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Contents

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AIMS

EURAS Journal of Social Sciences (EJOSS) is a peer-reviewed international scientific open access periodical published in accordance with independent, unbiased, and double-blind peer-review principles. It publishes two issues per year. The publication language of the journal is English. The journal is an official publication of the Eurasian Universities Union (EURAS). EJOSS aims to contribute to the literature by publishing manuscripts of highest scientific level in such fields as social sciences, Sociology, Social Anthropology, Economics (Political Economy and Public Economics), Political Science, International Relations, Contemporary History.

SCOPE

EJOSS welcomes experimental outputs as well as interpretative proposals in all the fields of (broadly intended) social sciences. The journal conforms to the Principles of Transparency and Best Practice in Scholarly Publishing (doaj.org/bestpractice).

From The Editor

The "Eurasian Heartland" is quickly getting back the strategic, cultural and economic importance it held for millennia. EURAS was born as a far-sighted project aimed at establishing a permanent, friendly and fruitful cooperation among universities and institutions of the European and Asian sides of the Eurasian continent. And now, in the difficult and delicate phase entire World is experiencing, EURAS Executive Board has decided to issue three scientific journals. EURAS Journal of Social Sciences (EJOSS) is one of them.

EJOSS' mission is observing and reporting the developments occurring in the emerging societies and economies of the World, especially (but not exclusively) Eurasia. Our purpose is to provide serious, updated and interesting information out of stereotypes. EJOSS will be an open space where scientifically grounded and as much as possible politically, nationally and culturally unbiased contributes are welcomed.

We enjoy the support of highly-qualified scholars from Italy to Philippines, who are either included in the scientific and editorial boards and in the honor committee or are ready to help us as referees. We are thankful to all of them. We are also thankful to the technical staff and to all the people who are cooperating to this task. Let me mention at least Dr. İrem Arman.

EJOSS includes a section on EURAS life. You will see that despite pandemic, EURAS has not stopped its activities. We hope to give account of an increasing number of events and common achievements.

The first article of this first number is a special present by Prof. Dr. Mustafa Aydın, President of the Board of Trustees of the Istanbul Aydın University. He is the man who conceived EURAS. Thank you Mr. President!

Prof. Dr. Fabio L. Grassi

Preface

Dear readers,

after two issues mainly devoted to a fascinating topic which unites Christians and Muslims, with this issue we come back to subjects like economy, politics and contemporary history. And once again most of the contributors are junior scholars more than senior scholars. EJOSS is an open door to young forces willing to test their own skills in the several fields of social sciences. They can be sure that their manuscript will be carefully examined. A sad counterproof is that in these few years several manuscripts have been rejected. We hope to host many and many other works by gifted young scholars, provided that our goal is and will always be to keep on a high quality standard.

This commitment matches with the general policy of EURAS. I am personally very happy that EURAS has started the EURAS NextGen project, namely the creation of a body formed of the students of the affiliated universities. An interview with prof. Funda Sivrikaya Şerifoğlu, craftperson of the project with the strong support of the President of EURAS prof. Mustafa Aydın, provides us with an insight on this new adventure.

EURAS is more than ever a fruitful, meaningful, peaceful and joyful hub of meeting and cooperation. Wholeheartedly thanks to the President and to all the people who work in and for EURAS.

The editor-in-chief
Prof. Fabio L. Grassi, PhD

EURASIAN UNIVERSITIES UNION – POWERFUL COLLABORATION THROUGH A UNIQUELY WIDE NETWORK

EURAS launched in 2008, is a non-profit international association, covering universities and other higher education institutions within the Eurasian region to promote cooperation among 120+ universities from all across the West and Central Europe, Balkans, Caucasus, Middle East as well as the whole of Asia and working for the global advancement of educational standards in the Eurasian region.

Being the cradle of all known civilizations and having 2/3 of all the world population, the Eurasian region thus represents a center of excellence in terms of educational developments and cultural flows. By building an international educational platform for regional universities, EURAS serves its members as a gateway to reach the best educational services worldwide. As per the aim of internationalization via a dynamic and communicative network, EURAS has been strongly working on a wide range of fields in order to reach the highest achievements globally.

EURAS, as one of the fastest-growing higher education associations connects universities and all the higher education institutions belonging to different geopolitical and cultural backgrounds and seeks ways to enhance their dialogue and exchange of best practices.

Eurasian Universities Union's mission summarized as follows:

- Building a platform for regional universities to reach international educational services.
- Encouraging student and academic staff mobility.
- Establishing cooperation and networking among members.
- Improving academic standards of education.
- Promoting policy development internationally.
- Representing the interests and concerns of member universities by supporting their prestige and visibility worldwide.
- Strengthening the leadership of Eurasian universities by sharing knowledge and exchanging best practices.
- Supporting innovation.

EURAS creates a wide and productive ground for mutual sharing in various academic, social and cultural areas. Each step taken for a certain end will also bring its own gateway to many other aspects and contribute to the enrichment of the activities of the members and the union. EURAS mainly target is at the following projects and services:

- Awards and scholarships.
- Certificate programs for EURAS Members.
- Database portal and Members guide.
- EURIE-Eurasia Higher Education Summit-Annual Conference of EURAS.
- Interactive platforms such as blog page and other common areas for intercommuni- cation.
- Joint research and development activities.
- Joint projects under EU, UN and national agencies programs.
- Online events, webinars, workshops.
- Periodical and academic publications.
- Ranking systems.
- Short term programs, Summer schools, and internships.
- Student and academic exchange programs.
- Thematic conferences, seminars, and meetings.
- Volunteer programs.

EURAS has 3 academic journals:

- EURAS Journal of Social Sciences – EJOSS.
- Eurasian Journal of Health – EJOH.
- EURAS Journal of Engineering and Applied Sciences – EJEAS.

Eurasian Universities Union's vision is to promote sustainable peace and advanced technology worldwide through cultural developments and new educational systems. EURAS' vision for the future is to contribute to the society consisted of self-aware and highly qualified individuals benefiting from global education and mobility services. EURAS aims to open the borders of education to the public and to favor the exchange of knowledge and best practices among higher education institutions from the entire Eurasian region.

In order to accomplish these goals, we believe that connecting the universities from diverse identities can carry out the distinction in guaranteeing real equality and accessibility to excellence in educational standards.

Political Parties and Modern Parliamentarism: Challenges and Transformations*

Irakli Leonidze[1]

Abstract

The role of political parties in the modern parliamentary system is a process of combining some of the features that has some influence on the definition of the modern parliamentary system, although if the definition of concepts is not relevant in the state, the issue under consideration is perceived from the party's expectations. According to the common view, the rationality of a political party is reflected in the understanding and respect for the basic principles of the parliamentary system, also not changing the "place" in the system, which was given to the party on the basis of voter trust. Over the centuries, when absolute monarchy has disappeared from view, the role of political parties has become more structural and functional, but the interest and desire to own a place remains a challenge.

Keywords: *Parliamentary System, Political Power, Political Party.*

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Introduction

A modern concept of Parliamentarism is a consequence of various historical,[1] political, legal, and ethical processes over the course of centuries, which has contributed to setting up the multifunctional system of concepts and sharing it between the states.[2] At first, it all started with a request to the King so that the rights of the public representation would not be restrained. Upon rejection of that request, a just protest against absolutism arose.

From time to time, the perseverance of the Monarchy to take hold of governmental power was replaced with the aspiration of parties.[3] On the other hand, constitutional movements made it clear that upholding human rights under the rule of law and enforcing militant democracy was of utmost importance.[4] Consequently, the role of the parties in modern Parliamentarism would be defined by combining two independent reciprocal systems. The present research aims to scrutinize theoretical issues from a practical standpoint and assess the legal status of the political parties in modern Parliamentarism.

1. The History of Interconnection

The concept of Parliamentarism has been introduced as per the *prior in tempore potior in iure* principle.[5]As a result, it is more of a historical consequence and a legal definition for the parties.[6] Although the roots are the same, the challenges of the interconnection are different due to the unequal political culture of the parties perceiving the power. Nowadays, the sign of constitutionality calls on both sides to follow certain rules and come up with a decisive standard.[7] The fight against absolutism led to basing the principles of Parliamentarism on the distribution of power and the variability of those people in power. All that was a result of suspicion

[1] Lauvaux P., *Parliamentarism (Translation)*, Tbilisi, 2005, p. 11.
[2] Kantaria B., *Principles of Western Constitutionalism and the Legal Nature of the Form of Government in the First Georgian Constitution (Dissertation)*, Ivane Javakhishvili Tbilisi State University, Tbilisi, 2012, pp. 9-10.
[3] Westerman B., *The Inner Workings of British Political Parties The Interaction of Organisational Structures and their Impact on Political Behaviours*, London, 2019, p. 20; To compare with: Nodia G., Scoltbach A. P., *Georgian Political Landscape*, Tbilisi, 2006, p. 110.
[4] See: Loladze B., Macharadze Z., Pirtskhalashvili A., *Constitutional Justice*, Tbilisi, 2021, p. 244; Beimenbetov S., *A Comparative Analysis of 'Defensive Democracy': a Cross-National Assessment of Formal-Legal Defensiveness in 8 Advanced European Democracies (Thesis for the Degree of Doctor of Philosophy in Politics)*, University of Exeter, 2014, pp. 11-12.
[5] Lauvaux p., *Parliamentarism (Translation),* Tbilisi, 2005, p. 59.
[6] To compare - Wilbur C. Abbott, *The Origin of English Political Parties*, The American Historical Review, Vol. 24, №4, 1919, pp. 582-583.
[7] Ibid.

that those who fought in the name of parliament were in reality in opposition to Parliamentarism.[8] The fight against the Monarch was not the objective of those founders of the Parliamentarism, however, disregarding the just request necessitated implementation retaliatory action in England.

The execution of Charles I Stuart was an event that shocked and puzzled the proponents of the King as well as of the Parliamentarism. At that time punishing the king on the basis of specific charges was a novelty. The King's death led to new governing measures, which regularly used to be organized by the King in the past. Soon afterward, parliament and parties found themselves facing a military dictatorship. The ones fighting on behalf of the Parliament now fought against the idea of Parliamentarism, that's why Parliament had to find a new monarch. This would somehow balance the dictator's excessive interest in inheriting the crown over his son. Later on, in order to gain power over the Hanoverian monarchs, the founders of the Parliamentarism were replaced by parties. Consequently, the tendencies of party favoritism arose[9] which declared the founders of Parliamentarism of having no rights and power and forced them to associate with a particular party.[10] The political situation was further aggravated by different attitudes in the different kingdoms in Europe. The ongoing events in the Kingdom of England did not critically affect the continent of Europe until the Great French Revolution, as the absolutism established in France surpassed the constitutional idea of Parliamentarism.[11]

King Louis XIV of France subordinated all aspects of state governance to the power of the monarch.[12] With the motive of ensuring public order, he established an absolute monarchy which soon became a model for European kingdoms on how to establish centralized absolutism in the framework of the unrestricted power of the monarch.

On the continent of Europe, along with the spread of Parliamentarism and the fight against it, the view of educated despotism was reinforced, which combined the main functions of teaching Parliamentarism under

[8] Worden B., *Oliver Cromwell and Parliament*, Cromwell Collection Lecture, 2013, pp. 26-27.
[9] See: Dickinson H., *George III and Parliament, Journal of Parliamentary History,* Vol. 30, 2011, p. 396; Lauvaux P., *Parliamentarism (Translation),* Tbilisi, 2005, pp. 18-19.
[10] Thomas Erskine May, C. B., *Constitutional History of England (Since the Accession of George Third, W. J. Widdleton,* Publisher, Vol. I, 1874, pp. 20-21.
[11] Lauvaux P., *Parliamentarism (Translation),* Tbilisi, 2005, p. 21.
[12] Hurt J. J., *Louis XIV and the Parlements (The Assertion of Royal Authority),* Manchester University Press, 2002, p. 196.

the monarch's crown. Such an approach was nurtured by imitating the policy of the "Sun King". Well appraised educators distanced themselves from any manifestation of educated despotism. From their perspective, the European monarchy sought to appropriate the achievements of English Parliamentarism. The dissolution of parliament was quite a common occurrence during that time. With the dissolution of Parliament, the monarchs asserted their power before the people. Therefore, until this "habit" would be changed, the parties and the founders of Parliamentarism usually had nothing to dispute with each other, and often similar associations arose between them.[13]

The fight against absolutism equipped the founders of Parliamentarism with actual, weighty advantages, as they could balance the defeat of a strong opponent with the advantage of the victory.[14] Consequently, in order to assess the role of the party in modern Parliamentarism, a mere analysis of the constitutional norm is not sufficient.[15] In reality, a supposed crisis or novelty could be a well-forgotten old problem.

2. Major Characteristics of the Parliamentarism

The role of the parties in modern Parliamentarism is not determined by inheritance, rank, or property. At the same time, constitutionalism is an achievement of parties and modern Parliamentarism that enables them to deepen organizational cooperation. The characteristic of public representation of the parties is ensured by the state electoral system,[16] and modern Parliamentarism refrains from any attempt[17] of personification, as there is a danger from a personal and not party related perspective that a person backed up by the governmental power[18] will turn into the authoritarian ruler.[19]

[13] To compare: Pollard A. F., Litt. D. M. A., *The Evolution of Parliament*, 2nd ed., 1926, pp. 258-259.

[14] Morrill J., *Cromwell, Parliament, Ireland and a Commonwealth in Crisis: 1652 Revisited,* Journal of Parliamentary History, Vol. 30, 2011, p. 193.

[15] Lauvaux P., *Parliamentarism (Translation),* Tbilisi, 2005, pp. 6-7.

[16] See: Constitution of Georgia, 24/08/1995, Article 24; Gegenava D., Papashvili T., Vardosanidze St., Goradze G., Bregadze R., Tevzadze T., Tsanava L., Javakhishvili P., Macharadze Z., Sioridze G., Loladze B., *Introduction to the Constitutional Law of Georgia,* Tbilisi, 2019, p. 95; Also, Biotner R., Begiashvili M., Pirtskhalashvili A., Janelidze E., *Law of State Arrangement Methodological Guide for Lecturers*, Tbilisi, 2020, pp. 66-67.

[17] See: Norms of the Constitution of Georgia on the Concept of Parliament.

[18] The Issues for Evaluating Citizen Survey, Power G., *Global Parliamentary Report (The Changing Nature of Parliamentary Representation)*, United Nations Development Programme, 2012, pp. 24-25.

[19] In the context of pandemic, see: Murphy J., *Parliaments and Crisis: Challenges and Innovations,* International Institute for Democracy and Electoral Assistance, Strömsborg, №1, 2020, p. 11; Melikidze G., Uznadze N., *Parliament during the State of Emergency*, Journal of Constitutional Law, №1, 2020, pp. 182-183. For more historical context, see: Differences of opinion about Oliver Cromwell's personality. Ekkebus R., *Oliver Cromwell :*

First of all, the notion of modern Parliamentarism has to be analyzed. The concept of modern Parliamentarism is defined by its constituent issues, the combination of which or several issues separately may be considered sufficient to characterize modern Parliamentarism. Consequently, modern Parliamentarism as a set of concepts can not be just an abstract theorem or a rigid phenomenon defined on a theoretical level[20]- subnotions within it are multifunctional and feasible in practice.[21]

The characteristic of modern Parliamentarism might be imitative by nature, raising the issue of compatibility of concepts from a theoretical perspective. It should be noted that: *"In the legal literature, the parliamentary model is called "Parliamentarism", while some Georgian scholars equate it with the existence of a parliament"*.[22] According to the definition*, "representative democracy, after the universalization of the electoral system, can operate only through parties"*.[23] The practical manifestation of the theoretical characteristics of Parliamentarism through parties is in turn based on the doctrine of modern Parliamentarism introduced by Philip Lauvaux.

As per Lauvaux, *"the uniformity of the positive law of modern Parliamentarism has been violated to some extent"*.[24] Initially, the author names the post-World War II trends in constitutionalism as the basis for that violation. However, something that allows us to evaluate modern Parliamentarism by its own characteristics is the sufficiency of one characteristic taken separately.

The ideal accuracy of one characteristic confirms the complexity of constitutional notions of Parliamentarism, since modern Parliamentarism cannot be a form-amorphous thesis in the constitution of the state. From a practical point of view the search for a place by parties makes it more systemic. Consequently, operating through parties is one of the characteristics of modern Parliamentarism. The year of 2021 marked

Man of Force, Journal of Constructing the Past, Vol. 9, Issue 1, 2018, p. 81. Oliver Cromwell was often referred to as a murderous dictator, a military dictator, a hero of freedom, an aggressive and effective leader, a great Briton.

[20] Chighladze N., *The First Session of the Newly Elected Parliament and the Legitimacy of the Elections,* Election Magazine "Elections and Democracy", №3, 2020, p. 44.

[21] Gegenava D., Kantaria B., Tsanava L., Tevzadze T., Macharadze Z., Javakhishvili P., Erkvania T., Papashvili T., *Constitutional Law of Georgia,* 4th Edition, Tbilisi, 2016, p. 87.

[22] Kantaria B., *Principles of Western Constitutionalism and the Legal Nature of the Form of Government in the First Georgian Constitution (Dissertation),* Ivane Javakhishvili Tbilisi State University, Tbilisi, 2012, p. 9.

[23] Chighladze N., The Relationship between "Free Mandate" and "Party State" (Modern Trends), Collection of the Essays of the III National Conference: "800 Years of Constitutionalism", Tbilisi, 2017, p. 56.

[24] Lauvaux P., *Parliamentarism (Translation),* Tbilisi, 2005, p. 39.

hundred-year anniversary for Georgia. The example of the norm-provisions of the first constitution, and existing constitutional norms raises the issue of to what extent the political spectrum has shared the teachings about modern Parliamentarism.

Political parties in all countries of the world aspire to gain power.[25] The issue of to what extent this right is restricted is the matter of the political order of the state and the evaluation of the electoral system. The characteristic of a political party is not usually distinguished from the characteristic of modern Parliamentarism; However, while the theoretical approach is practically distorted and altered over the years by a party dictatorship, in this case, the particular characteristic loses its original meaning.[26]

The characteristics of a political party can be grouped into constitutional (external organizational) and party (internal organizational) characteristics.[27] It is also possible to distinguish between political, legal, and ethical characteristics, while the legal characteristic includes the external organizational and internal organizational legal characteristics. Each characteristic involves rights and responsibilities, the implementation/ enactment of which implies the place of the party in modern Parliamentarism - in different forms and statuses.[28]

Is it a practical demonstration of a mere theoretical aspect? Probably not, as there are issues on which the notion of modern Parliamentarism and the views of the parties are drastically different. If a particular view is unconstitutionally radical, then there is a legal basis for enacting the relevant mechanism. However, quite often the views of the parties are constitutionally radical, albeit with a veiled party subtext.[29] Is it possible for a complete theoretical notion to change the non-aligned views of the parties on Parliamentarism or any other issue? It is possible to establish a

[25] To compare: Chighladze N., *Current Issues of Universal Participation in Georgian Election Legislation,* Collection of Articles: Modern Challenges of Human Rights Protection, Korkelia K. (ed.), Tbilisi, 2009, p. 274, cited: Opinion of Philip Lauvaux.

[26] See: International Election Observation Mission Georgia - Municipal Elections, Second Round, October 30, 2021, Report on Preliminary Findings and Conclusions, 2021, pp. 3-4, 13-14, 17 (in Georgian).

[27] To compare: Hofmeister W., Grabow K., *Political Parties: Functions and Organisation in Democratic Societies,* Konrad Adenauer Stiftung, Singapore, 2011, pp. 11-12.

[28] Chighladze N., *The Relationship between "Free Mandate" and "Party State" (Modern Trends)*, Collection of the Essays of the III National Conference: "800 Years of Constitutionalism", Tbilisi, 2017, p. 56.
Lauvaux P., *Parliamentarism (Translation),* Tbilisi, 2005, p. 56.

[29] Chighladze N., *Women's Suffrage, Collection of Articles: Human Rights and Legal Reform in Georgia,* Korkelia K. (ed.), Tbilisi, 2014, pp. 317-318.

minimum standard by adhering to formalism, however, it is essential to deepen cooperation,[30] which still stands to be a challenging issue.[31]

When comparing bipartisan and multiparty parliamentary regimes, a quantitative assumption must be in line with democratic values, basic principles of constitutionalism, and the normative state order. Consequently, even an attempt and mere feeling of a one-party parliamentary regime is unconstitutional and not aligned with the principles of European constitutionalism. Nevertheless, a one-party government adopted under a two-party parliamentary regime does not pose a threat to a system of democratic governance. Quantitative values should be interpreted not separately but in conjunction with key concepts.

3. The Challenges of Acceptance and Rejection

The role of parties in modern Parliamentarism was once again demonstrated by the elections held within the pandemic restrictions, because no matter how challenging the epidemiological situation and the threat to human life, postponing elections in the state would prevent parties from gaining seats in parliament.[32] Some of the states postponed the elections, while some of them did not. At the same time, parties tend to perceive commitments resulting from similar advantages and avoid crowded agitation campaigns.[33] On the other hand, *"elections have been postponed in about 80 countries due to the spread of the virus in the world"*.[34]

Legislators in different countries consider it a correct and objective solution to saturate the notion of modern Parliamentarism (a combination of notions) directly with the evaluation of the actions of the parties, while the assessment of the latter is complicated due to the difficult epidemiological situation.[35] Emphasis on the role of the parties highlights the political-legal

[30] See: Lebanidze B., Panchulidze E., Minesashvili S., Vardiashvili G., Kakhishvili L., Zurabashvili T., *Collection of Policy Papers,* Georgian Policy Institute, Tbilisi, 2017, pp. 3-4, 72; Nodia G., Scoltbach A. P., *Georgian Political Landscape,* Tbilisi, 2006, p. 110.

