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## VOLUNTEERING IN JAPAN AND GERMANY: HOW MORAL CITIZENSHIP STRENGTHENS SOCIETY AND THE STATE

Patrick Hein

FPC Japan

### ***Abstract***

*For many years the prevailing image of Japan and Germany was one of “strong state, weak civil society”. The market and the state dominated public life. This article traces the role of the state in the civil society traditions of Japan and Germany and questions the “state versus civil society” institutional approach. First, it proposes a normative theoretical framework that overcomes the state/civil society dichotomy by highlighting the impact of political culture on institutional patterns of governance. Second, it contends that modern volunteering is agent based and driven by concerns for “moral citizenship” going beyond mere advocacy and traditional political activism. Third, it argues that libertarian value changes represent a shift towards greater autonomy and self-assertiveness among citizens. The article concludes that selfless volunteering has been incremental in shaping a more legitimate state and a more self responsible society in both countries.*

**Keywords:** civil society, state, Germany, Japan, public goods, political culture.

### **1. Introduction**

When Japan was struck by two major natural disasters in 1995 (Kobe earthquake) and 2011 (Tsunami and nuclear disaster in northern Japan) the central state and local governments were initially overwhelmed by the size and scale of the disaster. They could not and would not respond in a timely and speedy manner. It was the helping hands and spontaneous aid offered by many civilian volunteers that played a major role in providing relief to those in distress. The strength of civil society is its normative foundation, that is to say the individual motivations that drive people to act in a certain way going far beyond what the state wants or expects them to do. Yet what motivates citizens to act spontaneously and voluntarily for the public good without being paid and without pursuing private interests? What constitutes the public good, who defines it and how has it changed? These are the primary research questions that, when answered, explain the factors behind a state’s civil society. The study will seek to provide evidence to support the argument that volunteering is not primarily shaped by the state or institutions but driven by agency based value changes and that these changes benefit both civil society and the state. It will complement the existing normative research done by Hasegawa, Aldrich and

Haddad on the role of “social expectations” and “individual agency” for Japan and on the role of socio-cultural factors such as “moral vocation” or “civic virtues” by Max Weber for Germany.

The structure of the paper will reflect the logic of the argument. In the following section the comparison scope, methodology and definitions will be introduced. The third section the paper will present and discuss the scholarship on civil society in Japan and Germany and highlight some important differences between the two states. In the fourth section a historical typology of state-civil society relationships will help to conceptualize the position of the author. Empirical data supporting value changes and the renaissance of moral citizenship will be presented and discussed. It will be concluded that despite some legal and institutional disparities Japan and Germany present similar cases of new style volunteering rooted in individual agency, the quest for moral citizenship and personal principles.

## 2. Why Japan and Germany?

Japan and Germany have experienced a steady increase in mostly non-advocacy based volunteering over recent decades. In Germany the origins of civil society can be traced back to the Prussian welfare state while in Japan civil service is rooted in the public civil service duty under the Tokugawa regime. In the past, civil service was conceived as a state inspired duty and social obligation of citizens towards a paternalistic strong state. Public service served the purpose of top down social cohesion. Both countries went through a phase of totalitarian dictatorship by the military and both countries were late in building a nation state. After the war both countries became very strong export economies with a strong industrial base. The political culture of both countries presents similar traits as well. In this paper political culture will be defined as the attitudes and values of individuals towards the political system. It has been described as conservative, conform, orderly, subordinate, disciplined, subject oriented and obedient (Berg-Schlosser et al<sup>1</sup>; Richardson<sup>2</sup>).

The historical phases of civil society development offer room for comparison. In both countries volunteering was initiated by the state and aimed at strengthening the social cohesion top down. The 19<sup>th</sup> century German term *Ehrenamt* (honorary office holder) designates an important social function with ties to officialdom

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1 Dirk Berg-Schlosser and Ralf Rytlewski, *Political culture in Germany* (Palgrave Macmillan,1993).

2 Bradley M. Richardson, *The political culture of Japan* (University of California Press, 1975).

whereas the Japanese term *houshi* (public service) describes service in the public interest. Today the more neutral terms of the German *Freiwilligenarbeit* (volunteer work) and Japanese *borantia* (from the English word “volunteer”) describe a different style bottom-up volunteering. During the interwar years a loss of confidence in political institutions led to a vertical division of civil society. The mass organizations of the state absorbed civil society under totalitarian rule in the 1940s. After the war both states reorganized civil society under the premise: economic development, social welfare and affluence for all.

Another reason for comparing Japan and Germany lies in the Japanese willingness to learn from the German public service model and replicate elements of the German social welfare system and civil law. The Volunteer Welfare Commissioner system *minsei'in* was modeled, for example, after a German program. The German cooperatives served as example for developing the Japanese cooperative union model in the Meiji era. Additionally, the German Civil Code served as example for the first Japanese Civil Code in the Meiji era.

Last but not least both countries are confronted with similar socio-economic challenges such as the rapid aging and low fertility of their respective populations which makes them an interesting comparative case. The reason for the significant presence of NPOs (Non profit organization) in the welfare, child and education spheres (Table 1) has to do with the socio-economic transformations that have taken place in both countries.

**Table 1: Most important areas of nonprofit engagement**

	<b>Most important</b>	<b>Second</b>	<b>Third</b>
<b>Germany</b>	Sports, fitness and wellness	Children and Youth	Church and religion
<b>Japan</b>	Health and Welfare	Education	Child wellbeing, health and child education

Sources: AMB Generali Holding AG 2009.

*What do we compare?*

This study will not deal with pure advocacy NPOs and public interest corporations such as interest federations (*Verbaende* in Germany; *kyoukai* in Japan), incorporated associations (*shadan hojin*) or foundations (*Stiftung* in Germany; *Zaidan* in Japan) for good reasons. Japanese public interest corporations are

supervised by the state and are therefore not independent. There exist some 25,000 public interest corporations including Japan's largest and most established nonprofits. The two classifications in the category of public-interest corporations (*koeki hojin*) are incorporated foundations (*zaidan hojin*), and incorporated associations (*shadan hojin*). Japanese style *shadan hojins* are not to be confused with German style NPO associations (*Vereine*) because although being formally non-governmental and not for profit they are subject to tight state supervision and guidance. Some of the large *shadan hojins* such as the *Tokushukaikai* group, a medical business conglomerate, have an operating income of 3000 billion Yen and a fulltime paid staff of 23,000. The group operates hospitals, nursing care homes and owns even a quasi professional gymnastics club. The legal set up of the *Tokushukai* group is complex because it is active in many different areas. It even maintains cooperatives and established a small NPO branch within the huge group in 2005 in the area of international disaster relief.

Federations primarily defend the interests of their member associations or pursue lobbying activities to influence others and are therefore excluded from this study. The role of private company foundations and the question if the *Toyota* foundation in Japan or the *Bertelsmann* foundation in Germany are really pursuing selfless goals remains controversial. The paper does not take into account pure advocacy groups either. Advocacy is defined as the political lobbying for social or legal changes on behalf of a group of people. A typical advocacy group would be the German automobile drivers association, ADAC, one of the largest German NPOs with 16 million members. It is a body that represents the rights of car drivers and promotes the usage of automobiles in society. It has strong financial resources, a large legal team of lobbyists to defend its interests, many fulltime paid staff and a large organizational network. Even though it is a *Verein* (NPO) in legal terms, "it is not and has never been pursuing a public interest"<sup>3</sup> according to their CEO. Other advocacy groups such as foreigner's rights groups, environmental associations or peace and human rights groups play an important role but they form, statistically, only a small part of civil society in both Japan and Germany. For Germany it has been found that a mere 2.7% of the population volunteer for political or advocacy purposes, in Japan the advocacy level may even be much lower. One should also be aware that non-advocacy can be perceived as strength: for example some Japanese NGOs in Afghanistan such as the association 'Peshawar Kai' have gained a high reputation precisely because they do not engage in advocacy but in humanitarian

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3 Die Welt online edition, 28.06.2001, available at [http://www.welt.de/print-welt/article459779/ADAC\\_will\\_Leistungen\\_ausbauen.html](http://www.welt.de/print-welt/article459779/ADAC_will_Leistungen_ausbauen.html), accessed on July 1, 2011.



groundwork. Compared to some of their Western counterparts they have maintained strict political neutrality.

### *Methodology*

To understand the differences and similarities between German associations and Japanese NPOs it will be necessary to compare the legal, sociological and normative features of civil society organizations in both countries. This study will seek to support the argument by presenting and discussing empirical data from Flanagan and Lee on value changes in Japan, similar data for Germany from the national social survey database ALLBUS as well as opinion survey results on volunteering.

### *Civil society: embracing vertical autonomy and horizontal cooperation*

There seems to be general agreement among scholars that civil society has to be thought outside the realm of the private but at the same time also outside the realm of traditional state or market institutions. Trentmann has suggested that the logic of civil society is globally the same:

Non-European debates on civil society engage with many of the problems and debates European societies had as well- the relationship between inclusiveness and exclusiveness, between plurality and order, between shared religious and cultural values and toleration, between self-governing associations and their relative dependence on states and markets<sup>4</sup>

A German definition, taken from the Federal Agency for Political Education webpage, stresses the desire for citizen's self-organization in the wider sphere of society:

Civil society is a political and philosophical concept, which challenges both the tendency to self-centered individualism (as assumed for Western societies) as well as the complete politicization of all spheres of life (as practiced in the former socialist countries). The idea of civil society calls for a separation between the narrow, political-public sector and a wider, social-private sector, whereby the state-free space is nurtured and maintained by

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4 Frank Trentmann et al, *Civil Society : A Reader in History, Theory, and Global Politics* ( Palgrave Macmillan, 2005), 21.

various forms of *self-organization and self-government* (through clubs, organizations, associations etc.)<sup>5</sup>

A Japanese definition, taken from the Osaka volunteer center webpage, stresses the importance of cooperation and horizontal networking:

Civil society values its citizens' independence and autonomy. It is a society in which various private organizations, like non-profit organizations, can increase their roles in society by being autonomous and collaborating with governments and corporations. It's not too much to say that such a society gives greater importance to horizontal networking rather than vertical hierarchy while maintaining individual responsibility<sup>6</sup>.

The key words found in such definitions of civil society are independence, autonomy and self-organization. The German definition suggests that civil society offers a third way between selfish individualism and total control of the public sphere by the state.

#### *NPOs and the public benefit status*

The German definition for incorporated or unincorporated association (*Verein*) does not anticipate a public benefit clause. An association is a membership organization whose members have come together to permanently pursue a common purpose. The above definition does not stipulate that the purpose must serve the public good. Non-economic registered associations (in German "*Idealvereine*") however must have a primary aim and activity other than the conduct of business. They can but must not apply for public benefit status. Being recognized as public benefit organization allows for substantial tax benefits. Public benefit in Germany is defined as an activity that is either charity based or enhances public well-being.

In Japan NPOs must first give proof that they fall under one of the below public benefit categories before they can apply for registration. Furthermore, the public benefit status does not automatically lead to a preferential fiscal status as in Germany. Since 1998 more than 41,600 organizations have been granted NPO

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5 German Federal Agency for political Education, *Online political dictionary*, available at [http://www.bpb.de/popup/popup\\_lemmata.html?guid=TSKNGL](http://www.bpb.de/popup/popup_lemmata.html?guid=TSKNGL), last accessed on June 30, 2011.

6 Osaka Volunteer Center homepage, available at: <http://www.osakavol.org/english/share/share010.html>, last accessed on June 30, 2011..

status. Even if legal recognition has been achieved, financial independence continues to be a problem. To maintain independence NPOs should ideally be independent from state funding or from corporate donations. To maintain daily operations NPOs rely on donations from private citizens and membership fees. The bureaucracy has the power and discretion to judge whether an NPO deserves tax exemption status. According to an Asahi newspaper editorial from January 3, 2009 only 90 NPOs have been able so far to obtain the tax exempt treatment allowing them to receive tax free donations that are vital to support their activities and remain independent from government funds and control. A law passed in June 2011 (which goes into effect in 2012) will simplify the process of gaining favorable tax status. Certification will be done by municipal authorities rather than the national tax agency.

