



# occasional papers

in Public Administration  
and Public Policy

**Volume VII**

**No 2 • Spring 2006**

The **Occasional Papers** are published quarterly by NISPAcee and distributed together with the NISPAcee Newsletter. The series launches academic publications that discuss results of policy research in different fields of public administration. It provides a forum for the analysis and discussion of contemporary problems and possible solutions, models and methods of public administration and public policy with assessments of empirical evidence from regional experience in public sector reform.

The main goal is to enhance the quality and quantity of intellectual exchange among researchers, educators, scholars and practitioners dealing with major issues of public administration and public policy in the Central and East European regions.

## **Content**

Andrey S. Makarychev

**The Region as Project? The Logic of Piloting in the Kaliningrad Oblast: Political and Administrative Dispositions /p. 3**

Gjorgji M. Manev

**The Intellectual Process Model in the Macedonian Public Sector /p. 23**

Copyright © 2006 by NISPAcee

## **Editor**

Bohdan Krawchenko, School of Development, University of Central Asia, Bishkek, Kyrgyzstan

## **Deputy Editor**

Juraj Sklenar, NISPAcee Secretariat, Bratislava, Slovakia

## **Editorial Board Members**

Ingrid Shikova, Information Centre of the European Union, Bulgaria

Ivan Maly, Masaryk University, Czech Republic

Michal Illner, Academy of Sciences, Czech Republic

Wolfgang Drechsler, University of Tartu, Estonia

Mzia Mikeladze, Georgian Technical University, Georgia

Gyorgy Jenei, Budapest University of Economic Sciences, Hungary

Golam Mostafa, Kazakhstan Institute of Management, Economics and Strategic Planning, Kazakhstan

Salih Murzaev, Academy of Management, Kyrgyzstan

Vladislav Domarkas, Kaunas Technological University, Lithuania

Pawel Swianiewicz, University of Warsaw, Poland

Agnieszka Pawlowska, Maria Curie-Sklodowska University, Poland

Gabriela Cecilia Stanciulescu, Academy of Economic Studies, Romania

Sergei Pushkarev, Ural State University, Russia

Milan Bucek, University of Economics, Slovak Republic

Stanka Setnikar-Cankar, University of Ljubljana, Slovenia

Dragoljub Kavran, Government of Serbia, Yugoslavia

## **English Language Editor**

Todd G. Williams, Acme Anvil Language Services, Hungary

### **Submissions**

Papers should be written on relevant public administration and public policy issues based on empirical research carried out in Central and East European countries. The papers should not exceed forty pages in length. If a paper is written in a language other than English, a three-page English summary should be submitted with a bibliography and a description of the length of the entire document. Each author may propose two reviewers for their submission, but the final selection of reviewers is at the discretion of the editor. Those authors whose papers are selected for publication will receive a modest honorarium.

Editorial correspondence, including manuscripts for submission, should be addressed to Mr. Juraj Sklenar, deputy editor, NISPAcee Secretariat, Hanulova 5/B, P.O.Box 163, 840 02 Bratislava 42, Slovak Republic, phone/fax: +421-2-6428 5557, e-mail: sklenar@nispa.sk. Manuscripts should be sent in electronic form.

### **Subscriptions**

Subscriptions and limited additional copies are available without charge. Requests to be placed on the mailing list or for additional copies should be addressed to the deputy editor. Change of address notifications should be sent to the publisher at least four weeks in advance, including both the old and new addresses.

NISPAcee Occasional Papers are published with the support of the Local Government and Public Service Reform Initiative (affiliated with the Open Society Institute), Nador ut. 11, 1525 Budapest, Hungary.

**ISSN 1335-5945**

# The Region as Project? The Logic of Piloting in the Kaliningrad Oblast: Political and Administrative Dispositions<sup>1</sup>

Andrey S. Makarychev \*

## Introduction

“Kaliningrad is a *political*, psychological and emotional issue for Russia”<sup>2</sup> – this statement made by the head of Russia’s Permanent Mission to NATO nicely reflects the state of mind among the bulk of Kremlin’s policy makers and diplomats concerning the country’s western-most territory. Another key policy-maker, former Presidential representative for Kaliningrad, Dmitrii Rogozin, having labeled the Kaliningrad issue “a matter of principle,” gave a clear indication that *political* aspects should definitely be given priority and then followed by tackling administrative technicalities.<sup>3</sup>

Taking into account the multiple technical (procedural, legal, financial, etc.) intricacies that complicate the Kaliningrad issue, one may question this obvious over-emphasis on the political side of the Kaliningrad story. The EU Commission has called for “avoiding the politicization of economic and technical issues” and “moving away from grand political declarations” to establish an issue-based agenda in EU – Russian relations.<sup>4</sup> Within Russia, too, some authors question the relevance of political conceptualizations per se for Russia’s Federal subjects. In particular, Vladimir Kaganskii has aptly commented that sub-national regions form a “meta-political situation in which the habitual concepts of the political are either non-applicable or turn into absurdity.”<sup>5</sup>

There are at least two pivotal questions that may bring us closer to understanding the deficit of “non-political” discourse on Kaliningrad. The first question is at what stage and under what circumstances a contested issue takes political shape and, therefore, is elevated to the political level of action? In brief, my way of reasoning would be that an issue becomes a political issue whenever an identity factor appears. As soon as the actors possessing a strong sense of identity start to display divergent visions and perspectives on the problem under consideration, political connotations become inevitable. In the meantime, identity discourse is closely associated with articulations of irreducible uniqueness of this or that territory, and therefore, involves “othering” as a tool of border-strengthening and subsequent politicization.

From here stems the second question: are there any means to regulate the political components of disputes concerning specific territories like Kaliningrad, and, more concretely, to reduce the political “temperature” of debates? My hypothesis in this paper is that there is indeed a great demand for “non-political discourse” that is expected to trace more inclusive perspectives for Russia’s Baltic exclave by articulating technical and administrative aspects of the Kaliningrad puzzle. In particular, the advancement of the “pilot region” idea might be considered exactly within the context that is discursively framed by the so-called *project-oriented approaches* (POAs). The POAs embed a kind of “issue discourse” that seems to be more routine, economized, institutionalized and rationalized, as compared with “identity conflict discourse.”

It can be hypothesized that one of the roads with the greatest perspective to de-po-

\* Department of International Relations, Nizhny Novgorod Linguistic University, Nizhny Novgorod, Russian Federation.

1 This paper is part of a larger research project on “The Four Freedoms in the Baltic Sea Region” supported by INTAS, 2005 – 2006.

2 Russia in a United ... 2002, p.23.

3 Rogozin’s web site, [www.rogozin.ru/massmedia/indirect/351/](http://www.rogozin.ru/massmedia/indirect/351/)

4 Communication from the Commission... 2004, pp. 4,6.

5 Kaganskii 1993.

liticization of the Kaliningrad discourse lays through diversification of the circle of actors involved. The argument can be made that the state-to-state (Moscow – Brussels) pattern of conflict resolution is most likely to be conducive to hyper-politicization of contested issues, while a strategy of giving more room for non-central (like the regional authorities) and non-state (like business and NGOs) actors may be regarded as a way towards POAs that are articulated better.

The Kaliningrad oblast (KO) appears to be good terrain for POA-oriented moves owing, by and large, to two main reasons. The first one is that there is a wide spread feeling that the KO, created as an administrative unit directly governed from the center and destined to stringently play by its top-down rules, was a perfect fit for the Soviet system, but appears to display some dysfunctional features in a new, post-Soviet context. A Russian “virtual think tank” has premised that “Russia’s rights to the KO are not indisputable”<sup>6</sup>, a statement that has to be reinterpreted in terms of the concepts of “open future” and “empty frames,” i.e., those that make situations of uncertainty problematic. The KO is in search of new forms of its trans-regional subjectivity which are more compliant with the post-industrial era and based on non-state strategies. Among Russian authors, one may find some similarities with a theory of marginality developed, in particular, by Noel Parker, in the sense that the chances for success in implementing breakthrough projects are deemed to be higher in territories that face the threat of being pushed towards the periphery and that are deeply dissatisfied with their roles.<sup>7</sup>

The second – and related – reason concerns the assumption that not only the KO itself, but the Baltic Sea region as a whole, represents an “open frame” that always welcomes new infusions of ideas. Since many experts promoting the POAs assume that the “old patterns of regionalism” have become obsolete, new ones need to be developed beyond the administrative borders drawn by states and, therefore, to be imbedded into trans-national contexts. The Northern Dimension, in particular, was understood by many

as “an imagined empty space”<sup>8</sup> to be filled with concrete projects. This is why the “dimensionalist” mindset implies options and alternatives, signaling that either of them is only one of possible variants/types/models of spatial interaction between numerous actors involved. The dominant approach in the KO’s surroundings is “mostly aimed at taking part in the construction of the region; constructing it while being aware of its arbitrariness; viewing it as a project, but a project one endorses; a project worth launching although it is guaranteed neither by any secure origin, nor by any known outcome... Nor does it have to succeed. It is a project... a possible trajectory with advantages, costs and unknowns.”<sup>9</sup>

## 1. The Variety of Project Languages: Two Clusters

Navigating through endless amounts of regionalist literature, one may easily come to a conclusion that each of the authors is free to interpret the concept and philosophy of the POA at his/her own discretion. What is remarkable is not only an unfortunate tendency to proclaim almost everything to be a project, but also the ability of the “project discourse” to crosscut the mental borders and accommodate all major segments of the politico-ideological spectrum. For example, the Russian author Viacheslav Glazychev takes such evidently dissimilar phenomena as the Crusades, the U.S. Declaration of Independence, the mass-scale transfer of Western educational practices to Russia, and other such things and lumps them together as “projects.”<sup>10</sup>

Debates on POA are based on a strong cognitive background. There are a number of Russian think tanks – including the Strategic Design Center “Northwest,” the “KB” Group and the “Russia in the United Europe” Committee – that are heavily concentrated on different aspects of the so-called “project phenomenon” as being applicable to the areas within the EU – Russia interface. However, it does not make any sense to attribute a certain type of POA to a specific think tank or a policy research group. Within each and every one of these sources of expertise, one may eas-

6 V uzlakh ... 2001, p.2.

7 Pereslegin 2003.

8 Cronberg 2003.

9 Waever 1997, p.294.

10 Glazychev 2002

ily discover a variety of project-related discourses. All of them are based on a cognitive reconstruction of regional reality in semantic terms<sup>11</sup>, yet the stark differences between them are also observable.

For the purpose of further analysis, it would be worthwhile to group the multiple interpretations of the nature of the “project phenomenon” into two clusters.

### 1.1. Projects as seen from the Normative Basis

The approach to projects from a normative viewpoint is based on a value-oriented background and appeals to different signifiers like “project values” that presumably constitute the core of the project activity.

On a macro level, Enlightenment could be interpreted as a “social project” to lay foundations for accepting such features of the “project culture” as pragmatism based on the idea of progress and development, the cult of rationality and entrepreneurship, the universal applicability of success stories and orientation towards a practical utilization of achieved results.<sup>12</sup> The Russian political thinker Alexander Neklessa gives a temporalized account of POA referring to “modernization,” “post-modernization” and “de-modernization” as three of the “most fundamental projects in history.”<sup>13</sup> In the same vein, the USSR may be called one of “big projects” of global scale.<sup>14</sup>

However, there are two sub-clusters in the normative interpretations of the POA, those of liberal and conservative backgrounds.<sup>15</sup> In the conservative/traditionalist interpretation, “national project” refers to a long-term process of reviving the Russian identity and geopolitical power.<sup>16</sup> For Alexander Dugin, a theorist of Russian geopolitics, the “project language” is a means to give a clearer (though ostensibly non-liberal) view of Russia’s historical mission (“a merchant lacks a project,”<sup>17</sup> he writes with an intention to give a clear spiritual flavor to his conception). In the realist wording, a “project” may surprisingly have

an overt military connotation, as exemplified by the awkward expression “pilot projects of intervention.”<sup>18</sup>

The liberal normative approach, in turn, underlines such features of the POA as managerial efficacy, “openness to different experiences,” the right of choice, and the search for innovation.<sup>19</sup> Denis Dragunskii calls the vague and even utopian set of liberal ideas of Russia’s reform along Western lines “Project-91.”<sup>20</sup> “The Russian project” may sound like a more practical and feasible substitution for the “Russian idea.”<sup>21</sup>

At the core of the liberal type of POA is the set of so-called “humanitarian technologies” that envision a sort of itinerary (road map) and stitching together of different social practices, thus helping overcome the pitfalls of communication resulting from misunderstanding and a lack of preparedness for dialogue. The value of projects is frequently assessed in terms of their communicative resources: it is precisely through projects that one region may get in touch and interact with another one.<sup>22</sup>

Ideally, project instruments ought to be applicable elsewhere for the sake of greater managerial effectiveness and stimulating competitive advantages of the project’s actors/stakeholders. According to this approach, the frames and the limits of a project are determined by the authors themselves. Therefore, a project is a kind of game that is bound to produce certain images and discourses to be used as transferable templates for changing reality. These changes are verbalized in such “technical” metaphors as “repairs,” “overhaul,” “adjustment,” “alignment,” “approximation,” and so forth.

This reading comes in many versions, all of them starting with a vague idea of “a crisis of the future,”<sup>23</sup> which probably has to be reinterpreted as a lack of adequate understanding of what the future is to be. What the POA can do is basically “frame the language of the future and to form a body of concepts” that might relate the available resources with

11 Neklessa 2004

12 Gutner 2002

13 Neklessa 1998

14 Glazychev 2004

15 Kliamkin 2003

16 Belkovskii 2003

17 Dugin, Alexander. Velikii Proekt (The Great Project), <http://arctogaia.com/public/vtor13.htm>

18 Polikanov 2003

19 Ryzhkov 2002

20 Dragunskii 1998

21 Ivanova 1999

22 Perelygin 2002

23 Pereslegin, Yutanov 2002

an image of the future.<sup>24</sup> This type of project thinking is controversial due to its ontological underpinnings, and therefore is always an invitation for polemics. It certainly acknowledges that there might be fierce resistance to future-oriented projects from “the forces of the contemporaneity.” This variant of POA is a tool for (re)constructing the future(s), and in this capacity it represents an intellectual product that invites a great deal of creativity and innovative thinking.

The weakest point in the plethora of normative conceptualizations of POA is their vagueness, impracticability and lack of precision. All this stems from an understanding of a project as an equivalent, or a rough draft, of something which seems to be preliminary, uncertain and still immature; something which is either in the making or has never existed beforehand as such. A project is synonymous with the inclination to implement one’s vision and is merely a declaration of intentions.

The “project-as-a-blueprint” has to be treated as a recommendation, a signal that draws one’s attention to something important and unusual. It is “a text full of ideas,” and – figuratively speaking – a “language of development.”<sup>25</sup> If taken into consideration, the signals that projects tend to send to the outside world may be instrumental in producing new structures, modes of conduct and/or patterns of social interactions that were non-existent prior to the commencement of the project.