[31] To compare: Kantaria B., *Principles of Western Constitutionalism and the Legal Nature of the Form of Government in the First Georgian Constitution (Dissertation),* Ivane Javakhishvili Tbilisi State University, Tbilisi, 2012, p. 25.

[32] For a judicial assessment of the epidemiological situation, see Judgment of the Administrative Court of Bavaria, Az. 20 N 20.767.

[33] Latsabidze M., *Elections and the Pandemic, Collection of Articles: Human Rights and the Povid-19 Pandemic,* Korkelia K. (ed.), Tbilisi, 2021, p. 102.

[34] Ibid.

[35] To compare: Survey of the Georgian Young Lawyers' Association: Interim Report of the 2020 Parliamentary Elections by Long-Term Observation Mission, 2020, p. 7.

space where the victory of the parties should take place.[36] In Georgia, this is an uncontrollable and biased issue due to double standards and the fact that concepts are confused in each specific case and in relation to the party.[37]

The notion of modern Parliamentarism in the discussion of the use of hate speech by parties is based on the constitutional premise that restrictions on the activities of political parties are permissible[38], although when there is no constitutional mechanism for restricting the activities of political parties, hate speech takes the indefinite form, considering that a unified and recognized notion of hate speech is clearly missing.[39] Examining party statements is one of the most common means of assessing the issue in European countries.[40]

The issue must be assessed at the constitutional level through specific mechanisms, otherwise, any form of restriction of parties would be unconstitutional. According to a 2018 study by the Media Development Foundation, most times, one of the party members made 157 hate speech statements during the year.[41] The electorate is particularly affected by the incomplete presentation of history, fact, or event. Incorrect/insufficient interpretations of historical issues through narrow party perspectives damage the political environment and interests, where hate speech is a key feature of a separate, specific party.

For the advancement of the Georgian parliamentary regime, it is crucial to eliminate hate speech in a timely manner, so that the essence of the existing model is not based solely on the rejection of the previous convocation and the unintentional sanctioning of the future parliament. The severity of hate speech is the most challenging problem of the Georgian parliamentary regime. On the one hand, *"the use of hate speech by parliamentarians is regulated by the Code of Conduct for Members of Parliament"*.[42] On the

[36] Beetham D., *Parliament and Democracy in the Twenty-First Century (A Guide to Good Practice)*, Inter-Parliamentary Union, Geneva, 2006, pp. 183-184.
[37] To compare: Shavgulidze T., *Verwaltungsgerichtlicher Rechtsschutz gegen Corona-Maßnahmen (Masterarbeit)*, Universität Passau, 2021, p. 56, Fundamental rights in the event of a pandemic emergency serve the role of a "litmus test".
[38] Constitution of Georgia, Departments of the Parliament of Georgia, 31-33, 24/08/1995, Article 60, Paragraph 4, Subparagraph "f".
[39] Responding to "Hate Speech": Comparative Overview of Six EU Countries, London, 2018, pp. 41-42.
[40] Ibid.
[41] Gogoladze T., *Media Development Foundation Survey: Hate Speech*, 2018, p. 25.
[42] Map of National Hate Speech Response Mechanisms in Georgia System Analysis and Policy Report, 2021, p. 18.

other hand, *"Georgian legislation does not contain a definition of hate speech. It is also not stipulated by codes of conduct that regulate the use of hate speech by the media, public officials and members of parliament"*.[43] Therefore the issue whether there is hate speech or not could be interporeted quite broadly. Frequent use of hate speech and the lack of an effective response mechanism result in aimless partisan identity between parliament and Parliamentarism, where hate speech is a constitutional means for a parliament member to express a partisan or opposition opinion. It is desirable to establish the notion of hate speech in the Code of Conduct, which regulates the conduct of a Member of Parliament. It should be noted that hate speech is often discriminatory in nature, however proving this is complex and mostly a matter of evaluation.

In modern Parliamentarism those parties that advocate radical measures on migrant status and refugees, including closing borders, mostly retain their influence. In the case of Hungary, such an approach led to the influence of partisan interest on the notion of parliamentarism in that country. In other countries, it demonstrated the weakness of the notion of parties and parliamentarism in terms of regulating the problem. What is more unacceptable, radicalism or weakness has been the subject of debate in the European Union for years. For example, the return of migrants is a well-known measure for European states, however, the context is different in each particular state. The conflict between the interest of national security and the fundamental rights of the person seeking international protection is particularly noteworthy. Political, legal, social, and cultural problems reaffirm the importance of the role of parties in modern Parliamentarism, as a mere notion in place is not sufficient to regulate the critical challenges and needs of the electorate. Migrants and sexual crimes have become a problem and a subject of party manipulation. Obviously, through such agitation, parties seek to gain/reaffirm their influence in the Parliament. In this case, their role in modern Parliamentarism is inert. The partisan interest coated with the problem often determines the role of the parties in modern Parliamentarism.[44] At the same time, violent calls are permeated with hate speech and attempts to distort notions.[45]

[43] Ibid, 12.

[44] To compare: Chighladze N., *Current Issues of Universal Participation in Georgian Election Legislation*, Collection of Articles: Modern Challenges of Human Rights Protection, Korkelia K. (ed.), Tbilisi, 2009, pp. 272-273.

[45] Gogoladze T., *Media Development Foundation Survey: Hate Speech*, 2018, p. 27.

In modern Parliamentarism, there is a place for parties that advocate the legalization and decriminalization of criminal offenses. The European parties are more cautious about the issues which could be sensitive to the electorate. However, modern Parliamentarism does not fight against the vision of the parties, nor their falsity when dealing with the electorate. However, another problem arises – a possibility of human rights violation by not reacting to the facts, manipulating them instead, and using them for partisan interests.

The subject of party interest is often devoid of real purpose and is often used to raise the interest of the electorate on the taboo subjects. Along with the party interest, the issue of human rights and the needs of specific individuals are discussed, which are further reflected in policy documents or legal acts.[46] Party activities before and after entering the parliament should be the basis for the adequacy of the principle of responsibility. Marijuana has been the subject of partisan interest in the Georgian reality, securing the party's place in parliament and in modern parliamentarism. The issue of marijuana use has arisen numerous responses in the legal doctrine.[47] As it turned out, after satisfying the party interest. Several parties referred to the definition of the Constitutional Court of Georgia.[48] In order to define the concept of the ruling party, it is important to define the core values of democratic governance and the practical implementation of theoretical teaching. A sole understanding of the ruling party implies a change in the entire concept or in the part of modern parliamentarism on the basis of a constitutional amendment, which extends the time of power and influence of the ruling party. The governance of the ruling party is the basis for the confrontation of the opposition parties, which is further reflected in the changing nature of election promises. It is important to correctly determine the will of the electorate, the consequences of manipulating with it, and the function of the electoral system. Parties have to reinforce public trust and ensure updating their electorate with more or less objective information/ strategies. That is why refraining from the one-party rule and asserting the need of a multi-party system is the subject of partisan controversy.

[46] See: Decision №3/1/1239,1642,1674 of the Constitutional Court of Georgia of April 21, 2022. Decision of the Constitutional Court of Georgia 213/3/1387 of April 21, 2022.

[47] See: Tskitishvili T., *Analysis of the Decisions made by the Constitutional Court of Georgia on the Punishment of Drug Offenses*, Mchedlishvili-Hedrikh K. (ed.), Tbilisi, 2019, p. 96; Shalikashvili M., *Criminological Analysis of the Marijuana Decisions of the Constitutional Court of Georgia*, Tbilisi, 2019, p. 59.

[48] Judgment of the Constitutional Court of Georgia 301/13/732 of November 30, 2017 in the case "Citizen of Georgia Givi Shanidze v. Parliament of Georgia", II-52.

The first paragraph of Article 37 of the Constitution of Georgia states: *"After the full restoration of Georgian jurisdiction over the entire territory of Georgia ..."*. Further, the second paragraph explains the objective reality: *"before the condition noted in paragraph 1 of this article is constituted..."*. Therefore, in the first paragraph arises the expectation of the full functioning of the Georgian parliamentary regime, which makes it obvious that the constitutional changes of the current regime are clear.[49] As for the second paragraph, somehow arises "inferiority complex" within the former parliaments before that objective is met. In addition, this article reinforces the lack of public interest in Georgia, especially among people who live on the territory where the jurisdiction of Georgia has not yet been extended.

It is essential that the expectation of a change in the Georgian parliamentary regime should not be an objective in itself the parliament. At the same time, parliament should not turn into an idealized form of restriction of the right to represent the people in the future. In addition, the reality before achieving this goal should be determined by the criteria, change of which will not substantially contradict the essence of modern Parliamentarism or the democratic processes formed over the years as a result of the succession of various executive and legislative powers in the state.

It is also of utmost importance to have established a broad and sound legal approach in the legal literature so that the first and second paragraphs of Article 37 of the Constitution of Georgia are not interpreted unconstitutionally in the future. In a similar way, the broad regulation of unconstitutional doctrine may drastically change the essence of Parliamentarism through the efforts of narrow partisan interests.

A bipartisan and multi-party parliamentary regime combines knowledge of modern Parliamentarism and the function of parliament. The expediency of the implementation of theoretical issues is addressed to the parties, as it is the parties that establish the practical vision. Merely counting the votes in the elections is not sufficient when the constitution of the state, territorial organization, political order and electoral system put the need on the agenda to combine the results obtained. It should be noted that the electoral systems are also characterized by "sympathy" towards the

[49] Comp. Macharadze Z., *The Idea of a Two-Chamber Parliament in the Constitution of Georgia*, Constitutionalism, Achievements and Challenges, Tbilisi, 2019, pp. 723-725.

multiplicity of parliamentary regimes. The constitutional norm justifies the existence of a parliamentary regime from a normative point of view, while the parties repeatedly enrich the constitutional parliamentary system through multiplicity.

The history behind the Georgian parliamentary regime is linked to the struggle for independence, and there is no centuries-old basis for characterizing classical or modern Parliamentarism.[50] Consequently, the need for perfection has arisen due to the actual need. Historically, the self-organizing of the representative body in order to balance the king's government has not taken place.

A noteworthy question arises - which norm should be examined in order to identify the need to improve the Georgian parliamentary regime.[51] Should it be the third chapter of the Constitution of Georgia, titled "the Parliament of Georgia" or the preamble and other provisions? It is striking that to this day there seems to be no end to the process of changing the state organization and the parliamentary model. At the same time, the title of a separate norm can easily generate a basic impression of the normative structure of the Georgian parliamentary regime. This norm, in conjunction with other norms, is considered to be an objective means of assessing the issue. It should be noted that the planning of future legislative amendments should not be conditional, as it is inadmissible to demonstrate the identity of parliament and Parliamentarism by changing the norm without considering the basic essence of modern Parliamentarism. Future actions to be implemented are aimed at establishing, perfecting, and developing more precise ethical rules for parties and party members. It is essential to clearly articulate the party vision, interest, or values and share it with the electorate and eliminate all forms of hate speech. Party members should also refrain from inappropriate actions which damage the party's interest.[52] The importance of the electoral system should be recognized and the power of the ruling political party should be utilized for the benefit of the constitutional system of Parliamentarism, without the influence of other

[50] Comp. Gogiberidze G., *Georgian Reflections of Parliamentarism (Constitutional-legal Tour)*, Constitucionalism, Achievements and Challenges, Tbilisi, 2019, pp. 545-548.
[51] Comp. Kublashvili K., *Defects in the Constitution – Problems of Constitutionalism,* Constitucionalism, Achievements and Challenges, Tbilisi, 2019, p. 520.
[52] Comp. Ginsburg T., Cheibub J. A., Elkins Z., *Beyond Presidentialism and Parliamentarism: on the Hybridization of Constitutional Form, Workshop on Measuring Law and Institutions: Analytical and Methodological Challenges*, Pompeu Fabra University, Barcelona, 2009, pp. 3-4.

interests. At the same time, the importance of the unity of opposition parties not only during the election period but also after the announcement of the election results should be acknowledged, narrow party interests should be reconciled and the information about common goals/vision/tasks should be communicated to the electorate.

Conclusion

The legal status of the political parties in modern Parliamentarism is the synthesis of historical reality and contemporary challenges, which lead to different legal consequences and political definitions in different states.[53] Pursuit of power is triggered by the advantages of Monarchy/abolition of Absolutism. Methods and mechanism of the governance, being a subject of interest for the Monarchs before, is a functional charasteristic of the political parties nowadays, translating into the accountability of the Government towards the parliament.

In modern Parliamentarism, the party must be set up as per the requirements of the relevant principles, in order to avoid the frequency of non-democratic actions/legislative amendments. It is highly recommended that in Georgia, institutionality is not perceived as a matter of party personification. What is more, the legal status of the political parties must be defined in accordance with the concepts of modern Parliamentarism as a practical standpoint, which is not backed up with a theoretical approach often turns out to be mere party interest. In the framework of the present research, theoretical and practical issues have been analyzed, and recommendations have been provided considering the reality of Georgia. It is of utmost importance to assess the role of the parties in the Parliamentarism through the lenses of constitutional concepts, so that conditional circumstance is not modified by narrow party objectives.

[53] See: Montero J. R., *The Literature on Political Parties: a Critical Reassessment*, Barcelona, 2003, p. 18.

The Cultural Uniqueness of Antipodean Capitalism and Its Historical Development-paths Dependencies: An Analysis of Stylized Facts

Francesco Scalamonti[1]

Abstract

The features and cultural uniqueness characterizing Antipodean capitalism have not been directly observed and clarified in the specialized literature. Therefore, in an original way, this study aims to synthesize the secondary sources on historical-economic and cultural studies to provide an analysis of stylized facts, generally, and the specialized literature related to Australia and New Zealand, particularly. It provides a novel contribution in highlighting the Antipodean capitalism's cultural uniqueness compared to capitalism in other advanced economies and neighboring South-Eastern Asian emerging economies – United Kingdom, United States, Eurozone, Japan, China, and India – by employing the six cultural traits identified by Hofstede et al. (2010), and in identifying the distinctive features of countries' institutional and business environment. In fact, Australia's and New Zealand's institutional and business environments have evolved differently than those of the United Kingdom and the United States. Especially, Antipodean capitalism exhibits "milder" cultural traits because the countries' governance impacted their socioeconomic systems, influencing their development-paths differently than other developed and developing countries.

Keywords: *development-path, capitalism, Australia, New Zealand.*

JEL Codes: N17, P10, P51, Z10.

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1. Introduction

Institutionalism and institutional change are core parts of economics and economic history (Chang, 2010; Acemoglu and Robinson, 2021; Ménard and Shirley, 2022; Diebolt and Shirley, 2024). According to Acemoglu and Robinson (2013), institutions can be categorized into inclusive and extractive. Inclusive institutions facilitate and encourage people's participation in socio-economic activities while upholding the principle of freedom. To be inclusive, institutions must ensure the protection of rights and guarantee them. In contrast, extractive institutions are characterized by elites who dominate social systems and benefit from rent-seeking activities. The former aim to involve and valorize all socioeconomic actors, promoting a fair redistribution of opportunities and favoring social mobility, personal motivation, and increased productivity, identifying satisficing solutions to new issues and needs, thus promoting well-being and economic development. The latter, contrary, aim to concentrate power and resources in the hands of a few people, leaving the other people in a condition of subordination, thus preventing an efficient allocation of resources, and slowing down economic development and innovation. Alongside institutions, there are also privates, such as businesses or associations. Galbraith (1976) previously identified corporations as private entities that can play an active social role within the modern societies. In the best case, their interests can be balanced by others, in the worst case, they can operate indiscriminately in pursuit of profit. Trade associations and class actions in a free society can represent countervailing forms for the specific interests of a given group of individuals.

As early as the late XIX century, the Italian agrarian economist Ugo Rabbeno (1898 [2023]) pondered what was considered an anomaly for the time. He was the first to explore the distinctive features of the production and labor system in Antipodean countries, attributing the social transformations in Australia and New Zealand to economic and socio-political factors related to rural development, which had demographic implications in these countries after their British colonization. Indeed, the governance of these nations encouraged migrations, both by those seeking new opportunities and the labor force required for land cultivation.

As far as we know, the Antipodean capitalism and its features and cultural uniqueness have not been directly observed and clarified in the specialized literature. However, understanding it is important both for development-

paths' uniqueness of Australia and New Zealand, and for their geographical location and economic integration in the South-Eastern Asian region, serving them as hubs for Western investors and firms (Mendelsohn and Fels, 2014; Doan et al., 2015; Turnbull at al., 2016; Ge et al., 2017; Klinge, 2021; Rafidi and Verikios, 2022). Every country, region, city, and even suburb can present some cultural differences. Acknowledging these differences and how they impact on institutions shaping each country's system is crucial for understanding their development path-dependency. Additionally, Australia and New Zealand also have a shared military tradition. Therefore, considering both countries is pivotal in understanding shared traditions and habits.

In an original way, this study aims to synthesize the secondary sources on historical-economic and cultural studies to provide an analysis of stylized facts, generally, and specialized literature related to Australia and New Zealand, particularly, providing a novel contribution in highlighting the Antipodean capitalism's cultural uniqueness and in identifying the features of the institutional and business environment of countries compared to that of other advanced and emerging neighboring economies, such as the United Kingdom, the United States, the Eurozone, Japan, China, and India, ultimately employing the six cultural traits identified by Hofstede et al. (2010).

Recently, the debate on geography and institutional economics has revived a new interest in the determinants of different development paths of countries (De Janvry and Sadoulet, 2015; Amendolagine and Von Jacobi, 2023). A growing body of literature has sought to compare the institutions emerging from the colonization process in different regions and particularly in the regions of new settlement (Chang, 2010; Acemoglu and Robinson, 2021). In addition to this body of literature that has focused on the indirect effects of agrarian institutions on economic development, there is also a research-line suggesting the existence of a direct relationship between these, and which has to do with the demand for manufactures in countries. Others have focused on the key link between access to frontier land, institution building, culture, and growth, and have explored the links with moral economics starting from the assumptions exposed in the seminal works by Thompson (1971, 1972).

These and even other key contributions in the literature on history's influence on social capital levels, for instance, in Italy and elsewhere,

lead to considering historical legacies as differences in cultural traits and civicism norms in a society (Cassar et al., 2014; Di Liberto and Sideri, 2015; Guiso et al., 2016). In fact, Italy has been an extraordinary laboratory to test the importance of cultural heritage. Over the centuries different areas of the country experienced different political dominations, with related significant cultural diversities. Therefore, it is not surprising that a large body of literature has developed with reference to the Italian context in studying the interplay between cultural norms and policy change (Accetturo et al., 2014; D'Adda and De Blasio, 2016). The importance of inherited cultural traits for the effectiveness of policies could be ideally measured through the inherited cultural traits and exposure to the policies using Hofstede's values scale.

Although cultural dimensions by Hofstede et al. (2010) could be many more since any study could reveal novel patterns (Catalin and Cerasela, 2012), and despite some critiques based on observational data collected, on their viability and elaboration, our empirical investigation will be based on this scale of values.

With the acceleration of globalization in the Nineties, many economies have grown and have become more integrated in the global economy, including both Australia and New Zealand, particularly after their accession to the World Trade Organization (WTO) in the half-Nineties. The below Figure 1 shows the per-capita GDP growth of Australia and New Zealand at PPP from 1990 to 2020. In Neo-Keynesian theory, economic growth (ΔY) is composed by the variation of private consumption (ΔC), public spending (ΔG), private investment (ΔI), and foreign net-position given by exports minus imports $\Delta(X–M)$. Therefore, the following equation $\Delta Y=\Delta(C+G+I+X–M)$ represents the countries' growth-path in a generic aggregate economic model, exactly obtained by summing the growth-paths of its components (Visaggio, 2012).