A third difference is the fact that NPOs in Japan are not allowed to primarily pursue religious or political goals, whereas in Germany they are encouraged to support the “development of a democratic state building” and engage in religious activities<sup>7</sup>. NPOs are required to demonstrate to the responsible government agency that they provide a public benefit in order to obtain legal personality. If the application has been correctly filed the local authorities must approve it. They cannot reject an application for personal reasons or by simply disagreeing with the aims of the NPO. The authorities may, however, dissolve an organization by revoking the initial authorization if they conclude that it no longer serves the public interest. Despite fears that the state might abuse his power, only a few NPOs have to date been stripped of their status. Among them are some dubious or even criminal organizations that have operated under the NPO status umbrella. Although NPOs are allowed to pursue political goals in Germany, state authorities keep an eye on anti-constitutional associations: more than ten rightwing associations have, for example, been disbanded in the recent past because their activities are believed to endanger the constitutional order.

It is important to note that the public good is not a category with fixed content but one that is subject to change by those who define it. In the past the public good in Japan was defined by bureaucrats, it was restricted to what was in the national interest and state dependent public interest corporations were entrusted with ensuring it. In the 1990s, though, it was reframed by politicians and civil society activists. The NPO law was drafted by politicians in conjunction with more than 3000 associations and not by the bureaucracy. It was unanimously passed as a

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7 Lester M. Salamon and Helmut K. Anheier, *Defining the nonprofit sector: Germany*, Working Papers of the John Hopkins comparative nonprofit sector project, 1993, 14

bipartisan law and reflects the consensus of all parties. As a joint effort, it represents a willingness to allow for more citizen involvement in defining the public good. It was a negotiated process whose outcome depends on political culture, value preferences and attitudes of those involved. Citizens have increased public awareness and become active in areas neglected by the state and the market. Gender issues and empowerment of women, elderly and child care, protection of minors, food safety, special educational needs and vocational training, migrant needs, minority rights, mental health needs, natural disaster relief, fair trade, social injustice and unemployment, the challenges posed by the modern knowledge and information society, peace and war reconciliation, international grass root development projects have been of particular concern for NPOs.

The motivations, purposes and circumstances of volunteering have been subject to changes. First, civil society is less dependent on and influenced by institutions and structures compared to the past. Volunteers take greater personal responsibility and spontaneous action without asking first what the state can do for them or asking for state funding. Furthermore, public confidence in institutions such as the Church or the state has been decreasing. Second, the paper will discuss to what extent changing values account for volunteerism. Third, compared to old style state supervised, wealthy public interest corporations, the features of civil society organizations (NPOs) have changed. The volunteer himself has become the most important resource. This is especially true for Japan where most NPOs have no preferential tax status and depend almost entirely on the goodwill and enthusiasm of the volunteers. It is also believed that the vertical structure of NPOs is more egalitarian and autonomous compared to traditional hierarchical organizations and that NPOs enhance horizontal cooperation with a wide variety of actors such as national and local state institutions, private companies and even international bodies.

### **3. The state-civil society relationship from a theoretical perspective**

Social scientists in Japan and Germany have shown a continuing interest in the civil society phenomenon. Questions such as what constitutes civil society? why it is either believed to be strong or weak? what sets it apart from the state? and whether it can be equated with democracy or not demand further exploration. The currently available scholarship on civil society in Japan proposes broadly two opposing models of state-civil society relations. The first assumes that civil society is opposed to the state and reacts in protest to state policies that are perceived to be unjust, harmful or threatening. The second assumes that the state bureaucracy is viewing civil society as an auxiliary and convenient tool for implementing state welfare

policies in a cost effective way. In both cases the focus is on fixed, institutional patterns that are believed to govern state civil society relations.

Most studies argue that independent organizations are marginalized and face major state-imposed obstacles to conducting civic activity. Influential scholars who represent the “weak civil society-strong state” thesis for Japan include Pekkanen, Avenell and Ogawa. Drawing from the Western perspective, they postulate that civil society must be professional, have a strong sense of advocacy and be able to influence politics on a national institutional level. For them Japan is a good example of a state that seeks to regulate and tame a passive and weak civil society. Thus, Pekkanen has defined Japan as a civil society composed of “members without advocates”<sup>8</sup>. Accordingly one should distinguish between local political groups and interest groups on the national level in order to understand civil society. The state has encouraged the vertical formation of civil groups in neighborhoods, towns and villages but discouraged it at the national level. Japan, with strong ideas of vertical, top down state collectivism (i.e. family state, developmental state), strict corporate organization principles (i.e. the family style Japanese company) has many local organizations – neighborhood associations, volunteer firefighters, and PTAs – that have ties with officialdom in the tradition of the *houshi* compulsory public service system. As Neuman remarks,

the Japanese state has for a long time restricted civil society to categories that could serve as auxiliaries to state functions- social services, private school foundations, medical organizations and religious institutions”<sup>9</sup>.

Ogawa argues that the state’s intention has been to create apolitical NPOs that replace state provision of social services, to cut costs in public administration. He asserts that the current situation, in which people are conveniently mobilized in the name of civil society for the neoliberal state, represents a “failure of civil society”<sup>10</sup>. The state oversight for the creation and running of NPOs also ensures that NPOs remain apolitical. Ogawa warns that such an NPO sector limits dynamic social and political participation—a key component in democracy. Avenell has described the

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8 Robert Pekkanen, *Japan’s dual civil society: members without advocates* (Stanford University Press, 2006).

9 Lawrence Neuman, *State and social citizenship in Japan*, *Journal of Contemporary Asia*, Volume: 38, Issue: 3, 2008, 455

10 Akihiro Ogawa, *The Failure of Civil Society? The Third Sector and the State in Contemporary Japan* (Albany, NY: State University of New York Press, 2009), 184.

Japanese style civil society a “harmonious space for social capital initiatives by largely apolitical civil groups”<sup>11</sup>.

At the other end are those scholars who view civil society as the antithesis to the cozy “Iron Triangle” - which describes the alliance of the bureaucracy, business sector and political parties - style of Japanese politics that has dominated public life for a long time. Broadbent, Chan, Hasegawa, Reimann and Kingston represent this spectrum. They subscribe to an activist vision of civil society which is essentially a collection of progressive social movements which are opposed to the neoliberal state and market. In their opinion the strength of civil society can be measured in terms of its ability to move the state. They argue that the root of recent social and political transformations lies in the power of civil society to either channel international norms towards domestic activities, to initiate progressive policies or oppose controversial public works projects or to promote institutional reforms and legal improvements.

The anti-state civil society perspective and the state led weak civil society approach have one thing in common: they both assert that civil society and the state are two distinct and separate institutional entities. Some scholars have tried to overcome the state/civil society antagonism perspective by proposing an alternative third way. Hasegawa, Waley, Aldrich and Haddad have questioned the institutional mechanism of “civil society versus state” in the Japanese context. Based on field research done on river embankment policies, anti-nuclear site protest activities and social welfare provisions the authors have concluded that a more differentiated approach is needed to explain how civil society is interwoven with the state on the central and local levels. A state-in-society approach conceptualizes the state as embedded in rather than independent of society. Local government officials may act in unison with local civil society representatives to influence state policies on the national level.

The German researcher Helmut Anheier, one of the leading international experts on civil society, has co-developed a theory to interpret the typology of various nonprofit welfare systems across borders. Anheier and Salamon’s neo-institutional social origin theory is the only current theory that tries to explain the development of non-profit regimes cross-nationally (Salamon and Anheier<sup>12</sup>). In the so-called

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11 Simon A. Avenell, *Civil society and the new civic movements in contemporary Japan: Convergence, collaboration, and transformation*, The Journal of Japanese Studies, Volume 35, Number 2, Summer 2009, 282.

12 Lester M. Salamon and Helmut K. Anheier, *Social Origins of Civil Society*, Voluntas: International Journal of Voluntary and Nonprofit Organizations, 1998, 9(3): 213-248.

liberal regime, low government social welfare spending is associated with a relatively large nonprofit sector. At the opposite extreme is the social democratic regime. Here, the state has assumed the task of sheltering the working class against social risks so that little room is left for service-providing nonprofit organizations. Germany and Japan are classified on different scales: whereas Germany's nonprofit sector occupies a large size despite high government social welfare spending (corporatist model), Japan's nonprofit sector is of limited scale and government social welfare expenditures are relatively low (statist model). The theory is a descriptive classification of the way institutions have affected civil society in the past.

The social origins theory draws both from Marxian institutional, socio-structural variables and from the Weberian approach, acknowledging the independent role of socio-cultural factors such as religious elements. For the purpose of this study the work of the German sociologist Max Weber<sup>13</sup> is of particular importance for understanding the role of the modern self and individual agency in sustaining civil society. For Weber the cultivation of subjective values and virtues rooted in religious beliefs are critical for the survival of liberal democratic states. What he called *Berufung* - the moral vocation and purpose people attach to their professional lives - has a decisive impact on their level of participation in society. Civic virtues have their origins in the religious worldviews of the German protestant asceticism. Weber assumed that different religions produce different interpretations of the world and generate therefore also different attitudes and motivations. The rational-methodological protestant lifestyle was enhancing an active stance both in society and economics. In the process of secularization the protestant values and virtues have become self sustaining and have continued to influence modern behaviors without necessarily being rooted in religion anymore. This leads us to the main topic of interest: under what circumstances has civil society been constrained or enabled? To seek answers to this question it seems imperative to propose an operational framework that captures and clarifies the historically grown, interwoven connections between state and civil society in both countries.

#### **4. Political culture, civil society and patterns of governance.**

The next step will be to analyze the factors that explain the changing relationship between state and civil society and to answer the question: have changing patterns of government (institutions) been shaping civil society or has political culture (the

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13 Max Weber, *Gesammelte Aufsätze zur Religionssoziologie* (English: Collected essays on the sociology of religions), Stuttgart: UTB, 1988.

rise of individual agency and moral citizenship) been incremental in the loss of confidence and public trust in institutions? Table 2 summarizes the interplay and interdependence of political culture, organizational patterns of governance and state of civil society. It is assumed that political culture and value changes have a critical influence on patterns of governance. As an example, the empirical findings on the authoritarian character by Fromm<sup>14</sup> for pre-Nazi Germany describe how undemocratic civic attitudes and traits contributed to institutional weakness and the vertical segmentation of society. The findings confirmed his thesis that German workers and employees showed signs of an “authoritarian-rebellious” personality responsible for the later triumph of Nazi ideology and the hatred against Jews. On the other side, the libertarian value paradigm of the 1960s suggests that - under changed life circumstances of affluence - new civic values of vertical autonomy and horizontal equality may emerge. However, Table 2 does not suggest that the influence of political culture is a one way process. Organizational principles may also influence and structure the value system. The *ie* household organizational principle for example introduced in early Meiji Japan responded well to the needs of the governing elite and the market. The state structured society along a strict vertical governance pattern of master-servant loyalty to boost industrialization and modernization.

Recent scholarship has brought attention to the transformative role the state has played in the evolution of civil society in Japan. According to Pharr<sup>15</sup>, states not only “enable” and limit but also give a boost to civil society through public policy and legislative initiatives. Pharr asserts that the state directs civil society towards the protest against the curtailment of basic human rights and against injustice. White has argued that the state may enable groups to form, but that does not automatically mean those specific organizations must be state-based institutions.<sup>16</sup>

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14 Erich Fromm, *Arbeiter und Angestellte am Vorabend des Dritten Reiches. Eine sozialpsychologische Untersuchung*, (English: Workers and salaried employees at the dawn of the Third Reich. A socio-psychological analysis) (Stuttgart: Deutsche Verlagsanstalt, 1980).

15 Susan Pharr, *Targeting by an activist state*, in Frank Schwartz and Susan Pharr, *The State of Civil Society in Japan* (Cambridge: Cambridge University Press, 2003), 316-336.

16 Kristin White, *The Effects of Japanese Civil Society on Policy-Making*, available at [http://pol.illinoisstate.edu/downloads/icspapers/2005/Kristin\\_White\\_Illinois\\_Conference\\_Paper.pdf](http://pol.illinoisstate.edu/downloads/icspapers/2005/Kristin_White_Illinois_Conference_Paper.pdf), 2004.