## 1.2. Territory as a Project

Still, how might the approach described above be extrapolated onto a specific territorial milieu? Projects are supposed to have their “base countries” whose “project elite” would be both ready and willing to politically support the expansion of the initial project idea. Some examples of territorially-grounded projects might be given: thus, the formation of medieval cities might be treated as a church-sponsored project.<sup>26</sup> Certain historians depict the evolution of the largest cities as projects.<sup>27</sup>

However, the fundamental challenge for transferring project practices to specific regions consists of linear, top-down models of

governing the territories that, to a significant extent, are in contradiction with the networking nature of POAs. It might be presumed that the geographic horizons of project-oriented thinking should not be confined to administrative boundaries, sometimes arbitrarily mapped. Borders are understood within this conceptualization as inter-subjective derivatives of a set of socio-cultural actions. This is the “old” practice of administrative management, dating back to the times of modernity and industrialization, which is challenged by those of “project thinkers” who believe that the spirit of “project behavior” is incompatible with reliance upon the goodwill of superiors or a search for protection from above. In most radical writings of the regionalist scholars, the very principle of state sovereignty is questioned and called for revision,<sup>28</sup> which resonates quite distinctively with a set of ideas aimed at de-bordering.

What is interesting is that the contexts of the “project situations” are repeatedly reformulated and rearticulated. In particular, what matters is the selection of catchwords that would adequately reflect the essence of a project endeavor. Thus, applying the concept of borderland instead of a more formal and statically fixed notion of border gives much more room for project-oriented exercises and experimentations, since one starts to deal with an object which did not exist in a strict sense. This is so because its limits are defined by those in charge of formulating the tasks and the goals of the project activity. For the KO, this observation is of primordial importance since the niche of this Russian exclave in the Baltic Sea region (and perhaps beyond it) and the scope of the region’s trans-local liaisons are products of perpetual rethinking, contemplation and reflection. This is exactly what happened with the “pilot region” idea in the KO – it started from scratch, and in this sense is in line with a number of other concepts widely applicable in social sciences, like social learning and cognitive regions.<sup>29</sup>

The basic idea of different readings of the POAs having more or less fixed geographic background is that regional development may and has to be designed and constructed on

24 Schedrovitskii 2002

25 Ostrovskii 1999

26 Yutanov 2002

27 Beliaev 2004

28 Kniaginina 2000

29 Krupnov 2002

the basis of expert knowledge and different innovative practices coming from both public authorities and private institutions.<sup>30</sup> Regionalism may be seen through the project lenses as part of the region-building agenda. Yet the territorially-based “project discourse” reminds one of the “Russian doll” (“matrioshka”): the bigger one contains a number of smaller elements. According to Piotr Schedrovitsky, the “Russian world” concept – referring to a trans-national space of Russian-speakers – is a practical example of a “geo-cultural project” under construction.<sup>31</sup> The “Wider Europe”<sup>32</sup> or CIS may be characterized as territorial projects.<sup>33</sup> The same goes for the Baltic Sea region.<sup>34</sup> The territory of Northwest Russia was called a pilot region by the former presidential representative Valentina Matvienko, who referred to experiments with new mechanisms for social policy to be put into practice.<sup>35</sup> Region-to-region cooperation, by the same token, could be viewed as a “proto-type of the common European economic project.”<sup>36</sup> Even individual cities (like St. Petersburg) may be discursively reconstructed as “projects.”<sup>37</sup>

Within the framework of the territory-based type of POAs, project-oriented thinking appears as a core for a strategy of “territorial engineering” grounded in developing technologies and services that are on offer in the market place. The choice of a project pre-determines the selection of available resources: “there are no resources beyond projects.”<sup>38</sup> In this interpretation, POA as a means of crisis management and problem solving is an instrumental and contractual phenomenon based on well-thought out planning which leads to the emergence of a society which appears to become more ordered and less conflictual. This is a sort of “project language” spoken by international foundations and grant making institutions concerned about measured

managerial efficiency.<sup>39</sup> Nevertheless, this has some resonance in Russia as well. What is remarkable is that some Russian analysts offer their own criteria to measure the degree/extent of success of regional projects, to include – instead of traditional industrial indices– “lifestyles,” restructuring of the environment people live in and innovative resources.

\*\*\*

The versions of POAs discussed above are provocative in a sense that they are open for polemics and, therefore, find themselves under critical fire of their opponent. The sources of criticism are very different. It is the game-oriented epistemology of a variety of “project discourses” that is harshly lambasted for reductionism (allegedly inherited from the Soviet mentality) and misperception of social reality as being endlessly “plastic” in the hands of the so-called “political technologists” (a brand name for Russian public relations specialists, having a clear negative connotation).<sup>40</sup> Parenthetically, it could be appropriate to note a semantic difference existing in the Russian language that separates ‘*proyekt*’ as a neutral and quite conventional word for some kind of social activity, and ‘*prozhekt*’ as a substitute for unrealizable dreams and impractical intentions. A constructivist-style POA is accused of simplistic interpretations of social reality that, presumably, is treated as open for correction and upgrade. Promoters of the “project discourse” themselves are represented as being erroneously self-confident in their ability to improve any segment of social reality, should they call it a project.<sup>41</sup>

Alternative to the versions presented earlier, the POA might be read in its most literal/original sense, as a move to extrapolate (*to project*) certain norms/principles/values onto a specific ground, whether social or territorial. “Project” could be articulated as a strategy “of understanding, engagement and transformation that addresses the most demanding social problems.”<sup>42</sup> In a close interpretation, “project” may refer to “a process of objectification where one’s subjectivity is projected,

30 Perelygin 2003

31 Russkii mir kak obyekt geokulturnogo proektirovaniya (The Russian World as an object of geo-cultural projecting), “Novosti gumanitarnykh tekhnologii” web site, [www.gtnews.ru/cgi/news/view.cgi?id=7256&cat\\_id=9&print=1](http://www.gtnews.ru/cgi/news/view.cgi?id=7256&cat_id=9&print=1)

32 Smorodinskaya 2004

33 Trenin 2004

34 Mezhevich 2003, p. 253.

35 “Pskovskaya Lenta Novostei” News Agency, March 25, 2003, at <http://pln-pskov.ru/print.php?id=11444>

36 Yurgens 2003

37 Shtepa 2003

38 Yalov 2002, p.1

39 Richter 2004, p.10

40 Kordonskii 1994

41 Oleschuk 2002, p.10

42 Giroux 2001, p.7

or thrown, onto the object to cloak it in social meaning and make it recognizable.”<sup>43</sup>

This understanding of “project-ness” – seen through the prism of a strategy of self-reinforcement – makes it a part of leadership discourse. This is so because it is a narrow group of world leaders that are capable of projecting/imposing their experiences elsewhere and thus define the developmental vectors for outsiders. Each pattern of leadership is supposedly based on a “Big Project” with its decision making core, budget, and other attributes of power. The “Big Projects” are believed to be mutually inimical and at odds with each other on a global scale. This view, therefore, presupposes a hierarchy of territories and decision-making centers, and a competition for centrality between them.

Within the framework of this logic, Russia also needs to have its own “national mega-project” unless it wishes the bulk of its regions to turn into a periphery and be forced to play by the rules defined from the outside. “Russia’s Project,” advocated mainly by the conservative community, is treated in a number of different ways – as an ideology of nationalism, as a tool for future leadership, or as an instrument of a new Russian isolationism.<sup>44</sup>

## 2. Region as a Pilot: Five Articulations of the Concept

The concept of the pilot region belongs to a group of differently interpreted and, thus, discursively contested and repeatedly re-discovered terms. After being introduced in the official papers of the Russian government, it became a matter of sharp debate, divergent appraisal and creative imagination, having moved far from the initial proposal. The pilot region idea has acquired a life of its own, yet its still excessive uncertainty may be misleading and can devalue the very term, depriving it of clear content.

The very notion of the “pilot region” has to be viewed, on the one hand, as part of a constructivist paradigm in social sciences that “asserts the possibilities of political actors to decide for themselves in terms of what to be inside and what to be outside of a region” thus contributing to defining and developing

regional entities. Seen from this perspective, regions are not given entities but “cognitive outcomes of deliberate political intentions.”<sup>45</sup>

On the other hand, the “pilot region” notion has strong connotations with the vocabulary used in the context of a business programming lexicon and, thus, is one of the elements of the emerging culture of regional planning gaining prominence in Russia. Strategic thinking, spatial development and other “stylish” wordings are part of this discursive culture. In particular, there were quite a number of attempts to address the issues of the KO in the so-called project language which presumably can be interpreted as one of most powerful albeit controversial elements of the strategy of de-securitization. It may be assumed that the “pilot project” language is a tool for bridging the gap between the Russian highly *politicized* discourse on KO and the European one, much more *technical* and administrative in its background.

However, the “pilot region” discourse still lacks due clarity and precision. The idea as such is usually taken for granted, skipping due analytical and explanatory framing. Nonetheless, the very emergence of the project-oriented approach in Russian policy-making, of which the discourse on pilot projects is most relevant to EU-Russian relations, raises the question of the impact of this discursive innovation on the conflictual and cooperative dispositions in EU-Russian relations.

The previous chapter has identified dissimilar logics of “project-ness” clashing with each other: one would treat a project as a venture with a variety of side-effects and unforeseeable outcomes, while another would perceive it as a business exercise with measurable – in principle – results formulated in practical terms and terms which can also be generalized. Some of the above mentioned ideas are typically modern ones (based on indivisible sovereignty and bordering), while others try to come up with a hint of post-modern interpretations. Some focus on the state as the main engine of project implementation, while others deny the ability of the governmental sector to think and act in project-related terms. Some are rationalist and pragmatic

<sup>43</sup> Lee Allen 1999, p.258

<sup>44</sup> Rossiya v mirovom ... 2003

<sup>45</sup> Honneland 1995, p.32

by their background while others are closer to constructivist versions of social discourse.

Yet apart from articulations and narratives, the “pilot region” approach might be a foreign policy tool since it easily translates into different policy areas. Therefore, studying the KO as a pilot region may be viewed as a good case to demonstrate how regional issues influence the policies of major powers, and how contrasting the visions of the pilot region prospects are. Premised on the assumption that we are living in a world of projects, one may expect that the unpacking of the KO discourse opens up a picture that appears to be more variegated than might have been imagined at first glance.

There are definitely some interpretive problems with the whole range of pilot-related issues in Russian regionalist discourse. The perspectives related to a KO’s “pilotness” so to speak, in fact represent a menu of (at least) five discursive options of the alternative futures of Russia’s westernmost region. Multiple uncertainties that surround the POA have given a start to the appearance of quite different interpretations of the nature of the pilot region.

## 2.1 Testing liberal reforms

The *first* approach to the pilot region is of liberal reformist background, presuming that the KO – due to the need for speedy economic development – might become a “pilot” for the sake of *testing* the feasibility of radical liberal reforms in the economy (the so-called “break-through technologies”). The functional/technical reading of pilotness presumes that the entire idea is about applying special economic instruments to pre-selected group of industrial enterprises that meet certain criteria.<sup>46</sup> This approach is promoted by a group of liberal economists (mainly associated with the East-West Institute, the Institute of Economy in Transition, the Financial Academy of the Russian government, and some other think tanks.) In this sense, the notion of “pilot” comes semantically closer to the “model” and encompasses the “litmus test case” experiment and the “laboratory” metaphors. The “pilot” format may be read as a testing ground for specific *innovative/non-traditional ap-*

proaches.<sup>47</sup> A kind of pilot approach has been used in the case of Kaliningrad in the form of the Economic Free Zone, then the Special Economic Zone (SEZ) formula, and in contrast to many other similar ideas launched at the beginning of the 1990s, this one has so far survived. By being SEZ, Kaliningrad has already been singled out and given a recognized special character.

The KO as a “pilot region” is described as a territory of experimental venture and, concomitantly, risk testing opportunities. In particular, the so-called “Shuvalov’s group” – named for the deputy head of the presidential administration – has included the KO in the top list of five most urgent national priorities. The group drafted specific recommendations concerning the new version of the Special Economic Zone, simplified customs regulations, science and research development, etc.<sup>48</sup>

The project-oriented logic assumes that the identification of policy clients is a must for its success.<sup>49</sup> However, the circle of potential consumers of the “pilot experience” is one of the most debatable issues there is. One option points to other regions of Russia as a fertile audience for extrapolating the best of the KO’s record of achievements onto other Russian territories, basically those located in the Northwest. According to a wider interpretation, Russia in its entirety is the main beneficiary of “pilot” innovations.<sup>50</sup> Sergey Kortunov, using the project-type rhetoric, ascribes to the KO the much exaggerated role of the “model of the country’s new assembly.”<sup>51</sup> There are lots of other overstatements presenting the KO as a “model for post-Soviet societal development.”

The first set of problems with either of these interpretations is that the deeply rooted understanding of the KO’s *uniqueness* (sometimes referred to as “atypical liminal zone”<sup>52</sup>) requires “tailor-made projects”<sup>53</sup> and therefore may, conceptually, clash with expectations to duplicate them elsewhere. Very close to

47 Smorodinskaya 2003, p.199

48 President Putin’s web site, at [www.vvp.ru/docs/group/kaliningrad/3905.html](http://www.vvp.ru/docs/group/kaliningrad/3905.html)

49 Struyk 2002, p.193

50 The KO as a possible pilot region ... 2001, p.4

51 Kortunov 2003

52 Holtom 2002, p.26

53 Songal 2003, p.112

46 Stepanov 2003

this opinion are doubts about the chances of Kaliningrad to perform the functions of a pioneer, due to the amount of local problems in this Baltic Sea region.<sup>54</sup> Moreover, many specific steps fostering de-bureaucratization, deregulation and small and medium business development have already been launched – with some success – in many other regions.

The second type of doubt focuses on *implementation*. Experts from the Institute for Complex Strategic Studies claimed that the main instrument of the state policy towards the KO, namely the Federal Task Program, is likely to reproduce the shortcomings of more than one hundred other programs of this type – obsolete technical and economic justifications, archaic management, weak coordination with other federal programs, irrational budgetary financing, and uncertain rules and criteria of implementation.<sup>55</sup> In its current state, the program is but an amalgamation of different lobbyist strategies promoted by major financial actors, and thus lacks conceptual precision and coherence.

One complicating factor is the obviously weak level of commitment of the federal centre to KO development. According to the Russian Accounting Chamber, only 21.4 per cent of the expenditures pertaining to the much advertised Federal Targeted Program on the KO were funded by the central government.<sup>56</sup> These figures have much to do with the way the federal policies are perceived in the KO. The dominating mood may be formulated as follows: the KO gets nothing from Moscow except troubles. In a surprising confession, Andrey Stepanov, Deputy Representative of the President in the Northwest Federal District, mentioned that the federal centre lacks a clear vision of the KO's future<sup>57</sup>. Additional uncertainty has been provided by President Putin himself, reported to have remarked that “Russia does not need pilot regions, but equal regions,”<sup>58</sup> i.e., homogeneity rather than diversity in the form of experimenting with something new.