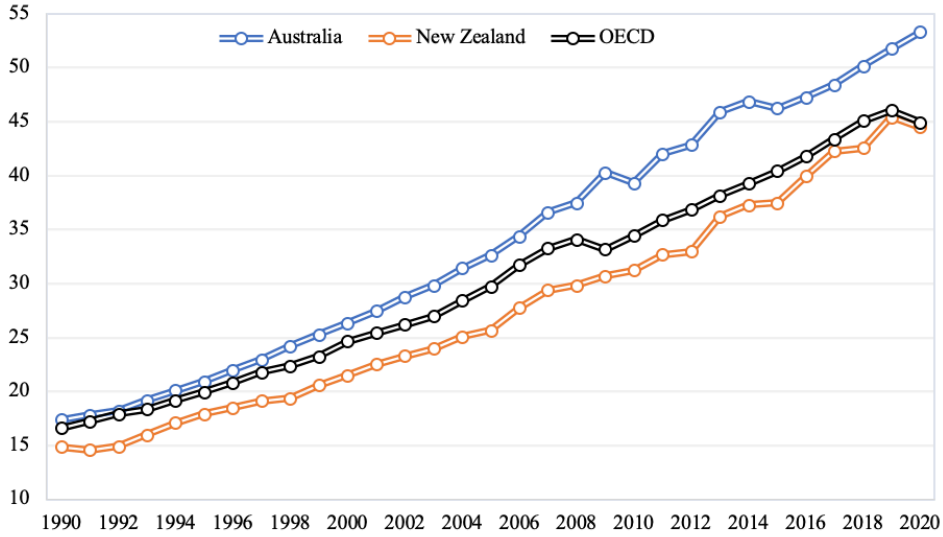

Figure 1 – Per-capita GDP growth, USD thousands at PPP, benchmark OECD average. Source: our elaboration on World Bank data (2023)

In the ending of the 20th century, Australia and New Zealand became two of the most prosperous globalized economies in the world, relying heavily on international trade with advanced and neighboring emerging countries, including the United Kingdom – and the other countries of Commonwealth such as Canada – the United States, the European countries, and the nearest China, Japan, and India (Millmow, 2017; Oxley, 2018). The Australia and New Zealand's economy is a mix of free-market principles – led by a sizable manufacturing and service sector and an efficient agricultural sector – combined with strategic industry protectionism. Particularly, New Zealand has transformed its economy from agrarian-based – primarily dependent on the British economy – to export-oriented, principally wool, meat, and dairy. As a result, they are rapidly become capitalistic and industrialized countries capable of competing globally with the other advanced economies.

However, Australia and the other countries of Commonwealth, for instance Canada, followed quite different development-paths. Australia's per-capita GDP was well above those of Britain and the United States in 1870, and more than double that of Canada. Starting in the Eighties, Australian per-capita GDP was lower than that of the United States,

Canada, and Britain. The neoliberal economic reforms that began in Eighties have resulted in Australia now being considered one of the most open economies in the world, notwithstanding conflicting opinions regarding the long-term success of free trade and the inevitable contraction of the domestic manufacturing industry. Australia has enjoyed over two decades of largely unaffected economic growth, coupled with low inflation and relatively low unemployment – until 2020 when the country entered a brief recession where unemployment rose. More recently, due to the Covid-19 pandemic, the trade disputes China-US and China-Australia, and finally the Ukrainian war, there has been a significant political shift in focus toward national security issues and renewed interest in the manufacturing industry in Australia. Even though free trade continues to be very important, establishing a thriving domestic industry has regained consensus in a global context characterized by fluid political and economic balances.

The paper is structured as follows: (i) the historical legacy, cultural norms, and development-paths; (ii) the historical development-paths dependencies of Australia and New Zealand; (iii) distinctive features; (iv) the cultural distance from the United Kingdom, the United States, the Eurozone, Japan, China, and India; (v) conclusions.

2. The historical legacy, cultural norms, and development-paths

Rabbeno (1898 [2023]) observed that the original land-based capitalism that arose in England during the First Industrial Revolution did not replicate in Australia and New Zealand. Instead, these austral regions initiated their unique and widespread pastoral capitalism. This approach, at the time, was the distinctive way of austral countries that was employed by their governance to restrict land availability while continuing to encourage immigration. As this way of production advanced, a considerable number of herders and cultivators were settled in small and medium village settlements through favorable regulations and the rise of the rule of law (Crafts, 1985; Cashin, 1995; Macchioro, 2006).

As British colonies, it was rather unlikely that Australia and New Zealand would export the spontaneous first-generation economic development model that occurred in England within their own borders (Angelucci et al., 2022). In other words, the British Empire was more interested in maintaining economic supremacy and a strong trade relationship with

the colonies rather than wanting them to develop autonomously. In other words, colonial settlements represented the economic frontiers of British capitalism expansion.

When Britain Empire conceded self-government to austral countries, it was in the secure knowledge that intertwined economic ties were strong enough to sustain the colonial relationships with the British homeland. Complex socioeconomic interactions had created the colonies and had been conditioned by the nineteenth-century British imperialism (Rickard, 2017).

Australia's and New Zealand's governance relied on economic processes inspired by cooperation, subsidiarity, and geographical localization in facilitating access to land for a significant proportion of the population, thus preventing the elites from taking control of agrarian property. Nevertheless, these advantages were already known to economists of the time. Their growth might show some similarities with the development that originated in Italy following the spread of sharecropping, which concentrated growth in certain regions rather than others (Bagnasco, 1977; Becattini, 2007; Dei Ottati, 2017). Therefore, exemplary cases are the development of manufacturing activities in Italian regions where local market demand was higher and a new entrepreneurial class mainly composed of small and medium-sized bourgeoisie spontaneously arose, or higher literacy rates in rural areas in Spain following the ownership of a piece of land (Basso, 2014).

Differently from England, Australia and New Zealand did not experience the increase in poverty that followed the initial wave of industrialization and the abandonment of rural areas due to limited employment opportunities. This means that small landowners were not compelled to migrate to cities, attracted by new employment opportunities resulting from the development of industries driven by the capitalistic need of large landowners to invest in sectors other than agriculture, in contrast to what occurred in England during the First Industrial Revolution with the enclosure and grain laws.

On the other hand, from an economic rather than a historical perspective, the industrial take-off in Australia and New Zealand could also have depended on the structure of domestic demand for manufactured goods, which, in turn, was influenced by the distribution of agrarian income, leading to a lower level of internal inequality. In fact, the high concentration

of land in the hands of a few landowners would have negatively affected industrialization and growth, ultimately preventing the formation of a sizable group of mid-income landowners and, consequently, stalling the development of internal demand for manufactured goods (Alvarez et al., 2011). In other words, there is consistent evidence within the historical evolution of different countries emphasizing the importance of agrarian institutions for their development.

Specifically, the land distribution process was a crucial factor in contributing to the emergence of an agrarian society with high levels of well-being. In 1831, the National Colonization Society approved the Bentham's proposal to establish a new free colony in Australia, which would be granted self-governing powers as soon as was practicable, financed by the sale of expropriated lands from settlers and overseen by a joint-stock company (Causer and Schofield, 2018).

This way-of-doing ensured a lower concentration of land ownership among large landowners and a consequent more equitable distribution of agrarian income, ultimately allowing the most people, equipped with sufficient purchasing power, to purchase manufactured goods and hence "turn the economy". For instance, in New Zealand, once property rights were defined in the initial phase of industrialization, and without forgetting that New Zealand enjoyed privileged access to the British market, its governance promoted endogenous mechanisms that facilitated the access of emerging classes to credit and advanced technologies (Alvarez et al., 2011).

In general, in Australia and New Zealand, an increasing number of small and very small agricultural businesses, more or less profitable, coexisted, supported by institutional efforts aimed at laying the groundwork for future development. The countries' governance ensured strict control over land distribution so that a growing portion of the population could access this crucial resource for further development. Additionally, measures were also implemented for soil protection and conservation.

The early settlers could not directly negotiate land acquisition with the native indigenous. The colonial authority and local governance thus created a system of rights designed to regulate and protect land acquisitions. The significance of early settlers lies precisely in the claims they made for the occupied lands, considering them as a natural social recognition (Rickard,

2017). Large-scale immigration to the austral countries hinged on the devising of schemes and programmes, and this in turn was dependent upon the rise of British sentiment in favor of emigration. In fact, in 1798 Malthus had sounded the alarm about the future facing an over-populated Britain, and in 1817 he conceded that emigration may be a palliative to the population expansion associated with the Industrial Revolution and economic problems resulting. By the early 19th century, the emigration issue had become a subject of economic theorization and a major political concern of the British Empire.

Summarizing, Australia and New Zealand had institutions that promoted access to technology, provided consultations, offered long-term credit for land purchases and equipment investments, and provided valuable information on foreign markets. Furthermore, Australia and New Zealand, being islands, were much less involved in conflicts and the two world wars due to their geographical location, although they were not exempt from internal struggles. Finally, these countries prospered due to a thriving agricultural sector, abundant natural resources, and the relatively low presence of the native indigenous, and this facilitated migration flows to the countries. Consequently, at the origin of Australia's and New Zealand's historical development-paths, there are the migrant settlement and the resulting multicultural society.

Specialized literature analyzing the underlying forces of the countries' development-path, focusing on the significance of specific factors such as cultural, ethnic, religious, or historical-political factors, is indeed very wide. Many works consider history, the influence of social and cultural norms in connection with the countries' development process (Michalopoulos and Papaioannou, 2014; Guiso et al., 2016; Ang and Fredriksson, 2018; Van Hoorn, 2019; Roland, 2020; Kafka and Kostis, 2021; Rubin, 2022; Becker and Dulay, 2024).

Some studies have looked at genetic diversity as a potential factor that could play an important role in shaping economic development. A cornerstone of this research line is the seminal work of Putnam et al. (1993). They demonstrate that areas where free city-states arose in the Italian Middle Ages exhibit higher levels of civilization and better institutional performance. In contrast, where authoritarian and narrow groups prevented the formation of free civic associations experienced a decline in the ability to form a local institutional framework (Tabellini, 2010; Guenzi and Rossi, 2014; Di

Liberto and Sideri, 2015; Guiso et al., 2016).

In other words, institutions influence social norms, but this relationship requires reciprocity (North, 1991, p. 111): «what is it about informal constraints that gives such a pervasive influence upon the long-run character of the economy? What is the relationship between formal and informal constraints? How does an economy develop the informal constraints that make individuals constrain their behavior?[...]».

In fact, institutions cease to be sound when they induce habits and behaviors that are inconsistent with the pre-established rule, and these are no longer self-reinforcing. Furthermore, the institutional change is also related to the persistence effect in economic and history, it can be driven by both cooperation and conflict (Acemoglu et al., 2001; Acemoglu, 2025). Therefore, the literature is considering both the persistence of institutional legacies and cultural traits in a novel manner (Ménard and Shirley, 2022; Diebolt and Shirley, 2024).

Capitalism and society are closely intertwined. Scholars and academics are now more aware that competition only is inadequate in creating the basic conditions needed for socioeconomic dynamism and development of countries (Phelps, 1999; Frydman et al., 1999). As a result, a prospering, dynamic, and flourishing society requires not only sound governance to facilitate progress and societal change, but also requires wise people, who should be able to positively interpret the value of modernity and the intrinsic change it can bring.

There are fundamental issues about modern capitalism that have barely begun to be studied. For instance, to list a few: (i) what economic and social institutions engender dynamism and innovation in the nowadays most advanced capitalist economies, and what instead function less?; (ii) what additions or changes to institutions and policies could be needed?; (iii) how large are the gains of this manner of organizing production both in productivity and, overall, in benefits for its participants?; (iv) how compare capitalistic systems across them, even with respect to dynamism, stability, and inclusiveness?; (v) in this regard, does culture matter?

This means that what enabled and encouraged advanced economies to become creative, innovative, and grow fast is a question on which social scientists have been debating for more than a century.

Why some advanced economies are today more innovative and dynamic than others, at least when operating under comparable conditions, is still an open question (Chang, 2010; Acemoglu and Robinson, 2021). However, as a plausible hypothesis to investigate this one, it is arisen that people's culture, beliefs, and habits are fundamental in the modern socioeconomic theories in explaining countries' development-paths and institutional quality.

The results of historical-economic and cultural studies can provide evidence of the value of formal and informal institutions for development-path. Richerson et al. (2016) have also provided extensive evidence on whether cultural selection can play a significant role in the evolution of human cooperation. Differentiation in terms of trust, reciprocity, and cooperation habits led to profound differences in economic development in areas and regions characterized by similar institutional forms. The extent to which norms are shaped by past institutions remains a subject even in more recent studies (Peisakhin, 2015; Kyriacou, 2016; Gründler and Köllner, 2020; Li and Maskin, 2021).

European – and especially British – colonialism led to the military conquest and exploitation of most of the Global South (McNamee, 2023). However, colonial governance did pursue some legislation and investments in welfare and educational policy in colonies, although limited to local administrators and government employees. In many cases, these policies survived independence and thus constitute today the foundation of present policies in many British ex-colonies (Bustikova and Corduneanu-Huci, 2017; Nathan, 2023; Becker and Ricart-Huguet, 2024).

British colonialization relied primarily on indirect rule of territories, which entailed decentralized governance and the integration with pre-existing local institutions. Additionally, local governance relied on families and communities to provide for social needs, functioning as a safety network (Cammett and MacLean, 2014; Becker and Schmitt, 2023).

Concluding, the modern institutionalism perspective is that institutions are important in the progress of countries' socio-economic systems (Acemoglu and Robinson, 2013; Galbraith, 2015; Roncaglia, 2019; Lin, 2021; Grajzl, 2023). The differences in the paths of industrial development of countries can be traced back to the origins of their institutional systems. Therefore, institutions matter and can play a very important role in the history of

development (Kaufmann et al., 1999; Corcoran and Gillanders, 2014; Jude and Levieuge, 2016; Sen et al., 2018; Acemoglu et al., 2019; Eberhardt, 2022; Dosso, 2023; De Almeida, 2024; Paldam, 2024). However, they are neither a necessary nor a sufficient condition for development. Empirical evidence shows that other factors also come into play in driving development, such as technology, demographic structure, climate, culture, politics, and considerable efforts may be needed to coordinate national policies (Marelli and Signorelli, 2022; Dallago and Casagrande, 2023). This presupposes an approach that proactively analyzes and considers international cooperation. In fact, it may happen that policies with a nationalistic orientation prevail, which can have a significant impact on the international community. The sharing of purposes should be a priority of international governance (Perrotta, 2020).

Some authors argue that governance should play a broader and more active role in promoting development (Halter et al., 2014; Stiglitz et al., 2018; Vercelli, 2020). Other authors believe that businesses and individuals should be responsible (Liang and Renneboog, 2017; Mayer, 2018; Schoenmaker and Schramade, 2019; Edmans, 2020).

The main international organizations define the governance as the manner politics manages a country's economic and social resources for development, therefore, it concerns the management of specific aspects of human existence. Government and governance are no longer considered separately. Market failures generate inequalities and cause crises (Rodrik, 2011; Lane and Milesi-Ferretti 2014; Wolf, 2015; Rodrik 2018). For North (1990), institutions are the set of formal and informal rules that guide human behavior, while for Bevir and Rhodes (2016), governance pertains to creation of organized networks, which implies the implementation of decision-making processes that are not purely political.

If institutions and firms are drivers of country's development, they should be led by a competent political and managerial class that can manage the increased surrounding complexity (Kotler, 2016; Pisani-Ferry, 2018; Russo, 2020). Additionally, there could be a need for governance of globalization while respecting national sovereignty (Algan and Cahuc, 2014; Catão and Obstfeld, 2019; Obstfeld, 2020; Razin, 2022). Other issues are then related to individual or collective choices (Nash, 1951; Erev and Haruvy, 2016; Rifkin, 2019), the management of commons (Ostrom, 1990), and

the struggle against increasing inequality within and between countries (Stiglitz, 2002; Lakner and Milanovic, 2016).

3. The historical development-paths dependencies of Australia and New Zealand

A large part of the literature regards history as one of the main determinants of countries' development-paths. This literature suggests that the slow-changing nature of cultural norms might explain the long-run effects of historical events (Nunn, 2009). The literature on the impact of historical institutions on development-paths, through their influence on cultural norms and social capital, is very wide.

In a seminal contribution, Putnam et al. (1993) offered evidence that historical legacy, through its impact on local culture, matters for the quality of institutions and current local development in Italian regions. In terms of historical legacies, Putnam et al. (1993) considered the governance systems prevailing at the beginning of the 14th century as the most relevant in explaining contemporary differences in civicism norms. They identified four regimes prevailing at that time, corresponding to differing degrees of republicanism and autocracy: (i) the Kingdom of Sicily, marked by the highest degree of autocracy; (ii) the Papal State, characterized by a mixture of feudalism, tyranny, and republicanism; (iii) the Signorie, former communal republics fallen prey to signorial rule by the beginning of the fourteenth century; and (iv) the Communes, the heartland of republicanism. Therefore, examining the introduction of regional governance and their widely different performance across Italy, Putnam et al. (1993) show how, in areas that experienced free city states in the Middle Ages, higher levels of civicism norms are found and local institutions perform better. On the contrary, areas where the presence of the authoritarian Kingdom of Sicily prevented the formation of civic associations and norms of cooperation still display lower social capital and worse institutional performance today. Guiso et al. (2016) confirm the argument of Putnam et al. (1993) finding that city-state experience in the Middle Ages is associated with higher levels of social capital today, especially in Northern Italy. Similarly, Di Liberto and Sideri (2015) find a significant correlation between historical institutions and current public administration efficiency. As a result, theoretical models have been proposed to explain the persistence of historical institutions, through their effect on cultural norms.

In the model of Guiso et al. (2016), for instance, social norms of cooperation and trust are based on culturally transmitted beliefs about others' trustworthiness and on real experiences of cooperation. Institutions influence social norms by determining the net benefits from cooperation.
In conclusion, there are studies demonstrating how pre-existing trust, or more generally, culture, affects the functioning of institutions. Not all policies and institutions are equally affected by historically inherited cultural traits. Crucially, the quality of implemented policies appears to affect their vulnerability to cultural biases. For instance, Cassar et al. (2014), in an experimental study conducted in different regions of Italy, show that individual norms of trust and cultural origin influence cooperation when the quality of enforcement institution is low, but not in the presence of strong and impartial institutions. Finally, this heterogeneity is also observed in D'Adda and De Blasio (2016). When policies are of good quality, inherited social norms and culture do not affect their effectiveness, nonetheless, their influence negatively emerges when the quality of governance is low.

3.1 The countries' development-paths in the second half of 19th century in brief

Initially, Australia and New Zealand's British colonies were extensions of the original colony of New South Wales. From here, many people settled in New Zealand, including ex-convicts, farmers, and miners seeking gold. Māori indigenous people were involved from the start in trading relations with the Eastern Australian colonies.

When the "Commonwealth of Australia" brought the Australian colonies together in 1901, New Zealand did not join. New Zealand was doing better economically than the other Australian colonies, and both were redefining relationships with their British homeland.

However, New Zealand and Australia learned from each other's experiences by sharing British habits and traditions. For instance, both countries established compulsory arbitration to resolve disputes among employers and registered labor unions, finally sharing the same British heritage of the role of law and the parliamentary system. Therefore, the two countries exhibit cultural similarities.

Although different in their physical environment, climate, and scale, Australia and New Zealand are closely integrated regionally, economically, politically, and culturally. Since Eighties the two countries have drawn

closer and more become more entwined. Since Nineties there have been no tariffs or restrictions whatsoever between the two countries. Australians and New Zealanders can live, work, and trade freely in both countries.

The Australasian colonies shared very similar development-paths starting from the second half of the 19th century. This had its basis in their British constitutional tradition and role of law, as well as in participation in inter-colonial and imperial partnerships. Therefore, the shared model was highly efficient because it saved time and resources to countries' governance.

A similar pattern of policy convergence occurred during the Eighties and Nineties, when both countries abandoned the welfare-state in favor of neoliberal policies following the Thatcherian wave in Britain. However, this convergence has not meant uniformity, and each country learnt from the other's experience, eventually adapting them. Economic liberalization and deregulation of the Australian economy began in the early Eighties under the Hawke Labor government, which commenced the process of economic reform by concluding a wage agreement with the trade union movement. In exchange for wage restraint and an increase in the nominal wage, the trade union movement agreed to support economic reform and oppose industrial conflict. The success of this accord allowed the Labor government to implement economic reforms. This process of economic reform and restructuring continued under the governments led by Paul Keating and John Howard in the Nineties and Two-thousands. The Labor Establishment in power in the second half of Eighties in New Zealand launched a major program of restructuring, radically reducing the role of government in the economy (Nagel, 1998). The neoliberal reforms were beginning by Roger Douglas and continued in 1990 by Jim Bolger. New Zealand economy entered the longest period of significant growth in 1998, which lasted until 2006, and was the result of diversification and deregulation policies.

The result of these reforms was a marked increase in labor productivity and a reduction in public expenditure in both countries. The reasons behind the neo-liberal policies adopted by the Australian and New Zealand governance were the political and economic imperatives of having to deal with the impacts deriving from the globalization and internationalization of the manufacturing industry, nonetheless the debate is still ongoing. In fact, these reforms have led to the economic countries' growth, but also to

a greater wealth concentration and social crystallization (Considine and Lewis, 2003).

Additionally, the joint participation in the two world wars by Australia and New Zealand has contributed to strengthening their historical economic links with countries of Anglo-Saxon tradition, such as the United Kingdom and the United States. This has led to a lower perceived cultural distance for many firms from these countries that have decided to internationalize in Australia and New Zealand. In the last decade, Australia-New Zealand relations have intensified, for instance, in trade, the movement of peoples, culture, and attitudes. Countries have together traced much of the shared destiny in the South-Eastern Asia and Pacific region.

3.1.1 Australia

In Australia under the Brisbane's Government (1821-1825) land grants were more readily made. The "free settlers" were permitted to take up land only within the approved areas. Despite this, uncertainty about land tenure remained due to squatters. From 1836 these were regularized through the payment of land rights. By 1840, they had claimed a vast swathe of territory, but the terms of their tenure were not finally settled until 1846, after a prolonged political struggle.

From the 1820s, the British authorities also encouraged private enterprise through the wholesale assignment of convicts to private employers and easy access to land. The economic growth was based increasingly upon the production of fine wool and other rural commodities for markets in Britain and the industrializing economies of Northwestern Europe.