**Table 2: Typology of state-civil society interaction in Japan and Germany**

	<b>Role and identity of the state</b>	<b>Status of civil society</b>	<b>Political culture and values</b>
<b>Totalitarian state</b>	State absorbs civil society (Nazi Germany, Japan 1925~1945)	Weak confidence in democratic public institutions. Mobilization in state led mass organizations. Vertical pillarization and segmentation of society.	Dominance of the “authoritarian personality” (Erich Fromm) described in terms of prejudice, conformity, extreme obedience to authority, ethnocentrism and racism.
<b>Regulating /guarantor state</b>	State acts as neutral mediator and delegates social welfare tasks to wealthy citizens, public corporations or the Church ( <i>Ehrenamt</i> in 19 <sup>th</sup> century absolutist Prussia, <i>Houshi</i> in the Tokugawa era, Neo-corporatist after-war Germany, Japan 1945-1998)	Civil society focus on economic wellbeing and affluence for all. Strong confidence and public trust in institutions. High social welfare state spending. Political parties and labor unions with large membership base.	Driver for public service is deep sense of duty and loyalty towards the state. “What can the state do for me” attitude.
<b>Enabling state</b>	State draws its legitimacy from “strong” civil society. State creates frameworks for functioning civil society.	Civil society is self driven. Influence of traditional advocacy organizations (parties, unions) and traditional civil society groups (PTAs, neighborhood associations) decreases. Public trust in institutions decreases.	Appearance of new libertarian values such as selflessness, autonomy, or self-expression. “What can I do for society” attitude.

The category of the “enabling state” offered earlier by Pharr constitutes the basis to further explore the interplay of political culture and institutional patterns of governance. In Meiji Japan the family state system has been shaping society by structuring social relations according to the private family *ie* principle. The invention and adoption of the *ie* household principle was an important step to contain social unrest and regulate social relations in the stages of rapid modernization and industrialization. According to Lehbruch the Meiji rulers had not grasped the full meaning of the modern concept of “society” or “*Gesellschaft*”. They instead adopted the antique, agrarian organizational *ie* principle to sustain rapid industrial modernization. The *ie* principle is not unique to Japan. In Europe the Greek *oikos* (household) used to be the “basic social structure of all peasant and peasant-nobility cultures”<sup>17</sup>. It had been abandoned long ago to adjust to the changing circumstances of the emerging liberal capitalism. In Germany, Hegel’s notion of “civil society or *Gesellschaft* conceived as a horizontal aggregation of autonomous individuals”<sup>18</sup> took precedence over the agrarian *ie* principle with its deeply vertical character of servant-master loyalty. Both principles had a deep impact on state-civil society relations and value patterns. In Japan society was restructured according to vertical hierarchical family principles, whereas German civil society in the 19<sup>th</sup> century responded to a horizontal association of free citizens. As Yamazaki has noted the *ie* principle produced ambiguous results: “individuation did not create true individuals”.<sup>19</sup>

Political culture is not an independent variable but a process dependent phenomenon that may equally influence patterns of governance. To quote Haddad:

Through their every day practices in civic organizations and interaction with the state, citizens contest, develop, and transmit new political values. As those values spread to elite leaders, those leaders take actions to change the configuration of political institutions.<sup>20</sup>

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17 Gerhard Lehbruch, *The Institutional Embedding of Market Economies: The German "Model" and Its Impact on Japan* in: Kozo Yamamura and Wolfgang Streeck (eds.) *The Origins of Nonliberal Capitalism: Germany and Japan in Comparison* (Ithaca, NY: Cornell University Press, 2001), 64.

18 Ibid., 65

19 Masakazu Yamazaki, *Individualism and the Japanese* (Tokyo: Japan Echo Inc., 1994), 97.

20 Mary Alice Haddad, *Teaching states to listen. Environmental politics in East Asia*, available at [http://www.eai.or.kr/data/bbs/eng\\_report/201010142045976.pdf](http://www.eai.or.kr/data/bbs/eng_report/201010142045976.pdf) (East Asia Institute Korea, 2010), 7.

Opinion polls and empirical findings suggest that changed life circumstances can explain value changes. In 1971 it was hypothesised by Inglehart that intergenerational value changes were taking place all over the industrialized world. Inglehart postulated that many societies had been undergoing in the 1970s and 1980s “a transformation of individual values, switching from materialist values, emphasizing economic and physical security, to a new set of post-materialist values, which instead emphasized autonomy and self expression”<sup>21</sup>. For Japan, Hasegawa has coined this new grassroots development as “social expectation”. Social expectation is “an internalized social norm for society, which guides individuals and organizations to what they should do”<sup>22</sup>. Building upon the political culture approach, the paper expands further by looking at the role of individual agency and how it has impacted civil society and the state.

*From public duty to personal principle: empirical evidence for the renaissance of agent based moral citizenship*

Data has shown that most volunteers are active in the areas of welfare, health, education, care for the elderly, children and young. Why is it that civil society focuses on those specific areas? Critics might want to argue that the neoliberal state has simply outsourced social services on the back of civil society organizations or that the activities of private nonprofits have led to a retrenchment of the social welfare state. This is however not an argument that convinces, for Germany at least, where more than two million citizens work as fulltime employees for civil society nonprofit organizations in the social sector alone, while at the same time the state continues to guarantee basic social welfare services. According to the OECD state spending as a percentage of national income for both states lies within the average OECD range of around 40%. It has actually increased for Japan since 1990. Interestingly, the once large gap between Japan and Germany in state spending has been narrowing down (Table 3).

**Table 3: State spending in percent of national income**

Year	1990	1995	2000	2005	2006	2007	2008
Japan	31.9	36.5	39	38.4	36	35.8	36.4
Germany	44.5	54.8	45.1	46.9	45.3	43.8	43.4

Source: OECD Economic Outlook 2008, 84.

21 Article on post-materialism, available at <http://en.wikipedia.org/wiki/Post-materialism>.

22 Koichi, Hasegawa et al, *The Effects of ‘Social Expectation’ on the Development of Civil Society in Japan*, Journal of Civil Society, Vol. 3, No. 2, September 2007, 195.

It may come as a surprise that despite economic neo liberalization and an ideology of self enrichment and selfishness, selfless volunteering for the sake of others has remained stable over time. Surveys have also confirmed that volunteering is not subject to changes in the economy. Two major surveys have analyzed the phenomenon of modern volunteering in Germany. One has been commissioned by the insurance company AMB Generali Holding, the other by the Federal German Ministry of Health, Seniors, Women and Young. Despite differences in methodology and sampling both studies present similar findings. The percentage of volunteers in percent of total population has – only slightly - progressed from 34% in 1999 to 36% in 2009. This number suggests that civil society is not a mass phenomenon, as only roughly one third of the population is volunteering. Volunteering is a long term commitment: 32% of volunteers have been active for more than ten years. This also indicates that the number of volunteers has not grown dramatically but remained constant. Volunteers are most likely to belong to the middle age group. People who are successful in professional life are also more likely to take over responsibilities as volunteers than less affluent people. In both Germany and Japan volunteers belong to the upper middle class. They have a stable income, high education levels and enough free time to pursue volunteering activities. This typical modern volunteer profile has been confirmed for Japan by Takao<sup>23</sup>.

The major motivation that drives people to volunteer is the wish to “actively contribute to society on a small scale” and “socialize with other people” (Table 4). These findings suggest that personal values have taken precedence over public duty thinking: “Since the 1960s personal motivations to volunteer have gained more weight compared to traditional public duty motivations especially within the younger population”<sup>24</sup>. This finding has been confirmed for Japan by Nakano. In contrast to the past, “the decision to volunteer is seen as an individual choice, a reflection of personal principles, rather than a function of bonds of duty or obligation”<sup>25</sup>. The decision to volunteer is a personal choice that satisfies personal aspirations. Empirical evidence supports this view: volunteers wish to “enjoy the volunteering activity” and “help others” by contributing to the common wellbeing. The pursuit of personal interests, career advancement and public recognition are

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23 Yasuo Takao, *Co-Governance by Local Government and Civil Society Groups in Japan: Balancing Equity and Efficiency for Trust in Public Institutions*, *The Asia Pacific Journal of Public Administration* 28(2), 2006: 171-199.

24 Federal German Ministry of Health, Seniors, Women and Young, *Hauptbericht des Freiwilligensurveys 2009* (English: Main report on the national volunteering survey 2009) (Muenchen, Germany, 2010), 15.

25 Lynne Y. Nakano, *Community volunteers in Japan: everyday stories of social change*, (London: Routledge, 2004), 14.

much less relevant for volunteering. The study has found that selflessness and working for the common wellbeing are positively correlated and concludes that there has been a renaissance of “a more traditional, morally demanding engagement pattern” in Germany<sup>26</sup>.

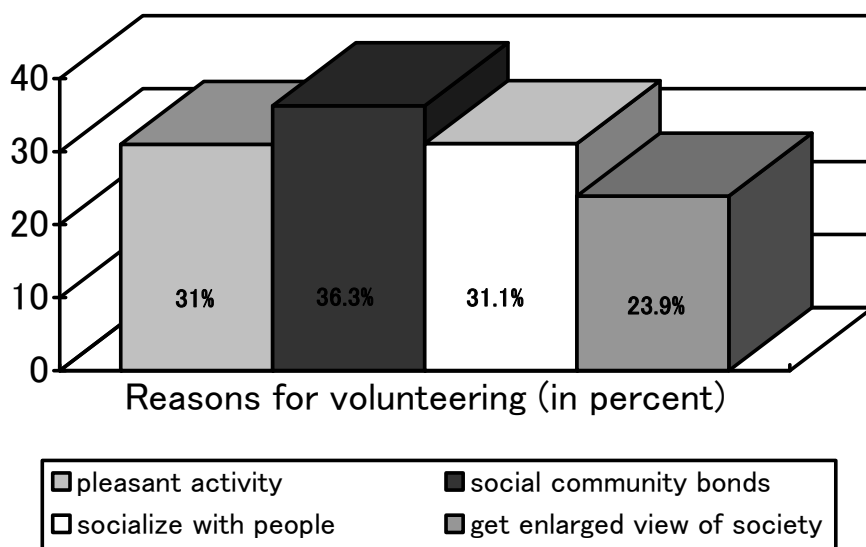
**Table 4: Personal motivations for volunteering**

To build society on a small scale	29,6 %
To come together with other people	25,9 %
Volunteering is an important social task	23,7 %
To represent interests and solve problems	17,8 %
No selection	3,0 %

Source: AMB Generali Holding AG. 2009.

For Japan comprehensive survey data pertaining to the reasons for setting up NPOs or volunteering remain scant. One recent empirical national study by the *Zenkoku Shakai Fukushi Kyougikai* (National Social Welfare Council) published in 2010 has identified “socializing with others”, “engaging in a pleasant activity” and “creating social bonds with the local community” as primary drivers for volunteering (Figure 1). These factors are in line with the findings for Germany.

**Figure 1: Reasons for welfare volunteering in Japan**



Source: *Zenkoku Shakai Fukushi Kyougikai, Zenkoku Borantia Katsudou Jitai Chousa Houkokushou* 2011.

26 Federal German Ministry of Health, Seniors, Women and Young, *Hauptbericht des Freiwilligensurveys 2009* (English: Main report on the national volunteering survey 2009) (Muenchen, Germany, 2010), 124.

Personal values tell us why people want to volunteer, socialize or contribute to society. Why have conservative volunteering values such as loyalty to the authorities and public duty thinking been slowly and gradually displaced by liberal values such as autonomy, tolerance and self assertion? In the following section the findings of Flanagan and Lee for Asia and Japan and the opinion poll results of the major national German ALLBUS social national survey will be briefly presented and discussed

*From authoritarian to libertarian value orientation*

Flanagan and Lee have argued that significant value changes have been taking place in modern advanced societies. They have categorized these changes as libertarian versus authoritarian. Respondents classified as authoritarians prefer a society that puts more emphasis on respect for authority, maintaining order, teaching children obedience, and where it is best to follow one's superior's instructions regardless of their own opinions. Conversely, libertarians prefer a society that stressed freedom of speech, giving people more say in government, on the job, and in their communities; teaching children independence; and one in which the workplace affords the individual more opportunities for using his or her own initiative.

According to Flanagan and Lee,

the A-L value change describes a shift from deference to authority to autonomy and self-assertiveness; from conformity to traditional social norms and suspicion of new ideas to open-mindedness and tolerance for a broader range of lifestyles and beliefs; and from a preoccupation with work and the basic necessities of life to a search for self-improvement, self-fulfillment, and self-indulgence.<sup>27</sup>

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27 Scott C. Flanagan, & Aie-Rie Lee, *Value change and democratic reform in Japan and Korea*, *Comparative Political Studies*, 33(5), 2000, 635.