## 2.2 Promoting local interests

The *second* reading would argue that the “pilot region” metaphor is but a tool to get additional privileges for the KO from both the federal centre (in terms of securing budgetary funding and keeping the exceptional regulations for the “special economic zone”) and the EU (in terms of the proposed but later rejected idea of “associated member status”). In stark contrast to the first interpretation given above, this second reading presumes that the region's *specificity* is a valuable asset. To be a “pilot region” within this discursive framework means having “priority status” both domestically and internationally, largely due to the region's “unique location,” i.e., being at a distance from motherland Russia and representing geographic discontinuity. This geographically determined reasoning may have behind it quite pragmatic interests: for example, there are voices in the local expert community calling for “developing a joint project with the EU on the KO... (to allow. – A.M.) the replacement of the regional administration on a number of economic and foreign political issues with the project administration.”<sup>59</sup> In the worst case scenario, project-based cooperation is treated merely as “external money working for the sake of our region.”<sup>60</sup>

One of the major problems with this approach is that it is prone to trigger negative reactions from some other Russian regions that see the KO as their competitor and from Moscow, the latter being wary of “regional separatism.”<sup>61</sup> Another big issue is that the promotion of local interests as a strategy in fact is controlled by the KO administrative elite that does not even hide its intentions to remain the dominating actor to define the status and operational frameworks of private financial and industrial actors.<sup>62</sup> Yet, perhaps the most important point here is that the self-assertion of the local actors is threatened both by globalization forces (WTO regulations

54 Joenniemi 2001, p.57

55 Yu.Simachov, A.A.Sokolov, M.Yu.Gorst. Federal'nie tselevye programmy kak instrument realizatsii promyshlennoi politiki (Federal Targeted Programs as a Tool of Industrial Policy Implementation), at [www.icss.ac.ru](http://www.icss.ac.ru)

56 Yantarnii kraj: trudnyi put' v ekonomicheskiy rai (The Amberland: Thorny road to the economic paradise), *Finansoviy kontrol'*, N 1 (26), 2004, at [www.fincontrol.ru](http://www.fincontrol.ru)

57 Rosbalt News Agency, May 12, 2003

58 Ignatiev 2003, p.123

59 Karabeshkin 2003, p.92

60 Laptev, Vadim. Chto delaiut den'gi Evropy v Pskovskoi oblasti (What the European Money Does in Pskov region), [www.tourism.pskov.ru/smi/6/](http://www.tourism.pskov.ru/smi/6/)

61 Holtom 2002, pp.247-269

62 For one of the most strikingly illustrative statements see the interview of Boris Tregubov, deputy head of the Committee on Economic Development and Trade of the KO regional administration, [www.csr-nw.ru/text.php?item=publications&code=393](http://www.csr-nw.ru/text.php?item=publications&code=393)

are inimical to any kind of special economic conditions for exceptional territories) and federal-level actors that are increasingly eager to encroach upon the region's positions both politically and economically. In Elena Krom's assessment, influential people in Moscow's Kremlin are steadily losing interest in supporting governor Yegorov who is seen as an "unnecessary link" in managing the growing financial resources circulating in the KO – both budgetary funds and private means. As a reaction to this "soft offensive," the local political and economic elite gradually becomes more and more isolationist and protectionist,<sup>63</sup> and this is apparently incompatible and inconsistent with any effective strategy of plugging into the European integration plans and the functioning of Kaliningrad as a bridge to the EU and its policies and practices.

### 2.3 Strengthening Russia's Negotiating Positions

The *third* interpretation has a strong connotation with positions of power and Russia's demands for subjectivity in European affairs, which makes the whole "pilot" concept part of the EU – Russia great-power dynamic. The Russian authorities approach this region's "pilotness" in terms of creating a ground for the "breakthrough to the West," on the one hand, and finding a way of controlling the financial flows from the center, on the other.

The KO is seen in Moscow as a pilot case in terms of an indicator to determine whether and to what extent the EU takes Russia's strategic interests into account. In Pertti Joenniemi's interpretation, Kaliningrad may be viewed as a "bargaining card for Russia in its aspiration for centrality."<sup>64</sup> According to this reading, what has to be tested in the case of the KO is the EU intention to deal with Russia on the basis of strategic partnership, which, in Russian understanding, has to mean EU concessions in visa and transportation matters, greater sensitivity to Russian interests in the Baltic Sea area in general, and non-interference in Russian domestic politics.

The problem with this interpretation is that there are some Russian analysts that deem it appropriate to discontinue all kind of

special treatment of the KO by Moscow<sup>65</sup> for the sake of Russia's overall interests. Moreover, there are strong suspicions that Moscow deliberately debilitates the KO, because, it is assumed, the poorer the region, the less chances there are that it will be able to conduct a policy of its own.<sup>66</sup> It seems likely that the efforts to de-individualize the KO may signal the decreasing interest of Moscow. A confirmation of this trend may be found in the new Russian Foreign Minister Sergey Lavrov's suggestion that all Northwest territories of Russia are in a position to perform the "pilot functions" in the Russia – EU relations.<sup>67</sup>

### 2.4 Framing EU's Grand Strategy

The *fourth* explanative variant – mostly pertaining to EU discourse – would assume that the region's pilotness has to be understood in terms of showing the benefits that enlargement might bring to "outsiders," yet without any special agreement with Russia on the KO. This reading is premised on the region's Europeanization as a means for bringing it "to the same socio-economic level with its surroundings."<sup>68</sup> In the meantime, European policy makers view the KO as a "criterion of Russia's readiness to convert political sloganeering into real deeds"<sup>69</sup> and a litmus paper test conducive to knowing Russia's intentions in its foreign policy.<sup>70</sup> The EU treats the KO as a test of Russia's political will (perhaps the October 2004 initiative on the part of German PMs to establish the "Prussia" region composed of KO along with adjacent Polish and Lithuanian territories could be one of practical manifestations of this logic).

The EU standpoint is based upon a solid institutional foundation yet still faces several challenges. The most important one is that, unlike other examples of border conflicts on Europe's margins – Cyprus, Northern Ireland, Turkey/Greece and Israel/Palestine<sup>71</sup> – the Kaliningrad puzzle directly involves the EU as a conflict party which imposes substantial limitations on the mediator role explored by the EU elsewhere. A direct clash of views between the

65 Kazin 2003

66 Krom 2001

67 <http://www.inosmi.ru/translation/209081.html>

68 Vesa 2003, p.277

69 Ginzburg 2004

70 Gricius 1998, p.175

71 Pace 2004

63 Krom 2003

64 Joenniemi 2001, p.331

EU and Russia as two poles of power concentration makes the whole configuration of the KO conflict very different from most other examples. Consequently, the abilities of the EU (as well as Russia) to become a driving force in the sphere of conflict transformation are strained. Unlike in many other border conflicts, in the KO the EU occupies a rather stringent and intransigent platform, while the EU accession countries (and sometimes Russia) opt for milder and more conciliatory policies.

Another problem is that the EU not only lacks a coherent policy towards the KO, preferring to solve it within the framework of POA, it is still in search of a comprehensive strategy vis-à-vis Russia itself. In particular, in February 2004, the EU Council of Ministers acknowledged that the European Union failed to elaborate a consistent way of dealing with Russia in a uniform manner.

Finally, sometimes the EU position is surprisingly self-defeating. For instance, in 2002, the Commission confessed that “the *acquis* is continually under development, and there is as yet no specific *acquis* on transit of persons through EU territory from a third country to the same third country.”<sup>72</sup> This statement seems to demonstrate how vulnerable and unprepared Brussels might be in its attempts to prevent Russia from obtaining its own domain within the EU and the implementation of the Schengen rules in that context.

## 2.5 Trans-national “pilot”

The *fifth* – and perhaps the most adequate – reading is that of placing the KO in a trans-national environment on the basis of and advanced engagement with its European neighbors and relatively smooth adaptation to EU standards. In the mildest terms, this interpretation equates “pilotness” with mere “cooperation.” In particular, some analysts see the “pilot exercise” as conducive to an EU – Russia free trade area.

Still there are good reasons to relate the discussions on the “pilot region” to the deeper and more ambitious concepts of “trans-boundary multi-level governance” which is expected to “evolve as a flexible pattern of cooperative arrangements and political pressure groups.”<sup>73</sup>

This interpretation is very close to the soft governance model advocated by some policy experts.<sup>74</sup> In particular, issues like visa-free rail transit or a “Baltic Schengen” could form a concrete project basis for the rhetoric of the “pilot region” in the wider trans-national discursive milieu.<sup>75</sup>

What does a model that is de-bordered and embedded in trans-national milieu the KO hypothetically look like? Arguably, an ideal variant would be to design its future strategy by skipping the zones of exclusion and, vice versa, taking maximum advantage of inclusion-based policies. This strategy may contain a number of arrangements that by and large match the ideas of “trans-boundary networking communities” and the “islands of ex-territoriality.”<sup>76</sup> Firstly, this would then imply a deeper involvement of European business in the regional economy, including proliferation of trade marks, commercial brands, banks, insurance companies and consulting firms. There are good reasons to support incentives allowing the foreign financial and economic actors to operate in the KO skipping the procedures of opening their branches or affiliated structures, and allowing the Euro to circulate in KO’s cash-free operations.<sup>77</sup> Secondly, it is advisable to develop joint trans-border programs aimed at creating new jobs in order to compensate the lost of revenues in the so-called “informal/shadow” sector of cross-border trade. Thirdly, media “spill over” might play its communicative role, i.e., trans-border circulation of regional media outlets and TV/radio programs. The KO may offer the information and entertainment product that could find readers/viewers/listeners in both Lithuania and Poland. Fourthly, fostering cross-border educational exchanges is important. For example, it might be useful to introduce the practice of spending at least one semester abroad (in either of the neighboring countries) for graduate students, especially those mastering in such disciplines as law, economics, political science, international relations, sociology and the environment. This idea fits perfectly into the Bologna process. Fifthly, supporting human exchange must be a

74 Friis and Murphy 1998, p.17

75 Holton 2002, p.306

76 Shinkunas 2003

77 Usanov 2003

72 Communication from ...2002

73 Scott 2000, p.165

priority, especially in regard to those families that include relatives living on the other side of the border.

Drawing a parallel with Euro regions, it would be fair to suggest that “a large number of consultancy agencies and professional lobbyists are currently advising on ... the development of EU border regions... thereby ,selling’ cross-border cooperative strategies and targets as marketing instruments”<sup>78</sup>. Pilot regions are, therefore, crucial chains in policy transfer networks where communicative strategies are at the core of success. This is perhaps what is meant by the prospects of “liberation from the constraints of a territorial logic” advocated by Pertti Joenniemi and Jan Prawitz.<sup>79</sup> In this scenario, the KO may become a meaningful element of the spatial networking relations crosscutting the borders, in the sense that space, unlike territory, has no finite limits and can’t be claimed and/or appropriated by a single actor.<sup>80</sup> This perspective, in the long run, leads the KO “from territorial to spatial affiliations.”

\*\*\*

In the table below, I will try to take a look at the five options given above from the perspectives that are split into a number of categories: a) centrality and peripherality; b) specificity and typicality; c) state and civil society, and d) political and technical concerns.

**Table**  
**Five patterns of pilot region**

	<b>A: Centrality – peripherality</b>	<b>B: Specificity – typicality</b>	<b>C: State – civil society relations</b>	<b>D: Political – technical</b>
<b>1. Testing liberal reforms</b>	“Useful peripherality”	Specificity as a disadvantage	Desirable but not crucial	De-politicization
<b>2. Promoting local interests</b>	Marginality strategy	Specificity as the main resource	Desirable but not crucial	Politicization within the framework of center – region relations
<b>3. Strengthening Russia’s negotiating positions</b>	Peripherality strengthened	Ambiguity	Neglected	Deliberate politicization
<b>4. Framing EU strategy</b>	Peripherality strengthened	Ambiguity	Important element	Politicization provoked by harsh reaction from Moscow
<b>5. Trans-national pilotness</b>	Marginality strategy	Specificity as advantage	Key component	De-politicization prevails

This table requires some additional comments. The “*Centrality vs. peripherality*” perspective is important because it might offer some valuable clues as to where the KO is heading in the long run. In options 3A and 4A, the KO is doomed to remain a “voiceless periphery,” with some modest/limited possibilities to influence certain elements of the two cores (Moscow and Brussels). Options 1A, 2A and 5A give more chances for the KO to reinvent its “border centrality,” to borrow a definition elaborated by Vladimir Kaganskii.<sup>81</sup> It also may well be inscribed into the logic of “diffuse patterns of centers”<sup>82</sup> that seems to be quite applicable to the Baltic Sea area.

In my reading, the idea of “border centrality” resonates, by and large, with a theory of marginality as developed by Noel Parker. Margins as rather autonomous spaces are able, under certain circumstances, to develop strategies of their own. Marginality, in Parker’s vision, is equated with new opportunities and openings for regional actors. Thus, territories located at the intersection of different polities and identities (“cross-roads actors”) are capable of comprehending how to make better use of their marginality resources through inclusive cooperation with adjacent territories. Margins are important components of different policy constellations because they usually have room to maneuver and a meaningful degree of freedom in exploiting their location. The margins can be thought of as those parts whose positions in a governed whole is

at least reliable and, therefore, controllable.<sup>83</sup> Politically, margins are reluctant to accept that the core speaks for them; moreover, they may define the nature of the core itself.<sup>84</sup> Marginal territory may enjoy greater freedom because the mere possibility that it might exist outside the center’s sphere of influence is an argu-

78 van Houtum 2000, p.66  
79 Joenniemi and Prawitz 1998, p.238  
80 Lanko 2003, p.260

81 Kaganskii 1997a  
82 Kramsch, Pijpers, Plung, van Houtum 2004, p.III  
83 Parker 1998  
84 Parker 2000, p. 6

ment to be exploited. Tensions between centers and margins are inevitable, but what is most important for my analysis is that a marginal position might turn into advantage through a variety of ways, including rent-seeking, charging the center in return for remaining inside, and so on.<sup>85</sup> Margins always have a choice to make, and the cores rarely compete with each other to gain their loyalties. The concept of margins may serve as a good theoretical platform to study the trans-national roles played by non-central actors, since in order to qualify for a “margin,” the region has to exist in two-way relationships with at least two cores.

The “*specificity*” – “*typicality*” dyad invites a different outlook for the alternative futures of the KO. This dilemma illuminates the question of whether a region seeking to become a “pilot” needs to be a typical one (“like dozens of others”), or, alternatively, it ought to be original, distinctive and irreducible to the “average” features of its own, deeply embedded local traditions. In a sense, all territories are unique, and by no means may specificity constitute a hindrance on a region’s perspective to perform the pilot functions.

The most striking contrast may be found between the first and the second interpretations of the “pilot region” concept (squares 1B and 2B). The strategy of promoting local interests is conceptually based on the idea of KO’s uniqueness that has to provide its residents with special rights and concomitant opportunities. Some of the ideas generated within this framework were implemented (like, for example, securing tax privileges and maintaining visa-free travel to Lithuania for several years<sup>86</sup>), while some others remain purely discursive exercises with no practical outcomes (like associated EU membership or the right of the local authorities to control the incoming travelers from Russia to the KO<sup>87</sup>). The major conceptual intricacy with accentuating the policy of KO’s specificity and even exceptionality is that it may be interpreted as

an allusion to the oblast’s inability to fit into the Europeanization process.<sup>88</sup>

As for squares 3B and 4B, they are both marked by some degree of uncertainty which has much to do with the attitude to the KO as “a political playing card in geo-politics.”<sup>89</sup> Russia does recognize the uniqueness of the KO as a means of bargaining with the EU, but repeatedly refuses to domestically apply special measures to properly manage the region. The EU, in turn, also does not mind accepting the peculiarity of the KO, but is reluctant to go as far as to conclude a separate agreement with Russia on this region. It should be added, as well, that the strategy of gaining special privileges is also challenged by Russia’s prospective WTO accession.