In 1831, the principles of systematic colonization sponsored by Edward Gibbon Wakefield (1796-1862) were successfully put into practice in New South Wales by substituting land sales with grants to finance British immigration. However, this did not affect the land occupation by the pastoralists, who simply occupied land up to where they could find it free, even beyond the official limits of settlement, and usually in disregard for any rights of indigenous peoples. The land and natural resources upon which indigenous peoples' activities depended were massively appropriated, and the population collapsed due to disease, violence, and forced removal. In fact, colonial governance did not recognize any Aboriginal land rights or sovereignty (Broome, 2019).

With the reception of Wakefield's principles, and the wholesale spread of settlers, there was a profound transformation in perceptions of Australia's growth prospects and its economic value as a British colony. Consequently, both the land availability and the official incentives raised British investors' expectations of achieving considerable profits by operating in the Australasian colonies. A growing inflow of British capital occurred in different ways. For example, in the form of organizations dedicated to agricultural development, such as the Australian Agricultural Company, founded in 1824, or by the establishment of new enterprises in Western and Southern Australia in later years. By in the 1830s, wool had overtaken whale oil as the Australian colonies' most exported commodity, and by 1850, New South Wales had become the main supplier to British manufacturing.

As the economy expanded, large-scale immigration from Britain became necessary to satisfy the growing demand for workers, especially after the end of convict transportation to Eastern Australia in 1840, with the immigration costs subsidized by British or colonial governance (Haines and Shlomowitz, 1991). The migrant settlers brought with them a wide range of skills, finally enormously contributing to Australia's economic growth. In addition to New South Wales, five other British colonies were established: Van Diemen's Land (1825; Tasmania after 1856), Western Australia (1829), South Australia (1836), Victoria (1851), and Queensland (1859). From the 1850s, these colonies acquired a responsible government. In 1901, they federated, creating the Commonwealth of Australia.

The opportunities for large profits in pastoralism and mining activities attracted a considerable amount of British capital to the Australian colonies. Their economic growth was therefore supported by broad public expenditure in transport, communication, and urban infrastructure, all of which was heavily dependent on British financing. In fact, numerous London-based dedicated banks, and mortgage companies, such as the Bank of Australasia (1835), the Union Bank of Australia (1837), and the English, Scottish, and Australian Bank (1852), were established to finance trading and private initiative in the Australian colonies.

In conclusion, this provided the foundation for the establishment of a free colonial society (Shann, 2016). In turn, the institutions associated with this, including the rule of law, security, property rights, and stable democratic

political systems, created conditions for development and growth (Ville and Withers, 2015; McLean, 2016).

3.1.2 New Zealand

The New Zealand's development-path has its historical origins in the British colonial past, including Westminster tradition-based governance and the relationship with the Māori people established with the Treaty of Waitangi in 1840 recognizing them some claims to land and other natural resources. In the 1830s, New Zealand was a lawless place and with conflict rife among traders and settlers and between Māori tribes. In 1833 the British government appointed a British Resident to deal with the situation of internal instability. To resolve this problem, the Treaty of Waitangi ceding sovereignty over New Zealand to the British Empire was drawn up and signed in 1840. In 1841 New Zealand became a British colony, then a dominion until 1907. The colony gained responsible governance in the 1850s. The British New Zealand Constitution Act of 1852 established a system of representative government, however unlike Australia, the constitution was written. The New Zealand's governance was allowed to purchase land from Māori indigenous. Then it resold land to the New Zealand Company, which promoted immigration, or leased it to British settlers, and the profits were used to pay the travel of the immigrants. The leases were renewed automatically, which gave the wealthy pastoralists a strong landed interest and made them a powerful lobby. With an economy based on agriculture, the landscape was transformed from forest to farmland.

By the 1840s, large scale sheep stations were exporting large quantities of wool to the textile mills of Manchester's manufacturing district. From the 1840s there was also considerable European settlement, not only from Britain, but also from other European countries, the United States, India, and China, although to a lesser extent.

With the establishment of a liberal governance, the New Zealand adopted a strategy of creating a large class of small land-owning farmers who supported liberal policies. To obtain land for farmers the Liberal government from 1891 to 1911 purchased land from Māori. By 1903 support for the Liberals was so consolidated that there was no longer an organized opposition (Brooking, 2001).

The liberal governance laid the foundations of the later comprehensive welfare state, and develops a system for settling industrial disputes, which was accepted by both employers and trade unions (Anderson and Quinlan, 2008). In 1893 New Zealand extended voting rights to women, thus making the first country in the world to enact universal female suffrage. Therefore, New Zealand's liberal governance approached the national problems pragmatically and successfully.

By the 1880s, New Zealand's economy shifted from one based on wool and local trade to the export of wool, cheese, butter, frozen beef, and mutton to Britain. This shift was enabled by a wide availability of domestic capital, the invention of refrigerated steamships in 1882, and increasing demand in foreign markets. In fact, during the period encompassed between the 19th and 20th century, the New Zealand banking system was weak and there was little foreign investment, thus entrepreneurs had to build up capital to make investments. Their policy was to reinvest profits rather than borrowing. Stable and slow growth has led to long-lived family-owned firms and avoided bubbles (Hunter and Wilson, 2007). The banks in New Zealand made a quick entry into society only after the arrival of British settlers. From 1851 to 1856, the "Colonial Bank of Issue" was established to finance the infrastructure needed to country growth.

3.2 Discussion

Distinctive features of societal cohesion in Antipodean societies include: (i) broad agreement on fundamental issues such as the rule of law-based on the Westminster tradition – the politician conduct must be moral responsible and accountable for the people who elected them following a responsible governance model, (ii) an egalitarian approach to addressing inequalities, along with (iii) an economic materialism focused on the individual right to accumulate wealth and property. British culture and traditions, which the colonists brought with them, have been adapted where necessary to local circumstances. However, at the origin of colonial settlements in Australia and New Zealand was the British central governance, which had a profound impact on the countries' distinctive development-paths shaping their institutions.

On the contrary, in the United States development path, local governance has played an important role. The settlers moved out into the wilderness and took up land to farm, their towns were small, and their communities

were self-governing for a very long time. Instead, in Australia and New Zealand this development-path has never been possible. As a result, most of the population settled along the coasts.

Particularly, due to its huge size and sparse indigenous population, the Australian hinterland did not lend itself to small-farming or was taken up by pastoralists with their flocks, and the coastal settlements were numerous, especially in Eastern Australia. Generally, the rural communities' governance was rarely able to provide the facilities their needed. Therefore, from the beginning it was the British central governance that planned and provided the infrastructure for the development of Australasia's countries. Australia and New Zealand have no profound ethnic or linguistic divisions like Canada. Unlike the United Kingdom, they have no division between nobles and commoners.

However, in the 19th century, there were overlapping divisions between indigenous and settlers, between settlers of various ethnicities or religious faiths, between landowners and land-seekers, but time and structural change related to countries' development-paths have softened these cultural differences.

Finally, a very significant distinctive feature of the countries' development-paths emerges. This is the acceptance of the need for direct and indirect governance involvement in a wide range of state, societal and welfare issues. In Australia and New Zealand, the importance of the Westminster tradition lies precisely in the principles of collective responsibility and accountable governance through the public offices, and the public services support the development and implementation of policies (Thompson, 1980; Ganghof, 2018). Therefore, citizens have accepted that countries' governance plays an important role in development-path, particularly in relation to the delivery of such services as care, health, and education, with the result that institutions carry out an activity that is instrumental to the citizens' well-being (Singleton et al., 2012). The central governance continues to provide a safety net of welfare benefits, to fund the public hospital system and public education through grants to the states as well as a raft of other functions and benefits.

When governance's responsibilities expand as the economy grows and development becomes more complex. For instance, by the end of the 19th century wool could be grown more cheaply in Australia than anywhere in

the world, despite the distances to market, and wheat and dairy products could compete on even terms with equivalent products from anywhere. A wise governance would control the economy so that primary industry would always retain its natural advantages, such as keeping production costs as low as possible and allow the importation of anything the producers needed. However, the primary industry had two important drawbacks: (i) it was not heavy employers of labor, and (ii) in the urban districts there were hundreds of thousands of people who needed employment. Therefore, the most useful way to provide employment was to encourage local entrepreneurs to set up factories for products that could find a ready sale as a result of the protection through a tariff on imported goods that would raise their local price, making Australian-made products more attractive to consumers. Free trade and protectionism, these were the two approaches to government control of the economy in the late 19th century. Improved wages and conditions were provided under the umbrella of protection. However, the protectionism did raise farmers' costs, and it was necessary to compensate them in some way. Slowly, therefore, rural producers were drawn into the ambit of decision-making process and provided with bounties, subsidies, and advantages of many kinds. Despite this, the extent of state control over the economy has been debated stridently and incessantly since the 1880s.

Concluding, social progress and structural reforms in Australia and New Zealand may have depended on colonial heritage, income distribution, and different values of social welfare (Van de Gaer and Palmisano, 2021). Therefore, a country's historical legacy, colonial impact, cultural norms, and institutional quality all matter for development (Schild and Wrede, 2015; Langlois, 2017; Gaganis et al., 2019; Gründler and Köllner, 2020; Huning and Wahl, 2021; Doan, 2023).

As a result, recent studies in economics and history are trying to relate sound governance to cooperation processes, especially regarding the joint participation of governmental and non-governmental elites in specific socioeconomic activities needed for civilization, both in ancient and modern societies (Boranbay and Guerriero, 2019; Benati and Guerriero, 2021, 2022; Benati et al., 2022).

4. Distinctive features

Australia is among the top-ten economies in the world in terms of per-capita GDP, rich in natural resources, maintains a relatively low deficit-GDP

ratio and has recorded uninterrupted growth. The Australian economy has benefited from increasing integration with the main neighboring South-Eastern Asian emerging economies and its advantageous geographical position, qualifying it as an ideal hub for intercepting neighboring markets. Australia has ramped up aids, infrastructure support, and climate diplomacy in the Asia-Pacific region. Internally, governance is focusing on climate risks and adaptation, as well as indigenous reconciliation efforts. Despite being home to just 0.3% of the world's population, Australia holds 1.7% of the global wealth. In recent years, due to the decline in industrial supplies and transportation equipment, export values have increased while import values have slightly decreased.

Thanks to significant public subsidies, the service sector and infrastructure investments have been revitalized. In fact, Australian governance has allocated around AU$120 billion over ten years since 2022 for the construction of infrastructure and roads throughout Australia.

The main driver of its economic growth remains the availability of mineral, agricultural, and energy resources. The investments in renewable energy and development of the green economy are a priority of the Australian governance. Australia is a country where significant attention is paid to the environmental, ecological, and sustainability aspects of production processes, nevertheless these issues are debate and subject to political concerns.

A particular attention has been given to issues related to gas emissions, both on land and in the oceans, through dedicated and specific policies. In fact, one of the most debated topics at various institutional levels in recent years has been the transition from fossil to renewable energy sources.

Investments have been made in clean energy, carbon emissions, green infrastructure, hydrogen, solar power, and energy storage initiatives. This ecological transition aims to rebrand Australia as a green superpower in the world.

A solid banking system and easy access to credit then foster the launch of start-ups by young people and recent graduates, making them particularly competitive on international markets.

Over the years, there has been a progressive deterioration in economic relationships with China, the Australia's main trading partner. In 2020,

China imposed a series of import restrictions on Australian productions. On the one hand, the Australian governance has expressed a willingness to put aside frictions and resume programmatic dialogue. On the other hand, it has diversified its commercial relationships with other partners in the Asia-Pacific region and the European Union. For instance, the Australian governance has signed the AUKUS-pact in 2021, with the United Kingdom and the United States, which has important implications for development in the Asia-Pacific, primarily focuses on enhancing countries' cooperation in the fields of cybersecurity, and artificial intelligence, sharing specific capabilities. Finally, in recent years, the Australian governance has even adopted a more rigid and selective attitude in defining migration policies. Government policy has favored high-skilled migrants and reinforced productivity in key sectors such as education, high-tech, and healthcare.

Smaller in size but dynamic, the New Zealand is among the most open economy in the world. Over the last thirty years, there have been numerous neoliberal structural reforms that have favored liberalization and trade. This means that the New Zealand economy is heavily dependent on foreign trade, is vulnerable to fluctuations in raw material prices and exchange rates – with repercussions on exports – as well as being affected by the international economic-financial conjuncture. In fact, exports drive economic growth and represent a considerable percentage of country's GDP. The relatively small size of the domestic market also requires most of the agricultural production to be sold abroad and, consequently, New Zealand economic policy is oriented towards achieving maximum international openness. The first reference trading partner is traditionally Australia, due to the close historical, cultural, and political ties. Thanks to the "Pacific reset" policy, it also cooperates with the smaller states of the Pacific area where it plays a leading role.

The relationship with China, the other main trading partner, is weakened by Chinese economic expansionism in the Pacific area. However, New Zealand governance aims to maintain links with China, while simultaneously consolidating its membership in the Anglo-Saxon sphere of influence.

European Union is also an important trading partner, particularly in terms of sustainable development, ecological transition, and the fight against climate change. As a former British colony, New Zealand has strong economic links not only with the United Kingdom but also with other

trading partners in the European Union, with which it maintains significant bilateral flows.

New Zealand is a country at the forefront of the development of renewable energy sources, materials, and environmental technologies. Facilitating collaborations of foreign investors and strategic partners with firms for developing eco-sustainable technologies or projects is among the political-economic priorities of New Zealand governance, especially when it comes to technologies that can contribute to reducing the environmental impact of agricultural and livestock activities.

The country also enjoys a notable reputation, experience, and technical expertise in the primary and food sectors, albeit not without critical issues due to the sometimes-incorrect conduct of the biggest corporation in the industry. However, innovative solutions and cutting-edge environmental practices constantly arise from the agricultural and livestock industry. New Zealand legislation is always attentive to promoting sustainable environmental management and natural resource protection. Universities and scientific institutions are highly qualified in the field of biological sciences.

Following the approval of the "Zero Carbon Bill", which provides for complete decarbonization by 2050 and the cessation of exploration for new hydrocarbon deposits, New Zealand is increasing the share of energy produced using renewable sources. However, New Zealand is also rich in natural resources, and small to medium-sized exploration operations are active throughout the country.

New Zealand offers solid protection to foreign investors and its institutional and business environment is made safe and reliable by specific regulations simplifying the start-up of firms and their business, even if the risk perceived due to the probability of natural disasters remains high. The rule of law is strong, and bribery is almost absent. The "Overseas Investment Amendment Act" has been in force since 2021 and has updated the parameters for screening foreign investments, especially in strategic sectors for the economy, such as agricultural, livestock, and fishing. New Zealand governance has also increased funding for investments in the creation of infrastructure in specific areas of interest, such as school and hospital construction. However, in the long-term there is a strong risk for investors in real estate sector due to a speculative bubble that could burst

consequently to excessive real estate evaluation.

4.1 Discussion

Australia and New Zealand are well-positioned as stable, high-income economies in the Asia-Pacific region, possessing unique features among advanced economies and in this area. Their sound institutional and business environment, with adaptive institutions, position them as resilient, high-income economies with sustained dynamism. Australia and New Zealand are characterized as a unified capitalist system, albeit each with their own distinct features (Saraceno, 1978; David, 2007; Chang, 2010; Castronovo, 2011; Acemoglu and Robinson, 2013; Ferrucci, 2019; Acemoglu and Robinson, 2021; Kyriacou, 2025). These two socio-economic systems have remained remarkably resilient to economic downturns, though not exempt from the global pandemic's effects. Over the years, these countries have consistently pursued a series of reforms across various public expenditure categories, ranging from healthcare to education. These reforms have contributed to significant growth rates and development (De Janvry and Sadoulet, 2015).

Their political and commercial integration with neighboring South-Eastern Asian emerging economies has expanded. In other words, Australia and New Zealand can proudly point to various economic, social, and political successes that have significantly enhanced their international attractiveness over the past two decades (Jericho, 2014; Laurenceson et al., 2015; Beard, 2016a; Beard, 2016b; Fan et al., 2016; Pandya and Sisombat, 2017; Zu, 2021; OECD, 2021; OECD, 2022; World Bank, 2022; UNCTAD, 2022; UNDP 2022).

According to the United Nations' Human Development Report, which measures the well-being of countries, Australia and New Zealand consistently rank highly in terms of overall quality of life. Notably, cities such as Melbourne, Sydney, Perth, and Adelaide are among the top ten most livable global cities, boasting excellent educational systems and well-functioning democratic institutions, supported by a competent political class.

Both countries became members of the WTO in 1995 and, in the subsequent two decades, have grown to become significant players in the global economy. Their strategic geographic location has allowed them to serve as vital hubs for investors seeking to access emerging markets in

South-Eastern Asian region. The high growth rates witnessed in the last decade are inherently linked to the increasing demand for raw materials and energy resources from China.

Chinese firms have sought to enter the Australian and New Zealand markets by increasing equity ownership rather than opting for collaboration and joint ventures that would provide greater protection for the interests of corporate ownership. Therefore, despite excellent relations with South-Eastern Asian partners and the presence of influential figures from the Chinese community in the business and finance sectors, the Australian and New Zealand governance has imposed significant restrictions on Chinese ownership, particularly in the mining sector. In 2020, Australia has become increasingly focused on national security aspects of foreign investment by adopting the "Foreign Investment Reform Act" providing for widespread restrictions and a more detailed screening on the types of investments inflows, nevertheless it also consented to the Chinese land-grabbing strategy, therefore Chinese economic expansionism remains a fundamental issue in terms of national security.

To counter the side effects of globalization and the international opening of markets, governance over the years has also favored and enhanced the more forward-looking sectors of the economy. Funds have been allocated to stimulate scientific and technological progress, particularly in areas such as biotechnology, new materials, and communications. Regarding the leading sectors of the economy, mining, and agriculture particularly, are the two most significant in terms of value and volumes exported, primarily to China, the United States, and Japan. Consider that Australia and New Zealand both rank among the top ten countries globally in terms of electricity production, with Australia alone being the world's largest exporter of fossil raw materials and precious minerals.

Last but not least, the financial depth in Australia and New Zealand is high, and their banking systems boast strong capitalization. None of their banks required public liquidity during the economic crisis.

In summary, the key characteristics of modern Antipodean capitalism can be attributed to an institutional and business environment based on: (i) liberalism, (ii) political stability, (iii) transparency and efficiency in legislative and fiscal systems, institutional arrangements, and corporate governance, (iv) an effective mix of structural reforms in the labor market,

migration policies, and property rights, (v) efficient financial markets, (vi) robust banking systems, (vii) tourism, (viii) abundant natural resources, including geothermal and renewable sources, (ix) a cutting-edge primary and industrial sector, and (x) pragmatic decision-making and high standards. These features compensate for various disadvantages, primarily stemming from (i) their isolated geographical location, (ii) their relatively small domestic markets, (iii) their trade dependence on nearby economies in Southeast Asia, particularly China, and (iv) the risks associated with wildlife and climate challenges.

5. The cultural distance from the United Kingdom, the United States, the Eurozone, Japan, China, and India

Since Whitley's (1999) seminal work, numerous subsequent empirical studies have highlighted different countries' development-paths around the world. Recent works have investigated Eastern Europe (Bohle and Greskovits, 2012), South America (Schneider, 2013; Musacchio and Lazzarini, 2014), Africa (Amaeshi and Amao, 2009), and Asia (Kim, 2010; Boyer et al., 2012; Zhang and Whitley, 2013; Witt and Redding, 2014). Additionally, several empirical works have extrapolated different categories of state-capitalism (Nölke, 2010; Musacchio and Lazzarini, 2014) or referred to emerging economies (Fainshmidt et al., 2018; Paldam and Saadaoui, 2025). As a result, all these studies have contributed to expanding the body of knowledge about the institutional and business environment (Kalinowski, 2012; Musacchio et al., 2015; Witt et al., 2017; Paldam, 2021).

To assess the differentiation between the capitalism of Australia (AU) and New Zealand (NZ) with that of the United Kingdom (UK), the United States (US), the Eurozone[1] (EU-19), Japan (JP), China (CH), and India (IN), we

1 The comparative-capitalism literature builds on the idea that the different growth models rest on efficient but diversified institutional complementarities (Marzinotto, 2019). For instance, the Eurozone countries represent different capitalist systems or have had divergent growth models (Johnston and Reagan, 2015; Hope and Soskice, 2016; Iversen and Soskice, 2019). This means that European countries can be classified based on their industrialization path and the way in which the production is organized (Hall and Soskice, 2001), otherwise they can be classified based on their export orientation and whether domestic demand provides for the highest contribution to GDP growth (Pontusson and Baccaro, 2020). For instance, there are: (i) the mixed-market economies of the Southern Europe (Greece, Spain, Portugal, and Italy) which are domestic demand-driven economic systems suffering from persistent current account deficits; (ii) the more or less coordinated market economies of Continental Europe (France, Germany, Austria, Netherlands, Belgium, Luxembourg, and Scandinavian countries) which are characterized by sound institutional and business environments, with wage-setting and education systems supporting export-led growth models; (iii) the liberal-market economies such as Great Britain and Ireland, where both consumption and exports formally provide for the highest contribution to GDP growth; finally, (iv) the Eurozone – and the market union that preceded it – encompasses more European

have chosen to utilize the cultural dimensions identified by Hofstede et al. (2010). These dimensions have a socio-psychological basis and have been recognized as fundamental for social identification and intragroup behavior (see Appendix A). In Figure 2, the six cultural dimensions for the investigated countries are displayed, with the scale ranging from a theoretical minimum to a maximum of zero to one hundred.

