conflicts and violations of human rights have come to be regarded as a legitimate field of OSCE activity all across its participating states, as well as a politically acknowledged source of international and regional instability and conflict. On this basis, the OSCE's Office of Democratic Institutions and Human Rights, especially the High Commissioner on National Minorities, has successfully taken up a decisive role in early warning and conflict prevention on the grassroots level. The High Commissioner's activity and the long-term fact-finding missions in Estonia and Latvia for example have made decisive contributions to preventing escalation of the conflict between the state and the Russian-speaking minority, thus contributing to defusing regionally destabilizing tensions between the Baltic states and the Russian Federation (Amor/Estébanez 1997; van der Stoel 1999). In addition, the OSCE has a successful record of election

monitoring missions and observation missions, conducted by mainly Russian peacekeeping forces, in the Community of Independent States.

One of the OSCE's efficient secrets in these areas of engagement is the creation of publicity. The OSCE counts on a strategy of reflective institutionalization, making conflict behavior visible on a large scale: Publishing its missions' reports and lifting its endeavors to manage and prevent local conflicts to an all-regional level is expected to create incentives for accommodation and enactment of norms and rules. Especially, the OSCE has much political potential for preemptive conflict management. Although NATO and the EU have been fast to claim and take up a genuine role in stability projection and all-European conflict management, they will remain closed shops with difficulty to build a common identity and ensure effective conflict regulation between its member states. The OSCE, quite differently, has always entailed a process of identity formation on an all-European scale, save from the danger of over-regulation and activism.

On this basis, the OSCE has developed special capabilities in the field of good offices, mediation and post-conflict peace-building in the countries of the former Soviet Union, with much positive involvement of the Russian Federation. For example, OSCE missions served as mediators between the government of Moldova and the secessionist region of Transdniestria and between the government of Georgia and the separatist regime in South Ossetia. In Tajikistan, the OSCE mission mediated between the government and rival clans, and in the Baltic states, the OSCE oversees the implementation of bilateral agreements, such a as the Russian-Latvian accord on the use of the radar station at Skrunda and agreements between Russia and both Latvia and Estonia to establish a joint commission on military pensioners.

The OSCE's strength is not to stop wars but to create peace. Further specializing in constructive forms of conflict prevention and peace consolidation, the OSCE can fill a gap in the institutional structure of the new Europe. To further develop and strengthen the OSCE's institutional potential for conflict prevention and conflict management in the former Soviet Union, it will be important to continue and increase cooperation with Russia. This is especially necessary in cases where reflective institutionalization as a strategy of conflict management is decisive. For in most of the conflicts and potentials for conflict in the area of the former Soviet Union questions of ethnic identity, national identity and social and political property rights are central, reflective institutionalization plays a key role in many cases.

This is what makes Russian involvement important here. The Soviet Union was a powerful participating state in the CSCE, OSCE's predecessor, and Russia inherited the Soviet Union's various networks of political, social, cultural and economic relations. At the same time, albeit some vigorous assertions of national sovereignty

and independence, most of the former Soviet Union's republics have a strong interest in continued cooperation with Russia. For them, Russia is now as before an indispensable export market and the main creditor. The institutionalized relations between Russia and the other former Soviet republics are generally deeper than the Western countries appreciate. These institutionalized relations give Russia a certain amount of influence in the internal affairs of the countries of the former Soviet Union. Russia has sometimes been accused of using this leverage as a basis for imperial politics. However, this leverage provides some indispensable paths to develop a dense institutional framework of consultation and conflict prevention in Eastern Europe.

b) The Visegrád process: Paths to subregional integration

The Visegrád process (see Cottey 1995; Fitzmaurice 1995; Latwaski 1994) is an example of an important dimension of the institutionalization of a cooperative order for Europe. Especially in the process of enlargement of the European Union (EU), sub-regional cooperation will be an important building block, and it already is a connecting mechanism, or intermediary institution, between the EU and the associated countries aspiring for membership. However, as it has become clear over the past few years, sub-regional cooperation can also bring competition and conflict among those countries and between them and the EU. Thus, it is an important question in which areas and under which conditions sub-regional cooperation is conducive to or in the way of a comprehensive European institutional order.