The debate on KO’s specificity is also inscribed in wider international processes. Thus, the more EU actors invest their resources in the KO, the more it becomes a special case against the background of other Russian regions.<sup>90</sup>

“*State-civil society*” perspective. My approach is that from all sides involved, three types of actors could be singled out: state authorities, business enterprises and NGOs. Unfortunately, neither the incentives they should possess in order to contribute to the emerging “pilot region,” nor the distribution of the roles between them has ever been seriously discussed. Meanwhile, the structure of actor motivation is not a banal issue. There are many simplistic readings in this regard – like, for example, one suggesting that foreign capital may use the KO as a terrain for penetration into Russia, while Russian business might take advantage of the KO as a channel for gaining European markets.<sup>91</sup> The truth is that those businesses which were eager to develop their activities either in Russia or in Europe have already done that some time ago.

Civil society institutions are an important component of the EU’s strategy of “enabling impact” (square 4C).<sup>92</sup> Yet, this strategy faces a number of challenges. First of all, there is a fierce reaction to any kind of civil society discourse from the nationalist/patriotic field

85 Parker 2004

86 Oldberg 1998, p.8

87 This idea was announced by Sergey Pas’ko, the head of the Baltic Republican Party, in: Kaliningradskie mify i real’nost’ (Myths and Reality of Kaliningrad), www.svoboda.org/programs/ce/2002/ce.072202.asp

88 Arbatova 2003

89 Fairlie 1998, p.190

90 Birckenbach 2003, p.2

91 Smorodinskaya 2001, p.5

92 Diez et al. 2004

of Russia's political spectrum. Perhaps one of most telling illustrations is Alexander Dugin's comments on civil society as a discursive concept that aims at alienating Russia's regions from the federal center and deprives them of their "Russianness"<sup>93</sup> (an invective potentially applicable to the KO). Secondly, a part of the problem is nested in Russian civil society organizations themselves that, according to some research, give priority to "principle over action, emotion over empirics, and private conceptions over public approaches." Following the heritage of what could be called "the dissident culture," many Russian NGOs are "inherently closed in nature and inwardly directed."<sup>94</sup>

The "*political vs. technical perspective*" is based on a separation of technicalities from political essentialism. One of the most widely spread characterizations of "project language" is its de-politicization (what can be verbalized in the metaphor "homo apoliticus"<sup>95</sup>). The main figures here are "technical experts," some of whom seem to disregard the fact that for a de-political experimentation, a political decision is needed, namely that one be taken in Moscow. Despite the prevalence of a de-politicization perspective, a reverse trend is also feasible, presuming that the increasing density of KO's trans-national liaisons might eventually boost the region's claims for greater status within the federation<sup>96</sup> and, subsequently, to trigger a political backlash from Moscow.

The technical (and thus value-free) approach to project activity is grounded in a search for a neutral field of alleged objectivity that would be able to reconcile ideological differences for the sake of technically tackling the issues that otherwise would be entangled in endless discussions. The "technological" language of the POA is probably best exemplified by the metaphor of "laboratory," which represents a space "lifted out" of normal life. In Scott Lash's interesting reading, laboratories produce "symbolic prototypes," and in this sense they differ from factories that make copies or offices which circulate those copies.<sup>97</sup> The POA presupposes tackling "ideas

as technologies," meaning the "implication of ideas in social relations of power... Symbolic technologies are themselves forms of power through their capacities to produce representations."<sup>98</sup>

Option 1D is basically promoted by "technical experts," some of whom seem to disregard the fact that for a de-political experimentation, a political decision is needed, namely that one to be taken in Moscow. Option 2D reflects some of the intricacies of Russian federalism: the farther the local interests are being advanced and promoted, the more political tensions appear to unfold between Moscow and the KO. As for 3D, it has to be noted that Moscow intentionally puts some of its regional issues into an emotional and politically charged context, thus keeping in its hands some manipulative instruments allowing for control over public opinion. Option 5D is emblematic in the sense that, despite the prevalence of a de-politicization perspective, a reverse trend is also feasible, presuming that the increasing density of KO's trans-national liaisons might eventually boost the region's claims for greater status within the federation<sup>99</sup> and, subsequently, to trigger a political backlash from Moscow.

The interrogations of the POA may offer a critique of traditional Schmittian linkage between liberal pluralism and the annihilation of the political.<sup>100</sup> Liberalism is in charge of a procedural bias in policy making, and liberal capitalism is based on "technological cultures" that create "a life without values."<sup>101</sup> Since Schmitt understood liberalism as an incarnation of technicity in the realm of politics, he could then be reinterpreted as claiming that liberalism corrupts the political through POA.<sup>102</sup>

In the meantime, for Schmitt, the degeneration of the political converts power to the technology of administration. However, what we see is that technology of administrations turns into a power tool allowing for a projection of political interests into all levels of society.

93 Dugin 2001

94 Mendelson 2004, p.11

95 Zorin 200

96 Birckenbach 2003

97 Lash 2001, p.114

98 Laffey and Weldes 1997, p.210

99 Birckenbach 2003

100 Rasch 2000, p.12

101 Turner 2002, p.107

102 Kalyvas 1999, p.90

It can be admitted that the POA could undermine the political if and only one assumes that the state is coterminous with the political. However, POA does enhance the political as seen from the perspectives of fundamental notions of democratic participation.<sup>103</sup>

\*\*\*

What unites some of the approaches introduced above is that they deploy projects in the debate concerning *norms and rules*. The gist of any successful project exercise is to come up with a set of procedures that may be treated as a norm.

In a sense, all territories are unique, and by no means can specificity constitute a hindrance on a region's perspective to perform the pilot functions. In this sense, the reference to Gilles Deleuze might be illuminating:

"To repeat is to behave in a certain manner, but in relation to something unique or singular which has no equal... Repetition <is> universality of the singular."<sup>104</sup>

The problem may be formulated as follows: to become a norm-setter in EU-Russia relations, the KO needs a variety of exceptions, each of them having an ostensible experimental nature. Thus, apart from a special taxation regime and simplified administrative procedures, the KO is experimenting with special managerial practices (in particular, it was stipulated that the Special Economic Zone has to be in direct subordination to Moscow).<sup>105</sup> It is also claimed that the SEZ does not need to coincide with the boundaries of a specific subject of the Russian Federation and could be shared by a number of them.<sup>106</sup>

### 3. What is missing in Kaliningrad's pilotness?

In the European context, the project is an attractive organizing concept to emerge at the intersection of institutions, networking, policies and programs. "Participants in project-oriented initiatives ... represent many levels of government as well as scientific and academic communities, various interest groups and

independent organizations ... (that) operate in a trans-national space of negotiations and evolving policy-making alliances."<sup>107</sup>

Apart from the KO, in Russia's Northwest there are many examples of other pilot regions with their olive missions and structures. To give a few illustrations, Arkhangel'sk oblast is the pilot region for implementing the Kyoto protocol requirements, Leningrad oblast performs as the pilot region for establishing industrial zones sponsored by Italian business, Karelia is the pilot region for the secondary schools informatization project, etc. In Russian non-border regions, there were many examples of "pilot"-like undertakings, too: for example, the projects dealing with housing, educational or social welfare reform are normally tested in a number of selected regions that perform the role of "laboratories," signaling the advantages to be used and risks to be avoided. In cases where projects fail, experiments might be discontinued to prevent the negative experience from spreading and duplicating elsewhere.

Comparing the "pilot" model related to the KO with other examples of "pilot regions" all across Russia, a number of pivotal elements may be detected that unfortunately are absent in Kaliningrad. This entails that usually the pilot projects are aimed at achieving rather palpable changes in well determined areas. So far, there is no sufficient clarity as to what the ultimate objectives of the KO "pilotness" are and what kind of reforms are to be implemented and monitored.

The regional "pilots" are frequently supposed to adapt some organizational models that already exist somewhere else in the world. In the KO, the experimentation drive and the spirit of "starting from scratch" seem to dominate the pilot discourse.

Demonstrable effects of the pilot project are indispensable, but the question of who the target groups are in the KO who'll watch the outcomes and learn the lessons is still open. As far as procedure is concerned, the pilot practice requires a (pre)selection stage, with clear criteria of choosing regions and contractors. The selection process is an important part of the whole enterprise since it fosters competition between regions and rewards

103 Hauptmann 2004, p.51

104 Deleuze 1995, p.XXI

105 Valery Draganov's interview with *Kaliningradskaya pravda*, October 7, 2004

106 Alexander Zhukov's interview with *Vedomosti*, March 30, 2004

107 Scott 2003, pp. 143-148

those most willing to commit themselves to the project and able to present technical, political and legal guarantees for the project success. Most of the Russian regions having pilot projects take them as good chances to incite further development, and very rarely as a burden. At any rate, the principle of voluntary participation and grass-roots support is a must.

In most cases, the pilot scenario is drafted with a significant role played by experts that are in charge of strategic planning. That timeframe is obviously an indispensable component of any project exercise so as to prevent it from dragging on infinitely. The pilot experiment presupposes the network effect to facilitate the dissemination of the most positive results. The pilot regions should represent different regional environments which perfectly makes sense in order to compare results.

Many of these items are missing in case of the KO. The region itself – prior to being assigned as a pilot – has never explicitly expressed its longing to become a testing ground for EU – Russia relations. It is not free to opt out. It is unclear how the KO as a pilot region might contribute to extending results to other subjects of federation. One can say that, contrary to the logic of project management, the choice of a region preceded the selection of the projects themselves. Yet, by its very nature as a case where the EU-Russian border is quite vague, Kaliningrad is at any rate an experimental case.

## Conclusion

The first conclusion which comes out of this paper is that purely technical discourse is unlikely within the framework of any of the different POAs discussed in this paper. One of weakest points of technical discourse is the temptation to perceive the social world as an elastic entity susceptible to all possible kind of interventions and transgressions. It is doubtful that having a certain amount of technical skills one may, in accordance with pre-defined plans, compose any construction out of small pieces loosely connected to each other. The point is that instead of looking for those pieces to be (re)designed and (re)constructed, it is much more feasible to look for different

methods/modes to de-compose and re-shape cultural landscapes.<sup>108</sup>

Another obstacle is that de-politicization has to start with erasing the differences between the “self” and the “other,” which seems to be unfeasible for a variety of reasons. If we stick to an understanding of the political as the articulation or the enactment of identities, the perspectives of de-politicization would seem to be rather murky. By the same token, one has to concede that the exclusion of something from the political is the political gesture par excellence.<sup>109</sup> It might also be hypothesized that as soon as the technical discourse proves its success, it either starts displaying its political ambitions (a strategy of promoting local interests under the guise of the “pilot region” concept) or faces political reaction from those whose interests are deemed to be harmed.

As for the second conclusion, the discursive landscapes of “pilot” practices appear to be inhabited by a variety of alternative meanings and contents. The fact that the “pilot project” idea is differently interpreted might, on the one hand, be embarrassing due to its seeming uncertainty. It may easily be perceived as a convenient metaphor to be used “technologically,” that is to say – at one’s own liking and discretion. In the worst case, this multiplicity of interpretations might lead to de-valuation of the pilot region idea as such.

Yet on the other hand, this situation opens new discursive opportunities for all parties involved in the social construction of the KO, since playing with divergent meanings constitutes a good terrain for communication between all actors involved. The multiplicity of interpretations reflects and simultaneously exacerbates the variety of perspectives available for the KO and needs to be explored more forcefully.

<sup>108</sup> Kaganskii 1997b

<sup>109</sup> Wenman 2003, p.60

## References

- Arbatova**, Nadezhda (2003), Eschio raz o Rossii i 'bol'shoi Evrope' (Once again about Russia and Big Europe), *Neprikosnovenniy zapas*, N 4 (30).
- Beliaev**, Leonid (2004), Moskva kak proekt (Moscow as a project), *Svobodnaya mysl'*, N 4.
- Belkovskii**, Stanislav (2003), Mif o stabil'nosti i natsional'niy proekt (Myth of stability and the national project), Council on the National Strategy web site, [www.snsr.ru/articles/](http://www.snsr.ru/articles/)
- Birchenback**, Hanne-Margret (2003), Za Evropeiskii dom v Kaliningrade (For European House in Kaliningrad), *SCHIFT Working Paper* N 72, [www.schiff.uni-kiel.de](http://www.schiff.uni-kiel.de)
- Communication from the Commission to the Council. Commission of the European Communities, Brussels, 18.9.2002, COM(2002) 510 final.
- Cronberg**, Tarja (2003), *A Europe without Divides? The EU-Russia Partnership and the Case of Virtual Borders*. Copenhagen: COPRI Working Paper, <http://www.copri.dk/copri/researchers/cronberg/tc.htm>
- Deleuze**, Gilles (1995), *Difference and Repetition*. Columbia University Press.
- Diez**, Thomas; **Stetter**, Stephan; **Albert**, Mathias (2004), "The European Union and Border Conflicts: The Transformative Power of Integration". Paper to be presented at the ISA Annual Convention, Montreal, 16-21 March.
- Dragunskii**, Denis (1998), Proekt-91 i soprotivlenie stilia (Project-91 and resistance of style), *Polis*, N 6.
- Dugin**, Alexander (2001), *Proekt 'Grazhdanskoe obschestvo' kak ugroza rossiiskoy samobytnosti* (Civil Society Project as a Menace to Russia's Originality), [www.patriotica.ru/actual/dugin\\_go.html](http://www.patriotica.ru/actual/dugin_go.html)
- Fairlie**, Lyndelle (1998), Kaliningrad: Visions of the Future, in Pertti Joenniemi and Jan Prawitz (eds.) *Kaliningrad: The European Amber Region*. Aldershot – Brookfield – Singapore – Sydney: Ashgate, pp. 178-225.
- Friis**, Lykke and **Murphy**, Anna (1998), "The European Union and Eastern Europe. Governance and Boundaries". Copenhagen: Danish Institute of International Affairs, DUPI Working Papers 1998/14.
- Genisaretskii**, Oleg (2004), Proekt i traditsia v Rossii (Project and Tradition in Russia), [www.polit.ru/research/lectures/2004/04/08/gen\\_print.html](http://www.polit.ru/research/lectures/2004/04/08/gen_print.html)
- Ginzburg**, Solomon (2004), Strategia Kaliningrada. Zapadnyi krai Rossii nuzhen nam svobodnim i protsvetayushim (The Strategy of Kaliningrad: Russia's Western Regions Must Become Free and Prosperous), 'Perspektivy razvitiia Kaliningradskoi oblasti' Electronic Newsletter, East-West Institute.
- Giroux**, Henry (2001), Cultural Studies as Performative Politics, *Cultural Studies & Critical Methodologies*, vol.1, N 1, pp.5-23.
- Gricius**, Algirdas (1998), Russia's Exclave in the Baltic Region: A Source of Stability or Tension? in Pertti Joenniemi and Jan Prawitz (eds.) *Kaliningrad: The European Amber Region*. Aldershot – Brookfield – Singapore – Sydney: Ashgate, pp.149-177.
- Glazychev**, Viacheslav (2002), *Metodologia proektirovania* (Methodology of Project Activity), Moscow School of Cultural Policies web site, [www.shkp.ru/lib/archive/materials/kyiv2002/1/print](http://www.shkp.ru/lib/archive/materials/kyiv2002/1/print)
- Glazychev**, Viacheslav (2004), Kapitalizatsia prostranstva (Capitalization of Space), *Russian Expert Review*, [www.rusrev.org](http://www.rusrev.org)
- Goldman**, Michael (2001), "Constructing an Environmental State: Eco-governmentality and Other Transnational Practices of a 'Green' World Bank." *Social Problems*, vol. 48, no. 4.
- Gutner**, Grigory (2002), Prosveschenie kak sotsial'niy proekt (Enlightenment as a Social Project), *Neprikosnovenniy zapas*, N 5 (25), <http://magazines.russ.ru/nz/2002/5/gutner-pr.html>
- Hauptmann**, Emily (2004), A Local History of "the Political," *Political Theory*, vol. 32, N 1, February, pp. 34-60.
- Holtom**, Paul David (2002), "A Litmus Test for Europe: Constructing Kaliningrad's Identity in Moscow, Brussels and Kaliningrad." A thesis submitted for the degree of Doctor of Philosophy. Centre for Russian and East European Studies, School of Social Sciences, The University of Birmingham.