**Table 5: Materialistic and Post materialistic attitudes in West Germany from 1980 to 2006 (in percent)**

Values	Materialistic goals		Post-materialistic goals	
	Law and order	Fight against inflation	More say in government	Protect freedom of speech
1980	48	22	16	15
1982	51	19	16	14
1984	39	18	24	19
1986	46	8	26	21
1988	42	9	24	25
1990	37	8	34	22
1992	37	14	31	19
1994	41	9	34	17
1996	40	7	31	23
1998	42	12	27	20
2000	39	7	36	19
2002	31	15	31	23
2004	32	15	37	17
2006	34	16	33	18

Source: ALLBUS German National Social Survey Database 2011.

Table 6 shows the A-L value changes with the libertarian item loadings being positive and the authoritarian items negative. The Japanese data show positive values for the items 'freedom of speech', 'giving people more say in important government decisions' with the negative item 'maintenance of order' being below countries such as the Philippines or Singapore. For Germany Table 5 shows that there has been a progress in percentage points for the libertarian items 'more say in government' and 'freedom of speech' within the time period from 1980 to 2006. On the other hand the negative item of 'maintain order' remains the most influential category among all three with 34 percentage points. Nevertheless it has substantially decreased from a peak 51 percentage points in 1982. Lee asserts that libertarians have more distrust in institutions and that this distrust is due to a "feeling of loss of autonomy in the face of large, faceless institutions"<sup>28</sup>.

28 Aie-Rie Lee, *Issues, Value Cleavages, and Political Change in East Asia* (Center for the Study of Democracy, UC Irvine, 2006) available at <http://escholarship.org/uc/item/5538m502>, 12.

**Table 6: Authoritarian and libertarian value changes in Japan and Asia**

	Japan	Singapore	Korea	Philippines	Indonesia
<b>Authoritarian items</b>					
Respect for authority	-.343	-.274	-.204	-.092	-.226
Maintain order	-.666	-.775	-.555	-.842	-.213
Teach child obedience	-.175	-.234	-.443	-.056	-.709
Follow superior	-.233	-.126	-.277	-.279	-.156
God is important	-.377	-.235	-.334	-.078	-.040
Must love parents	-.347	-.278	-.248	-.141	-.179
<b>Libertarian items:</b>					
Protect freedom of speech	.354	.531	.379	.488	.260
More say in government	.666	.635	.521	.658	-.120
Teach independence	.385	.283	.433	.108	-.647
Prefer useful job	.198	.041	.296	-.061	-.042
Parents right to own life	.226	.421	.481	.073	.399
Self-interest over common good	.082	.295	.094	.124	.305
N of Cases	1157	1477	1197	1191	940
Average Loading	.337	.344	.355	.230	.107

Source: Aie-Rie 2011.

## Conclusions

The article has argued that institutional state versus civil society patterns, regulatory frameworks alone and organizational structures are insufficient to explain a vibrant civil society. Political culture and personal values may hinder or nurture civil society significantly. A historical typology showed how changes in political culture have affected patterns of governance in both states. Survey data suggested a relative paradigm shift from authoritarian to libertarian values in both countries. Compared to the inherent hierarchical structures of old style public interest corporations, NPOs embrace vertical autonomy and horizontal cooperation as well as social networking with various actors. Moreover, NPOs have been able to get a say in defining what constitutes the public good and obtain tax reforms to secure their



financial independence from the state. The paper discussed additional survey findings that support the thesis that current volunteers do not act out of public duty as in the past but are motivated by personal principles. It has also been revealed that volunteering is not primarily about pursuing ideological goals.

This contradicts claims that the strength of civil society lies in its ability for advocacy. Volunteers rather seek to “build a society on a small scale” by strengthening community bonds. This normative principle or civic virtue has been coined ‘moral citizenship’. Whereas in the past the state defined the public good and legal means to ensure it, civil society has been empowered and enabled to raise public awareness for neglected issues and engage in more informal participation channels such as grassroots activism or self-help. It has been shown that both the society and the state have been strengthened: the legitimacy of the democratic state has benefited from increased public awareness and citizens’ participation. Social community ties and human bonds have been strengthened by citizens willing to contribute to the common well-being and public good.

The present article has reevaluated the normative and subjective foundations of civil society research. It has offered an alternative theoretical moral citizenship volunteering concept which - in line with Max Weber’s thinking - is believed to be a civic virtue. It has helped to clarify and reinforce the argument brought forth by Hasegawa, who has asserted that “social expectations” are the key drivers for modern volunteering. It has thereby stressed the importance of personal choices, value preferences and individual motivations for volunteering. The study has furthermore shown that advocacy is not the main concern of volunteers in Germany and Japan.

Future research will likely look more into factors that explore the underlying subjective motivations and belief systems of contemporary volunteers. Another avenue for future research will be the interplay between values and patterns of governance. How do they influence each other? How and to what extent do value preferences contribute to the shift in civil society’s relationship with the state? This article has also made it clear that advocacy based volunteering may reflect the Western civil society model but not necessarily the German or Japanese cases. This study has shown that it will be of interest to further explore the non-ideological roots of volunteering and question certain pre established assumptions and ideas about the need for advocacy in a mature civil society.

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## CHANGING GAMES AND EVOLVING CONTEXTS: POLITICAL BARGAINING IN EUROPEAN ENERGY DISPUTES

Fabio Franch  
West Virginia University

### ***Abstract***

*Game theory fails to adequately account for an evolving context which can affect the preferences of disputing actors, an issue which the author find to be likely to systematically produce inaccurate explanations and predictions. Empirical evidence is presented that supports the claim that the start of recent natural gas crises has damaged the GDP growth of 9 external European countries. A Pooled Panel Nonlinear Auto Regressive Conditional Heteroskedasticity (PP-NARCH) model and Box-Tiao intervention models are selected to support the validity of what is defined as a 'Fully-Fuzzy' (FF) game. The findings presented here are then enriched with a summary of the most relevant statements, agreements, and partnerships which are likely to have exerted pressure on Russia and the other negotiating country.*

**Key words:** energy security, bargaining theory, fully-fuzzy game, natural gas.

### **1. Introduction**

Energy has recently become a very important item on the political agenda of most Western countries and it is bound to be even more so in the future due to the increasing scarcity of natural gas and oil. In recent years, energy resources and their allocation have been the central element of conflict between producing countries and those in the distribution systems. The intensity of these conflicts, however, has reached over the past 6 years a level that was unseen since the seventies. More specifically, political scientists have noted that the conflicts between Russia and some of its former satellites, beginning in 2004, can be justified not only in economic terms, but also, and more importantly, in political terms.

In the literature, political scientists attribute this new Russian approach towards Ukraine, Belarus and, to a lesser degree towards Moldova, not only to a Russian desire to collect as many financial resources as possible from these countries, but also to use the financial leverage gained by increasingly expensive gas exports to gain economic and political control over these countries. In fact, Putin himself recognized the importance of gaining access to the old Soviet pipeline system in order to restore, at least in part, Soviet prestige.

<sup>1</sup>. It is probably a secondary goal to secure a steady flow of gas and oil through its

former satellites, when one compares it to that of establishing a tighter economic and political relationship with those areas that play an important role in the Russian economy. The relevance of this topic, however, is not in the expansion of Russian political influence *per se*, as it was the case during the Cold War. The concern of the highest European spheres stems from the growing suspicion that Russia may also use the energy weapon to advance its political agenda in Eastern and Western Europe.

Political bargaining models can offer valuable insights and contribute to the explanation of the outcome of important political confrontations, like the ones between Russia and its former satellites. However, the understanding of the evolution of these confrontations can depend on the quality of the formal models that one uses to disentangle all the threads that one identifies as relevant. If one of the important threads is not accounted for in the model, then our understanding will be inherently flawed and the adoption of the model, however accurate and refined, will systematically produce inaccurate explanations and predictions. In other words, in this article I am interested in finding an answer to the following questions: “are current political bargaining models lacking consideration for any aspect relevant to our understanding of political crises? If so, what is missing and which model can better model these crises?” In order to do so, I follow a somewhat different approach. I introduce my hypothesis, which I test presenting the data and the statistical approach selected. The results show that for quite a few of the gas disputes analyzed there was a negative impact on the GDP growth of the European countries chosen for their primary importance as members of the Council of the European Union. Based on these findings, I quickly review the current state of game theory, and then I address how game theory could be improved in light of the empirical results obtained.

## 2. Hypotheses: an evolving environment?

Given the importance that Russia has as an energy supplier, it is important to understand not only why these crises started, but also how these disputes were solved. Game theory provides some useful insights to understand why some disputes were settled much earlier than others. Deviations from the expected outcome of the dispute can be attributed to the particular distribution of pay-offs, and elements like issue-linkage, asymmetries, repetition, signals, perception, and brinkmanship.<sup>2</sup>

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1 Richard Youngs, *Energy Security: Europe's New Foreign Policy Challenge* (Routledge: London, 2009).

2 Martin Shubi, *Game Theory in the Social Sciences: Concept and Solutions* (Cambridge, Massachusetts: The MIT Press, 1982); Avinash K. Dixit and Barry J. Nalebuff, *Thinking Strategically: The Competitive Edge in Business, Politics, and Everyday Life* (New York: W.W. Norton & Company Ltd, 1991); Richard P. Rumelt, Dan E. Schenedel, J. David

However, in this article I argue that the very onset of the dispute changes the nature of the political bargaining crisis, as it was clear in the case of the 2006 Ukraine-Russia dispute, when European customers reacted by harshly criticizing and urging the disputing parties to reach an agreement. From a two-actors clash of interests, the gas dispute needs to be treated as a larger problem, where not only the preferences of the two disputing actors need to be examined, but also the larger international arena needs to be accounted for. If this is clear in situations where gas disruptions have caused visible damage (the gas disputes examined above all occurred in the coldest months of the year), the fact that the larger environmental context matters is not similarly evident in another conjuncture.

Several authors describe game theory and its numerous variations within a constant framework, where the number of players is unchanged and their preferences are fixed.<sup>3</sup> In this work I find evidence that gas disputes have a negative effect on the economy of other countries, giving them a non-ideological reason to intervene in the gas dispute and make sure that it ends causing as less harm as possible. A central assumption of this work is that such negative externality is a strong motivation to slowly push external countries' leaders to put pressure on the countries involved in the crisis to find an agreement and restore the balance in the political/economic arena.

In this work I am not interested in making any claim concerning the extent to which the European gas market is unified and/or perfectly functioning, nor do I discuss the economic consequences of the gas dispute across all European countries. The reason behind this choice is that such analyses would require the definition of overly simplistic assumptions and simplifications concerning the complex ramifications of gas conducts and norms/procedures that regulate their functioning. More importantly, these analyses would not be relevant to test the central hypothesis described below, in that they are not important to exactly quantify the amount of damage and its distribution among the European countries in order to prove the relevance of the external environment.

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Teece, *Fundamental Issues in Strategy* (Harvard Business School Press, 1994); Nolan McCarty and Adam Meirowitz, *Political Game Theory: an Introduction* (New York: Cambridge University Press, 2007).

<sup>3</sup> Steven J. Brams and D. Marc Kilgour, *Game Theory and Politics* (The Free Press, 1975); Steven J. Brams and D. Marc Kilgour, *Game Theory and National Security* (Basil Blackwell Inc., 1988); Peter C. Ordeshook, *Game Theory and Political Theory: An Introduction* (New York: Cambridge University Press, 1986); Dixit and Nalebuff, *Thinking Strategically*; Rumelt, Schendel and Teece, *Fundamentals*; Nolan McCarty and Adam Meirowitz, *Political Game Theory: an Introduction* (New York: Cambridge University Press, 1997); James D. Morrow, *Game Theory for Political Scientists* (Princeton, New Jersey: Princeton University Press, 1994); Avinash K. Dixit, Susan Skeath, David H. Reiley, Jr., *Games of Strategy* (W.W. Norton & Company, Inc., 2009).

Thus, in this work I hypothesize that:

1. gas disputes between Russia and Ukraine, Belarus and Moldova in 2004, 2006, 2007 and 2009<sup>4</sup> negatively affect the real GDP growth of other energy importing countries like Spain, Sweden, the UK, France, Italy and Germany, Netherlands, Czech Republic, and Poland.