The Visegrád group was established between Poland, then-Czechoslovakia and Hungary in February 1991 as a front against the Warsaw Treaty Organization and as a demonstration enterprise in order to present oneself as part of the West and apt candidates for NATO membership and membership in the European Community, now the European Union. Whereas the Visegrád initiative soon led to stable economic cooperation among its participating states (in December 1992, the Central European Free Trade Area, or CEFTA, was founded), it has never reached high political density. On the one hand, stable coordination has developed on the administrative level. There is an unspectacular but pragmatic coordination process for example between the ambassadors and also between the ministries of foreign affairs and of defense (see Pastusiak 1996). On the other hand, this pragmatic coordination has produced some conflict about the political principles and long-term political aims of the Visegrád process.

The Visegrád process only created strong commitments for its participating countries as long as it exerted clear-cut, immediate functions that served all the participating countries' self-interests and as long as it was largely a self-organized process, with no external actors involved. It fainted as soon as its functions became externalized and

external actors, namely the EU and NATO with their respective leading nations, became involved - that is, as soon as the participating states came to interpret and utilize their cooperative framework not to settle conflict and promote cooperation with one another but in fact to stand out from one another, each state presenting itself as the model candidate for NATO and the EU. In addition, the more the EU and NATO were officially referring to the Visegrád group as a collective actor, the more the group became, and was seen by its members as, a mere accession club, neither providing general interaction capital nor fostering a common idea of re-integration into Europe (Cottey 1995: 134-144). As a consequence, each state of the group was now giving preference to unilateral strategies, strenuously working against any appearance of "institutionalized cooperation", because each of them feared that Western Europe's perception of the Visegrád group as a collective actor would undermine one's individual progress and run counter to one's endeavors to become a member of NATO and the EU in the near future.

In addition there was, especially in Poland, a certain fear that an institutionalized 'Westernization' may undermine one's own idea of Europe and political claim to be treated by the EU as a genuinely European country. This fear bears potential for manifest political conflict in the relations between Poland and the EU. The Polish government has always been anxious to reduce the asymmetry in its relations to the EU as far as possible, underlining that it does not come as a supplicant but has much cultural and social values to offer for an enlarging EU. This attitude of the Polish government has strongly been influenced by considerable problems to gain and maintain broad domestic support for its policy of full integration into the institutions of Western Europe. Especially the National Catholic Party argued that an accession to the EU and an implementation of the various EU regulations would cause Poland just another institutionalized loss of identity. Symptomatic of the political relevance of such concerns is the painting that the Polish government has ordered for its mission at the EU in Brussels. It is entitled: "The heathen Europe abducts Poland".

As a consequence of all these factors, the Visegrád cooperation process started to degenerate and in fact produce conflict because its specific functions became blurred, leading the participating states to regard their self-commitment not as institutional capital but as an institutionalized encumbrance (Latawski 1994: 23). This is an example of the shadow of the future becoming too strong.

However, after all, the EU's and NATO's practice to address the Visegrád group as a collective actor kept it together and maintained a certain degree of subregional cooperation in East-Central Europe. With their respective accession strategies and lists of accession criteria, the EU and NATO set strong incentives to settle disputes within the group and with neighboring states, including ethnic minority conflict. Moreover, in October 1998 the Visegrád countries decided to reactivate their political

cooperation on a broad scale and to take steps to institutionalize it. After Poland's, the Czech Republic's and Hungary's accession to NATO in April 1999, a new aim of the Visegrád process was now to work together towards effective integration into the Atlantic Alliance and to take common efforts to become members also of the EU as soon as possible. Moreover, high-level political coordination was established, with summits of the Prime Ministers to take place twice a year, on a regular basis. Additionally, the field of cooperation was broadened, especially with a view to coordinating one's efforts to comply with the 'soft' sectors of EU-enlargement, that is for example the area of common cultural policy and the improvement of the standards of telecommunication.