**Honneland**, Geir (1995), *Northerners: Common Identity or Worlds Apart?*, in Margareta Dahlstrom and Heikki Eskelinen (eds.) *The East-West Interface in the European North*. Stockholm: Nordisk Samhallsgeografisk Tidsskrift, pp.29-44.

van **Houtum**, Henk (2000), *An Overview of European Geographical Research on Borders and Border Regions*, *Journal of Borderlands Studies*, vol. XV, N 1, Spring, pp.57-83.

**Ignatiev**, Alexei (2003), *Defining an Administration for a Pilot Region Kaliningrad*, Hanne-M.Birckenbach and Christian Wellmann (eds.), *The Kaliningrad Challenge. Options and Recommendations*. The Schleswig-Holstein Institute for Peace Research, SHIP, Band 10, pp. 117-129.

**Ivanova**, Natalia (1999), *Russkii proekt vmes-to russkoi idei (Russian project instead of the Russian idea)*, *Znamia*, N 3.

**Joenniemi**, Pertti (2001), *Kaliningrad – a Pioneer for the New Global Era*, in Ritva Gronick, Meri Kulmala, Laura Paivio (eds), *Kaliningrad – Isolation or Cooperation?* Helsinki: The Finnish Committee for European Security.

**Joenniemi**, Pertti (2001), *Kaliningrad as a Discursive Battlefield*, in Paul Ganster (ed.), *Cooperation, Environment, and Sustainability in Border Regions*. San Diego State University Press, Institute for Regional Studies of the Californias, pp.319-338.

**Joenniemi**, Pertti and **Prawitz**, Jan (1998), *Kaliningrad: A Double Periphery?* in Pertti Joenniemi and Jan Prawitz (eds.) *Kaliningrad: The European Amber Region*. Aldershot: Ashgate, pp. 226-260.

**Kaganskii**, Vladimir (1993), *Sovetskoe prostranstvo; konstruktsia i rekonstruktsia (The Soviet Expanse: Construction and Reconstruction)*, "Inoe." A Reader of the Russian Self-Conscience, <http://www.russ.ru/antoklog/inoe/kagan.htm>

**Kaganskii**, Vladimir (1997a), *Tsentr – Provintsiya – Periferia – Granitsa. Osnovnie zony kulturnogo landshafta (Center – Province – Periphery – Border. Basic Zones of Cultural Landscape)*, [www.inme.ru/previous/Kagansky/4z97-ww.html](http://www.inme.ru/previous/Kagansky/4z97-ww.html)

**Kaganskii**, Vladimir (1997b), *Kultura v landshafte i landshaft v culture (Culture in Landscape and Landscape in Culture)*. Moscow: Institute for National Economic Models, [www.inme.ru/previous/Kagansky/KI-poln.html](http://www.inme.ru/previous/Kagansky/KI-poln.html)

*Kaliningrad oblast as a possible pilot region within the context of EU – Russia relations in the 21st century* (2001). Parliamentary Hearings, Kaliningrad, 16 February.

**Kalyvas**, Andreas (1999), *Review Essay: Who's afraid of Carl Schmitt?*, *Philosophy and Social Criticism*, vol. 25, N 5, pp.87-125.

**Karabeshkin**, Leonid (2003), *Clarifying the Status of the Kaliningrad Oblast in the Context of Russian Federalism*, in Hanne-M.Birckenbach and Christian Wellmann (eds.), *The Kaliningrad Challenge. Options and Recommendations*. The Schleswig-Holstein Institute for Peace Research, SHIP, Band 10, pp.83-100.

**Kazin**, Filip (2003), *Rossia i Evropeiskiy Soyuz: politicheskie problemy rasshirenia i puti ikh reshenia (Russia and the EU: political problems of enlargement and the ways to solve them)*, *Rossia XXI*, N 4, p.46.

**Kliamkin**, Igor (2003), *Modernistskiy proekt i Rossia (Modernist Project and Russia)*, *Ne-prikosnovennyi zapas*, N 1 (27), <http://magazines.russ.ru/nz/2003/1/kliamk-pr.html>

**Kniagin**, Vladimir (2000), *Chto znachit 'razvivat' regiony' (What Does It Mean – 'to Develop the Regions')*. Strategic Design Center "Northwest," <http://future-design.ru/index.cfm?id=6&material=443>.

**Kordonskii**, Simon (1994), *Intelligentsia v roli natsional'noi intellektual'noi elity (Intelligentsia in the role of National Intellectual Elite)*, *Russkii zhurnal*, [www.russ.ru/antolog/predely/1/kord.htm](http://www.russ.ru/antolog/predely/1/kord.htm)

**Kortunov**, Sergey (2003), *Megaproekt dlia bol'shoi Evropy (Mega-project for Larger Europe)*, *Nezavisimaya gazeta*, December 22.

**Kramsch**, Olivier; **Pijpers**, Roos; **Plug**, Roald; van **Houtum** Henk (2004), *Research on the Policy of the European Commission Towards the Re-bordering of the European Union*. Nijmegen Centre for Border Research, Depart-

ment of Human Geography, Nijmegen University, April.

**Krom**, Elena (2001), Na puti v Evropu (On the way to Europe), *Expert Severo-Zapad*, N 5 (34), March 19.

**Krom**, Elena (2003), Dreifuyushiy ostrov (Drifting Island), *Expert Severo-Zapad*, N 41 (150), November 3.

**Krupnov**, Yu.V. (2002), *Kaliningrad – kliuch k novoi Evrope* (Kaliningrad as a key to a new Europe), [www.pereplet.ru/text/krupnov16aug02.html](http://www.pereplet.ru/text/krupnov16aug02.html)

**Lanko**, Dmitry (2003), Baltic Sea Region: a Geopolitical View, in Konstantin Khudoley (ed.), *New Security Challenges as Challenges to Peace Research*. 16<sup>th</sup> Nordic and 4<sup>th</sup> Baltic Peace Research Conference Proceedings, St. Petersburg, September 11-13, pp.255-268.

**Laffey**, Mark and **Weldes**, Jutta (1997), Beyond Belief: Ideas and Symbolic Technologies in the Study of International Relations, *European Journal of International Relations*, vol. 3(2), pp.193-237.

**Lash**, Scott (2001), Technological Forms of Life, *Theory, Culture & Society*, vol. 18(1), pp.105-120.

**Lee Allen**, Ricky (1999), The Socio-Spatial Making and Marking of 'Us': Towards a Critical Postmodern Spatial Theory of Difference and Community, *Social Identities*, vol. 5, N 3, pp.249-277.

**Mendelson**, Sarah (2004), *Struggling to Engage the Public: Activist Culture and the Effectiveness of NGOs in Russia*. Paper presented at PONARS Academic conference, University of Washington, Seattle, April.

**Mezhevich**, Nikolay (2003), Paradigms of Globalism and Localism in the Baltic Sea Region and Regional Development Practices, in Konstantin Khudoley (ed.), *New Security Challenges as Challenges to Peace Research*. 16<sup>th</sup> Nordic and 4<sup>th</sup> Baltic Peace Research Conference Proceedings, September 11-13, pp.246-254.

**Neklessa**, Alexander (1998), Ot proekta istorii do proekta Rossii (From the Project of History to the Project of Russia), *Russkii arhipelag*

On-line Journal, <http://www.archipelag.ru/text/518.htm>

**Neklessa**, Alexander (2004), Pravo na Rossiyu (The Right of Russia), *So-obschenie*, N 4, [www.soob.ru/n/2004/4/practice/0/print](http://www.soob.ru/n/2004/4/practice/0/print)

**Oldberg**, Ingmar (1998), Kaliningrad: Problems and Prospects, in Pertti Joenniemi and Jan Prawitz (eds.), *Kaliningrad: The European Amber Region*. Aldershot, Brookfield, Singapore, Sydney: Ashgate, pp.1-31.

**Oleschuk**, Yu.F. (2002), Poluintelligentsia (Semi-Intellegentsia), *Svobodnaya mysl'-XXI*, N 10.

**Ostrovskii**, Efim (1999), *Spor analitika s poetom o prednaznachenii* (A Dispute between an analyst and a poet on predestination), <http://future-design.ru/index.cfm?id=6&material=99>

**Pace**, Michelle (2004), *Governing border conflicts: when can the European Union be an effective mediator?* Paper presented at the ISA Convention, Montreal, 17-20 March.

**Parker**, Noel (1998), *The Ins-and-Outs of European Civilization: How Can Margins Inform Research on Europe?* Workpaper 69-98, Centre for Cultural Research, University of Aarhus, [www.hum.au.dk/ckultur/f/pages/publications/np/margins.htm](http://www.hum.au.dk/ckultur/f/pages/publications/np/margins.htm)

**Parker**, Noel (2000), "Integrated Europe and Its 'Margins': Action and Reaction," in Noel Parker and Bill Armstrong (eds.) *Margins in European Integration* Macmillan Press and St.Martin Press, pp. 3-27.

**Parker**, Noel (2004), A Theory of Marginality. Paper Draft, University of Copenhagen, Political Science Department, February.

**Perelygin**, Yuri et al (2002), *Vstrecha s Zhurnalistami*. <http://www.csr-nw.ru/doings.php?code=44>

**Perelygin**, Yurii (2003), Vvedenie v kontekst proektirovaniya regionalnogo razvitiya (Introduction to the Context of Regional Development), Center for Strategic Design "Northwest" web site, [www.csr-nw.ru](http://www.csr-nw.ru)

**Pereslegin**, Sergey and **Yutanov**, Nikolai (2002), Budushee kak proekt (Future as a Project), <http://future-design.ru/index.cfm?id=6&material=216>

- Polikanov**, Dmitry (2003), Transdnestria, Abkhazia, Chechnya: Pro et Contra EU Intervention, *Eurojournal*, January, www.eurojournal.org
- Rasch**, William (2000), Conflict as Vocation. Carl Schmitt and the Possibility of Politics, *Theory, Culture & Society*, vol. 17 (6), pp. 1-32.
- Richter**, James (2004), *Global Governance, Governmentality, and NGOs in Russia*. Paper presented at the PONARS Academic Conference, the University of Washington, Seattle, April.
- Rossiya v mirovom kontekste* (2003) (Russia in a world context). Minutes of discussions at the "Serafimovsky" Club, April 15, www.serafim-club.ru/problema1/stenogramma.shtml
- Russia in a United Europe* (2002), Groot Rusland Debate. Chair Interbrew-Baillet Latour at KULeuven, November 27.
- Ryzhkov**, Vladimir (2002), Rossia i Evropeiskiy proekt (Russia and the European Project), *Obschaya tetrad'* 19(4), Moscow School of Political Studies, <http://pubs.msps.ru/news/news186.html>
- Scott**, James Wesley (2000), Transboundary Cooperation on Germany's Borders: Strategic Regionalism through Multilevel Governance, *Journal of Borderlands Studies*, vol. XV, N 1, Spring, pp. 143-167.
- Scott**, James Wesley (2003), Cross-border Governance in the Baltic Sea Region, in James Anderson, Liam O'Dowd and Thomas M. Wilson (eds.), *New Borders for a Changing Europe. Cross-border Cooperation and Governance*. London and Portland: Frank Cass, pp. 135-153.
- Schedrovitsky**, Petr et al (2001), *Seminar 'Upravlenie Regionalnym Razvitiem'*. <http://www.csr-nw.ru/doing.php?code=39>.
- Schedrovitsky**, Petr (2003b), "Na Severo-Zapade Sushestvuet kak Minimum Chetyre Kruga Problem, kotorye Javlyayutsa Zakazami na Innovatsii." <http://www.csr-nw.ru/publications>.
- Shinkunas**, Vladislav (2003), *Transgranichnoe setevoe sotrudnichestvo kak element obespechenia regional'noi bezopasnosti* (Trans-regional network community as an element of regional security provision). St.Petersburg: "Megaregion – Network Confederation" web site, <http://megaregion.narod.ru/inform4.html>
- Shtepa**, Vadim (2003), Severnaya stolitsa kak global'niy proekt (The Northern capital as a global project), *Nevskoe vremia*, November 23.
- Smorodinskaya**, Natalia (2003), Analysing the Kaliningrad Situation: The Economic Growth Dimension, in Hanne-M.Birckenbach and Christian Wellmann (eds.), *The Kaliningrad Challenge. Options and Recommendations*. The Schleswig-Holstein Institute for Peace Research, SHIP, Band 10, pp.169-205.
- Smorodinskaya**, Natalia (2004), Interview to "Kreml.org," April 7, [www.kreml.org.decisions/51765639/52258505](http://www.kreml.org.decisions/51765639/52258505)
- Songal**, Alexander (2003), Developing an Institutional Fundament for the EU and Russia to Jointly Deal with the Future of the Kaliningrad oblast, in Hanne-M.Birckenbach and Christian Wellmann (eds.), *The Kaliningrad Challenge. Options and Recommendations*. The Schleswig-Holstein Institute for Peace Research, SHIP, Band 10, pp. 101-116.
- Stepanov**, Andrey (2003), Kaliningrad – zabota ne tol'ko Rossii, no i Evropy (Kaliningrad is not only Russia's Concern, the Europe's as well), Rosbalt Information Agency, July 29, [www.rosbalt.ru/print/111437.html](http://www.rosbalt.ru/print/111437.html)
- Struyk**, Raymond (2003), *Managing Think Tanks*. Washington: The Urban Institute.
- Trenin**, Dmitriy (2004), Realpolitik Moskvyy (Moscow's Realpolitik), *Nezavisimaya gazeta*, February 9.
- Turner**, Bryan (2002), Sovereignty and Emergency, *Theory, Culture & Society*, vol. 19 (4), pp. 103-119.
- Usanov**, Artur (2003), "Kaliningrad as a Pilot Region in Russia – EU Cooperation." In *Support to Transform the Kaliningrad Oblast into a Pilot Region of Russia – EU Cooperation*. Kaliningrad: East-West Institute and Regional Development Agency.
- Vesa**, Unto (2003), Kaliningrad: Transforming a "Threat" into a "Challenge" and "Opportunity", in Konstantin Khudoley (ed.), *New Security Challenges as Challenges to Peace Research*. 16th Nordic and 4th Baltic Peace

Research Conference Proceedings, September 11-13, pp.269-280.