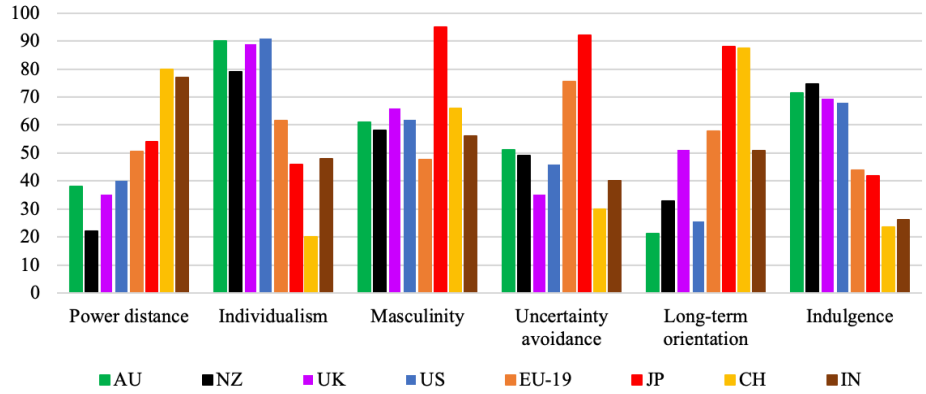

Figure 2 – The cultural dimensions in comparison. Note: for EU-19, cultural dimensions are a weighted average for the population of member countries. Source: our extrapolation from Hofstede's online dataset (version 2015, geerthofstede.com).

A high-power distance score reflects societies that are dominated by hierarchy and elitism, where power tends to concentrate in the hands of a few individuals, while a low score is indicative of societies where hierarchy holds less significance and power is distributed more equitably. Among the countries considered, China and India have the highest scores in this dimension, while New Zealand has the lowest score, with Australia, the United Kingdom, and the United States are below the half.

Individualism pertains to decisions and choices that can be defined as individual or collective. The former is based on the acceptance of a certain degree of independence among individuals in society, while the latter relies on an awareness of a certain degree of reciprocity among people. Australia, New Zealand, the United Kingdom, and the United States exhibit the highest levels for this dimension, with China scoring the lowest.

countries and represents an export-led growth model allowing countries to benefit from a highly integrated market through the monetary union and to rapidly accumulate current account surpluses.

A high masculinity score indicates that societies lean towards competition and success, while a low score signifies those dominant values are focused on caring for others and the quality of life. In this dimension, the highest scores are held by Japan, where individuals are encouraged from a young age to seek competition among groups to which they belong, followed by China, where this trait complements the high-power distance score. Australia and New Zealand show a lower score than the United Kingdom and the United States

Uncertainty avoidance is an indicator that expresses the extent to which members of a society feel discomfort with what they consider ambiguous and unknown. A higher value is found in societies that adhere to behavioral codes and deep-seated beliefs or have developed a certain intolerance for new ideas and behaviors. A lower value is observed in societies with more open attitudes towards novelty or where pragmatism takes precedence over principles and ethics. From this perspective, Australian and New Zealand societies exhibit slightly higher values than the United Kingdom and the United States, which have a social base that is more inclined towards newness and decision-making pragmatism. On the other hand, Japan and the Eurozone have the highest values, while China and India have the lowest values in this dimension.

In a society with a long-term orientation, the focus is on preparing for changes, and Japan and China lead in this regard. In societies with a short-term orientation, the past still serves as a moral compass, so these societies cling to established traditions and norms, or, at the extreme, view ongoing changes with suspicion. In this respect, Australia displays the lowest value, making it the most normative country with the greatest respect for historical legacies, followed by the United States and New Zealand.

There is also one last dimension to consider, the hedonic – or indulgence, in which Australia, New Zealand, the United Kingdom, and the United States show the highest values. This is somewhat in line with the superstructure of their capitalist systems, which are based on economic liberalism and social liberalism. However, this further aspect makes their societies contradictory, as they also demonstrate a certain attachment to traditions. Therefore, this contradiction appears to be a typical characteristic of the Anglo-Saxon capitalist system and its direct derivatives.

Finally, in an original manner, we analyze the cultural distance between countries using a composite indicator calculated according to the non-compensatory method proposed by Mazziotta and Pareto (2020) using the differences between the cultural dimensions (in the Appendix A, Tables A.1 and A.2).

As shown in Table 1, Australia and New Zealand have a relatively small cultural distance, especially with the United States, followed by the Eurozone – naturally excluding the cultural distance between the two countries, which, although minimal, is expected to exist. In contrast, the countries farthest from them are the two neighboring "Asian giants", China and India. The cultural distance from the United Kingdom is then higher for Australia than for New Zealand.

Table 1 – Matrix of cultural distances.

	AU	NZ	UK	US	EU-19	JP	CH
NZ	-11						
UK	-21	-13					
US	-4	-12	-17				
EU-19	-27	-25	-27	-26			
JP	-45	-41	-40	-44	-32		
CH	-55	-51	-51	-54	-34	-39	
IN	-37	-41	-38	-36	-24	-38	-26

Note: for EU-19, cultural dimensions are a weighted average for the population of member countries. Source: our elaboration from Hofstede's online dataset (version 2015, geerthofstede.com).

5.1 Discussion

Australia, New Zealand, and the United States belong to the same Anglo-Saxon-derived capitalist system. For instance, they share a strong similarity in terms of their low level of equality. Thus, they undeniably exhibit similar features in both structure and superstructure. However, they differ, albeit minimally, in their management of perceived uncertainty. Australia and New Zealand tend to be more averse to heterodox beliefs and behaviors. When this tendency is considered alongside their propensity for change – lower compared to the United Kingdom and for Australia alone even lower than the United States – this suggests that the Antipodean capitalism may possess a somewhat "milder" superstructure. Nevertheless, like

the other Anglo-Saxon-derived capitalist systems, it is burdened with a certain degree of internal contradictions. Therefore, even if minimal, such differences exist in capitalist systems sharing the same foundations. As British colonies, both countries profoundly retain the Anglo-Saxon values of individual freedom over social equality, but the economic policy adopted within their capitalism may have been more far-sighted and ethical than that adopted in the United Kingdom or the United States, or anyway it may have been mitigated by the cultural influence of neighboring China or Chinese migrants (Thompson, 1993).

In this regard, Australia and New Zealand seem to have once again understood, perhaps by pre-empting the times – a reflection of their cultural roots or history – the right direction that society and the economy should take today. Their inclusive regulatory and institutional framework is deeply rooted in the capitalist conception of a socio-economic system. Their firms are certainly profit-oriented, but their underlying values make their capitalist system stand out for ethics and inclusivity.

Additionally, emphasis that their governance is nowadays placing on the environment and the pursuit of long-term sustainability may be considered as another fundamental distinguishing element of their capitalist socio-economic system, not without however arousing some objections within the countries. However, what that we have shown constitutes qualitative empirical evidence and certainly does not possess the statistical significance that can be established by correlation or econometric analysis, for instance.

6. Conclusions

6.1 Concluding remarks and contribution

The propensity to capital accumulation has brought prosperity in many socioeconomic systems, however the wide varieties-of-capitalism and growth model literature has highlighted how inequalities and negative externalities within and across them have increased (Beramendi et al., 2015; Hope and Soskice, 2016; Iversen and Soskice, 2019; Schoenmaker, 2020; Palley et al., 2023).

An exemplary case of the ongoing transformations is the exponential growth of average top management compensation in big corporations compared to the average workers' wage, representing one of the long-run shifts underway in advanced economies since the latter half of the previous century (Mishel and Schieder, 2018; Edgecliffe-Johnson, 2019; Bivens and

Kandra, 2022). While, on the one hand, there is the cosmopolitan élite – the new community of businessmen and "hommes situé" as an expression of neo-corporatism, on the other hand, there are forces referring to capital and labor – especially within the manufacturing industry, once rivals, nowadays they could instead be allies to achieve productivity objectives and contribute to the countries' competitiveness.

In other words, transformations within the capitalism do not occur by re-proposing the historical Marxian opposition of capital and labor. Although this is undeniable, these transformations require an understanding that capital and labor are intertwined due to the societal evolution and maturation of capitalism. Profits and wages are related, and firms' competitiveness is no longer measured only by their financial and economic stability, but it is the result of the efforts made to combine capital and labor in different manners to achieve sustainable growth (Eccles et al., 2014).

Therefore, this new perspective is opposed to the logic of conflict prevailed in the past century and the early millennium. Nevertheless, the accentuation of disparities across socioeconomic systems could be the cause of other conflicts (Seidman and Alexander, 2020).

In light of this, Australia and New Zealand have experienced capitalistic development-paths characterized by both American-style individualism and ideological socialism. Migrants inevitably bring with them their own cultural baggage. In the founding of the new Antipodean societies, it was necessary to reach an accommodation with native indigenous and migrants of differing backgrounds. Therefore, the uniqueness of the Antipodean societies lies precisely in their distinctive societal composition. The different settlers would have shared a sense of autonomy over their lives (Rickard, 2017).

The capitalism of Australia and New Zealand, as it was in its early days, appears to be a fortunate exception. For dimension and importance of their economy, these countries are the most representative of the South-Eastern Asia and Pacific region. Therefore, the Oceania is a continent which, following the geopolitical realignment of global balances, could reveal strategic for the wealth of raw materials and the increasing integration of its countries with the major neighboring South-Eastern Asian emerging economies. In other words, they are also the destination of a growing flow of investors and workers who consider them as places with opportunities

to seize, technologically advanced, and a valid example of well-being.

Concluding, this work has provided new insights into the cultures of capitalism in Antipodean societies by analyzing of stylized facts. The originality our contribution lies in the attempt to make a synthesis between institutional economics and cultural attitudes approaches for understanding the textures of Antipodean capitalism and its historical development-paths dependencies.

Therefore, in an original way, our study has highlighted the features and cultural uniqueness of capitalism in Australia and New Zealand by analyzing the cultural distance from a cluster of advanced and emerging economies, such as the United Kingdom, the United States, the Eurozone, Japan, China, and India. The developed institutional and business environment of Australia and New Zealand arose as a result of the historical development-path dependency, originally diverging from the capitalist model developed in Britain between the 18th and 19th centuries. In particular, the Antipodean capitalism appears slightly "milder" in some cultural traits of socio-economic systems, based on Hofstede's cultural dimensions. The Australian and New Zealand governance has recognized over time the importance of sustainable growth, and this is nowadays likely impacting their development-paths, ultimately with repercussions on their history and culture in the future. Although this is not without counterarguments within the same countries (Frame, 2018; Chambers et al., 2019; Paganetto, 2020; Alexandra and Wyborn, 2023).

In other words, the development choices made by the governance of Australia and New Zealand along their development-paths have over time become ingrained and stratified in their socio-economic systems, making them distinctive features (Saraceno, 1978; David, 2007; Chang, 2010; Castronovo, 2011; Acemoglu and Robinson, 2013; Ferrucci, 2019; Acemoglu and Robinson, 2021; Kyriacou, 2025).

Ultimately, we point out that although Australia and New Zealand are developed countries, there is still an inherent risk in operating abroad due to the perceived cultural distance by decision-makers (Singh et al., 2019). Nonetheless, if this is adequately addressed, it can lead to intercepting new opportunities in culturally distant markets (Matarazzo and Resciniti, 2014; Cantele and Campedelli, 2016; Ruzzier et al., 2017; Delbufalo and Monsurrò, 2019; Scalamonti, 2024a).

6.2 Policy implications

In all advanced capitalist societies, participants in collective life – institutions, businesses, citizens – are now faced with various challenges (Dasgupta, 2024). This includes addressing different societal expectations, tackling poverty and inequality, and addressing climate and environmental concerns to ensure sustainable development (Porter et al., 2020; Becchetti et al., 2024). The economic mindset characterized by the homo-economicus' principles should be supplemented by the possession of additional moral capacities and/or inclinations, if he is ever to become an adequately functioning human being and capable of forming lasting and productive associations (Scalamonti, 2025; Enke et al., 2025).

Businesses, previously viewed solely as entities aimed at profit maximization, are now organizations where shareholder orientation is sensitive to the transformations of the surrounding environment, incorporating the interests of other stakeholders into their decision-making process (Dyck et al., 2019; Edmans, 2020). As a result, a new type of business is emerging on the horizon and the debate on new ways of conducting and conceptualizing entrepreneurship the profit purpose with social and environmental sustainability has taken shape. Studies inspired by stakeholder theory, for instance, on "benefit corporations" represent an interesting emergent research field in business economics and beyond (Ebrahim et al., 2014; Rawhouser et al., 2015; Hacker, 2016; Stubbs, 2017; Diez-Busto et al., 2021). This new model of corporate governance aims to achieve shared benefits for society and the surrounding environment. A good example in this direction could be the implementation in Italy of the popular bill no. 1573/23 on corporate governance shared with workers for a socially sustainable enterprise.

In this direction, Australia and New Zealand appear to have understood, once again ahead of their time, driven by their history and cultural roots, the right direction that society and the economy should take today. Their inclusive regulatory and institutional framework is deeply rooted in the capitalist culture. However, their businesses, while profit-oriented, also have underlying values that allow their socio-economic systems to stand out for ethics and inclusivity. The importance that their governance places on the environment and the pursuit of long-term sustainability can be considered a fundamental distinctive element of their capitalist socio-economic system.

It is the choices made by agents with limited rationality (Simon, 1972) and the occurrence of endogenous shocks to the socio-economic system that may determine social progress and trigger a dynamic process of change (Hallett et al., 2010; Acemoglu et al., 2012). Therefore, this change happens in incremental leaps (Gould and Eldredge, 1977; Chang, 2010; Acemoglu and Robinson, 2021), and it is the proximity of the socio-economic system to the frontier of Pareto-optimal points that drives innovative solutions (Bollino and Micheli, 2012; Buccella et al., 2023). This makes capitalism stable only for a limited period of time and capable of seizing opportunities for progress only if stressed (Mongardini, 1973; Zaman, 2021). In other words, disturbances triggered by agents within the socio-economic system drive it toward the pursuit of possible Nash equilibria, which can no longer be defined based on maximization logics but rather according to satisficing choices for sustainability development (Polanyi, 1974; Zaman, 2012; Festré, 2021; Scalamonti, 2025; Enke et al., 2025).

Enlightening was the contribution of Heilbroner (1992; pp. 51-52) according to which there is always a certain selfish impulse towards capital accumulation, to the extent that «the instability of the system should never be seen as its failure, or at least no more than growth should be seen as its success. [...] As long as the urge to accumulate capital constitutes its vital core, we shall never have one without the other».

The nature and form of capitalism are thus mutable and inherently autopoietic, which does not contribute to making the socio-economic system stationary in the long term (Granovetter, 2017).

6.3 Limitations and suggestions

By examining the characteristics and cultural distance from the United Kingdom, the United States, the Eurozone, Japan, China, and India has helped clarify the distinctive features of a particular socio-economic development model in Australia and New Zealand. In fact, their features and cultural uniqueness have been identified by exploring the peculiarities of their institutional and business environment, and other characteristics may be discovered and added in the future based on this study.

However, what has been found remains qualitative empirical evidence, which does not claim to be a discovery or to possess the value of a statistical association.

To study the relationship between countries' governance and the effects of time-invariant socio-cultural factors, random-effect models may be estimated on panel data. We could also consider time-variant explanatory variables as a proxy for countries' development-paths (HDI, GNH, or GDP, ecc.), as well as the same lagged dependent variable in the right-side of equation to consider the persistent effect of policies over time. In other words, the initial level of the variables could be important in an econometric analysis, because economic actors do not necessarily have sufficient information at time t about the policies implemented within countries. This means that there is always a time gap between the policy implementation and the effect manifestation in socioeconomic systems. However, incorporating the lagged dependent variable on the right-side of the model equation can lead to endogeneity issues caused by the simultaneity across variables, and the inclusion of lagged explanatory variables can mitigate this bias. Additionally, logarithmic transformations and robust standard errors can help address the heteroscedasticity issue and serial correlation bias.

Therefore, with random-effect models, we could efficiently account for cross-sectional unobserved heterogeneity and treat time-invariant variables, such as sociocultural factors. In random-effect models, the cross-sectional component of the error term is considered a random variable unrelated to regressors. Panel data analysis is then advantageous as it combines cross-sectional and time-series data providing a more comprehensive understanding of the phenomena under investigation. Finally, a probit model with sample selection may also be suitable for a robustness check.

Additionally, gravity models for trade flow between countries employing a SAR-AR specification through a feasible estimation in two steps could also be estimated by combining the Spatial Auto-Regressive (SAR) model and the Spatial Error-Mechanism (SEM), inserting the cultural distance across cluster's countries. Two spatial components referring to the cultural affinity in models could capture effects depending precisely on the culture and that are not easily observable, but that could influence the intra-industry trade flow. In this way, we can treat culture exactly for what it is – a fixed value, by resulting in a long-term space-time equilibrium value.

Declaration of competing interest

The authors declare that they have no competing financial interests or personal relationships that could influence the work in this paper.

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Appendix A

A.1 The cross-country cultural distance

The effects of culture underlying a population have received more attention in the economic literature in the last decade and have been considered in different ways in studies (Martín-Martín and Drogendijk, 2014; Beugelsdijk et al., 2015; De Santis et al., 2016; Gorodnichenko and Roland, 2017; Bailey et al., 2018; Liu et al., 2020; Stor, 2021; Obradovich et al., 2022). These authors have provided evidence about the need for a multi-dimensional interpretation of the culture concept (Enke et al., 2025). The cross-cultural distance is reflected in the differences existing in the countries' institutional and business environments, and thus in their development-paths (Maystre et al., 2014; Ahern et al., 2015; Hutzschenreuter et al., 2016; Hellmanzik and Schmitz, 2017; Carrère and Masood, 2018; Marson et al., 2021; Cuomo et al., 2023).

The empirical evidence supports the point of view that culture relevantly impacts on economic outcomes. This means that the social capital resulting from historical experiences of each people determines their social identity and cultural profile, explaining their attitudes and modes of solving economic and political problems. According to Hofstede et al. (2010), culture is a multifaceted but not easily measurable concept, relatively stable over time, defining a society and its economy through deeply rooted beliefs and habits. In other words, it is a "social glue" that binds a group of people in a specific place and time and changes slowly over generational shifts (Schwartz, 2017). Culture can also be considered as the dominant orientation into the individual minds, directing people's attitudes, inclinations, predispositions, preferences, judgments, expectations, ways of thinking, and finally behaviors (Acemoglu and Robinson, 2021).

We can think about culture as driven by a variety of historical and current social human mechanisms. Therefore, it can be possible imagined that culture determines and undergoes the countries' economic and technological development-paths. Economists and scholars have addressed this issue by devising novel measures of cultural distance (Salaman, 1980; Cavalli-Sforza and Feldman, 1981; Fearon, 2003; Fernández, 2008; De Benedictis et al., 2023).

There is a body of literature headed by the work of Cavalli-Sforza and

Feldman (1981) on genetic distance and from which other distance measures proposed in economic research are derived (Desmet et al., 2011). For instance, Fearon (2003) measures the "fractionalization", nowadays widely accepted in the literature, by measuring ethnic and linguistic differences. Noteworthy authors have employed and developed cultural distance measures starting from the concept of fractionalization by Fearon (2003), such as Alesina et al. (2003) have defined fractionalization as the likelihood that individuals randomly selected within a country come from different ethnic-linguistic groups. Spolaore and Wacziarg (2009) calculated a measure of genetic distance between countries by matching with the ethnicities by country listed in the work by Alesina et al. (2003), and recently this measure has been used by Özak (2018). Additionally, the climatic conditions are crucial for the spread of agriculture, or more generally, for countries' economic and technological development-paths (Spolaore and Wacziarg, 2013).

More recently, De Benedictis et al. (2023) have defined culture as the set of norms, customs, attitudes, and habits, thereby a system of values that can be broken down into multiple interconnected subsets. This definition emphasizes the interdependence between underlying cultural dimensions and the value system. It is particularly important because it makes culture a decomposable concept and encompasses multiple dimensions. However, Fernández (2008) definition is also useful because it focuses on the existence of cultural differences in terms of changes in group beliefs and preferences over time and space. This definition suggests that cultural effects on individual behavior and economic outcomes are best identified through variations among different cultures in terms of aggregate beliefs and preferences. In contrast, Shenkar (2012) criticizes the calculation of cultural distance because some methodological issues may not be adequately addressed. A composite indicator that does not consider the heterogeneity of the partial indicators that make it up can suffer from compensatory effects among them. Therefore, in identifying culture and the differences in its constituent dimensions, we have referred to these authors.

To find the cultural distances shown in Table 1, we aggregated the differences calculated for each of the six indicators of Hofstede et al. (2010) cultural dimensions (Tables A.1 and A.2) using one of the methods proposed by Mazziotta and Pareto (2020), to which we refer for further

information about the indicator construction method. Specifically, we have applied the non-compensatory methodology to construct a composite indicator. This procedure effectively synthesizes a set of otherwise non-substitutable indicators. By using arithmetic mean and standard deviation, it employs a correction term represented by the coefficient of variation to adequately consider all components.

We believe that this procedure has the significant advantage of adequately considering the interdependence among cultural dimensions. A reduced cultural distance between countries, considering this interdependence, justifies their similarity.