These countries have been included in this study not only because they are net energy importers, but also, and more importantly, because they are also among the most important members of the Council of the European Union, which holds legislative initiative in the EU. The total number of votes of the countries considered in this work amounts to 59.42% of the total for all EU countries.

### 3. Data

In this work I am taking into account the fact that analyzing just countries with high dependence on Russian energy I might be creating bias in the statistical analysis results reported below. For this reason I selected a total of nine countries, three for each of the dependence level on Russian natural gas as described elsewhere<sup>5</sup> based also on their importance as members of the Council of the European Union<sup>6</sup>, an important legislative institution in the EU also in security and energy matters.<sup>7</sup> The time frame spans from January 1, 2003 to December 31, 2009. Such a period has been chosen given Youngs' notation that in the last 6 years Russia has clearly been using the gas weapon to achieve predefined political and economic goals. In doing so, I hope to capture a phenomenon that is rather constant over the years analyzed, thus reducing the probability of making incorrect inferences.

The dependent variable in the models presented below is represented by the percentage growth of GDP, measured on a quarterly basis. There are 28 observations for each country, for a total of 252 observations. In order to maximize the internal validity of the model, several control variables have been introduced<sup>8</sup>, including the exchange rate between the euro and the dollar, the exchange rate

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4 The 2010 Belarusian dispute, which has also shown that the 'early warning' system described below needs further refinement, has not been considered in this work due to data collection issues.

5 Youngs, *Energy Security*.

6 The total number of votes of the countries considered in this work amounts to 59.42% of the total available to all EU countries.

7 Youngs, *Energy Security*; Federiga Bindi, *The foreign policy of the European Union: assessing Europe's role in the world* (Washington, D.C.: Brookings Institution Press, 2010).

8 Primary source is the Eurostat website.

between the local currency and the euro (for the UK), the exchange rate between the dollar and the euro, gas prices<sup>9</sup>, oil prices, domestic demand<sup>10</sup>, inflation<sup>11</sup>, industrial production<sup>12</sup>, exports and imports<sup>13</sup>, the unemployment rate<sup>14</sup>, the balance of payments<sup>15</sup>, real consumption<sup>16</sup>, the rate of deposit/lending interest and government consolidated gross debt<sup>17</sup> used as controls<sup>18</sup>. The intent of using so many control variables is to isolate the effect of the economic downturn that started in 2008 and continues to the present from the effect of this gas disputes on the GDP growth of the 9 selected countries.

Despite the loss of several degrees of freedom<sup>19</sup>, looking at changes in real GDP growth, even if measured quarterly should not lead to results of lower precision or quality. In fact, the central goal of this work is to test whether there are long terms effects and such a goal can be achieved by using quarterly data like real GDP

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9 European natural gas prices cannot be easily accessed. Some agencies release this kind of information only under the payment of a fee, but for privacy reasons the identity of all traders and the prices charged by them are not disclosed. For this reason, I decided to resort to Nymex Henry Hub Natural Gas prices, futures that are traded on the New York Mercantile Exchange (NYMEX), as a measure of the level of gas prices in Europe. I assume that the prices levels by these quarterly figures of these futures well approximate the same trend of gas prices in Europe.

10 Data is seasonally adjusted and adjusted data by working days. Percentage of GDP.

11 Sampling frequency: 1 month. Base year: 2005.

12 Data is seasonally adjusted and adjusted by working days. Percentage of GDP. Sampling frequency: 1 month.

13 Data is seasonally adjusted and adjusted by working days. Millions of euro, chain-linked volumes, reference year 2000 (at 2000 exchange rates). Sampling frequency: quarter.

14 It refers to EU citizens between 15 and 64 years. Sampling frequency: quarter.

15 Millions of Euro. Current account, Goods and services. Minimum sampling frequency: quarter.

16 Final consumption expenditure. Data is seasonally adjusted and adjusted by working days. Index, 2000=100.

17 Government consolidated gross debt. Percentage of GDP. Minimum sampling frequency: quarters.

18 Other political variables like research expenditure and country regime (Polity 4 data) were considered, but dropped given their annual measurement frequency. For similar studies see Gerald Schneider and Vera E. Troeger, "War and the World Economy: Stock Market Reactions to International," *Journal of Conflict Resolution* 50 (2006): 642-643, Bruno S Frey and Marcel Kucher, "History as reflected in capital markets: The case of World War II," *Journal of Economic History* 60 (2) (2000): 468-96, James D. Hamilton, "What is an oil shock?" *Journal of Econometrics* 113 (2003): 363-398.

19 The loss of the degrees of freedom was minimized by performing Principal Component Analysis (PCA). See below for a description of this statistical technique. Despite an apparent issue of degree of freedom, the model returns a Chi-Square probability close to zero. See below.



growth as the start of these gas disputes coincides with the start of a new quarter. (see Table 1; all tables and figures in the appendix).

#### 4. Methodological approach

Based on the interrupted time series models<sup>20</sup>, widely used in psychology<sup>21</sup>, in medicine<sup>22</sup>, sociology<sup>23</sup>, not just political science<sup>24</sup>, the significance of the impact

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20 Donald T. Campbell, *From Description to Experimentation: Interpreting Trends as quasi-experiments* (Madison, Wis: University of Wisconsin Press, 1963): 212-242; Donald T. Campbell and Julian C. Stanley, *Experimental and Quasi-experimental Designs for Research* (Chicago: Rand McNally, 1966); David McDowall, McCleary, R. Meidinger, Errol, and R.A. Hay, *Interrupted time series analysis* (SAGE, 1980), 21.

21 Donald P. Hartmann, John M. Gotrman, Richard R. Jones, William Gardner, Alan E. Kazdin, And Russell S. Vaught, "Interrupted Time-Series Analysis And Its Application To Behavioral Data," *Journal of Applied Behavior Analysis*. 133:4. (1980), 543-559; Dov Eden, "Critical job events, acute stress, and strain: A multiple interrupted time series", *Organizational Behavior & Human Performance* 30 (3) (1980): 312-329; John A. Wagner, Rubin, Paul A. Callahan, Thomas J., "Incentive payment and nonmanagerial productivity: An interrupted time series analysis of magnitude and trend" *Organizational Behavior and Human Decision Processes* 42 (1) (1988): 47-74. Trevor A Sheldon, Nicky Cullum, Diane Dawson, Annette Lankshear, Karin Lowson, Ian Watt, Peter West, Dianne Wright, John Wright, "What's the evidence that NICE guidance has been implemented? Results from a national evaluation using time series analysis, audit of patients' notes, and interviews", *BMJ* 329 (7473) (30 October 2004): 999.

22 W W. Tryon, "A simplified time-series analysis for evaluating treatment interventions" *Journal of Applied Behavioral Analysis*. 15 (3) (1982): 423-429; S. Fowler, A. Webber, B. S. Cooper, A. Phimister, K. Price, Y. Carter, C. C. Kibbler, A. J. H. Simpson and S. P. Stone, "Successful use of feedback to improve antibiotic prescribing and reduce *Clostridium difficile* infection: a controlled interrupted time series," *Journal of Antimicrobial Chemotherapy* (2007); Carlos G. Grijalva, J. Nuorti, P. Arbogast, S. Martin, K. Edwards, M. Griffin, "Decline in pneumonia admissions after routine childhood immunisation with pneumococcal conjugate vaccine in the USA: a time-series analysis," *The Lancet* 369 (9568) (2007): 1179-1186.

23 Barry S Rundquist and David E. Griffith, "An Interrupted Time-Series Test of the Distributive Theory of Military Policy-Making," *The Western Political Quarterly* 29 (4) (1976): 620-626; Carl Bonham, Edwin Fujii, Eric Im, And James Mak, "The Impact of the Hotel Room Tax: An Interrupted Time Series Approach," *National Tax Journal* 45 (4) (1992): 433-441; Reuven Glick and Andrew K. Rose, "Does a currency union affect trade? The time-series evidence," *European Economic Review* 46 (6) (June 2002): 1125-1151.

24 David R. Morgan and John P. Pelissero, "Urban Policy: Does Political Structure Matter?" *The American Political Science Review* 74 (4) (1980): 999-1006; Bryan Brophy-Baermann and John A. C. Conybeare, "Retaliating against Terrorism: Rational Expectations and the Optimality of Rules versus Discretion," *American Journal of Political Science* 38 (1) (1994): 196-210; Charles H. Anderton, John R. Carter, "The Impact of War on Trade: An Interrupted Times-Series Study," *Journal of Peace Research* 38 (4) (2001): 445-457; Gerald Schneider and Vera E. Troeger, "War and the World Economy: Stock Market Reactions to

of the gas disputes and political reaction was represented by a set of '1s' in correspondence with a particular shock or intervention and zeros before<sup>25</sup>. Such models are more formally represented as<sup>26</sup>

$$Y_t = b_{pre} + b_{post} + e_t,$$

where  $b_{pre}$  and  $b_{post}$  are respectively the levels before and after the shock or dispute has started. Interrupted time series can also be represented as

$$Y_t = N_t + I_t,$$

where the intervention function  $I_t$  can be represented as a variable consisting of zeros before the intervention and 1s during or after that.

The literature<sup>27</sup> suggests that a closer look at the data can suggest the possible economic effects of the natural gas disputes on the nine countries under investigation. The duration of the effect of 5 different gas disputes on external economies has been estimated by observing the dependent variable (Figure 1) and building hypotheses concerning the duration of the impact. The results of this analysis are summarized in Table 2.

The implementation of a GARCH model is required<sup>28</sup> due to the presence of heteroskedasticity, as also supported by the significantly better fit of this model<sup>29</sup>

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International Conflict," *Journal of Conflict Resolution* 50 (2006): 623; William Alex Pridemore, Chamlin, Mitchell B., Cochran, John K., "An Interrupted Time-Series Analysis of Durkheim's Social Deregulation Thesis: The Case of the Russian Federation," *Justice Quarterly* 24 (2) (2007): 271-290; Martin Brunner, "Does politics matter? The influence of elections and government formation in the Netherlands on the Amsterdam Exchange Index," *Acta Politica* 44 (2) (2009): 150-170.

25 Os and an X are used in the original description by Campbell and Stanley.

26 McDowall, McCleary, Meidinger and Hay. *Interrupted time series analysis*.

27 See previous footnote.

28 The Shapiro-Silk normality test shows that the residuals of both models do not follow a normal distribution, results which are also confirmed by the Skeweness/Kurtosis test for normality. For this reason, robust standard errors are employed for a more reliable estimation of the standard errors (See Tim Bollerslev and Jeffrey Wooldridge, "Quasi-maximum likelihood estimation and inference in dynamic models with time-varying covariances," *Econometric Reviews* 11 (2) (1992): 143-172). This model is the best one found according to the AIC and BIC tests. It reasonably follows the straight line, but it fails to model some variance at the extremes of the distribution, pointing that there are some minor

and the visual inspection of residuals. In GARCH models <sup>30</sup>  $p$  lags of the conditional variance have been introduced<sup>31</sup>, where  $p$ , as indicated above indicated the autoregressive lags and  $q$  the ARCH (moving average) order<sup>32</sup>. In addition, an ARIMA( $p,q$ ) model can be used to identify the  $p$  and  $\max(p,q)$ .<sup>33</sup>

A GARCH model can be modified to allow it to take into account non-linearity in variance. Nonlinear GARCH models (NGARCH) can be represented as follows

$$y_t = f(y_{t-1}) + \sigma_t \varepsilon_t,$$

$$u_t = y_t - f(y_{t-1}) \text{ and}$$

$$\sigma^2_t = g(u_{t-1}, \sigma^2_{t-1})$$

where  $\sigma^2_t$  is a function of its previous temporal value.<sup>34</sup> The presence of heteroskedasticity, which cannot be treated even by logging the dependent variable, requires the implementation of a PP-NGARCH model, fact that is also

residual patterns in the data. Nonetheless, a search conducted following Cryer and Chan's method for a fitter model is inconclusive, for all models show (significantly) higher AIC and BIC values.

29 AIC and BIC for the pooled cross sectional time series model equal respectively 418.4 and 455.7, compared to the PP-NARCH(0,0) model's values of 361.8 and 408.8.

30 Robert F. Engle, "Autoregressive Conditional Heteroskedasticity with Estimates of the Variance of United Kingdom Inflation," *Econometrica* 50 (4) (1982): 987-1007; Tim Bollerslev, "Generalized autoregressive conditional heteroskedasticity," *Journal of Econometrics* 31 (1986): 307-327; Steven J. Taylor, *Modeling Financial Time Series* (Chichester: John Wiley & Sons, 1986).