*V uzlakh transportnoi seti* (In the knots of the transportation web, 2001). Paper prepared by "The Imperial Headquarter Group," Zelenogorsk, April.

**Waever**, Ole (1997), *The Baltic Sea: A Region after Post-Modernity?*, in Pertti Joenniemi (ed.), *Neo-nationalism or Regionality? The Restructuring of Political Space around the Baltic Rim*. Aaland Islands' Peace Research Institute & Copenhagen Peace Research Institute, NordREFO, pp. 293-342.

**Wenman**, Mark Anthony (2003), *What is Politics? The approach of Radical Pluralism, Politics. Surveys, Debates and Controversies in Politics*. Vol.23, N 1, February, pp.57-65.

**Yalov**, Dmitry (2002), *Resursy novogo osvoeniya Severo-Zapada* (Resources for a New Settling in the Northwest). Paper presented at the seminar of the Center for Strategic Design "Northwest," St.Petersburg, September 14-15.

**Yurgens**, Igor (2003), *Baltia dlia nas ne barrikada a most v Evropu* (The Baltic Sea is not a barricade but as a bridge to Europe for us), *Nezavisimaya gazeta*, June 9.

**Yutanov**, Nikolai (2002), *Budushee v kotorom khochetsa zhit'* (A future one wish to live in), <http://future-design.ru/index.cfm?id=6&material=107>

**Zorin**, Andrey (2002), *Homo apoliticus, Neprikosnovenniy zapas*, N 1 (21), <http://magazines.russ.ru/nz/2002/21/zor-pr.html>

# The Intellectual Process Model in the Macedonian Public Sector

Gjorgji M. Manev \*

## Abstract

An analysis of the Intellectual Process Model in the Public Sector is of primary importance for successful management and measurement of intellectual process capital. The pilot study proposes six intellectual processes in relation to the intellectual process model. This paper shows that the presence of core methods for knowledge management processes provides a powerful approach to represent, characterize, and analyze intellectual process model as intellectual capital. *Methods.* The research was conducted under the auspices of the project "Knowledge and Information Management in the Macedonian public sector." 50 organizations in four areas of the Macedonian public sector made their own contribution to the study by completing the questionnaire: public businesses, state health organizations, the Skopje Municipality, and government ministries. The data was collected by means of a questionnaire that was based on best practices and was prepared for application in the public sector. The proposed intellectual process model was developed using conceptual graphs. Analysis of the data was done by standard statistical methods. *Results.* The paper shows an analysis of the intellectual process model in the Macedonian public sector as the basis for the assessment of intellectual process capital. The presence of methods for supporting intellectual process activities like knowledge identification, generation, storing, distribution and application are presented. *Conclusion.* The approach given in this paper shows that core knowledge management processes and their methods are the basis for analyses and assessment of intellectual process capital.

Key words: Knowledge Management, Intellectual Capital, Intellectual Process Capital, Knowledge Economy, Intellectual Process Model

## 1. Introduction

In the past decade, many researchers have introduced new terms such as new economy, information economy, network society, knowledge economy, knowledge society, etc. All these terms try to explain the efforts of the society and economy to become more competitive in the world. A characteristic of the last decade in the world is the change in the production process. The basis for this effort is shifting from material and financial assets to intangible and non-financial assets - Intellectual Capital (IC).

Macedonia is no exception with regard to that process. At this particular moment, the main concern of Macedonia and its competitive environment is integration into the European Union (EU) and development into a prosperous society and economy. For Macedonia, this is a period of transition: the introduction of modern European democratic principals with a market economy. Macedonia is currently facing changes in the old traditional production factors such as natural resources, labor and capital that do not allow significant growth in the state economy. In the world, something else is starting to be of more importance: intangibles, such as knowledge and information resources. Actually, the real value of an organization depends on people, their knowledge and skills, internal processes and the reputation of the organization. They are the main sources of a company's competitive advantage.

This paper partly explains the results from a broader project that was undertaken in the course of the last 3 years: "Knowledge and Information Management in the Macedonian Public Sector." The project was financially supported by the Macedonian Ministry of

\* Sts. Cyril and Methodius University, Institute for Sociological, Political and Juridical Research, INDOK Department, Partizanski Odredi bb., 1000 Skopje, Macedonia

Education and Science. Part of this project is a pilot survey under the same name. The paper explains the results of the pilot research survey for intellectual processes that generate real values in the Macedonian public sector. The collected data are from Section 3 “Knowledge Management Processes” which shows data and comments on the presence of intellectual process in the Macedonian public sector.

## 2. Public Sector Resources for Support of Knowledge Economy

Knowledge Management (KM), Intellectual Capital (IC), and Public Sector Intelligence (PSI) are main resources for success in the present complex world. Managers of many public companies have already started many initiatives, the purpose of which is to offer better services to citizens. Usually they start with tasks that are more difficult to accomplish such as Total Quality Management (TQM) and process reengineering initiatives.

The results are unsatisfactory in many cases. Hence, what is the solution? The answer is complex and public organizations/companies must find ways to work smarter with their competitive resources like IC, KM, and PSI. The real problem is how can these resources be integrated into and measured in public sector organizations?

### 2.1 Intellectual Capital and Intellectual Process Capital

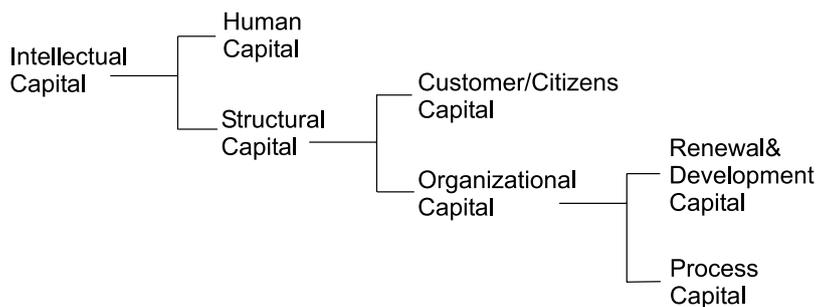
Intellectual Capital in the public sector could be described as a concept that applies the principles of intellectual capital measurement and management in such a way that it helps with the selection of a direction for future public sector’s developments. The concept of intellectual capital can be translated to the macro-economic level very easily because “the stories of our societies and of our nations are a reflection of ourselves and our organiza-

tions.”<sup>1</sup> The main difference is certainly its level of application, in this case, at the public sector level. Debra Amidon was among the first to recognize the possibilities of applying intellectual capital at a macro-economic level.<sup>2</sup> Nick Bontis in his work defines the IC of nation as “the hidden values of individuals, companies, institutions, communities and regions that are the current and potential sources for wealth creation.”<sup>3</sup>

This research paper uses the position of Intellectual Process Capital (IPC) in the value chain hierarchy analysis based on the work of Edvinsson and Malone.<sup>4</sup> The proposal is expressed in tree form (Figure 1):

The market value of any type of organization/public company/agency or even nation

**Figure 1**  
**Market Value and the Elements of Intellectual Capital**



is the sum of financial capital (FC) and intellectual capital. Financial capital reflects the public sector’s history and achievements of the past. The second part, intellectual capital, is actually a hidden value in the form of intangibles. Other differences between financial capital and intellectual capital are: FC is more event oriented and IC is process oriented; finances are usually the result of past actions and IC is future oriented; FC measures costs and IC measures values, FC measures are in cash and IC measures are non-financial; monitoring FC is periodical and monitoring IC is ongoing; and finally, the responsibility of finances is statutory and the responsibility of IC is on management.

Intellectual capital in the public sector is composed of two value components: human and structural capital. Human capital, in the

1 Edvinsson, L. (2002).

2 Amidon, D.M. (2001).

3 Bontis, N. (2004).

4 Edvinsson, L. and Malone, M.S. (1997).

context of the public sector, is the combined knowledge, skills, innovativeness and capacity of the public sector's employees to meet the tasks at hand, including values, culture and philosophy. The basic forms of human capital are: wisdom, knowledge, expertise, intuition, and the ability of individuals to exercise the public sector tasks and achieve the goals. Human capital is the property of individuals. It is not the property of public sector organizations/businesses. The property of Structural Capital, such as knowledge assets, is owned by businesses/agencies/organizations in the public sector. This means that structural capital can be owned by public sector entities/institutions, and can be a form of exchange in wider of context. Examples of structural capital are different types of systems in the public sector.

Structural capital is composed of two elements: organizational capital and customer capital (also known as market capital). Customer capital (in the public sector context we can speak of citizens) represents the value embedded in the relationship of the public sector organizations/businesses/agencies with its clients as citizens or, for example, relationships between sectors of a ministry and public/private companies. Organizational capital is connected with the capabilities of the public sector. Its goal is to support individual productivity through sharing and transfer of knowledge. Forms of organizational capital can be hardware, software, databases, organizational structures, patents, trademarks, etc.

Organizational capital consists of two components: process capital and renewal and development capital. Process Capital in the public sector can be understood as processes and activities thereof as well as methods, tools and enablers for creation, sharing, transmission and dissemination of knowledge to contribute to individual knowledge for worker productivity. An intellectual process capital in the public sector uses a system of variables (indicators) that helps to uncover and manage the invisible knowledge management processes and gives insight into the hidden value of the Macedonian public sector. Process capital and market capital are components on which the public sector's present operations are based. In the context of the public sector,

Renewal and Development Capital are directly connected with processes of innovation that represent a basis for growth and development. Renewal and development capital determines how the public sector prepares for the future.

## 2.2 Knowledge Management

Knowledge is increasingly recognized as a crucial organizational resource that contributes to the satisfaction of the population. That makes it a factor of strategic importance. Its management is therefore far too important to be left to chance. Knowledge management is the explicit and systematic management of vital knowledge and associated processes – creating, gathering and organizing knowledge as well as distributing, using and exploiting it. In the strategic sense, knowledge management means transforming personal knowledge into a corporate resource that can be widely shared throughout an organization and appropriately applied.<sup>5</sup>

Knowledge Management has its own roots in business transformation, Business Process Reengineering (BPR), Total Quality Management (TQM), Organization Culture, Innovation, Information Management, Knowledge Based Systems, Intellectual Assets Capital, and Learning Organization. KM is extremely important as a strategic asset in public organizations because knowledge and information management are directly responsible for development of goods and services in information society's needs (such as citizen satisfaction), their fast changing needs, creation and delivery of "smart services," customization, added values, responsiveness, flexibility, and citizen driven organization.

KM is nothing new and research into this concept started decades ago<sup>6</sup>, although it was not known by this name nor necessarily recognized as what it is until ten years ago. KM applies systematic approaches to find, understand and use knowledge to create value.<sup>7</sup> KM is systematic, explicit, and deliberately builds, renews and applies knowledge to maximize a company's knowledge-related effectiveness and returns from its knowledge assets.<sup>8</sup> The working definition of Knowledge Management

<sup>5</sup> Skyrme, D. (2002).

<sup>6</sup> Davenport, H.T. & Prusak, L. (1998).

<sup>7</sup> O'Dell, C. (1996).

<sup>8</sup> Wiig, K. (1997).

is the explicit and systematic management of vital knowledge – and its associated processes of creation, organization, diffusion, use and exploitation.<sup>9</sup>

The basic constitutive parts of knowledge management are its processes. Wiig proposes four KM processes:<sup>10</sup>

- Creation and sourcing;
- Compilation and transformation;
- Dissemination; and
- Application and value creation.

O'Dell defines seven KM processes:

- Identify Knowledge;
- Collect Knowledge;
- Adapt Knowledge;
- Organize Knowledge;
- Apply Knowledge;
- Share Knowledge; and
- Create Knowledge.

According to the above definitions of Knowledge Management and established principles of the project “KM and Information in the Macedonian public sector,” the term KM means the overall task of managing the processes of knowledge identification, formulation, generation, storage, distribution, and applying knowledge, as well as any related activities. If we take a brief comparative look at the definitions of intellectual process capital and knowledge management, we will realize that in both cases we can find terms like creation, sharing, transmission and dissemination of knowledge. Through this knowledge management perspective, this research paper examines the presence of methods in the intellectual process model in the Macedonian public sector as a mechanism for analyzing public intellectual processes. The results are a good basis for finding a real mechanism to transform human capital into structural capital. The paper assumes that the process of transformation develops in three phases: identification of the current state, determination of needs, and possible improvement in knowledge processes to address these needs.

### 2.3 Public Sector Intelligence

Public sector intelligence is the process of providing insights that will enable public man-

agers to make tactical decisions, as well as to establish, modify or tune the public strategies and processes in order to gain citizen satisfaction, improve public operations and budget realization, and generally achieve whatever goals public management has set.

Public sector intelligence seeks to give public leaders a tactical advantage in services just the same as military intelligence works to give armies and generals an upper hand on the battlefield. Public sector intelligence transforms an organization's operational data into high-value information (called a data warehouse) and distributes the right information in the right way to the right people at the right time.

### 3. Intellectual Process Model

The problem framework of the pilot study is the development of an intellectual process model and its examination in the Macedonian public sector, applying best practices for measurement and management of intellectual processes. At the same time, the Macedonian pilot project examines frequencies of methods used to support intellectual processes in the Macedonian public sector. Six conceptual intellectual process types are examined in the pilot study with application of their corresponding methods to support successful development of intellectual process model: knowledge identification, knowledge generation, knowledge storage, knowledge distribution, knowledge application, and formulation of knowledge goals (Figure 2).