There is one important lesson to derive from the Visegrád process and its development: Initial cooperation does not grow evolutionary. Institutionalization neither necessarily fosters common values, nor does it reduce the relevance of national interests. In contrast: National interest and strategies provide the paths and limits along which institutionalized cooperation either stabilizes itself or creepingly disintegrates. Institutionalization produces conflict whenever its functions become blurred and the political convertibility of the related institutional capital decreases. Therefore, institutionalization as a strategy of conflict management must make it clear from the very beginning which conflicts are to be addressed on the basis of which procedures and which actors belong to the 'game'.

c) Ethnopolitics in the Baltic states: Path-dependencies, nationalist revival and accommodation

Ethnic conflict in the Baltic states (Estonia, Latvia, Lithuania), mainly in Latvia and to a somewhat lesser extent in Estonia, is a multi-faceted conflict (Dreifelds 1996; Grigorievs 1996; Karklins 1994; Tishkov 1997). Its roots lie in the question of how the considerable Russian-speaking minority, for the most part a legacy from the times when the countries were republics of the Soviet Union, should be treated. Current ethnopolitics in the Baltic states still show a clear path-dependency on Soviet settlement and language politics. This becomes especially clear in the case of Latvia, where the Latvians were on the verge of becoming a minority in their own country. Whereas in 1935, 77 % of the population were native Latvians, that share had decreased to 52 % of a total population of 2.4 million in 1989 (Karklins 1994: 123), only insignificantly increasing again to 55.3 % in 1997 (Bungs 1998: 72). The cleavage between the Russian-speaking population and the Latvians is reinforced by a sharp contrast between city and country. More than one third of the Latvian population is concentrated in Riga, the capital, where (as of 1996) only 37.7 % of the population are of Latvian nationality (Dreifelds 1996: 246-249). Quite different from

Estonia and Lithuania, there is no other conurbation in Latvia and thus no socio-cultural and political counterweight to the special minority situation in the capital city.

In addition, the ethnic cleavages in Latvia are ethno-social cleavages: The Russian-speaking population generally has a higher level of education than the Latvian, and the employment structure reflects ethnic dividing lines as clearly. In industry and transport, non-Latvian employees are over-represented. This brings much potential for social conflict because the introduction of market economy and needs for modernization have had especially severe consequences here, and many employees lost their jobs as a consequence of rationalization measures (Dreifelds 1996: 159-161). Moreover, ethnopolitics in the Baltic states are strongly influenced by the conflict-generating nature of post-socialist politics in general, as identified by Schöpflin (1996): Because political trust is missing, political opponents prematurely frame their relationship as antagonistic and come to see their strife for political prevalence as a question of survival and indispensable self-defense.

In addition to the particular structure of conflict, ethnopolitics in the Baltic states is an especially interesting case for it runs counter to the current conceptual assumptions about path-dependencies and institutionalized cleavages in ethnic minority conflicts. According to De Nevers' (1993) model of how democratization and ethnic conflict interact, we should have expected severe and violent ethnic conflict in Estonia and Latvia because almost all of the criteria for ethnic conflict escalation in the course of democratic transition are met: historically rooted grievances and stereotypes, ethnopolitical heritage from the times of the authoritarian rule, systematic differences in the ethnic groups' political chances, and the identification of the previous, authoritarian regime with the ethnic minority. Thus, the conflict setting is deeply socio-politically institutionalized, and it comprises both a shadow of the past and a shadow of the future. The conflict between the members of the titular nationality and the Russian-speaking population goes back to factors which are conspicuous but cannot be altered retrospectively. At the same time, these factors shape paths for the future development of the conflict, which however can be just as little influenced purposefully because the expectations and interpretations that belong to them are inherited.