31 For other applications of GARCH models in political science see Schneider and Troeger, War and the World Economy and Martin Brunner, "Does politics matter? The influence of elections and government formation in the Netherlands on the Amsterdam Exchange Index," *Acta Politica* 44 (2) (2009): 150-170.

32 See Cryer and Chan, *Time Series Analysis With Applications in R*, 289 and Robert Engle, "GARCH 101: The Use of ARCH/GARCH Models in Applied Econometrics," *The Journal of Economic Perspectives* 15 (4) (2001): 157-168.

33 Cryer and Chan (294) suggest to first fit a GARCH( $p,q$ ) model and then to estimate  $q$  by looking at the significance of the estimated ARCH coefficient. Since mixed autoregressive and moving average processes are usually hard to define, Cryer and Chan (116-117, 294) suggest the use of the Extended Autocorrelation Function (EACF) of the squared observations. The best combination of  $p$  e  $q$  value will correspond to the upper-left vertex of the triangle of zeros, where  $p$  is the row and  $q$  is the column.

34 James D. Hamilton, "Oil and the Macroeconomy since World War II," *The Journal of Political Economy* 91 (1983): 228-248; Peter F. Christoffersen, *Elements of Financial Risk Management* (New York: Academic Press, 2003); Damodar N. Gujarati, *Basic Econometrics* (New York: McGraw-Hill, Fifth Ed, 2009).

supported by the significantly better fit of the models<sup>35</sup> and the visual inspection of residuals depicted in Figure 2.

The Shapiro-Silk normality test shows that the residuals do not follow a normal distribution, results which are also confirmed by the Skeweness/Kurtosis test for normality<sup>36</sup>. For this reason, robust standard errors are employed for a more reliable estimation of the standard errors.<sup>37</sup> This model is the best one found according to the AIC and BIC tests; it reasonably follows the straight line but, as shown in Figure 3, it clearly fails to model some variance at the extremes of the distribution, pointing that there are some minor residual patterns in the data.

The data collected is affected not only by heteroskedasticity, but also by multicollinearity. The high multicollinearity stems especially from the macroeconomic data of the GDP model<sup>38</sup> which requires the generation of statistically independent factors through the use of Principal Component Analysis (PCA).

Linear algebra allows the dimensional reduction of a complex database not simply by arbitrarily selecting those to be eliminated, but by using a scientific method that supports the generation of a set of statistically independent factors that retains the highest informational content, and dismissing the variables that represent just noise or that are redundant.<sup>39</sup> Control variables, like the exchange rate between the Euro and the US dollar, Euro and British pound, oil price and gas price, were not processed with PCA in order to be able to test the ability of the model to estimate correct parameters for these control variables. Highly collinear variables (even if not significant) were not removed from the model in order not to bias the estimation of the parameters. By doing so, the average VIF is only 5.67, value which is slightly more than the value of 5 suggested by the literature.<sup>40</sup>

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35 AIC and BIC for the pooled cross sectional time series GDP model equal respectively 418.4 and 455.7, compared to the PP-NARCH(0,0) model's values of 361.8 and 408.8.

36 P-values are less than 0.0001.

37 Tim Bollerslev and Jeffrey Wooldridge, "Quasi-maximum likelihood estimation and inference in dynamic models with time-varying covariances," *Econometric Reviews* 11 (2) (1992): 143-172.

38 Mean VIF=151,934.33.

39 More specifically, PCA rotates the original matrix so that the main axis is aligned with the most important dimension, the second axis, perpendicular to the first one, is aligned with the second most important axis and so on. The rotated matrix is also centered on the mean of the distribution.

40 Charlotte H. Mason and William D. Perreault, Jr., "Collinearity, Power, and Interpretation of Multiple Regression Analysis," *Journal of Marketing Research* 28 (3) (1991): 268-280.

## 5. Empirical Results

The estimation of the PP-NGARCH model returns interesting results (see Table 3). Not only did the 2006 and 2009 Ukraine-Russia crises have a significant effect on the surrounding economies, but the 2004 and 2006 Belarusian crises also stand out as relevant explanatory variables of the negative impact on GDP incurred by several countries during and after the gas disputes.

In support of the goodness of fit of the model, as emphasized also by a Chi-Square probability close to zero<sup>41</sup>, there is a significant and negative relationship between real GDP growth and natural gas prices. The direction of the relationship between the exchange rate and the Euro and the US dollar estimated by the model is also correct, given that an appreciation of the Euro relative to the dollar leads to more expensive exports and a decline in GDP growth. The oil price, the exchange rate for the Euro-British Pound, and the exchange rate Euro-Dollar are found to be non-significant, suggesting that these variables do not add anything new to the informational content of the other macroeconomic and financial variables. A non-significant relationship between oil prices and GDP growth is surprising, given the relevance of oil price indexed natural gas contracts in Europe. However, such empirical results might be better explained by noting that NYMEX natural gas prices are also linked to oil and its products, making them better indicators for trends in the pricing of energy resources in general, thus including both natural gas and oil.

The parameter estimation of the crises reveals that there was a significant and negative impact of the Belarus 2004 (observed duration=2 quarters), Belarus 2006 (observed duration=2 quarters), Ukraine 2006 and 2009 (both 1 quarter) disputes, but no significant relationship is found for the two remaining crises, the one between Moldova and Russia in 2006, and the one between Russia and Belarus in 2007.

The model shows that a good portion of the cases studied in the present work had a negative effect on the surrounding environment constituted by European countries and other institutions. This negative externality is a strong incentive for the environment to react and become an active player in the negotiation process. A clear example is the 2006 Belarusian crisis, which quickly reached an end due to an intense reaction of European customers.<sup>42</sup>

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41 Prob>chi2=0.0000.

42 Jim Nichol, Steven Woehrel and Bernard A. Gelb, *Russia's Cutoff of Natural Gas to Ukraine: Context and Implications. CRS Report for Congress* (2006); accessed at <http://www.italy.usembassy.gov/pdf/other/RS22378.pdf>; accessed on: February 22, 2010; Nemtsov Yhiah, *Russian part in RosUkrEnergo looks as improper as Ukrainian one.* (2008);

Similar results (sometimes weaker, some other times stronger) are offered by alternative model specifications (Table 4).

Several alternative models supported the finding of my best model. These models show that the Belarusian crisis in 2006 and the Moldovan dispute did not significantly affect the nine European economies, but the crises between Belarus and Russia in 2004 and 2006 are found to have significantly affected the real GDP growth of the countries under investigation. Weaker evidence of the significance of the Ukrainian crises is found in alternative model specifications, and, as mentioned above, no significant economic impact was found for the 2006 Moldovan crisis and the 2007 Belarusian crisis. It is important to note that a negative relationship between the 2009 dispute is in disaccord with Figure 1, according to which there should be a positive relationship between these two variables. At the time the dispute emerged GDP growth in Europe was reacting to the heavy blow it had received in the fourth quarter in 2008. A negative relationship between this measure and the 2009 gas dispute should be read in terms of lost growth during the first quarter in 2009, thus suggesting that without the instability caused by the failed negotiations between Ukraine and Russia, Europe, in general, would have better absorbed the losses in growth it encountered at the end of 2008. The negative effects of the 2008 Financial Crisis were expected to have a strong influence on the empirical tests conducted in this work and it is for this reason that several controls were introduced to isolate the effects of the political disputes between Russia and its former satellites.

Given these results, the hypothesis presented above cannot be rejected, since for the majority of the disputes analyzed here negative externalities are found on several European economies. These findings emphasize that the environment in which the two actors were bargaining has changed since the collapse of the negotiations and the beginning of the dispute. These results are robust given the statistical relevance demonstrated by a Chi-Square value close to zero (which leaves little doubt that such results are due to randomness), the use of several control variables (used to separate the effect of the gas disputes and a general economic downturn), and the fact that most of the alternative models presented above reach similar conclusions. Going back to the purpose of this paper, what do these findings point out concerning the explanatory power of current game theory? The answer to this question will be addressed in the following sections.

## 6. Current game theory

Expected utility models have evolved in recent years to the point where several modifications to basic games have been made and new formalizations have been devised. Such modifications have occurred in order to make the new models more robust<sup>43</sup> or to adjust game theory to a new set of assumptions on the environment of play, in which the concept of utility maximization has been revised and replaced by different driving forces of change, as in evolutionary game theory.<sup>44</sup> Other recent games have been devised so as to take into account communication among the players in order to monitor its effect on the final outcome of the interaction between the players.<sup>45</sup>

Thus, despite the large number of games that are possible to apply<sup>46</sup>, current cooperative and non-cooperative game theory seems to inadequately account for

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43 Paul Schoemaker, "The expected utility model: its variants, purposes, evidence and limitations," *Journal of Economic Literature* 20 (2) (1982): 529–563.

44 Paul Schoemaker, "The expected utility model...; Dov Eden, "Critical job events, acute stress, and strain: A multiple interrupted time series," *Organizational Behavior & Human Performance* 30 (3) (1982): 312-329; Josef Hofbauer and Karl Sigmund, *Evolutionary Games and Population Dynamics* (New York: Cambridge University Press, 1998); Peyton H. Young, *Individual Strategy and Social Structure: An evolutionary Theory of Institutions* (Princeton, New Jersey: Princeton University Press, 1998); Avinash K. Dixit, Susan Skeath, David H. Reiley, Jr., *Games of strategy* (W.W. Norton & Company, Inc, 2009); Erwin Frey, *Evolutionary Game Theory: Theoretical Concepts and Applications to Microbial Communities* (2010), asc.physik.uni-muenchen.de.

45 Cho In-Koo and David M. Kreps, "Signaling Games and Stable Equilibria," *The Quarterly Journal of Economics* 102 (2) (1987): 179-221.

46 Even all modifications of the basic game fail to account for an evolving environment, where players have a gradually stronger (or weaker) influence on the outcome of the bargaining crisis. Such statement applied even for complex games like Evolutionary Game Theory (see Peter A. Danielson, *Modeling Rationality, Morality and Evolution* (New York: Oxford University Press, 1998), Roger B. Myerson, *Game Theory: Analysis of Conflict* (Cambridge, Massachussets: Harvard University Press, 1991); Dixit, Skeath, Reiley, Jr., *Games of strategy*. (W.W. Norton & Company, Inc, 2009), nested games (George Tsebelis, *Nested Games: Rational Choice in Comparative Politics*. (Berkeley: University of California Press, 1990); John T. Scholz, "Cooperative Regulatory Enforcement and the Politics of Administrative Effectiveness," *The American Political Science Review* 85 (1) (1991): 115-136), two level-games (see Robert Putnam, "Diplomacy and domestic Politics: The Logic of Two-Level Games," *International Organization* 42 (1988): 427-60), infinitely repeated games (Myerson, *Game Theory*, Martin Shubik, *Game Theory in the Social Sciences: Concept and Solutions* (Cambridge, Massachussets: The MIT Press, 1982), and multi-agent games (Michael L. Littman, Michael Kearns, Satinder Singh, *An Efficient Exact Algorithm for Singly Connected Graphical Games*. (University of Pennsylvania, 2001), supergames and metagames (Glenn H. Snyder and Paul Diesing. *Conflict Among Nations*. Princeton, New Jersey: Princeton University Press, 1977), neutrosophic game theory (Florentin Smarandache, Sukanto

the dynamic role of the external environment in the success or the failure in which two or more parties reunite to reach an agreement. In the literature<sup>47</sup> there is recognition of this problem, and the authors of the article maintain that “we repeat most emphatically that our theory is thoroughly static. A dynamic theory would unquestionably be more complete and therefore more preferable.

In *Political Bargaining: An introduction to Modern Politics*<sup>48</sup> the authors are also aware of this issue and claim that “every person is affected by the politics of the society in which he lives” and that goes beyond what game theorists do, which is considering the environment as a constraint on choices and perception of the outcome of the bargain. Such a problem is also reported also in *Towards a renaissance of economic theory*<sup>49</sup> according to which modern economic theory, based on the rational actor assumption, is inherently flawed because social context and norms are usually ignored or assumed to be constant in the game theoretic models developed.