In the survey, knowledge representation of the intellectual process model is represented through conceptual graphs. Any dependency between the intellectual processes is represented on an action level with introduction of thematic roles.<sup>11</sup>

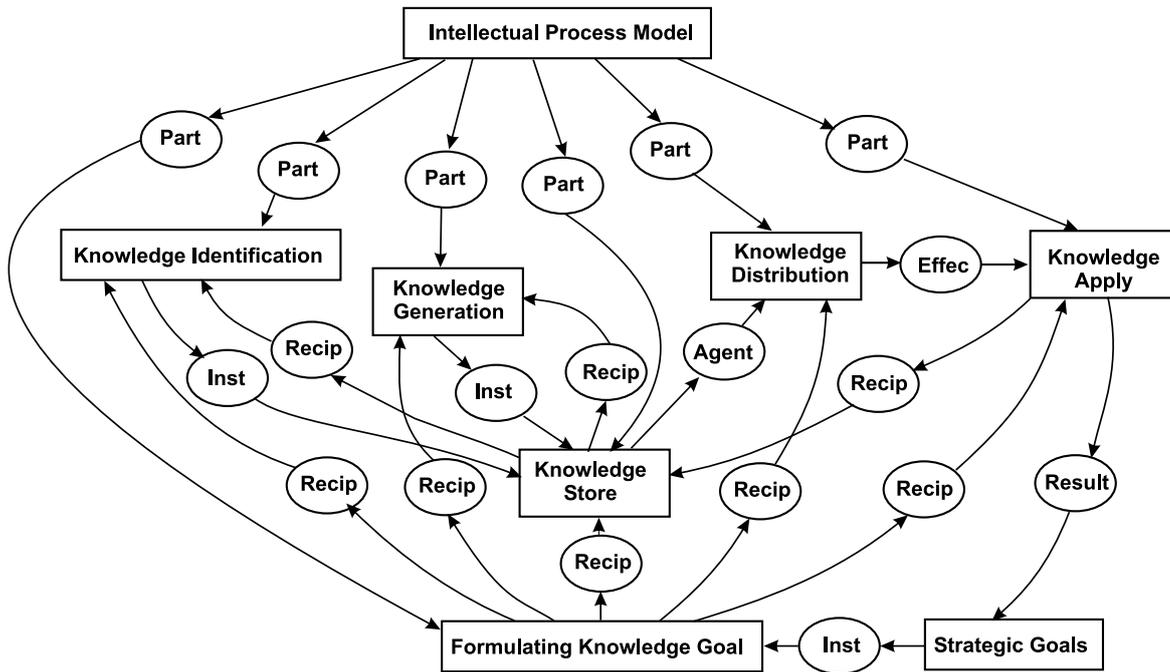
The problem of dependency design between the intellectual process concepts was of essential importance for this research, but they have not been described in this paper. This paper aims at discovering the level of presence of the methods that support intellectual processes in the Macedonian public sector viewed through a knowledge management process perspective.

9 Skyrme, J.D. (1999).

10 Wiig, K. (1993).

11 Sowa, F.J. (2000).

**Figure 2**  
**Knowledge representation of the Intellectual Process Model**



The proposed intellectual process model will help in the process of understanding management and measurement of intellectual processes applying the methods for their implementation. The collected data and analyzed information are a good way to analyze and the assessed gaps between the desired and the present situation.

The measurement of the methods existence in Intellectual Process Model (IPM), as the basis for analyzing IPC in the Macedonian public sector, was pioneer work. The choice of right methods to diagnose the level of usage of intellectual processes is not an easy task. Problems arise directly from strategic goals that do not take intangible values into consideration. It is difficult to measure the intellectual processes and their methods but this is especially true in the case of Macedonia where a budget for real implementation is missing. However, our vision of becoming a more competitive society and economy makes us think more about this and financially support these types of intellectual processes.

The first subject of research is the level of presence of knowledge identification methods in the Macedonian public sector. Input in this process is a knowledge map or maps. The knowledge map is intended to identify the

current knowledge in a structured way. Depending on the complexity of the knowledge domain problem, it might be necessary to create several knowledge maps. In the process of knowledge map creation, the basic questions are: who has what knowledge; what people know; and what they do if they have a problem. The output of this process is an identified knowledge. After knowledge has been identified, evaluation is needed to determine whether this knowledge is worthy of being applied to an organization's knowledge repository.

The second concept in this research is the process and methods of knowledge generation. Devenport and Prusak define five modes of knowledge generation: acquisition, dedicated resources, fusion, adoption and knowledge networking.<sup>12</sup> In the case of Macedonia, the public sector uses person based methods for knowledge generation and examines methods for knowledge acquisition, knowledge processing, interdisciplinary teams as a basis for knowledge fusion, learning labs and strategies, simulations, and methods of knowledge representation.

After knowledge is generated, the next step would be the process of knowledge storage. The study uses the Organizational Mem-

<sup>12</sup> Davenport, p.52.

ory System (OMS) approach as a knowledge storing mechanism. The basic activities that were researched in organizational memory are: accumulating and preserving knowledge as information for objects in the database, sharing knowledge through various manuals, case studies, and the existence of expert systems. The organizational memory approach for knowledge storage was used as a mechanism for transforming implicate knowledge into explicate knowledge. The study does not examine techniques and tools for implementation of those activities.

Before knowledge is used, it must be distributed. Knowledge distribution is part of the intellectual process model. It comes after the process of knowledge storage. At the same time, the study considers knowledge distribution to be a part of knowledge transfer. According to Devenport, two problem actions are important in knowledge transfer:<sup>13</sup> knowledge transition (sending or presenting knowledge to a potential recipient) and knowledge absorption by an individual or a group.

#### **Knowledge transfer = Transmission + Absorption**

If knowledge is not absorbed, it has not been transferred. In addition, knowledge has different dimensions. This means that it can be used at a specific time, for a specific purpose, at a specific place, along with a specific working process, and at the same time using specific data, concepts and information. The pilot study does not take into consideration the methods for supporting the sub-process of knowledge absorption.

The last concept in the intellectual process model is knowledge application. Knowledge application is a very important concept for implementing processes in the public sector; it is of great importance to complete repetitive every day work. The important issue in this section is the question of which methods organizations in the Macedonian public sector use for successful knowledge application. Five methods for knowledge application in the Macedonian public sector were researched: usage of interdisciplinary teams, creating positive culture for new initiatives, inclusion of home experts' opinions, knowledge control

measures, and engaging experienced experts for team learning.

One of the most important parts of translating strategic goals into action is defining knowledge management goals. This is important for improving processes in ministries/agencies/sectors/business, and for selecting and using different types of organizational ideas and subsequent performance control. Knowledge management goals have been divided into the following fields: the customer process field, the administrative process field and the transparency field (cultural processes). This paper does not deal with results in these fields.

Identification of methods for management of intellectual processes is the basis for measuring intellectual process capital in the Macedonian public sector. From this point of view, the paper can serve as a diagnostic instrument for identification and measurement of knowledge processes in the public sector as a basis for assessing intellectual process capital.

#### **4. Research Goals and Hypothesis**

The general hypothesis of the research is: **If** the application of appropriate methods for supporting intellectual processes exists in the Macedonian public sector, **then** measurement and management of intellectual process capital for fulfillment of strategic goals of organizations in the public sector is possible.

The main goal of the research is to measure existent methods that support the understanding of the intellectual process model in the Macedonian public sector. Method measurement is important for discovering the intellectual process capital. The second goal is to describe the presence of the proposed intellectual process model in the Macedonian public sector.

To achieve these goals, it was necessary to carry out a survey in the public sector, ministries, important public companies, health organizations, and the local government (Skopje municipalities). The survey was carried out during the second half of 2004.

Having in mind these constraints, one of the aims of the pilot study was to improve and to test out a questionnaire which will later be used to investigate the use of intellectual proc-

<sup>13</sup> *ibid.*

esses for evaluation of Intellectual Process Capital in the Macedonian public sector.

## 5. Material and Methods

The survey questionnaire was organized in two parts and eight sections: Knowledge management and processes in the public sector. Knowledge management design elements; Key Knowledge management processes in the public sector; Organization of knowledge and information sharing; Management of knowledge based organization; General strategies and policies for knowledge and information management; Information Communication Technologies and E-government; Budget for development knowledge and information management practices; and Demographic data about the organizations in the public sector. The questionnaire was distributed to 129 locales. 50 responses came back or 38.75%. Three ministries did not complete the questionnaire: the Ministry of Foreign Affairs, the Ministry of Internal Affairs and the Ministry of Defense.

**Table 5.1**  
*Distribution of the pilot survey by sector*

	Distributed questionnaires	Returned questionnaires	Share %
Public companies	12	9	6.97
Ministry's Head of Sectors	107	34	26.35
Public Health Organization	5	2	1.55
Municipality of Skopje	5	5	3.87
<b>Total:</b>	129	50	38.75

The analysis in this paper uses data from Section 3: Key knowledge management processes in the public sector. These types of data are essential for the analysis of the presence of an intellectual process model and are very important for the transformation of intellectual human capital into intellectual structural capital.

The questionnaire was submitted with an accompanying letter explaining the main purpose of the questionnaire and indicating who was to complete the questionnaire. The questionnaire was to be completed by the heads of ministry sectors, directors of public organizations, the mayor of Skopje and may-

ors of Skopje municipalities, and directors of public health organizations. The accompanying letter also included information about who was behind the study and how long it would take to complete the questionnaire, reasons for participating, benefits to participants, the background of the study, and how to make contact with the researchers involved.

Collected data enable analysis in four public sectors: public enterprises, ministries of Macedonian Government, public health organizations, Skopje City and its municipalities. This paper considers only some analyses.

All the data were statistically evaluated using SPSS 10.0 (Statistical Program for Social Science) which included descriptive statistics: a) Frequency tables; b) Cross tabs procedures cross tabulation, Chi squared, and Coefficient of Contingency, c) conceptual graphs, and d) tree hierarchy.

- a) Frequency tables were used to display data about the presence or absence of variables and their percentage.
- b) Cross tabulation was used for crossing the parameters found in public intellectual processes (the results are not described in this paper).
  - the Chi-square test was used for showing the probability of the association of two variables when a null hypothesis can be assumed and rejected;
  - the Coefficient of contingency is used to present the degree of correlation.
- c) Conceptual graphs are used as a knowledge specification tool for designing the intellectual process model. The abbreviations used in the model are based on thematic roles as subtypes of four types of participation (see list at end of paper).
- d) The hierarchy was used to present market value as a universal super type.

## 6. Results

The pilot study examined six basic intellectual processes in the Macedonian public sector. The general presence of intellectual processes is examined by the question: "What is the level of importance for proposed intellectual processes?" The results are presented in Table 6.1.

Identification of knowledge as a starting concept for the intellectual process model was presented by the following question in the pilot study: “What methods are used for knowledge identification in your organization?” The results show seven types of methods (Table 6.2).

The results for knowledge generation are important for understanding the growth/development of the public sector. The survey examines 8 methods for knowledge generation. The question was: “Which methods are used in your organization for knowledge generation?” The results are presented in Table 6.3.

After knowledge has been generated, the next important intellectual process is storage of knowledge. Four methods for knowledge storage have been examined. The organizations/agencies/sectors answered the next question: “Which of the following methods for knowledge storing are used in your organization?” (Table 6.4).

Six methods were examined for description of the knowledge distribution concept. The question was: “What is the level of usage of the following knowledge distribution methods in your organization?” (Table 6.5).

The concept of knowledge application is important in the execution of processes in organizations. Five methods for knowledge application are examined in the survey. The question for knowledge application methods was: “Which of the proposed knowledge applying methods are used in every day work?” The results are (Table 6.6).

## 7. Discussion

The result shows that most essential and important intellectual process activities that are found in applying knowledge came back with 75.5% “important” or “essential” responses.

This result is not surprising. Organizations in the Macedonian public sector are usually willing to apply knowledge and hence, their major concern is how and where to apply knowledge. The next process in the proposed model is knowledge creation. The presence of methods used for knowledge creation with answers “important” and “essential” is 61.3%, and for knowledge distribution within is 61.2%. The first fact shows that the Macedonian innovation system is not well structured for generating significant growth in the public sector. The second fact explains that there exist some methods for knowledge distribution. The study found that the Macedonian public sector has a significant problem with knowledge storage (51%), knowledge identification activities (49%), and knowledge formulation goals (55.1%) – those with “important” or “essential” answers. This can be understood to mean that one of the most important concepts of the intellectual process model – organizational memory system – is missing. Without it, knowledge is not in explicit form and can disappear very easily. The formulation of knowledge goals is very weak what means the existence of weakness in translating strategic goals at the intellectual process level. The very low percentage in knowledge identification methods in the Macedonian public sector is a result of not investing in this area.

The first concept in the intellectual process model is knowledge identification. The best two methods for knowledge identification with “sometimes” and “intensively” responses are using and creating manuals (47%) and internal and external benchmarking (44.9%). Others methods with “sometimes” and “intensively” answers are extremely disappointing: Visualization knowledge with knowledge maps (38.8%); using knowledge agency or external experts (36.8%); methods for iden-

**Table 6.1**  
*Intellectual processes in the Macedonian public sector*

	No Answer	Not relevant	Less important	Medium	Important	Essential
<b>Knowledge formulation goals</b>	8.20%	2%	14.30%	20.40%	32.70%	22.40%
<b>Knowledge identification</b>	4.10%	4.10%	2%	40.80%	30.60%	18.40%
<b>Knowledge creation</b>	0%	0%	8.20%	30.60%	32.70%	28.60%
<b>Knowledge storage</b>	6.10%	4.10%	10.20%	28.60%	30.60%	20.40%
<b>Knowledge distribution</b>	4.10%	4.10%	6.10%	24.50%	36.70%	24.50%
<b>Knowledge application</b>	4.10%	0%	2%	18.40%	44.90%	30.60%

**Table 6.2**

**Knowledge identification methods in the Macedonian public sector**

	No answer	Very low	Low	Sometimes	Intensively
Visualization with knowledge maps	16.3%	22.40%	22.40%	28.60%	10.20%
Method to identify core competence	18.40%	24.50%	24.50%	24.50%	8.20%
Creating manuals	16.30%	18.40%	18.40%	38.80%	8.20%
Design of web pages on internal expert knowledge	20.40%	18.40%	38.80%	12.20%	10.20%
Knowledge agency or knowledge broker, senior experts	16.30%	28.60%	18.40%	32.70%	4.10%
Internal and external benchmarking	18.40%	12.20%	24.50%	34.70%	10.20%
Knowledge portfolio of internal vs. external knowledge	24.50%	20.40%	26.50%	22.40%	6.10%
Other methods, instruments	28.60%	20.40%	12.20%	26.50%	12.20%

**Table 6.3**

**Knowledge generation methods in the Macedonian public sector**

	No answer	Very low	Low	Sometimes	Intensively
Knowledge acquisition from external sources	2%	0.00%	4.10%	36.70%	57.10%
Systematic processing of tacit knowledge - "Lesson learned"	2%	0.00%	12.20%	51.00%	34.70%
Interdisciplinary (project) teams with internal experts	6.10%	12.20%	18.40%	44.90%	18.40%
Learning labs	24.50%	26.50%	24.50%	22.40%	2.00%
Project teams with external experts	8.20%	8.20%	12.20%	42.90%	28.60%
Method to expose tacit knowledge	18.40%	10.20%	28.60%	32.70%	10.20%
Simulation of future worlds, scenarios	22.40%	32.70%	24.50%	16.30%	4.10%
Explicit strategies of learning	18.40%	10.20%	32.70%	28.60%	10.20%
Other methods, instruments	28.60%	16.30%	24.50%	26.50%	4.10%

**Table 6.4**

**Knowledge storage methods in the public sector**

	No answer	Very low	Low	Sometimes	Intensively
Expert systems	16.30%	16.30%	30.60%	22.40%	14.30%
Databases with information on knowledge objects	2%	4.10%	10.20%	26.50%	57.10%
Case studies, progress reports, success stories	12.20%	8.20%	18.40%	38.80%	22.40%
Manuals on standards and established methods	16%	12.20%	16.30%	28.60%	26.50%
Other methods, instruments	22.40%	12.20%	32.70%	28.60%	4.10%

**Table 6.5**

**Knowledge distribution methods in the public sector**

	No answer	Very low	Low	Sometimes	Intensively
Expert teams, knowledge circles, circles of learning to pass on knowledge	10.20%	16.30%	18.40%	42.90%	12.20%
Internal publication, documentation	4.10%	12.20%	20.40%	36.70%	26.50%
Experienced co-workers act as coaches and mentors	8.20%	16.30%	12.20%	49.00%	14.30%
Interdisciplinary project teams for internal distribution	6%	18.40%	18.40%	40.80%	16.30%
Intranet (access to databases, etc.)	2%	14.30%	14.30%	30.60%	38.80%
Intelligent agent technology for the individual distribution of knowledge	22.40%	30.60%	28.60%	18.60%	0.00%

**Table 6.6.**

**Knowledge application methods in the public sector**

	No answer	Very low	Low	Sometimes	Intensively
Initiatives working against the "non-invented-hear" syndrome	18.40%	22.40%	16.30%	34.70%	8.20%
Autonomous interdisciplinary teams	10.20%	24.50%	18.40%	42.90%	4.10%
Obtaining internal expert opinion on results	8.20%	6.10%	16.30%	44.90%	24.50%
Measurement of knowledge controlled	10.20%	16.30%	30.60%	30.60%	12.20%
Coaching of teams by experienced experts	6.10%	6.10%	12.20%	55.10%	20.40%
Other methods, instruments	24.50%	16.30%	16.30%	40.80%	2.00%

tifying core competences (32.7%); designing web pages for supporting internal expert knowledge (22.4%); and knowledge portfolio of internal versus external knowledge (28.5%). Actually, all results clearly show that you intellectual process of knowledge identification is not taken seriously by the Macedonian public sector. All presented results are under 50%. This fact shows that the concept of knowledge identification in the proposed intellectual process model is missing.