The consideration of this interdependence is important for the accurate measurement of a cross-cultural distance between countries. The cultural distance perceived by decision-makers may be a problem, as it may impact on relationships both at intra- and inter-organizational level. For instance, establishing cross-cultural bridges between countries may be useful in overcoming the cultural distance drawback.

Table A.1 – The six cultural dimensions.

	Power distance	Individualism	Masculinity	Uncertainty avoidance	Long-term orientation	Indulgence
AU	*38*	*90*	*61*	*51*	*21*	*71*
NZ	*22*	*79*	*58*	*49*	*33*	*75*
UK	*35*	*89*	*66*	*35*	*51*	*69*
US	*40*	*91*	*62*	*46*	*26*	*68*
EU-19	*51*	*62*	*48*	*76*	*58*	*44*
JP	*54*	*46*	*95*	*92*	*88*	*42*
CH	*80*	*20*	*66*	*30*	*87*	*24*
IN	*77*	*48*	*56*	*40*	*51*	*26*

Note: for EU-19, cultural dimensions are a weighted average for the population of member countries. Source: our elaboration from Hofstede's online dataset (version 2015, geerthofstede.com).

Table A.2 – Matrix of differences for cultural dimensions.

	AU	NZ	UK	US	EU-19	JP	CH
Power distance							
NZ	–16						
UK	–3	–13					
US	–2	–18	–5				
EU-19	–13	–29	–16	–11			
JP	–16	–32	–19	–14	–3		
CH	–42	–58	–45	–40	–29	–26	
IN	–39	–55	–42	–37	–26	–23	–3
Individualism							
NZ	–11						
UK	–1	–10					
US	–1	–12	–2				
EU-19	–28	–17	–27	–29			
JP	–44	–33	–43	–45	–16		
CH	–70	–59	–69	–71	–42	–26	
IN	–42	–31	–41	–43	–14	–2	–28
Masculinity							
NZ	–3						
UK	–5	–8					
US	–1	–4	–4				
EU-19	–13	–10	–18	–14			
JP	–34	–37	–29	–33	–47		
CH	–5	–8	0	–4	–18	–29	
IN	–5	–2	–10	–6	–8	–39	–10
Uncertainty avoidance							
NZ	–2						
UK	–16	–14					
US	–5	–3	–11				
EU-19	–25	–27	–41	–30			
JP	–41	–43	–57	–46	–16		

	CH	–21	–19	–5	–16	–46	–62	
	IN	–11	–9	–5	–6	–36	–52	–10
Long-term orientation								
	NZ	–12						
	UK	–30	–18					
	US	–5	–7	–25				
	EU-19	–37	–25	–7	–32			
	JP	–67	–55	–37	–62	–30		
	CH	–66	–55	–36	–62	–30	–1	
	IN	–30	–18	0	–25	–7	–37	–37
Indulgence								
	NZ	–3						
	UK	–2	–5					
	US	–3	–6	–1				
	EU-19	–28	–31	–26	–24			
	JP	–30	–33	–28	–26	–2		
	CH	–48	–51	–46	–44	–20	–18	
	IN	–45	–48	–43	–42	–18	–16	–2

Note: for EU-19, cultural dimensions are a weighted average for the population of member countries. Source: our elaboration from Hofstede's online dataset (version 2015, geerthofstede.com).

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The Banat Swabians and The Austro-Hungarian Empire

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Abstract

The Banat Swabians are a German-speaking ethnic group originated from the migration of German and Western European settlers in the Banat region during the Austrian Empire. They were part of the German ethnic archipelago of Eastern Europe that was largely dismantled at the end of the Second World War, but their influence in the regions runs deep and can still be felt to this day. This study analyses the nationalistic tendencies of both the Swabian and Romanian populations of Banat, from the inception of the dual state until the eve of its dissolution, with a focus on the national minorities policies adopted by the Hungarian government and the dynamics of minority nationalism during the First World War.

Keywords: *World War I, Ethnic Minorities, Nationalism, Hungary, Germans*.

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Introduction

What is Banat? Or rather, what is a banate? In the Middle Ages, a banate was the territory administered by a ban, a title found throughout the Balkans and parts of Central Europe, designating the governor of a province or a nobleman whose rank was comparable to that of a count or duke in Western Europe. The origin of the term is probably Slavic, Avar, or even Turkic-Mongolic, and may ultimately go back to the word khan,[1] though the debate remains open. What is certain is that the region known today as Banat is only one among many banates that dotted the Danube basin over the centuries: among them the medieval state of the Banate of Bosnia, the Serbian Banate of Macsó within the Kingdom of Hungary, or the banates created as administrative subdivisions by the Kingdom of Yugoslavia between 1929 and 1941.

The area now called Banat owes its name to the Banate of Temeswar, officially designated as such after the Habsburg conquest of the territory during the Sixth Austro-Turkish War (1716–1718).[2] Yet the region around the city of Timișoara had never before been part of a banate, except for small portions once belonging to the medieval Banate of Severin. In fact, it seems to have acquired the name "Banate of Temeswar" precisely in connection with the Banate of Severin, which actually corresponded to present-day Oltenia, or Little Wallachia, a region southeast of Banat.

The name probably arose from a mistake made by an Italian officer in the service of Emperor Leopold I of Habsburg: Count Luigi Ferdinando Marsigli[3] incorrectly attributed Timișoara as the seat of the medieval bans of Severin.[4] He claimed that "Hungary […] is subdivided into upper and lower parts, and the latter were governed by a Ban, hence the name Banate of Temeswar".[5] According to the Romanian historian Sorin Forțiu,

[1] P. Skok, *Etimologijski rjecnik hrvatskoga ili srpskoga jezika* [Etymological dictionary of the Croatian and Serbian language], Zagreb, Académie Yougoslave des Sciences et des Beaux-Arts, 1971, p. 104.

[2] D. Pârvu, *Ocuparea si anexarea Banatului (1716-1718). Organizarea administrativă a acestuia* [The occupation and annexation of Banat (1716-1718). Its administrative organization], Timișoara, "Quaestiones disputatae", N. 2 - 2004, Universitatea de Vest, pp. 1-6.

[3] He was a Bolognese nobleman who served as an officer of the imperial army during several military campaigns against the Ottomans between the late 17th and early 18th centuries. He was also a scientist and, throughout his journeys, he described among other things, the history and the endemic species of the Danubian region.

[4] I. Haţegan, L. Savulov, *Banatul medieval* [Medieval Banat] in "Analele Banatului", S.N., Arheologie – Istorie, Vol. V, 1997, p. 186.

[5] From his manuscript *Primo Abbozzo del Compendio Storico dell'Ungaria* [First Draft of the Historical Compendium of Hungary], wrote at the beginning of the 18th century and never published, but preserved at the Library of the University of Bologna and cited by Sorin Forțiu in *Despre prima atestare a denumirii Banatvs*

however, Marsigli had wrongly located the centre of power of the Banate of Severin in the city of Timișoara, whereas in reality it lay in the fortress of Severin itself, destroyed by the Turks in 1525. Marsigli, lacking that reference, likely identified Timișoara as an alternative capital among the principal towns of the region.[6]

From Marsigli's accounts, the name "Banate of Temeswar" appears to have taken root in Habsburg administration. Since, at the beginning of the 18th century, the region was the only banate included among the possessions of the Archdukes of Vienna, the term "Banat" came to be used for the region surrounding Temeswar.

Having examined the etymology and the origin of the name, it is worth clarifying where Banat actually lies, with it being arguably one of the European historical regions with the clearest and most geographically defined borders, excluding islands.

Banat is a region covering about 28,500 km² (an area comparable to modern-day Albania) and roughly rectangular in shape. It is bounded to the north by the Mureș River, to the west by the Tisza River, to the south by the Danube, and to the east by the Southern Carpathians.[7] Its historical capital, and also its largest city, is Timișoara (German: Temeswar). Today, the lands historically belonging to Banat are divided among three nations: about two-thirds of the territory lie in Romania, one-third is part of Serbian Vojvodina, and just over 1% of the original area of the Banate of Temeswar falls within Hungary's Csongrád County.[8]

Despite the population exchanges that followed the Second World War, Banat remains one of the most ethno-linguistically diverse areas in Europe. It still hosts many historic communities other than Serbs, Romanians, or Hungarians, including Bulgarians, Ukrainians, Roma, Croats, Czechs, and Germans.[9] The latter were largely members of the Danube Swabians, a broader group encompassing not only the German-speaking settlers of

Timisvariensis (1685) [About the first attestaion of the name *Banatvs Timisvariensis* (1685)].

[6] S. Forțiu, *Despre prima atestare a denumirii Banatvs Timisvariensis (1685)* [About the first attestaion of the name *Banatvs Timisvariensis* (1685)] in "Analele Banatului", S.N., Arheologie – Istorie, Vol. XIV, 2007, pp. 67-70.

[7] Hațegan, Savulov, Banatul..., p. 186.

[8] *Ibid*., p. 179.

[9] From the 2011 Serbian and Romanian censuses: *2011 Census of Population, Households and Dwellings in the Republic of Serbia*, Belgrade, Statistical Office of the Republic of Serbia, 2011; *Recensamantul Populatiei si Locuintelor* [Population and Housing Census], https://www.recensamantromania.ro/rpl-2011/rezultate-2011/.

Banat, but also all the German-speaking communities established along the Danube east of Bratislava. The history of the Danube Swabians under Austro-Hungarian rule, and of the Swabians of Banat in particular, will be the focus of the following analysis.

The Austro-Hungarian Compromise of 1867

In the years from 1849 to 1866 Vienna launched a massive reform effort concerning its administrative and executive apparatus. This initiative was characterized by the rigid determination not to satisfy any demand put forward by the most influential groups among the 1848 revolutionaries, those being the Magyar nationalists and the German radicals.

A sign of this Austrian endeavour is the fact that in 1849 the previously granted Hungarian autonomy was revoked and a centralization attempt began to take shape in the Empire. However, the numerous defeats suffered by Austria between 1859 and 1866 in the context of the German and Italian unification wars, severely weakened the ability of the Habsburg emperors to control what has been defined as the "Hungarian monster". Hungary, a land agitated by rebellious sentiments and a desire for independence, revealed itself to be tough to administer from outside of the Carpathian basin, and was on the verge of repeating the riots of 1848. A few Hungarian radicals even tried to negotiate with Prussian prime minister Otto von Bismarck the creation of an anti-Habsburg coalition, not achieving the desired result in the end. The situation didn't seem sustainable for Vienna, and in fact the imperial government, heavily weakened by the Austro-Prussian war of 1866, found itself forced to open negotiations with the German radicals and the Magyar nationalists, the very same groups it tried not to strengthen in the previous years of reforms.[10]

The compromise reached in 1867, also known as the *Ausgleich* [Compensation], made Hungary and Austria two legally distinct states, united only in their foreign policy (and therefore in matters of war) and in their common monarch figure: the Habsburg emperor.[11] The Magyar nationalists sacrificed their aim for total independence in order to obtain a privileged status in a two-headed country, which in turn guaranteed

[10] S.W. Sowards, *Twenty-five lectures on modern Balkan history: The Balkans in the Age of Nationalism,* 1996, Lecture N. 7.

[11] L. C. Tihany, *The Austro-Hungarian Compromise, 1867-1918: A Half Century of Diagnosis; Fifty Years of Post-Mortem*, "Central European History", 1969, Vol. II, N. 2, pp. 114-115.

them remarkable freedom in the management of linguistic and ethnic minority issues in their half of the Empire. The Compromise meant for the Hungarians the reestablishment of the autonomy and self-determination briefly obtained in 1848,[12] though expressed in a more moderate and less revolutionary manner.

The only "reigning" nations from 1867 onwards would have been the Germans in Austria and the Magyars in Hungary, and, despite the presence of laws guaranteeing the protection of minority rights within the country, the German and Magyar supremacy remained evident and indisputable throughout the rest of the existence of Austria-Hungary.[13]

The Magyars though had a huge obstacle in their administration as the dominant nation in Hungary: they weren't the majority in the territories they administered. According to the 1910 Austro-Hungarian census, even after years of policies aimed at the repression of non-Magyar languages and cultures,[14] speakers of Hungarian as a first language, who presumably constituted a smaller percentage of the population than the properly ethnically Hungarian, made up approximately 49% of the population of the kingdoms of Hungary and Croatia-Slavonia (those being the territories controlled by the Budapest Parliament). A narrow majority of the inhabitants of the Pannonian basin was thus made up of the non-Magyar nationalities of Hungary, among those the Slovaks, the Croats, the Italians, the Ukrainians (or, as contemporary sources refer to them, "Ruthenians") the Rusyns, the Romanians, the Germans and the Bulgarians.[15]

Unlike the Austrian half of the Empire, which maintained fourteen first-level administrative subdivisions, in Hungary the government opted for greater centralization. Most of the land within Hungary's control was placed in a vast, single administrative region, with a land area comparable to that of the Kingdom of Italy at the end of the 19th century: the Kingdom of Hungary. The only exceptions, those are territories still ruled from Budapest but not falling under the direct rule of the Kingdom of Hungary,

[12] J. Bérenger, *The History of the Habsburg Empire 1700-1918*, Abingdon, Oxon, Routledge, 2014, p. 211
[13] Sowards, *Twenty-five*….; A. Gerö, *Nationalities and the Hungarian Parliament (1867-1918),* London, British Academy, 2014, pp. 8-10.
[14] W. Marin**,** *Unirea din 1918 și poziția șvabilor bănățeni* [The Unification of 1918 and the position of the Banat Swabians]**,** Timișoara, Editura Facla, 1978, p. 23.
[15] *1910 ÉVI NÉPSZÁMLÁLÁS 1. A népesség főbb adatai községek és népesebb puszták, telepek szerint* [1910 Census 1. Main demographic data by village and inhabited center], Budapest, Magyar Statisztikai Közlemények, 1912.

were the city of Fiume (now more widely known by its Croatian name of Rijeka) and the already mentioned Kingdom of Croatia-Slavonia. Together Fiume and Croatia-Slavonia reached approximately one seventh of the population of the Kingdom of Hungary.[16] While Austria was able to guarantee a greater, although limited, autonomy to the ethnic minorities residing in its territories, Hungary adopted a centralizing policy not unlike the Austrian one that failed in the management of minorities following the 1848 riots.

In the regions administered by Vienna, Poles and Ukrainians had very limited autonomy in Galicia, and the same was true for the Romanians of Bukovina, the Italians and the Slavs in the Julian March and the Croatians in Dalmatia. In Hungary, excluding Fiume with its fifty thousand inhabitants and the Croats in their kingdom with Zagreb as a capital, there were millions of Romanians, Slavs and Germans who were deprived of the little autonomy they were granted before the 1867 dualistic turning point. The centralizing reforms implemented by Budapest marked the end of the centuries old autonomy that Transylvania enjoyed abolishing the political prerogatives of the *Unio Trium Nationum* [Union of the Three Nations] implemented in 1437,[17] and they brought to an end the Military Frontiers in the Pannonian lands, which were rapidly integrated in the Hungarian county system. Those special administrative subdivisions stood in place for centuries on the borders of the Austrian dominions. The administrative centralization of the Crown of Saint Stephen[18] also meant the end of other internal subdivisions of the Habsburg Empire, such as the Banate of Temeswar, which has been split among the three newly forged counties of Torontál, Temes and Krassó-Szőrény.[19]

Seeing as the Compromise was supposed to please some of the demands of the 1848 revolutionaries, an enthusiastic adhesion to the changes brought by the *Ausgleich* could have been expected from the Germans of the newly instituted Hungarian state, but in reality the only Germans close to the revolutionary ideals that were, partially, satisfied by the 1867 deal were the Germans in the Austrian half of the Empire. This happened because of the fact that some years after the Compromise there has been

[16] *Ibidem.*
[17] C. A. MacArtney, *The Habsburg Empire: 1790-1918*, London, Faber & Faber, 2014, p. 110.
[18] Name used to refer to the Budapest-administered half of the Habsburg state, of which the Kingdom of Hungary was only a portion.
[19] Gerö, *Nationalities*…, p. 3.

an institutional crystallization of the Magyarization and the ethnicization of the privileges, with the difference that this time, unlike the similar process that unfolded during the first decades of the 19th century, there has been an outright exclusion of the Hungarian Germans in order to solely favour the Magyars.[20] The new repressive policies imposed by the Budapest Government, especially starting from the 1870s, triggered a national and nationalistic awakening of the Danube Swabians, which led some Swabian intellectuals, specifically in Banat, to an ideological and almost anthropological interest in the Romanian population, that together with the Serbs constituted the most hostile opposition to the Hungarian Government's nationalistic approach.[21]

Here some questions naturally arise: what led the Hungarian nationalists to betray the Danube Swabians, considered "brothers" before the 1848 riots?[22] Why did the Magyar elites opt for a Magyar-dominated Hungary instead of the proposed Danubian Confederation of Peoples?[23] Not considering the Confederation, why not at least try to obtain the support of the Hungarian Germans, who demonstrated, ever since the 18th century, a fierce loyalty to Hungary even when going against their German Compatriots from Austria proper?[24]

The reason is far more trivial than it may seem: everything is easily explained by 19th century nationalism and a widespread chauvinistic tendency, stained with a stereotyped romanticism common among Kossuth's successors. What can be called a cult was created around the leader of the 1848 Hungarian Revolution Lajos Kossuth, who was seen as the personification, according to this ideology, of a legendary, impetuous and indomitable Hungary, subjugated for far too long but finally ready to return to the glory of the medieval Kingdom of Hungary. Naturally this idealized notion was nothing but a delusion, because de facto Hungary wasn't completely autonomous even in the context of the 1867 Compromise, it existed as a part of Austria-Hungary, save for some aspects

[20] Marin, *Unirea*..., pp. 21-23.
[21] *Ibidem.*
[22] A. Maxwell, *Hungaro-German Dual Nationality: Germans, Slavs and Magyars during the 1848 Revolution*, "German Studies Review", Vol. XXXIX, N. 1, The Johns Hopkins University Press on behalf of the German Studies Association, 2016, p. 25.
[23] Tihany, *The Austro-Hungarian*…, p. 125.
[24] M. Constantinescu, Ș. Pascu, *Desăvârșirea statului național român, unirea transilvaniei cu vechea Românie* [The Completion of the Romanian national state, the unification of Transylvania with Old Romania], Bucharest, Editura Academiei R.S.R., 1968, pp. 448-451.

of internal policy.[25]

In this ideological construction there was no room for the Danube Swabians, with them being seen potentially as an alternative elite to the Magyar one, and with whom the Magyars were reluctant to share power and influence in their half of the Empire. It was no coincidence that in the years following the *Ausgleich* the Budapest Government strongly favoured a heavy Magyar immigration towards Banat.[26] This region bordered the Magyar heartland, in which Magyars constituted the clear majority, it was thus fairly easily colonizable, also due to the extreme multi-ethnic nature of the cities. In practice, a small number of colonists only needed to move a few tens of kilometres to gain a Magyar plurality within the urban settlements. On the contrary, in the countryside, there was an overwhelming Serbo-Romanian majority, that was maintained until the end of the First World War, despite the quasi-colonial efforts.[27]

The 1867 Compromise can be identified as the definitive death of the Hungaro-German nationalistic ideology. From that point onwards many of the non-magyarized Banat Swabian and Transylvanian Saxon leaders cut off any collaborative relationship with the Magyar nationalists, by then too prone to chauvinism.[28] The new main allies of the Danube Germans became the Romanian nationalists, who, starting from 1881, had as a point of reference a nation-state led by a German noble family thanks to the creation of the Kingdom of Romania. On the throne of this young nation reigned a cadet branch of the Hohenzollerns[29], the German imperial family. During the second half of the 19th century the foundations were laid for the future Swabian adhesion to the Romanian *Marea Unire* [Great Union] of 1918.

Magyarization

Magyarization can be defined as a process of assimilation, carried out in Habsburg Hungary from the 19th century onwards, through which non-Magyar portions of the Hungarian population adopted Magyar culture and language, whether voluntarily or not. Many of Hungary's non-Magyar

[25] Tihany, *The Austro-Hungarian*…, p. 125.
[26] Marin, *Unirea*..., p. 15.
[27] R. Creţan, *Cultural heritage highlighted by the Habsburg colonisations – A particular view on the Romanian Banat area*, "Review of Historical Geography and Toponomastics", vol. IV, N. 7-8, 2009, pp. 106-109.; from the Romanian and Serbian censuses of 2011.
[28] Marin, *Unirea*..., pp.. 30-39.
[29] Marin, *Unirea*..., pp.. 30-39.

inhabitants had a neutral stance toward nationalism (consider, for example, the Danube Swabians, disillusioned by the failure of the Hungaro-German nationalist project), and therefore saw assimilation into the Magyar nation as advantageous. However, governmental pressures from the Budapest Parliament were not absent;[30] although nationalism often prevailed, that parliament nonetheless represented the government which, at least on paper, offered the greatest protections to ethnic minorities in Europe.[31]

Despite these formal protections within the Pannonian Basin, many Hungarians began to view Magyarization as a civilizing mission, a sort of "Magyars' burden": the moral duty to rescue the Kingdom's other nations from a condition of extreme backwardness, thereby creating a strong and loyal population capable of safeguarding the autonomy of the Kingdom. This vision materialized in coercive methods of assimilation, which accompanied voluntary personal initiative as well as numerous institutional measures, not always openly repressive but nonetheless aimed at hindering the public exposition of non-Magyar languages and cultures.[32] It must be acknowledged that Hungarian politicians in the early years of Austria-Hungary granted considerable autonomy and tolerance to minorities, specifically from 1867 to 1875. Examples of this are evident in laws passed in 1868, through which the Romanian Orthodox church received a Statue of Autonomy, and Jewish people were recognized as completely equal to Christians in civic and political matters.[33] Yet exactly from 1875 the Liberal Party, led by Kálmán Tisza, came to power in Budapest. Tisza belonged to a generation of politicians who, in the words of Lyon, "forgot the great lessons of 1848–49 and which regarded the situation of the country exclusively from the point of view of their momentary interests".[34] From 1875 onwards, therefore, Hungary's primacy as a bastion of tolerance diminished, and Magyarization became more rigid and less tied to voluntary adherence.