The problem of the influence of a dynamic context was also known to J.M. Smith<sup>50</sup>, who maintained that “an obvious weakness of the game-theoretic approach to evolution is that it places great emphasis on equilibrium states, whereas evolution is a process of continuous, or at least periodic, change”.<sup>51</sup> Gas disputes, like evolution, must be understood within a dynamic context which is clear through the introduction of the actions of European leaders leading to the resolution of the 2009 gas dispute<sup>52</sup>. Smith attributes the existence of this weakness to the increased (mathematical) complexity that dealing with continuous change entails. The

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Bhattacharya, Mohammad Khoshnevisan, “The Israel-Palestine Question – A case for Application of Neutrosophic Game Theory” (2006), 51-61. Article in Smarandache, Florentin, Sukanto Bhattacharya, Mohammad Khoshnevisan, Housila P. Singh, Rajesh Singh, F. Kaymram, S. Malakar, Jose L. Salmeron, “Computational Modeling in Applied Problems: collected papers on econometrics, operations research, game theory and simulation,” *ProQuest Information & Learning*, 2006), and alternating-offer bargaining game (see Ingolf Stahl, *Bargaining Theory*. Economic Research Institute (Stockholm: Stockholm School of Economics, 1972) and Ariel Rubinstein, “Perfect Equilibrium in a Bargaining Model,” *Econometrica* 50 (1982): 97-109).

47 Shubik, *Game Theory in the Social Sciences*.

48 Thomas A. Reilly and Sigall Michael W., *Political Bargaining: An introduction to Modern Politics* (San Francisco: W.H. Freeman and Company, 1976), 3.

49 Herbert Gintis, “Towards a renaissance of economic theory,” *Journal of Economic Behavior & Organization* 73 (2010): 34–40.

50 J.M. Smith, *Evolution and the theory of games* (Cambridge University Press, 1982).

51 Page 8.

52 See below.



literature on sequential decision making<sup>53</sup> follows this claim and demonstrates that a static process that underpins the decision-making process (goals identification, alternatives search, payoff estimation for each alternative, alternatives evaluation and alternatives selections given the goal), as found in the literature, does not correctly represent reality.

However, as the empirical results have shown, gas disputes take place in dynamic environments, characterized by large externalities which can affect the diplomatic relationships among the players belonging to same environment. In such an environment, a researcher that ignores the effects of a dynamic environment in his model risks undermining the validity of the game-theory used to explain or to predict the outcome of the bargaining process.

## 7. Changing games in an evolving environment: Fully-Fuzzy (FF) games

The relevance of the external factors is evidenced by Russia's decision in 2006 that it was in its national interest to bypass Ukraine with the construction of the North Stream pipeline. Although several other diplomatic issues were connected to the building of this expensive infrastructure, Ukraine perceived that the realization of the new pipeline that would bypass up to 50% of the Ukrainian pipeline system, was a serious threat to its centrality to gas delivery to the rest of Europe.<sup>54</sup> It was also for this reason that a wave of agreements followed immediately after European customers reacted to the 2006 dispute, reflected too by the broaden scope and increased intensity of projects in the INOGATE programme<sup>55</sup>, a EU initiative to foster collaboration with states on the Black and Caspian Seas.

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53 Charles E. Lindblom, "The Science of Muddling Through," *Public Administration Review* 19 (1959): 79-88; Richard C. Snyder, H. W. Bruck, and Burt Sapin, *Foreign Policy Decision Making* (New York: Free Press, 1962); Michael Brecher, *The Foreign Policy System of Israel* (Oxford: Oxford University Press, 1972); John D. Steinbruner, *The Cybernetic Theory of Decision* (Princeton, NJ: Princeton University Press, 1974); Paul A. Anderson, "Decision Making by Objection and the Cuban Missile Crisis" *Administrative Science Quarterly* 28 (2) (1983): 201-222; Robert Axelrod, *The evolution of cooperation* (Basic Books, 1984); Donald A. Sylvan, and James F. Voss, *Problem Representation in Foreign Policy Decision Making* (Cambridge University Press, 1998); Ryan K. Beasley, Juliet Kaarbo, Charles F. Hermann, Margaret G. Hermann, "People and Processes in Foreign Policymaking: Insights from Comparative Case Studies" *International Studies Review* 3 (2) (2001): 217-250.

54 Its centrality represented its main bargaining advantage in the negotiations with Russia (Paul J. Saunders, *Russian Energy And European Security: A Transatlantic Dialogue*. (The Nixon Center, 2008); accessed at:

<http://www.nixoncenter.org/monographs/saunders08.pdf>; accessed on: June 8, 2010.

55 See <http://www.inogate.org/>.

Similar conclusions, however, could be drawn for the 2009 crisis; in fact, the two parties were aware that a negotiation phase as long as that of the Belarusian crisis in 2004 would have led the EU to invest significant time and resources into exploring alternative sources of energy, given the statements already made in 2004 about reducing energy consumption, lowering dependence on oil and gas and committing to the construction of the Nabucco pipeline, the White Stream (a pipeline which connects Georgia and Romania through the Black Sea) and the Interconnector between Turkey and Greece and Italy (ITGY). These pipelines are in direct competition with North Stream, the pipeline majority-owned by Russia, which is planning to use it to bypass transit countries and lower the retail gas price itself by avoiding transit fees. Nabucco and similar projects, however, represent a threat to Ukraine, which benefits from its status as a transit country. This common interest in avoiding the loss of their privileged access to the European market, a loss which can be seen as an externality of a prolonged bargaining, is, another example wherein the preferences of external actors need to be accounted for to understand the development of important political crises like the ones studied in this work.

The 2009 crisis represents an extreme case in which the gravity of the situation, determined by the interruption of gas flow to Europe, triggered an immediate and clear response from the highest levels of European governance. A similar statement cannot be made with reference to the 2006 gas dispute, in which “the European Commission officials were severely criticized for only returning from holiday in time to welcome the end of the crisis”.<sup>56</sup> Despite the lack of intervention at the supra-national level, consumers reacted to the crisis due to the reduction of gas supply, even though the crisis merely lasted three days.

Nonetheless, both crises stress an important factor: the outcome of political bargaining that occurred between Russia and Ukraine, and Russia and Belarus or Moldova was affected in different degrees by the preferences of actors that had an interest in an early resolution of the dispute. In both cases, gas supplies were reduced or cut, causing significant damages to the economies and the standards of living of citizens of the countries that were more severely affected by the gas disruptions. Thus, these countries were strongly motivated to impose their preferences on the disputing actors since the consequences of their doing so were evident to all. However, even though crises were not followed by gas disruptions, they may have been responsible for ‘less evident’ damaging events. These events could be a decline in consumption, given the higher perception that the economy will be more unstable and/or like a rise in gas and oil price, which the economic

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56 Simon Pirani, Jonathan Stern and KatjaYafimava, “The Russo-Ukrainian gas dispute of January 2009: a comprehensive assessment”. Oxford Institute for Energy Studies (2009); accessed at: <http://oxfordenergy.org/pdfs/NG27.pdf>; accessed on: February 23, 2010, 46.

literature shows to be the cause of a decline in the real GDP of energy importing countries.<sup>57</sup>

Fuzzy games come close to portraying a more realistic political bargaining situation.<sup>58</sup> However, in these games the number of players is precisely defined and the fuzziness pertains only to other aspects of the games like the structure of the payoffs, strategies, objectives, moves, but not the increasing importance of one or more additional players in a game. One can informally recognize that the fuzziness of these games is 'more' complete by acknowledging the fact that there are actors whose preferences gradually emerge and become active in a game, especially in an environment which has been damaged by the start of the crisis or in an environment that benefitted from an active diplomatic intervention (a statement from President of the EU for example).

In such a game, represented in Figure 4, not only the structure of the game changes; from a two-dimensional table its formal representation gradually evolves into a multi-dimensional table (Game A through C), where there are as many dimensions as the total number of players. In what I will call Fully-Fuzzy (FF) games, the preferences orderings for actions change, aggregating across all "game-dimensions", where the choices/alternatives arise.

Fully-Fuzzy games possess the ability to consider an environment that gradually evolves to the point of introducing a new player mid-play that, in the present case, could be identified as Europe, whether with this concept one refers to any combination of European countries or European institution which are directly or indirectly involved by the gas dispute in the negotiation process. Figure 4 (Games B to C) emphasize the gradual transition (dashed line) by which these new actors enter

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57 T. Abeyasinghe, "Estimation of direct and indirect impact of oil price on growth," *Economics letters* (Elsevier, 2001); accessed at:

[http://www.sciencedirect.com/science?\\_ob=MIimg&\\_imagekey=B6V84-443JYPF-3-Y&\\_cdi=5860&\\_user=768492&\\_pii=S0165176501004](http://www.sciencedirect.com/science?_ob=MIimg&_imagekey=B6V84-443JYPF-3-Y&_cdi=5860&_user=768492&_pii=S0165176501004)

761&\_orig=search&\_coverDate=11%2F30%2F2001&\_sk=999269997&view=c&wchp=dGLzVt b-zSkWz&md5=14cad2c016a30204de434152 d264c6be&ie=/sdarticle.pdf; accessed on: March 2, 2010; James D Hamilton, "What is an oil shock?" *Journal of Econometrics* 113 (2003): 363–398; Sylvain Leduc and Keith Sill, "A quantitative analysis of oil-price shocks, systematic monetary policy, and economic downturns" *Journal of Monetary Economics* 51 (4) (2004): 781-808; Sofia B. Ramos and Helena Veiga, *Asymmetric effects of oil price fluctuations in international stock markets*. Universidad Carlos III de Madrid. Departamento de Estadística. (2010); accessed at: <http://e-archivo.uc3m.es/dspace/handle/10016/6918>; accessed on: March 2, 2010.

58 Abraham Kandel and Yan-Qing Zhang, "Fuzzy Moves" *Fuzzy Sets and Systems* 99 (1998): 159-177; Michael Aristidou and Sudipta Sarangi, "Games in Fuzzy Environments" *Southern Economic Journal* 72(3) (2006): 645.

the game. As already said, it is this progressive change, which one can assume to be related to the cumulative damage suffered by these external actors, the central part of my argument and which I claim cannot be directly dealt with by current state-of-the-art of game theoretic models. A Fully-Fuzzy game, as shown above, stresses the gradual importance of a third player (EU) in what originally is a simple two-player game (Game A) to a full blown game where there three active players (Game C). The equilibrium that would stem from such a distribution of pay-offs, regardless of whether this is a sequential game or not and regardless of the each player's level of information, can be substantially different from the equilibrium that is reached once both players, Russia and Ukraine, account for potential externalities on a third player, Europe. Looking at the first game in Figure 4 as a Prisoner's dilemma, one would expect that since defecting (not finding an agreement) is the dominant preference, the game would settle on both avoiding cooperation.

This equilibrium, however, is subject to an additional and growing force once it is gradually clear that since cooperation is the dominant preference for both Russia and the EU (see upper part of the Games B and C in Figure 4) – assuming for example that the EU wants the conflict between Russia and Ukraine to be immediately over and Russia does not want to be isolated from world affairs even at the cost of finding an agreement with Ukraine.

This second game, depicted in the upper part of the Games B and C in Figure 4, is completely different from the one that Russia is playing with Ukraine. The outcome of the first game (Russia-Ukraine), however, affects the outcome of the other game as soon as Europe, as a player, gains relevance, which, in the Game C, is maximized. Similarly, Ukraine has to play another game itself with the EU and outcome of this game can be heavily affected in turn by the game between the EU and Russia as well (see side game in Games B and C). Once again, it is the growing importance of the EU as a player that can affect the outcome of the whole game, which in its entirety I have defined as 'Fully-Fuzzy' (FF).

As a final remark, it is important to note that the third party (Europe) does not necessarily have to be a strong ally of either of the two original players, Russia and Ukraine. In fact, it is sufficient that the preferences of this third entity have some affinity with the preferences of one of the other actors.

## 8. Conclusions

The 2009 and the 2010 gas disputes have shown the international community that energy is to become a prime issue for European security. In recent years, these disputes have reached an intensity which was only matched by those of the 1970s. In addition to European security, the expansion of Russian political influence in Europe has become a major concern for Europe's highest leaders who suspect that Russia

may use the energy weapon to advance its political agenda also in Eastern and Western Europe.