The obtained data show that a high percentage (93.8%) of organizations in the Macedonian public sector use external sources for acquisition of knowledge. On the other hand, only 20.4% do some simulation for the future. It is evident that anything not requiring investment in knowledge generation is welcomed while serious simulation and forecasting for surviving in this competitive world is a problem. The reason for these results might be the current educational system where the transfer of practices for knowledge generation is missing. Another characteristic of the Macedonian public sector is the use of methods of other people's knowledge (85.7% responded with "sometimes" and "intensively"), and at the same time, they don't want to expose their own tacit knowledge (only 42.9% expose tacit knowledge "sometimes" and "intensively"). The reason is clear: sharing of knowledge is not a motivating factor in public sector organizations. In the last decade, after Macedonia acquired independence and started the process of transition, many projects founded using different sources came to the country. Today this process has enabled us to have a response of 71.5% of organizations in public service that are using project teams with external experts. This is a good indicator that shows that teamwork is already in practice and could be much better in future. These last two facts show that using one's own knowledge in a teamwork environment is a practice but is not the same as sharing knowledge in teamwork. The situation with multidisciplinary project teams and internal experts is slightly less at 63.3%. The actual situation shows that organizations must strongly develop multidisciplinary teams to solve current complex problems. The Macedonian public sector has a lot of space for better usage of multidisciplinary teams. Finally,

only 38.8% responded that within organizations there were some learning strategies, and in only 24.4% some type of learning lab was used. The above two figures show that within organizations in the public sector, there are no organized efforts and equipped places for learning. We can find an exception only in the situation where external foreign aid is used to make some reform in the public sector. This unwanted situation could be changed through introduction of life-long learning practices in public sector organizations, and especially with the introduction of modern human resource management practices.

Four methods of storing knowledge were examined in the survey (Table 6.4). The most exploited way of storing data in Macedonian Public organizations are databases. 83.6% of examined organizations indicated they use databases sometimes and intensively to input data for knowledge objects. This is a very high percentage for the Macedonian public sector, especially because the examined organizations are very knowledge intensive. I have one small reserve in regard to such a result because sometimes those completing questionnaires do not understand the difference between database and data about knowledge objects in the database. More than half of the organizations also have storage for case studies and best practices (61.2%, with "sometime" and "intensively" answers), and in 55.1%, they use standards stored in the form of manuals. These 3 indicators show that at the data level, organizations are much better than in the case when they have to store something on the conceptual or model level. The situation is not satisfactory at the knowledge level where the expert system dominates (36.7%) with "sometimes" and "intensively" answers.

Six methods for knowledge distribution were examined in the survey. Only 18.6% "sometime" and 0% "intensively" use some type of intelligent agent technology. This fact shows that public intelligence is not significantly present in the Macedonian public sector. Actually, we have an indicator that systems for sophisticated decision-making are not in use. This fact could be very worrying for government agencies and sectors because they are responsible for decision-making preparation processes.

The second finding is the presence of intranet technologies and databases as a method for knowledge distribution. In the Macedonian public sector, their presence is 69.4%, with “sometime” and “intensively” answers. These data show that there exists some kind of protected distributed knowledge in the form of digitized practices and data. The results show that using project teams as a method of knowledge distribution is 57.10% with “sometime” or “intensively” answers. This is an unsatisfactory result that is almost the same as the results from interdisciplinary project teams for knowledge generation (63.3%). Actually, all collected data show that, usually, distribution of knowledge is through proof mentoring, participation in teams and internal publications but the presence does not exceed 64%. The conclusion is that teamwork is still unsatisfactory and this needs to be overcome in order to achieve successful knowledge distribution in the Macedonian public sector.

The final concept in the intellectual process model is knowledge application. The predominantly positive self-assessment was at coaching of teams by experienced experts (75.5%). This percentage shows that mentoring is a very popular way in the process of preparing workers to apply knowledge, and has strong roots in the old system. Almost the same is his true with internal expert opinion at 64.9% positive responses. We have answers in less than half (49%) of the respondents in autonomous interdisciplinary teams for knowledge application. This presence is so low and means that interdisciplinary approaches are not a well-established practice in the Macedonian public sector organizations. Finally, methods for measurement of knowledge control (42.8%) and existence of supporting innovative initiatives (42.9%) are not satisfactory. These two facts indicate that a control system is missing in the process of knowledge application and taking innovative initiatives.

The relationship between intellectual processes is very important for and innovative public sectors and an innovative business. This paper does not analyze these relationships but recognizes that they are very

important for fully understanding the proposed intellectual process model.

A comparative analysis with former research is not possible in this discussion because the pilot study was done for the first time in Macedonian environment. It is a good basis for future comparative analysis, however.

The proposed intellectual process graph model was designed to express the complexity of problems in intellectual process management and measurement in public sector organizations. The model is knowledge representation of intellectual processes and the basis for translation of it into a computer model.

## 8. Continuing Work

Continuing research is needed to fully investigate and populate intellectual process relation components with the purpose of intellectual process capital measurement. A possible approach for this is within the cognitive management framework. I expect that different intellectual process capital types will easily be incorporated within this type of framework because it is general and can serve as a basis for deeper classification. In addition, as we discover more specific types of IPC, they can be easily added into the existing structure. A more complicated issue that needs to be addressed is the representation and analysis of the most general framework of IC. A method is needed to decompose complex dependencies in order to simplify analysis. In addition, research is needed on the formal analysis of the method for IC analysis, and the complexity of that method.

## 9. Significance

Without the introduction of knowledge management core processes and best practices, analysis of the intellectual process model and further identification of different types of intellectual process capital is very difficult. Through identification of the intellectual process model and different types of this model as well as methods of implementation, it is possible to make assessment of the real market value of public sector organizations. In this case, the paper shows the way for understanding the degree of presence of knowledge

management process methods as a basic element for public intellectual process capital measurement and management.

## 10. Conclusion

The approach given in this paper shows that core knowledge management processes and their methods are a foundation for analyzing the intellectual process model as a basis for assessment of intellectual process capital and management of intellectual processes. The initial research indicates that this approach provides a general analysis of intellectual processes and its relations. This paper also shows that core methods for supporting knowledge management processes provide a powerful approach to represent, characterize, and analyze intellectual process model as intellectual capital. Using different methods for supporting knowledge about intellectual processes, we can more easily model intellectual process capital subtypes. In that direction, the continuation of research will extend these results.

## 11. Acknowledgment

Realization of the project "Knowledge Management and Information in the Macedonian public sector" was partly funded by the Ministry of Education and Science, Republic of Macedonia. Also, I would like to express my thanks to all ministries, heads of sectors, the mayor of Skopje and mayors of its municipalities, and directors of public companies for their own contribution to the pilot study.

## References

1. Edvinsson, L. (2002), *Corporate Longitude*. London: Pearson Education.
2. Amidon, D.M. (2001), *The Intellectual Capital of Nations*. Entovation International. URL: <http://www.entovation.com/whatsnew/ic-nations.htm>.
3. Bontis, N. (2004), "National Intellectual Capital Index. The Benchmarking of Arab Countries." *Journal of Intellectual Capital*, Vol. 5, Nr. 1.
4. Edvinsson, L. and Malone, M.S. (1997), *Intellectual Capital*. Harper Collins, New York, NY, p.5.
5. Skyrme, D. (2002), *Know How*, David Skyrme Associates. URL: <http://www.skyrme.com/pubs/kwhyhow.htm>
6. Davenport, H.T. & Prusak, L. (1998), *Working Knowledge - How Organizations Manage What They Know*. Harvard Business School Press, Boston, Massachusetts, U.S.A. p.52
7. O'Dell, C. (1996), "A Current Review of Knowledge Management Best Practices." *Conference on Knowledge Management and the transfer of Best Practices*. Business Intelligence. London. December.
8. Wiig, K. (1997), "Knowledge Management: Where Did It Come From and Where Will It Go?" *Expert Systems with Applications*, Pergamon Press/Elsevier, Vol. 14.
9. Skyrme, J.D. (1999), *Knowledge Management*, David Skyrme Associates. URL: <http://www.skyrme.com/insights/22km.htm>
10. Wiig, K. (1993), *Knowledge Management Foundation*, Schema Press.
11. Sowa, F.J. (2000), *Knowledge Representation: Logical, Philosophical, and Computational Foundations*, Brooks Cole Publishing Co., Pacific Grove, U.S.A.
12. Davenport, p.52
13. *ibid.*

## List of abbreviations used in the paper

<b>BPR</b>	Business Process Reengineering
<b>Effec</b>	Effector
<b>EU</b>	European Union
<b>FC</b>	Financial Capital
<b>IC</b>	Intellectual Capital
<b>INDOK</b>	Information Documentation Knowledge
<b>Inst</b>	Instrument
<b>IPM</b>	Intellectual Process Model
<b>KM</b>	Knowledge Management
<b>OMS</b>	Organization Memory System
<b>Pati</b>	Patient
<b>PSI</b>	Public Sector Intelligence
<b>Recip</b>	Recipient

## Information for Contributors

The *Occasional Papers* are devoted to public administration and public policy issues based on empirical research carried out in Central and Eastern Europe.

### **Papers**

Decisions about the publication of a manuscript are based on the recommendation of the main editor and an additional review process conducted by two appropriate specialists from a relevant field. The main editor and/or deputy editor selects these specialists.

Submissions should not have been published previously and should not be under consideration for publication elsewhere. Papers presented at a professional conference qualify for consideration. The submission of manuscripts that have undergone substantial revision after having been presented at a professional meeting is encouraged.

### **Components of a Policy Paper**

#### **Presentation of the Issue**

What is the problem that requires action?

#### **Scope of the Problem**

What is the history and current context of the issue? How did it become an issue? Who is affected and how severely?

#### **Consultations**

What are the views or positions of groups who will be significantly affected? What are the concerns of other ministries/agencies who will be affected?

#### **Options for Consideration**

What three or four distinct options should be considered? What are their implications? What are their advantages and disadvantages?

#### **Additional Issues:**

Consistency with the government's priorities; the effectiveness of available options in addressing the issue; the economic cost-benefit; the effects on taxpayers; the impact on the private sector; environmental impacts; the fiscal impact on the government; the disproportionate impact on various groups or regions; the complexity and timing of implementation; public perception; and constraints raised by legal, trade, or jurisdictional issues.

#### **Recommendation (s)**

What is the proposed course of action? Why was it chosen over other possibilities?

#### **Implementation Issues**

What are the financial impacts of the proposed course of action? What are the implications for government operations? Will the proposal require regulatory or legislative changes? What is the proposed means of evaluation?

#### **Communications Analysis**

What is the current public environment? What are the key issues of contention, and how can they be addressed? What is the position of key stakeholders, both inside and outside the government, on the proposal, and what communication vehicles should be used for each? How does the proposal relate to government reform priorities? What is the objective of communication on this issue? What is the key message?

### **Structure of a Paper**

#### **Title**

The title should be a brief phrase adequately describing the content of the paper.

#### **Abstract**

An abstract is a summary of the information in a document. The abstract should not exceed 250 words. It should be designed to clearly define the contents of the paper. The abstract should: (i) state the principal objectives and scope of the research; (ii) describe the methodology employed; (iii) summarise results and findings; and (iv) state the principal conclusions. References to literature, bibliographic information, figures or tables should not be included in the abstract.

#### **Introduction**

The introduction should supply sufficient background information on the topic and also provide the rationale for the present study. Suggested guidelines are as follows: (i) the introduction should first clearly present the nature and scope of the problem that was researched; (ii) it should provide an overview of the pertinent literature used; (iii) it should state the research methodology employed and, if necessary, the reasons for using a particular method; and (iv) the principal results of the investigation should be stated.

#### **Results**

This section should contain an overall description of the topic and present data gathered during the research project. The manuscript should utilise representative data rather than repetitive information. Data that will be referenced several times in the text should be provided in tables or graphs. All data, repetitive or otherwise, should be meaningful. Results must be clearly and simply stated as the section comprises innovative research findings for an international community of academics and practitioners.

#### **Discussion**

This section presents principles, relationships, and generalisations indicated by the researcher's findings. This should not restate information present in the results section, but should: (i) point out any exceptions or lack of correlation; (ii) define unresolved issues; (iii) show how the results and interpretations agree (or contrast) with previously published work; (iv) discuss the theoretical implications of the work, and any possible practical applications; and (v) summarise the evidence for each conclusion. The primary purpose of the discussion section is to show the relationships among facts that have been observed during the course of research. The discussion section should end with a short summary or conclusion regarding the significance of the work.

#### **Acknowledgements**

Assistance received from any individual who contributed significantly to the work or to the interpretation of the work and/or outside financial assistance, such as grants, contracts, or fellowships, must be acknowledged.

#### **References**

Only significant, published references should be cited. References to unpublished data, papers in press, abstracts, theses, and other secondary materials should not be listed in the references section. If such a reference is essential, it may be added parenthetically or as a footnote in the text. Secondly, authors should verify all references against the original publication prior to submitting the manuscript. Stylistically, authors should utilise the in-text parenthetical reference system with complete references alphabetised at the end of the text.

# NISPAcee occasional papers



## **NISPAcee Secretariat**

Hanulova 5/B  
P.O.Box 163  
840 02 Bratislava 42  
Slovak Republic  
tel/fax: +421-2-6428 5357, 6428 5557  
e-mail: [nispa@nispa.sk](mailto:nispa@nispa.sk)  
<http://www.nispa.sk>

ISSN 1335-5945