This socio-political institutionalization of conflict does not mean that institutionalization strategies are out of the question for conflict management. In contrast, a specific strategy of institutionalization has proven to be especially promising here. It is a strategy of *paradoxical institutionalization*: lowering the barriers for the Russian-speaking population to articulate their concerns, display their identity, guarantee the reproduction of their identity and language and creating paths for a regularized entry of the language and citizenship conflict into the arenas and procedures of the new democratic system. Recent surveys have shown that a clear

majority of the Russian-speaking population in Estonia and Latvia does precisely not think and act in Gurr's (1994) terms of "peoples against states". In contrast, it is prepared to accept democracy's institutional paths of articulation and aggregation of interests and needs and does not strive to undermine the government and appeal to the Russian Federation for external support. Consequently, the Russian-speaking minority demands an increase in property rights so to make better use of the institutional resources of democratic statecraft. For example, already in the end of 1992, 87 % of the minority population in Estonia and 97 % of the minority population in Latvia stated that they would go to the ballot if there were elections next Sunday and they had the right to vote (Klingemann/Lass/Mattusch 1994: 178).

During the first few years of independence however, Latvia and Estonia followed a very restrictive minority policy, setting the barriers - especially the language requirements - for citizenship application very high. In those years, it was difficult even for newly born children to become naturalized. In the last few years however, the institutional shadow of Western European integration has brought about a clear trend of accommodation in the minority policies of the Estonian and Latvian government. The Council of Europe, NATO and the EU - they all made it clear that settling of minority issues and compliance with West European minority rights legislation standards was an indispensable precondition for membership.

Nevertheless, looking for strategies of ameliorative conflict transformation in Latvia and Estonia, many analysts have argued not for institutional outreach of this kind but for nation building and promotion of an inclusive civil society. Because ethnopolitical conflict in the Baltic states is not confined to specific issues, political institutionalization of ethnicity - that is, for example, introducing Lijphart's (1977) consocialism and politically addressing Latvia and Estonia as multiethnic societies - at first sight indeed seems to be a promising strategy of conflict transformation. Yet it is precisely the framing of common political and social conflict as "ethnopolitical" and "ethnonational" that has repeatedly sparked manifest minority conflict, also in cases of public conflicts only all too normal for a modern democracy and in which no ethnic and minority issues were at stake. Judging from this experience, it has to be expected that any further political institutionalization of ethnicity will result in common political and social conflict being framed as ethnically motivated and thus not defuse but exacerbate ethnopolitical cleavages, contribute to their reproduction and create additional occasions for manifest conflict processes.

Another strong argument for the view that political institutionalization of ethnicity shapes paths for a pejorative transformation of conflict is the experience that a strong source of nationalism in contemporary Europe and the Western world in general is the idea that ethnicity has become a substitute for individual and collective identity, making up for the loss of traditional embeddedness of the individual into society (see

Kupchan 1995). We know today that under those conditions, already the perception that there is some minority policy conducted by the government can trigger a survival of ethnic consciousness. The same is true for any attempts to translate ethnic identity into generalized civic identity, an experience that has for example been made in Quebec.

Our current state of knowledge suggests that it is a better strategy not to institutionalize political ethnicity (for example through extended minority rights and cultural autonomy) but to foster a democratic society in which ethnicity is but one of many, competing sources of individual, civic and political identity (Kupchan 1995: 184). Corresponding to this concept, Estonia and Latvia as well as Lithuania have taken encouraging steps to archive an ameliorative transformation of ethnic minority conflict: The question of minority rights is now being framed in technical terms of a general problem of human rights, de-emotionalizing it and separating it from the broad filed of history-laden, protracted conflict in Baltic-Russian relations. By 1994-95, effective steps had been taken to institutionalize the protection of human rights, either through an ombudsman (as in Estonia and Lithuania) or through a national office of human rights (as in Latvia) (Bungs 1998: 52).

Creating opportunities for expressing identity and belonging on the basis of internationally agreed standards of human rights rather than minority rights or ethnicity broke two tracks of conflict escalation. First, it allowed the governments to take steps of inter-ethnic accommodation and to be responsive to the claims made by the Russian-speaking minority without undermining their newly acquired sovereignty and idea of nationality. Second, it discouraged Russia from its exaggerated policy of protection of its external minorities and from utilizing this argument for claiming economic and strategic predominance in the Baltic region. This also is an interesting revalidation of the classical argument made by Kornhauser (1959): Intermediary, mere technical than value-laden institutions prevent both the articulation of minority claims through collective political violence and the political instrumentalization of minority conflicts by elites.