The countryside was much less affected by Magyarization, which mainly concerned urban elites, especially Swabians outside of Banat. A negative consequence of the magyarizing policy, however, was visible across

[30] P.W. Lyon, *After empire: ethnic Germans and minority nationalism in interwar Yugoslavia*, University of Maryland, 2008, p. 60.
[31] J. Hévizi, *Autonomies in Hungary and Europe,* Corvinus Society, 2004, p. 35.
[32] Lyon, *After Empire*…, pp. 60-61.
[33] C. A. MacArtney, *The Habsburg Empire*…, p. 110.
[34] Lyon, *After Empire*…, p. 62.

Hungary's villages: the low level of literacy both in Hungarian and in native mother tongues, achieved by many rural students, was likely the result of learning two languages simultaneously. Naturally this stemmed from the imposition of Hungarian as the mandatory language of education.[35]

The Budapest government attempted to resolve the problems caused by bilingual education in the peripheral regions of the state through two laws: the 1879 Elementary Education Act and the 1883 Secondary Education Act. These laws did not formally prohibit teaching in languages other than Hungarian, but represented the government's nationalist attempt to reduce the use of Romanian, German, Slovak, and Serbo-Croatian in schools, in favour of the Magyar language.[36] The government succeeded: between 1880 and 1913, the number of schools using Hungarian exclusively doubled, while the number using minority languages was nearly halved.[37] Another vehicle for spreading Magyarization was the Hungarian Catholic Church, which supported government efforts to encourage assimilation into the Magyar nation, to the point of coining the motto "the good Lord speaks only Hungarian".[38] Yet, given the Kingdom's religious composition, ecclesiastical pressure was not universally effective. While Slovaks and Germans were largely Catholic (and thus under the influence of the Catholic clergy), Romanians and Serbs were almost uniformly Orthodox, and thus paid little heed to the bishop of Budapest's support for Magyarization.[39]

Hungary radically changed its policy toward other nationalities: from being among the most progressive countries in Europe in terms of minority rights, it became a kingdom whose relative ethnic majority regarded the assimilation of other nations into the Hungarian one as a political dogma, essential for preserving autonomous, even if Habsburg, Hungary.[40]

The Danube Swabians' response to Magyarization is particularly interesting. As mentioned, many Swabians, especially elites and intellectuals, spontaneously assimilated into the Magyar nation after the failure of the Hungaro-German project, facilitating social mobility and

[35] *Ibid*., p. 60-61.
[36] R. Bideleux, I. Jeffries, *A History of Eastern Europe: Crisis and Change*, New York, Routledge, 1998, p. 366.
[37] I. Romsics, *A History of Hungary in the 20th Century*, Budapest, Osiris, 1999, pp. 85–86.
[38] Marin, *Unirea*..., p. 24.
[39] Lyon, *After Empire*…, pp. 63-64.
[40] *Ibidem.*

integration into the power system.[41] By contrast, German-speaking rural communities resisted Magyarization: there was little personal initiative to embrace it, and coercive methods only reinforced what would become the strong identity of Germans in South-eastern Europe.[42]

In the years between Tisza's political turn of 1875 and the 1910 Austro-Hungarian census, about half a million Hungarian Germans adopted a Magyar identity and Hungarian as their primary language. Yet this phenomenon mainly affected Budapest and central Hungary, while Germans in Banat and other peripheral regions largely kept their distance from Magyarization.[43] Despite the efforts and political imperative of its advocates to assimilate minorities seen as "harmful to the survival of the homeland", the 1910 census still showed that Magyars "only" made up slightly more than 49% of the population of the territories administered by the Kingdom of Hungary.[44]

The Germans of the city of Timișoara and its surroundings did not follow the trend of their German-speaking compatriots east of the Tisza River. Unlike central Hungary's Danube Swabians, Banat Swabians lived in a region dotted with German villages, where close commercial and cultural ties existed between German bourgeois city dwellers and German-speaking peasants.[45] This socioeconomic environment, together with the relatively small Magyar population of the region, greatly weakened the drive for Magyarization. Towns in the Serbian Banat, such as Vršac and Pančevo, even became, between the late 19th and early 20th centuries, small centres of the emerging Swabian nationalist movement. However, the scope of this phenomenon should not be overstated: German nationalism in southern Hungary did not become a significant movement until the First World War. Moreover, both in Banat's cities and in its villages, some individuals did embrace Magyarization, though often only partially with "shades of assimilation".[46]

[41] Lyon, *After Empire*…, pp. 60-61
[42] *Ibid.*, p. 65.
[43] G. Schoedl, *Die Deutschen in Ungarn*, in *Deutsche im Ausland, Fremde in Deutschland: Migration in Geschichte und Gegenwart* [The Germans in Hungary, in „Germans Abroad, Foreigners in Germany: Migration in History and the Present"], Munich, Ed. Klaus Bade 1992, p. 82.
[44] *Bundesministerium fuer Vertriebene, Fluechtlinge, und Kriegsgeschaedigte, Das Schicksal der Deutschen in Ungarn* [Federal Ministry for Expelled, Refugees, and War Victims, The Fate of the Germans in Hungary], Munich, Ed. Theodor Schieder, Dokumentation der Vertreibung der Deutschen aus OstMitte, 2004.
[45] Lyon, *After Empire*…, p. 66.
[46] *Ibid.*, pp. 67-68.

Assimilationist tendencies, though not widespread, were more common among the Banat Swabians, Catholics of recent settlement, than among the Transylvanian Saxons. The latter were more "nationally conscious", mostly Protestant, and proud of a centuries-long history distinct from that of Hungarians or Székelys in Transylvania.[47] Thus, the various German communities of the Hungarian kingdom were fragmented due to geographic isolation and a weak sense of ethnic unity, an obstacle that would only be overcome with the emergence of an alternative to the Hungaro-German ideal: a new Swabian nationalist ideology, portraying the Danube Swabians as one branch of the larger, monolithic German *Volk* [People], alongside the Transylvanian Saxons which represented another parallel branch. As mentioned earlier, these ideological constructs would not fully mature until the First World War; before 1914, they merely provided some Swabians with a means of resisting Magyarization.[48]

The process of national awakening among Germans and other nationalities of the Kingdom was overshadowed by the Millennium Celebration of 1896, a celebration of Hungarian rule in the Carpathian Basin, during which Magyar elites emphasized Hungary's economic, cultural, and political supremacy. This claim predictably provoked a negative response among the non-Magyar public.[49]

But what concrete measures did the Hungarian government and administration take to promote Magyarization?

There were the aforementioned laws on primary and secondary education, enacted in 1879 and 1883 respectively, along with the 1907 Apponyi Law, which imposed Hungarian as a mandatory subject in every school in Hungary and stated that "all pupils of any nationality must be able to express themselves in Hungarian, both in writing and orally, by the end of the fourth grade".[50]

In 1898, Telbisz, the Hungarian mayor of Timișoara, banned performances in any language other than Magyar in the city's theatres.[51]

[47] Schoedl, *Die Deutschen*..., p. 365.
[48] Lyon, *After Empire*…, p. 68.
[49] Gerö, *Nationalities*…, pp. 10-11.
[50] I. Romsics, *A History of Hungary in the 20th Century*, Budapest, Osiris, 1999, pp. 85-86.
[51] Marin, *Unirea*..., p. 24.

Non-Hungarian newspapers were not prohibited outright, but nearly every independent paper came under the control of Hungarian politicians. For example, the Temesvarer Zeitung, the most important Swabian newspaper in Timișoara ever since 1852, was transformed at the end of the 19th century into a mere instrument of pro-Magyar imperial propaganda.[52]

Increasing pressure was also applied to magyarize Slavic, Romanian, or German names, both for places and for individuals. For instance, the Romanian name Victor was replaced with the Hungarian Viktor, and every non-Magyar toponym was substituted with a Hungarian equivalent where one existed. In the absence of a Hungarian name for a village or town, one was invented from scratch in order to erase the non-Magyar designation.[53] Hungary's electoral law had been census-based since the 1848 revolution, broadly reflecting the country's ethnic composition in the active electorate. For example, in 1906 Hungarians, or at least those with Hungarian as their first language, made up 54.4% of the kingdom's population[54] and 56.2% of the electorate. Germans, with 10.4% of the population, made up 12.7% of the electorate, while Romanians, about 16% of the population, accounted for only 11.2%. These discrepancies reflected differences in wealth among the Kingdom's nationalities. The real injustice and favouritism toward Hungarians, however, was most evident not in voting rights but in representation. In 1906, in a parliament of over 400 deputies, the Slovaks, who made up 11.4% of voters, elected just one representative (instead of about 40, had proportionality been respected). And 1906 was actually an exceptional year for minority representation compared to the history of the Hungarian parliament from the Compromise to 1910. In 1900, non-Hungarian deputies in Budapest numbered just 26 out of 413; in 1905 there had been 10, and in 1910 they would fall to only 8, in a parliament that always had more than 400 seats. Despite its democratic and egalitarian façade, it is thus clear that the Hungarian electoral system was skewed in

[52] *Ibidem.*

[53] R. W. Seton-Watson, *A History of the Roumanians*, Cambridge, Cambridge University Press, 1934, p. 408.

[54] It may seem contradictory that in the Kingdom of Hungary the majority of the population was indeed Hungarian, when just a few paragraphs earlier it was stated that, even on the eve of the First World War, the Magyars did not exceed 49% of the population administered from by Budapest. This is because it is necessary to distinguish between the Kingdom of Hungary proper and the "Hungarian half" of the Habsburg Empire, also known as Transleithania or the lands of the Crown of Saint Stephen. In the Kingdom of Hungary itself, from the lathe 19th century onward, there was a real Hungarian absolute majority. But if one includes the Kingdom of Croatia-Slavonia and the Free City of Fiume, both territories under Budapest's jurisdiction and subject to the Hungarian parliament's control, the data shows that the Hungarian speakers made up just under half of the inhabitants of their half of the Empire.

favour of Magyar over-representation at the expense of other ethnicities.[55] Beyond laws and governmental measures, some historians also classify the Černová massacre, in present-day Slovakia, within the framework of Magyarization: Hungarian soldiers killed fifteen and wounded fifty-two Slovaks. Yet it remains uncertain whether ethnic tensions from Magyarization were truly the cause, especially given that many of the soldiers themselves were Slovak.[56]

Whether or not the Černová tragedy was linked to Magyarization, the Austro-Hungarian Pannonian plain clearly displayed the same symptoms of a Europe infatuated with nationalism. From the Atlantic coast to the Caucasus and the Urals, the entire continent was gripped by nationalist incidents and rhetoric. Hungary, with its Magyarization policies, was no exception, nor was Banat within it. All the tensions accumulated since the Spring of Nations in 1848, alternately expressed or repressed over the decades straddling the 19th and 20th centuries, erupted in the Great War, caused, not coincidentally, by the gunshot of a Serbian nationalist.

And Serbian nationalism was only one of the many nationalisms of Banat, awakened or fuelled by Gavrilo Princip's shot. Around Timișoara converged the aspirations of Romanians, Serbs, Germans, and Hungarians, entangled first in humanity's bloodiest war to date, then in Hungary's second civil war in seventy years, and finally in a series of offensives against the corpse of what had once been the Kingdom of Hungary. The First World War was a turning point for the dozen peoples inhabiting Habsburg lands, it was a turning point for the World, for Europe, for Hungary, and for Banat.

Banat during the First World War

In the years before 1914, the isolation of Hungarian nationalists and the Magyarization policies led to increasing cooperation between the non-Hungarian ethnic parties of the Kingdom of Hungary, so much so that in 1905 the association between the Timișoara branch of the Social Democratic Party, largely composed of Germans, and the Romanian National Party was formalized.[57] On the occasion of a political assembly between some leftist parties held in Timișoara on December 18th 1905, the secretary of

[55] Gerö, *Nationalities*…, pp. 6-8.

[56] L. Katus, *A modern Magyarország születése. Magyarország története 1711–1848* [The birth of modern Hungary. A History of Hungary 1711-1848], Pécs, Pécsi Történettudományért Kulturális Egyesület, 2010, p. 570.

[57] Initially known as the "National Romanian Party in Transylvania and Banat" it was a political party whose purpose was the ethnic representation of the Romanian subjects of the Kingdom of Hungary.

the SDP in Banat, Iulius Freund, and the president of the local section of the RNP, Aurel Cosma, emphasized the common effort of Romanians and Swabians in the struggle for the right to universal suffrage.[58]

Although many members of the two parties were not fond of the government in Budapest, the independentists made up, in the first decade of the 20th century, only a small minority in both political groups. The official policies of both parties remained aligned with Habsburg rule until the summer of 1914.[59]

Romanian opinions regarding participation in the war that had just broken out were far from unanimous, both in the Kingdom of Romania and in the Austro-Hungarian Empire. Besides the Romanian nationalists who were fighting for the annexation of Transylvania and Banat to the Kingdom of Romania and were opposed to any alliance with the Austrians, in Bucharest there were also many pro-Habsburg non-irredentists, even interventionists on the side of the Central Powers. The Romanian Transylvanian intellectual and politician Valeriu Braniște, director of the newspaper *Drapelul*,[60] wrote the following after a dinner with some Romanian politicians of the Kingdom of Romania in his memoir:

> The World War surprised us. About a week before [its outbreak] I was in Bucharest. Minister and friend Vasile G. Morțun organized a dinner with a small circle of people in Capșa in my honour. He was surprised when I told him that [in Austria-Hungary] the arrests of Serbian intellectuals were a daily occurrence and the atmosphere was very oppressive, with the expectation of an imminent storm. [The guests] still placed their trust in Vienna. Hypnotized by the illusions raised by Archduke Franz Ferdinand, killed in Sarajevo, they expected, as with the new heir, that the then king-emperor could be our "friend". […] Thus, with the rapid escalation of events, we were caught unprepared and disoriented.[61]

There were therefore, among Romanian politicians, people who trusted the project of a Danubian empire free of minority oppression, and for this reason were willing to honour Romania's promised participation in the war

[58] Marin, *Unirea*..., p. 28.
[59] *Ibid.*, pp. 42-43.
[60] It was a daily newspaper published in Romanian in the town of Lugoj, a city in Banat. Its director Valeriu Braniște was a fervent Romanian nationalist.
[61] V. Braniște, *Amintiri din închisoare* [Memories from prison], Bucharest, Tritonic, 2002, p. 461.

effort alongside the Triple Alliance.[62] Among the political figures "who placed their trust in Vienna" was also the then King of Romania Carol I of Hohenzollern, who wanted to join the conflict alongside the other German monarchs (the German Kaiser was even a member of his own noble house), but the opposition of the Romanian liberal government led by Ion Brătianu, more aligned with France and England, led to Romanian neutrality, justified in Berlin and Vienna in the same way the Italians did for themselves: the Triple Alliance was a defensive alliance, but in the case of the war that broke out in 1914 the aggressor was Austria-Hungary, and thus there was no obligation of co-belligerency.[63]

On the other side of the Carpathians, despite the death of Franz Ferdinand,[64] there was still hope, both among the Swabians and the Transylvanian and Banat Romanians, for a state that could guarantee more autonomy to its minorities. For this reason, the Swabian intellectuals of various German parties, together with the loyalist wing of the RNP, supported Vienna's war against Serbia.[65] Dissent was not lacking, especially among ethnically Romanian and Serbian soldiers recruited to fight for Franz Joseph. *Drapelul* was increasingly censored as the war progressed, since it attempted to publish poems and testimonies critical of Vienna coming from Romanian soldiers on the frontlines.[66]

Unlike the Romanians, the Swabians remained much more ideologically compact, and, at least during the first year of war, there was an almost unanimous enthusiasm for the conflict.[67] 1914 saw a massive mobilization of men from Banat, and a conversion to a wartime economy. The press was dominated by state propaganda, and in the cities the Hungarian and German population enthusiastically proclaimed "Long live the war! Long live the king! Long live the homeland!",[68] while two anti-Serbian slogans spread among all Magyars and Germans of the Empire like wildfire, repeated from Vienna to Timișoara: in German,

[62] In 1883 king Carol I of Romania signed a secret treaty with the Triple Alliance members, which would have guaranteed Romanian military support in the event of aggression against one of the three countries by another state.
[63] J. Becker, *A Companion to World War I*, Blackwell Publishing Ltd, 2012, p. 208.
[64] The heir to the Habsburg throne was one of the fiercest supporters of Danubian federalism. For him the state shoulnd't have been limited to Austro-Hungarian dualism, instead it should have included every nation within the Empire in its administration as an equal member.
[65] Marin, *Unirea*..., p. 43.
[66] Braniște, *Amintiri*..., p.49.
[67] Marin, *Unirea*..., p. 43.
[68] Temesvári Hírlap, July 29th 1914.

Serben müssen sterben [All Serbs must die],[69] in Hungarian, *Megai Kutya Szerbia* [Serbia, big bitch].[70]

In the cities, dominated by the two imperial nations, there was therefore great support for the punitive war against the "vile Serbs" who had defiled the honour of the country by killing the heir to the throne. This was not reflected in the Orthodox countryside, where many Serbs and Romanians, especially in the border areas, failed to show up for mobilization and deserted to Serbia and Romania.[71] In *Ţinutul Almăjului*, a region of eastern Banat inhabited mainly by Romanians, 6,641 soldiers were recruited from a total population of 24,196, more than a quarter of all inhabitants and more than half of the men, all conscripted into the imperial army.[72] The rate of compulsory conscription was much higher in non-Swabian or non-Magyar areas. An example is the village of Charlottenburg, not far from Timişoara and 80% Swabian in population,[73] which saw 100 men recruited from a total of 700 people. The rate of recruitment was almost double in Romanian-majority areas compared to those dominated by Germans, and this probably contributed to maintaining support for the war among the Swabian population. Moreover, where Romanians and Serbs were recruited, the same enthusiasm of the large urban centres was not present. The Romanian teacher George Cătană wrote about the Romanian-speaking village of Valeadeni (in Krassó-Szörény County) where he taught:

> It was a Sunday afternoon in the summer of 1914. The whole village was at the dancing event in front of the church and great celebrations were underway, when the order of mobilization arrived, announced by the beating of the drum. The next day, not only those who had been called up but the whole village, young and old, gathered at the town hall; they then entered the holy church, and the divine mass was served with holy communion. The old priest Ioan Meda […] gave them encouraging speeches about the fear of God and love for one's neighbour. Fifty strong men then departed. Afterwards, further announcements were made. Grief overwhelmed the

[69] G. Regler, G. Schmidt-Henkel, R. Schock, G. Scholdt, *Werke* [Works], Göttingen, Steidl, 2007, p. 46.
[70] V. Dudaş, *Aspecte privind situaţia Banatului în anii Primei Mari Conflagraţiei Mondiale* [Aspects regarding the situation of Banat in the years of the First World War] in "Analele Banatului", S.N., Arheologie – Istorie, Vol. XV, 2007, p. 242.
[71] Dudaş reports that in 1914 an organization made up of Romanian refugees from Banat, Transylvania and Bukovina formed in Bucharest, and began a campaign to push Romania to join the war on the Entente side, with the aim of liberating the Romanian "ancestral lands" from Habsburg rule.
[72] Dudaş, *Aspecte*..., p. 242.
[73] *1910 ÉVI NÉPSZÁMLÁLÁS 1. A népesség főbb adatai községek és népesebb puszták, telepek szerint.*

village. Sad news arrived at home.[74]

This testimony, together with the high number of Romanian and Serbian defectors, highlights the widespread discontent among a portion of the Kingdom of Hungary's population regarding the war that broke out after the events of Sarajevo.

Tens of thousands of soldiers were recruited in Banat, and the men were sent mainly to fight on the Eastern and Balkan fronts.[75] The Timișoara region did not see much fighting during the conflict; the most significant military events that took place in Banat between 1914 and 1918 were the meetings in Timișoara between German general August von Mackensen and the representatives of the Bulgarian and Turkish general staffs, held in October 1915 following the opening of the Italian front in May of that same year.[76]

Banat did not directly suffer the atrocities of war, but naturally the consequences of the conflict on the region were devastating, as in the rest of Europe. The extremely high rate of compulsory recruitment (half of all men in some regions, even outside the *Ținutul Almăjului*) caused a severe shortage of agricultural labour, and this, together with a series of floods in 1916, crippled Banat's agricultural sector. This was particularly harsh due to Banat being the breadbasket of the Viennese Empire alongside the rest of the Kingdom of Hungary.[77] A terrible inflation of all food products followed: in Banat between July 1914 and December 1916 the price of flour rose by 690%, potatoes by 1566%, and rice by 4257%. Between 1915 and 1919, the average price of the twenty-five main consumer goods increased by 989%.[78] In 1915 rationing began for the civilian population, but by 1917 the rations assigned for a week were barely enough for two days.[79]

It was not only agriculture in Banat that went through a disastrous period, but industry was also put under great pressure to sustain the war effort. To increase production, the work week in Banat factories rose from fifty-

[74] Dudaș, *Aspecte*..., pp. 242-243.
[75] *Ibidem.*
[76] *Ibidem.*
[77] Dudaș, *Aspecte*..., p. 245-247.
[78] J. Geml, *Emlékiratok polgármesteri működésem idejéből* [Memories from my time as a mayor], Timișoara, 1924, p. 65.
[79] Dudaș, *Aspecte*..., p. 247.

seven to sixty-five hours; moreover, in some cases Sunday as a day off was abolished and strikes and protests by workers were banned.[80]

The shortage of raw materials, all destined for the war industry, together with the forced conscription of a very large percentage of the male population, destroyed the civilian economy. Many businesses in both cities and villages were forced to shut down due to lack of products, staff, and customers.[81]

In addition to the economic crisis, the Serbian and Romanian populations (the latter only starting from Romania's entry into the war in 1916 on the side of the Entente powers)[82] also became victims of institutionalized discrimination by the Budapest government led by István Tisza, which, on charges of high treason and conspiracy against the homeland, arrested and tried before martial courts hundreds of Romanian and Serbian intellectuals, peasants, and workers.[83] Three-hundred and eleven Romanian schools in Transylvania and Banat were closed and replaced with Hungarian schools. In 1916 the Hungarian government asked the leaders of the Romanian movements in Hungary to sign a declaration of loyalty to the dual state. Many refused and were consequently arrested.[84]

In this climate of deep crisis, food shortages, ethnic discrimination, extreme poverty, and exhausting working conditions, despite the prohibitions, protests and workers' strikes began in all of Banat's industrial centres starting in 1916. On May 1st 1917, large celebrations for Labour Day took place in Timișoara, Lugoj, Anina, and Reșița; the Russian revolutionary events were observed with interest by socialists of every ethnicity, and after Lenin's Bolsheviks succeeded in the October Revolution, the hope and ambition for peace and self-determination spread among the Banat population. Four thousand workers, Swabians, Magyars, Romanians, and Serbs, poured into the streets of Timișoara on December 2nd 1917, loudly demanding an end to the conflict.[85] Soon similar protests were organized throughout Banat, especially by local branches of the SDP, so much so

[80] *Ibidem.*
[81] *Ibid*., p. 248.
[82] Made possible by Carol I's abdication in October 1914, and by treaties signed between Romania and the Entente Powers, which promised great territorial expansion to Bucharest by annexing Habsburg-owned lands, all in exchange for the small Romanian Kingdom's entry into the war against the Central Powers.
[83] Marin*, Unirea*..., p. 45.
[84] *Ibidem.*
[85] Duda*ș, Aspecte*..., pp. 248-249.

that in the town of Reșița, in Krassó-Szörény County, the Hungarian local authorities reported in a note on the December 16th protests that "if drastic and urgent measures are not taken, what happened in Russia will happen here".[86]

Discrimination against Orthodox Christians, the terrible conditions in which the entire Banat population versed and Lenin's success, led many Swabians to distance themselves from their initial enthusiasm for the war, especially in leftist circles. One of the Swabian newspapers of Timișoara, *Volkswille*, with its clear socialist orientation, published, despite heavy censorship, the following appeal to the German-speaking masses of Banat:

> Tisza can no longer be convinced. There is nothing left to do but to overthrow this embittered opponent of the people's rights. Let us bring him down and sweep him away together with his party! All our forces, all our means must be concentrated for this struggle.[87]

After the publication of these words, the Hungarian authorities temporarily shut down *Volkswille*, but other Swabian voices critical of Tisza's government and Vienna's conduct of the war were not lacking. An example is Otto Alscher, journalist and Swabian nationalist far from the left, who between 1915 and 1917 in the newspaper *Deutsches Tageblatt*, criticized "the chauvinistic abuses and oppressions of the Magyar government".[88] The satirical works against the war by Franz Xaver Kappus, Peter Jung's opposition to "the massacre", or the pacifist verses published in both Romanian and German by poet Johann Schuster-Herineanu, also represented a sign of the changing opinion of many Swabians regarding the Kingdom of Hungary's conduct during the last years of the First World War.

Apart from the Hungarians, among all the peoples of Banat socialist or nationalist movements were strengthened, united in their hostility towards the Budapest government: the former to carry out a communist revolution following the Russians' example, the latter for independence or the annexation of Banat to Serbia or Romania. Strikes and protests

[86] *A magyar munkásmozgalom történetének válogatott dokumentumai 1917- 1919 március ötödike* [Selected documents from the history of ther Hungarian labor movement, 1917-1919, 5th of March], Budapest, 1956, pp. 45-46.
[87] Volkswille, April 28th 1917.
[88] Ș. Binder, *Deutsche Dichtung in Rumänien* [German poetry in Romania] in "Neue Banater Zeitung", Timișoara, 30 dicembre 1972.

against the war and for the dismantling of the Kingdom of Hungary increased dramatically throughout 1918. On January 20th a general strike was called by the SDP and associated unions in Timișoara and the other industrial centres of Banat; on May 1st large celebrations and a huge anti-war demonstration were organized by the SDP, with more than 10,000 protesters filling the streets of Timișoara; on July 22nd there was a general strike in Reșița, leading to demonstrations such that the Attorney General of Lugoj declared that more than a strike, what was happening in Reșița was "a rebellion with the symptoms of a revolution". The strike continued for four days until July 25th, when 160 demonstrators, including their leaders, were arrested.[89]

Aside from socialist demands, however, the pre-war cooperation between Romanian and Swabian parties was not revived until the outbreak of the Romanian-Hungarian War on November 13th 1918, and thus after the Austro-Hungarian surrender on the 3rd of November.[90] At the beginning of autumn 1918, with the World War nearing its end and the Austro-Hungarian imperial forces almost completely defeated, the unstable present and uncertain future of Banat and Hungary would plunge the entire Carpathian basin into chaos.[91] There was a war after the Great War, a devastating period of extreme turmoil that saw the old Habsburg Empire fragment into countless factions,[92] many of which had an ethnic character.

Conclusions

Perhaps the inadequate and oppressive Hungarian administration led to an explosion of demands from ethnic minorities, or perhaps the two-headed, multinational state of Vienna and Budapest was destined to collapse in the era of rampant nationalism. What is certain, however, is that the "self-determination" achieved at the twilight of the First World War by the peoples of Banat did not spare them from ethnic-based oppression and barbarity in the following decades: the Second World War also affected Banat, suffice it to recall that all the territories bordering Horthy's Hungary were the scene of ethnic clashes, and communist Romania did not treat its minorities well either, for example by selling (and de facto

[89] Marin, *Unirea*..., p. 53.
[90] *Ibidem.*
[91] Duda*ș*, *Aspecte*..., pp. 255-256.
[92] A. Chwalba, *Le quotidien difficile des terres polonaises, 1914-1918* [The hardships of daily life in the Polish territories, 1914-1918] in "Guerres mondiales et conflits contemporains", Vol. IV, N. 260, 2015, p. 25.

deporting) a significant percentage of its German-speaking population.[93] In 1910 Banat counted just under 500,000 Germans;[94] in 2021, between Romania and Serbia, the German inhabitants barely exceeded 25,000, and it must be considered that many of these are not Swabians, but Transylvanian Saxons. Today, no municipality in Romania can claim a relative or absolute German majority.[95] At each Serbian or Romanian census, the number of Germans in the nations decreases,[96] probably due to emigration and the general trend of demographic decline in Eastern Europe.

In Romanian political life, however, the Germans have once again become protagonists in recent years. Suffice it to say that the Romanian president elected in 2014, and who remained in office until 2025, was Klaus Iohannis, a Transylvanian Saxon from Sibiu. The mayor of Timișoara elected in 2020 was Dominic Fritz, the first German speaker to hold the office since 1941.[97] The Danube Swabians may now be few, but their impact on Austro-Hungarian history and that of the Danube basin should not be underestimated.

[93] J. K. Murádin, *The Deportation of Germans from Romania to the Soviet Union in 1944–1945* in "Acta Universitatis Sapientiae", European and Regional Studies, No 7, 2015, p. 42.
[94] *1910 ÉVI NÉPSZÁMLÁLÁS 1. A népesség főbb adatai községek és népesebb puszták, telepek szerint,* 1912.
[95] From the 2021 Romanian census and the 2011 Serbian census: *2011 Census of Population, Households and Dwellings in the Republic of Serbia*, Belgrade, Statistical Office of the Republic of Serbia, 2011; *Primele date provizorii pentru Recensământul Populației și Locuințelor, runda 2021* [Population and Housing Census, 2021 round], Bucharest, Institutul Naţional de Statistică, 2022.
[96] *Ibidem*; *Recensamantul Populatiei si Locuintelor*.
[97] S. Both, *Ce comportament putea avea primarul Timișoarei în urmă cu aproape 300 de ani* [What behaviour could the mayor of Timișoara have had almost 300 years ago?], in "Adevărul", October 19th 2015.

Van den Boogert, Maurits H., The Capitulations and the Ottoman Legal System: Qadis, Consuls and Beratlıs in the 18th Century, Leyden, Brill, 2005.

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Maurits H. van den Boogert's work represents an extremely innovative contribution to the study of the capitular regime in the Ottoman Empire. Thanks to the systematic analysis of a large number of sources, such as the Ottoman registers concerning the relations with the foreign States (*ecnebi defterleri*), the consular documentation and the Dutch and British sources, the volume means to read and consider from a new perspective the agreements that regulated the *status* of the Christian powers' subjects living on Ottoman soil for centuries.

Pre-modern Western sources generally claim that Europeans enjoyed complete legal autonomy in the Ottoman Empire and, since their "protégés" enjoyed the same privileges, it has been stated that the *berats* "nullified the sultan's authority" over them. Therefore, the Ottoman judiciary was severely limited in exercising its jurisdiction over subjects of the Porte who obtained foreign protection.

Numerous studies on the relations between the Sublime Porte and European states have uncritically accepted this interpretation, challenged by the concrete examples reported in this volume, from which it can be inferred that in the second half of the 18th century the capitular regime was still controlled by the Ottomans. This reconstruction is also supported by the Ottoman authorities' faculty to revoke individual capitular privileges: cases are cited of dragomans who lost their *berats* because of their conduct. The case of Jirjis A'ida, a dragoman of the English consulate in Aleppo, treated in the second chapter, shows that corruption charges could be a valid reason for the withdrawing of the *berat*.

The term *berat* referred to a letters patent issued by the sultan with nature of concession; it could have been the appointment for an assignment, a privilege or the assignment of a revenue. The sultan's non-Muslim subject who had obtained a certain privilege, in the form of a *berat*, was called a *beratlı*.

The first chapter analyses the content of such agreements, also providing an historical framework of the topic and explaining the evolution of these treaties from the 16th century onwards.

In the second chapter the "system of protégés" is analyzed, focusing in particular on the many figures involved in this system and on the sale of the *berats*. Of particular interest is the clarification of the costs and profits coming from the sale of these letters patent. Van den Boogert's description proves that, when we talk about the sale of the *berats*, we are not referring to isolated cases that occurred in some specific areas, but to a well-established and widespread system. Precisely in the period taken under consideration by the author there was a sharp increase in the sale of these certificates, whose acquisition was revealed to be very profitable, gaining forms of protection and tax exemptions.

The third chapter re-examines the highly negative perception of the taxes known as *avanìa*. This word appears frequently in the Western diplomatic correspondence and travel diaries of the seventeenth and eighteenth centuries, and has also found its way into modern historiography. No standard definition of this word exists, but it is commonly understood as a synonym for "extortion".

The fourth, fifth and sixth chapters describe specific, well-documented cases of concrete application of the capitulations.

The fourth chapter describes what happened when a dragoman or a *beratlı* died and how his property was split.

The fifth chapter regards the bankruptcy proceedings, reporting four situations involving warehousemen in European service in Aleppo in 1763. Once the parties involved have been portrayed to the reader, the following pages analyze the legal strategies adopted, such as negotiating with the involved consulate or appealing to the local Ottoman authorities. The sixth and final chapter takes in exam specific cases of theft disputes involving some protégés. In the chapter is underlined the importance of the role played by Islamic courts and Muslim magistrates, the *qadis*.

Van den Boogert's book, therefore, offers a different view of the impact that the capitulations had on the sovereignty exercised by the Sublime Porte in its own territory. Its reading is essential for a full understanding

of a complex reality such as the Ottoman Empire's relations with the European states.

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A NEW GREAT ENTERPRISE OF EURAS: EURAS NEXTGEN.
AN INTERVIEW WITH PROF. DR. FUNDA SİVRİKAYA ŞERİFOĞLU

Prof. Dr. Funda Sivrikaya Şerifoğlu is full professor in the Faculty of Engineering of the İstanbul Aydın University and is the great promoter of new body of EURAS, namely the body of the students of the member universities. We welcome this project and wish it brilliant development. Prof. Sivrikaya Şerifoğlu very kindly agreed to release this interview to provide an insight of this new adventure signed EURAS.

EJOSS: First of all, we ask our *hoca* to introduce herself and tell us how this project came about in the frame of the EURAS community.

Let me begin by expressing my gratitude to EJOSS for this kind interest in the NextGen Student Platform. I am the founding rector of Düzce University and the founding president of Düzce Technopark. I have had the privilege to establish several other academic institutions, associations, as well as social entrepreneurship platforms. In all these endeavors, I have implemented the principles of inclusive governance. One of the foundational principles in managing institutional processes in the universities which I employed and which I also expected from my team members, was that '*students are our raison d'être'*.

When I began to work as an institutional consultant at Istanbul Aydın University, I was asked to develop proposals for EURAS. On November 6, 2019, I presented several project proposals each with its own brand identity, and EURAS NextGen was one of those project proposals. We were able to bring this proposal to life in 2025, following my engagement as an institutional consultant at EURAS. I am particularly grateful to EURAS President Prof. Dr. Mustafa Aydın and the Board Members whose enthusiastic support was instrumental in turning this idea into reality.

EJOSS: What are the main purposes of the project?

The core idea is to engage students from the large and highly diverse university network of EURAS in governance processes. Students are often and mistakenly regarded as passive passengers who merely move

through the processes in the universities. In reality, they are both our raison d'être, and our most important stakeholder. Moreover, they are our future. Their dynamism is an extremely important driver of change for universities struggling with transformations to adapt to rapidly evolving global conditions.

EURAS NextGen Platform aims to promote the engagement of students from member institutions in EURAS activities and in the broader educational system. It seeks to facilitate the exchange of information and experiences among students across this extensive network. To this end, it aims to support cooperation and collaboration among students in academic, scientific, social, and cultural projects, and in sports activities. Overall, EURAS NextGen is envisioned as a powerful platform that can contribute to global sustainability, peace, and prosperity.

EJOSS: What does working in the İstanbul Aydın University and in the staff of EURAS mean for you?

Istanbul Aydın University is one of the largest foundation universities of Turkiye with the highest number of international students from 125 different countries. Similarly, EURAS is a global network of universities spanning continents. The multinational and international character of both institutions serves as a significant source of motivation for me, as diversity lies at the heart of nearly all my projects.

Another important parallel is that both institutions have great untapped potential. Harnessing and activating the untapped potentials for the greater good is another important motivation in my life and a competency I have developed through my background in industrial engineering education, and my experience in sustainability projects and strategic quality management.
EJOSS: How is this student body shaped?

To ensure diversity within NextGen, we have a provision in the Rules & Regulations. Namely, each member institution selects two students from its own student body, considering gender equality. Moreover, one of the students is chosen from undergraduate programs, and the other from graduate programs. The specific method of selection is left to the discretion of each institution, provided that the chosen representatives meet a couple of criteria. The students selected must be currently enrolled at the associated institution, and not on a leave of absence at the time of

selection. They are required to be in good academic standing and have no disciplinary record. And of course, proficiency in English is expected to enable their active participation in the collaborative efforts of the platform.

EJOSS: When will the representatives of the students physically meet for the first time?

The General Assembly of the NextGen Platform meets online twice each academic year, preferably once during the fall semester and once during the spring semester. The exact dates for these meetings are planned by the NextGen Administrative Board in consultation with the EURAS General Secretariat.

The Administrative Board consists of nine platform members, who are determined by an election from among the General Assembly members. The Board meets online at the start of each academic year and additionally as needed.

It is this Administrative Board that convenes once a year in person at the EURIE Summits in the spring. Accordingly, EURIE 2026 which will be held on April 7-9 in Istanbul will host NextGen Board members and their activities for the first time.

EJOSS: What is the meaning of this project in the troubled times we are experiencing?

A short answer to this question lies in the goals of the NextGen: contribute to global sustainability, peace, and prosperity. I believe that bringing together young people from different countries, cultures, languages, and beliefs, and encouraging them to work and create together, is one of the most valuable ways to prevent prejudice, conflicts, and ultimately war. Indeed, the great Turkish poet Yunus Emre, who lived across XIII and XIV century, beautifully emphasized this idea in his poetry:

Come, let us all be friends for once,
Let us make life easy on us,
Let us be lovers and loved ones,
The earth shall be left to no one.

EJOSS: THANK YOU!

Code of Ethics

Our journal aims to collect academically valuable and original articles per each issue. Ethical principles and values are an integrated part of our journal. Five principles are the core of our Code of Ethics. They constitute a normative framework for all the scientific fields we care.

Principle A: Responsibility and Fairness

Researchers must be in the quest for the increase of knowledge and consciousness about an issue. They must not aim at harming any individual, society, institution or state. Their articles must be the outcome of a fair and balanced approach and aim at stimulating positive follow up.

Principle B: Competency

The submitted to the Editorial Board must look interesting, correctly written and valuable in terms of their direct contribution to specific literature. If they show these basic features they will be sent to the referees. We commit ourselves to analyse the manuscripts objectively, in terms of originality, accuracy, consistency, respect of the scientific methodology.

Principle C: Diversity and Non-discrimination

All the manuscripts are welcomed regardless of nationality, gender, ethnicity, religious views and political views, when notorious, of the author. Naturally the content of the submitted manuscripts must not be so biased by personal views as to compromise the scientific level of the texts.

Principle D: Confidentiality

Our journal aims at the preservation of any individual or institution against any possible annoyance or danger. The possible rejection of a submitted manuscript will be communicated privately to the author.

Principle E: Procedural Transparency

Researchers will be kept informed in each review procedure step. They must follow the requested timing for possible editing after the positive evaluation of the referees. Our journal will inform each contributor immediately after a decision has been made.

WRITING RULES

The requested features of the papers are as follows:

The papers must be submitted in word format. Their size must not be under 40,000 characters (spaces included) and not exceed 60,000 characters (spaces included). We plan to publish at least 5 maximum 7 articles per number.

The font must be Times New Roman. The normal text must be 12 sized, the long quotations 11, the footnotes 10. The space between the lines must be 1.5. The first line of the paragraphs must start at 0.3.

The papers must include:

– The name of the author, her/his mail address, her/his professional affiliation, her/his ORCID iD number, her/his telephone number, a 7-8 lines summary and 3-4 keywords. Naturally the papers will be forwarded to the referees without the personal data.

– The papers must not include a separate final bibliography. A short survey of the literature concerning the topic can be included in the main text and/or in the first footnote and/or along the following footnotes.

– The authors should be consistent in their use of capitalization and use it for the main elements of the name of an institution: Ottoman Empire, Ministry of the Foreign Affairs, United Nations… but minister of the Foreign Affairs, the situation of the empire etc.

– The titles of quoted works must be in italics, the title of periodicals must be in high brackets. Words and phrases still felt as foreign words in English, as well as titles in other languages should be, both in main text and footnotes, in italics and followed with translation in square parentheses. Transliterations from other alphabets should be provided according to the rules of international transliteration.

– Illustrations, tables, maps and figures must be numbered consecutively in the text and captions identifying the source of any image or data should be used. The title of the figures should be below the picture; the title of the tables, above the table.

Examples:

Fabio L. Grassi, *L'Italia e la Questione Turca 1919-1923. Opinione pubblica e politica estera,* [Italy and the Turkish Question 1919-1923. Public opinion and foreign policy], Torino Zamorani, 1996, pp. 50-52.

Giuseppe Motta, *Giustizia, Affari Interni e Immigrazione in Bulgaria nel Processo di Integrazione,* [Justice, internal affairs and immigration in Bulgaria during the integration process], in Fabio L. Grassi / Roberto Sciarrone (eds.), I Bulgari e la Bulgaria in Europa [The Bulgars and Bulgary in Europe], Roma, Aracne, 2014, p. 140.

Fabio L. Grassi, *La Turchia nella Politica Francese e Italiana tra le due Guerre* [Turkey in the French and Italian policy between the two World Wars], in "Transylvanian Rview", vol. XV, N. 1, Spring 2006, p. 134.

After the first mention, a work must be mentioned as follows:

Motta, *Giustizia*…, p. 142.

It is advisable to concentrate as far as possible the remarks on a topic in a single footnote at the end of a paragraph. For any additional details, please contact the editor-in-chief (fabio.grassi@uniroma1.it).