5. Conclusion: Design and agency

To sum up, several criteria must be met for institutionalization as a strategy of conflict management to be successful, that is, to bring about an ameliorative conflict transformation:

1. Institutionalization as a strategy of conflict management to a considerable extent depends on existing organizational structures, mechanisms of problem

definition and typified actors, for instance reference groups providing positive role models (cf. the PET-principle outlined in ch. 2, p. 6).

In this respect, the question of reflective vs. rationalist institutionalism (or agent vs. structure) is no question of either or. For example, rationalist strategies, such as institutional design, must be supplanted by reflective strategies, such as fostering common ideas and value commitments. Even the strongest structures for conflict regulation only become effective when the actors actually act within them.

2. Historically evolved, somewhat chronified, recurrent conflicts are in the most cases not detrimental but conducive to institutionalization as a strategy of conflict management. They contribute to strong typifications and reciprocity, which seems to be more a precondition for ameliorative conflict transformation than for escalation.

3. Theoretical and empirical analysis shows that whether institutional design and transfer of values and norms result in an ameliorative transformation of conflict depends not so much on establishing problem-solving mechanisms and arenas for bargaining but on taking into account path-dependencies particular to the conflict process in question.

4. In addition, it is essential that institutionalization does not block the conflict process but opens new opportunities to continue it within a regularized framework. Therefore, institutional design alone is not enough. Very important is a proper institutional fit: Conflict-regulating mechanisms must be compatible with the social reality to which they are applied.

5. Formal arrangements, however value-laden they may be, affect nothing. Much depends on the actors and their "agency", or instrumental behavior (Elster/Offe/Preuss 1998: 27-34). They must actively take up the arrangements, their principles, procedures and rules and "enact" them in concrete cases of conflict (Olsen 1991; Scott 1995).

A lack of agency causes a gap between making and application of norms and rules. This problem is obvious in the new Europe. Many institutions - the European Union, the OSCE, the Council of Europe and others - have acted as producers of European political, legal and moral standards, but when it comes to allocating property rights for the enactment of those standards and to developing and agreeing on specific procedures, their record is by far not as impressive.

6. In institutionalized conflict regulation, less usually is more (cf. Fearon 1998): A too broad shadow of the future may shape paths for a decay of cooperation and a pejorative transformation of conflict.

When a cooperative arrangement becomes too dense, dysfunctional expectations and norms of disruptive reciprocity emerge, leading to dysfunctional agency. Actors tend to project their single 'moves' onto a too broad horizon of time. The result is uncertainty whether cooperative strategies chosen now will also prove effective and compatible with one's self-interest in the future, and this again results in a considerably reduced willingness of the actors to commit themselves to institutional rules.

7. Finally, it is important to remember that institutionalization does not mean just to increase the density of the network of relations between actors or to change the relative 'positions' of the actors in the conflict system. Rather, it aims at an *ameliorative transformation* of whole conflict processes, including their cognitive context, and extends over the whole setting of conflict relations belonging to the respective case in point.

Specifically speaking, institutionalization is a strategy of *alternative dispute resolution*, seeking win-win outcomes, but it is not the clue to a general remedy for conflict: Institutionalization does not so much seek to skillfully settle or even solve conflict as it does to transform coercive, disintegrative and destructive conflict processes into accommodative, inclusive and creative ones (Kriesberg 1998a; Lederach 1997). Institutionalization hence is a promising strategy of conflict management within the *politicalprocess* itself, as opposed to conflict management procedures that operate in contexts which are more or less separated from the immediate socio-political conflict setting, such as mediation, workshops, elite round tables or mere technical institutional design focusing on the formal allocation of property rights but lacking empowerment strategies so to enable the actors to actively take up these property rights.

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