Understanding the development and conclusion of these political bargaining events can occur through the use of political bargaining models, and it is discussing the potential of these models where I believe that this work is making its biggest contribution. This work shows that one of the most popular political bargaining models, game theory, has thus far been limited by its inability to deal with a changing environment. Cooperative and non-cooperative game, evolutionary games, infinitively repeated games, multi-agent games, two-level games, nested games, fuzzy games, neutrosophic games, supergames, metagames, despite their value and their emphasis is on specific issues, all do not account for an environment in which multiple actors gradually become active parts of the game, as shown to be a real occurrence and supported by empirical evidence in political bargaining crises like those between Russia and its former satellites. Figure 4 emphasizes that an evolving environment can significantly affect not only the structure of a game (no more just a Prisoner's dilemma), but it modifies the calculation relative to the aggregation of the preferences, which, in the specific case presented in Figure 4, would occur across all three dimensions.

In conclusion, I believe that a secondary contribution of this work is to bring more attention to the existence of statistical techniques like GARCH models and Principal Component Analysis. These techniques, mostly used in economics or health sciences, would certainly help political scientists produce research that is more robust and of higher quality, to the benefit of the whole scientific community. Too much research is still currently based on simple regression, regardless of the characteristics of the data analyzed.

It is important to point out that the present work is simply an attempt to stress the limits of modern game theory. As the reader has noticed, there is no attempt to formalize the gradual interaction of multiple players. This work is rather designed to acknowledge this limitation of game theory and leaves the design of the formal utility calculus to future research, mainly due to the mathematical complexity of the task. I chose to call the game "Fully-Fuzzy" (FF), knowing that the computation complexity of this game would probably be at a higher level than Fuzzy games, since it would require devising a methodology which can account for the gradual relevance of another actor or of other actors. Nonetheless, it is certainly true that the contribution of the present work will be complete with the definition of a formal model.

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**Appendix**

**Table 1: Dates corresponding to the start of the disputes analyzed**

<b>Crisis</b>	<b>Start Quarter</b>	<b>Date negotiations failed</b>
Belarus-Russia 2004	Q1-04	January 1, 2004
Moldova-Russia 2006	Q1-06	January 1, 2006
Belarus-Russia 2006	Q2-06	End of March 2006 <sup>87</sup>
Ukraine-Russia 2006	Q1-06	January 1, 2006
Belarus-Russia 2007	Q3-07	August 1, 2007
Ukraine-Russia 2009	Q1-09	January 1, 2009

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<sup>87</sup> Please note that this crisis refers to the unilateral statement from Gazprom to increase the price of gas supplied to Belarus which was not followed by any significant statement or action from the EU.

**Table 2: Observed likely duration of impact of gas crises (quarters)**

Dispute	Duration in quarters
Belarus-Russia 2004	1,2
Moldova-Russia 2006	1,2
Belarus-Russia 2006	1,2,4,5
Ukraine-Russia 2006	1,2
Belarus-Russia 2007	1,2,4
Ukraine-Russia 2009	1,2,3

**Table 3: Regression results of the PP-NARCH model**

<b>Variables</b>	<b>Estimated parameter</b>	<b>p-value</b>
Gas price	-.0842707	0.005***
Oil price	.0007493	0.883
Exchange Euro-Pound	-2.191647	0.277
Exchange rate Euro-US Dollar	-2.940695	0.020**
Factor 1	-.0156075	0.488
Factor 2	.0081867	0.684
Factor 3	-.0187881	0.787
<b>Belarus 2004</b>	<b>-1.284743**</b>	<b>&lt;0.001***</b>
<b>Belarus 2006</b>	<b>-.487544</b>	<b>0.002***</b>
Moldova 2006	.1857024	0.277
Belarus 2007	.0083895	0.956
<b>Ukraine 2006 and 2009</b>	<b>-.4106194</b>	<b>0.048*</b>
Constant	4.251081	0.056

**Table 4: Hypotheses supported by alternative model specifications**

<b>Model</b>	<b>Significant and Negative effect (Crises)</b>
PP-NARCH, ma(1) ar(1)	Belarus 2004, Belarus 2006, Ukraine 2006 and 2009
PP-NARCH, ma(2) ar(2)	Belarus 2006
PP-NARCH	Belarus 2006
PP-ARCH (1), ma(1) ar(1)	Belarus 2004, Belarus 2006, Ukraine 2006 and 2009
PP-ARCH (1)	Belarus 2004, Belarus 2006
PP-GARCH (1,2)	Belarus 2004, Belarus 2006
FE (within) regression with AR(1)	Belarus 2004
PP-NAGARCH(1,0)	Belarus 2004, Belarus 2006, Ukraine 2006 and 2009

**Figure 1: GDP growth levels (%) and gas disputes**

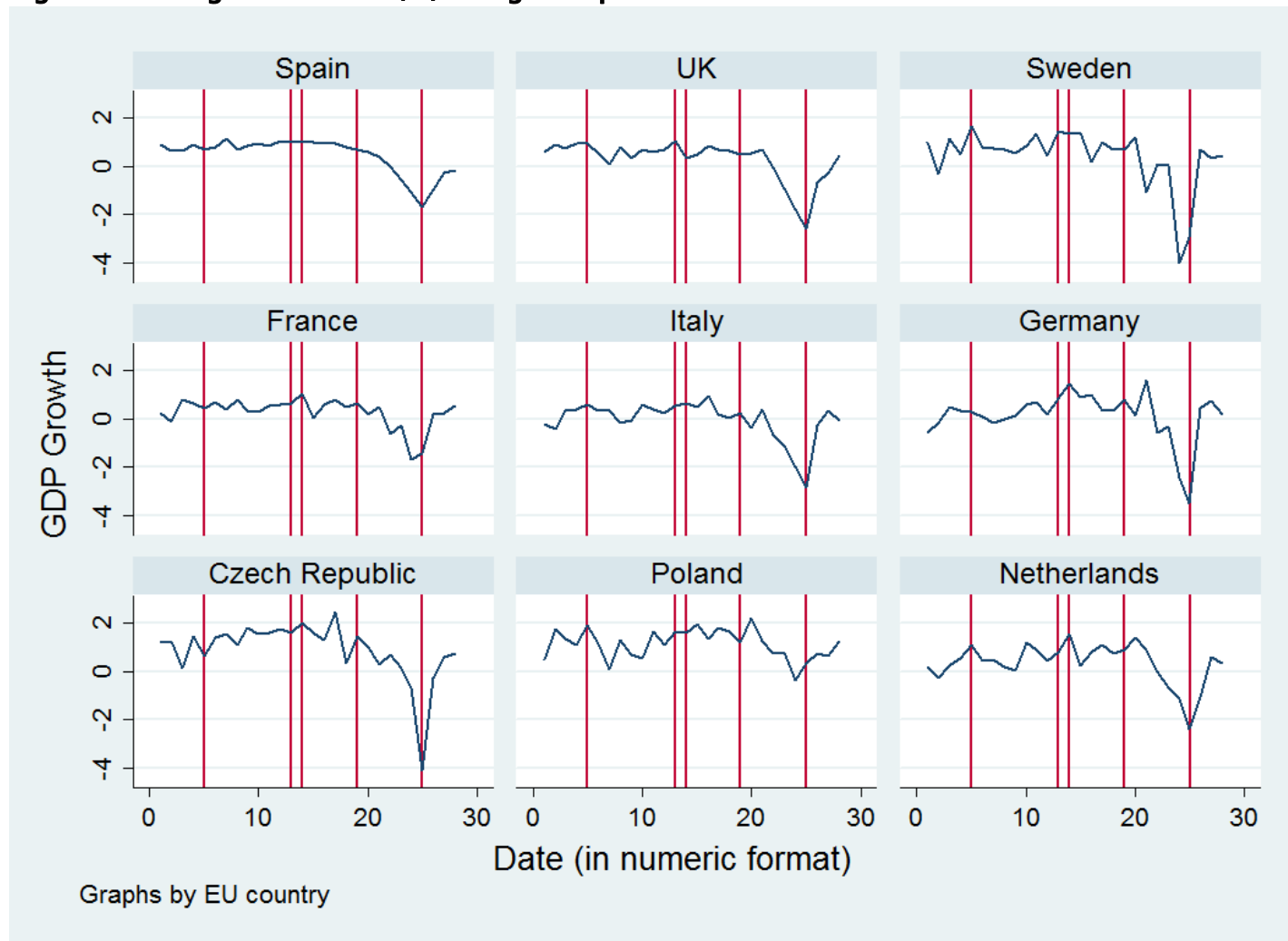
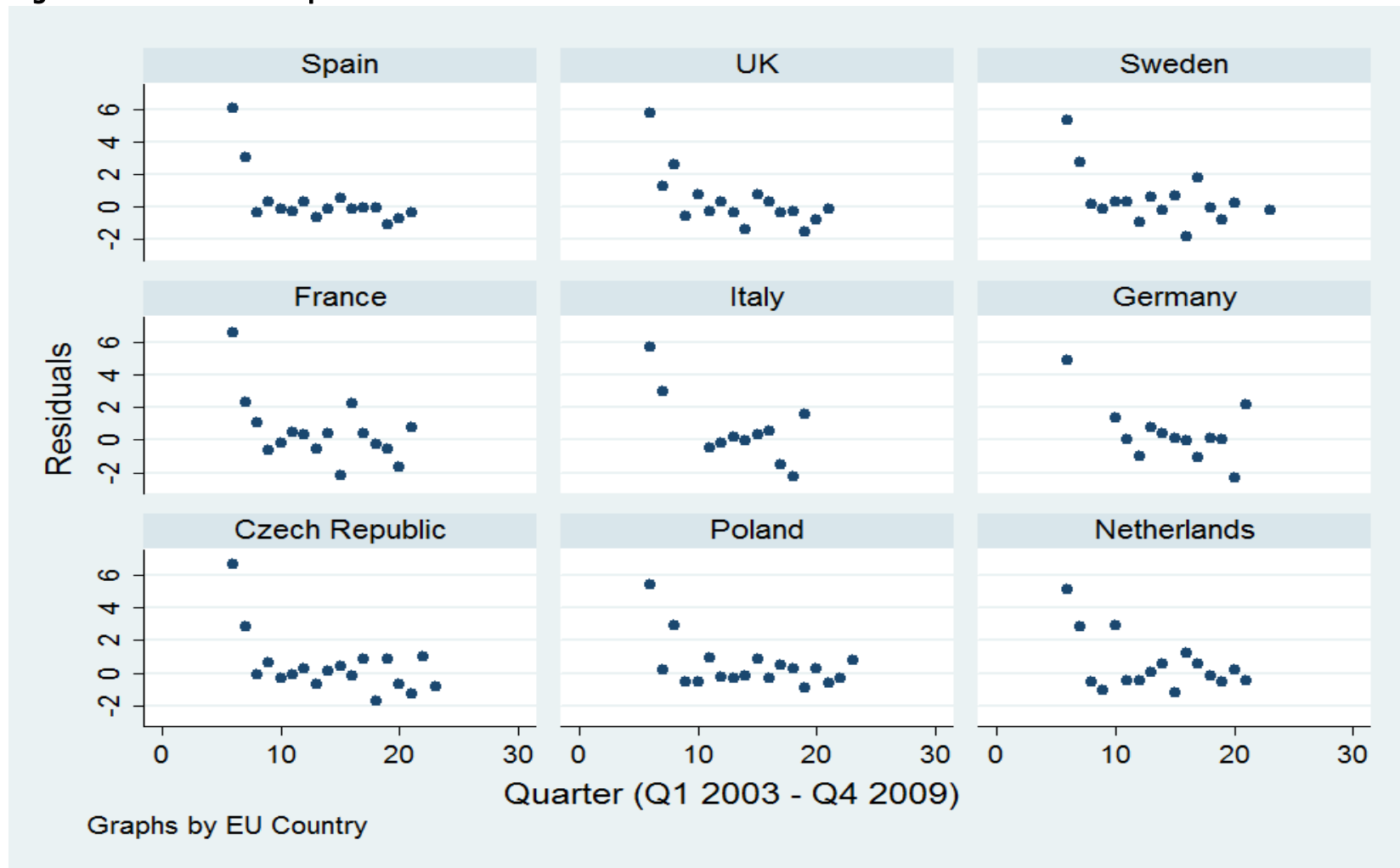


Figure 2: Residuals of a pooled cross sectional GDP model





**Figure 3: QQ Normal Scores of Standardized Residuals from the fitted PP-NARCH Model with AR and MA disturbances**

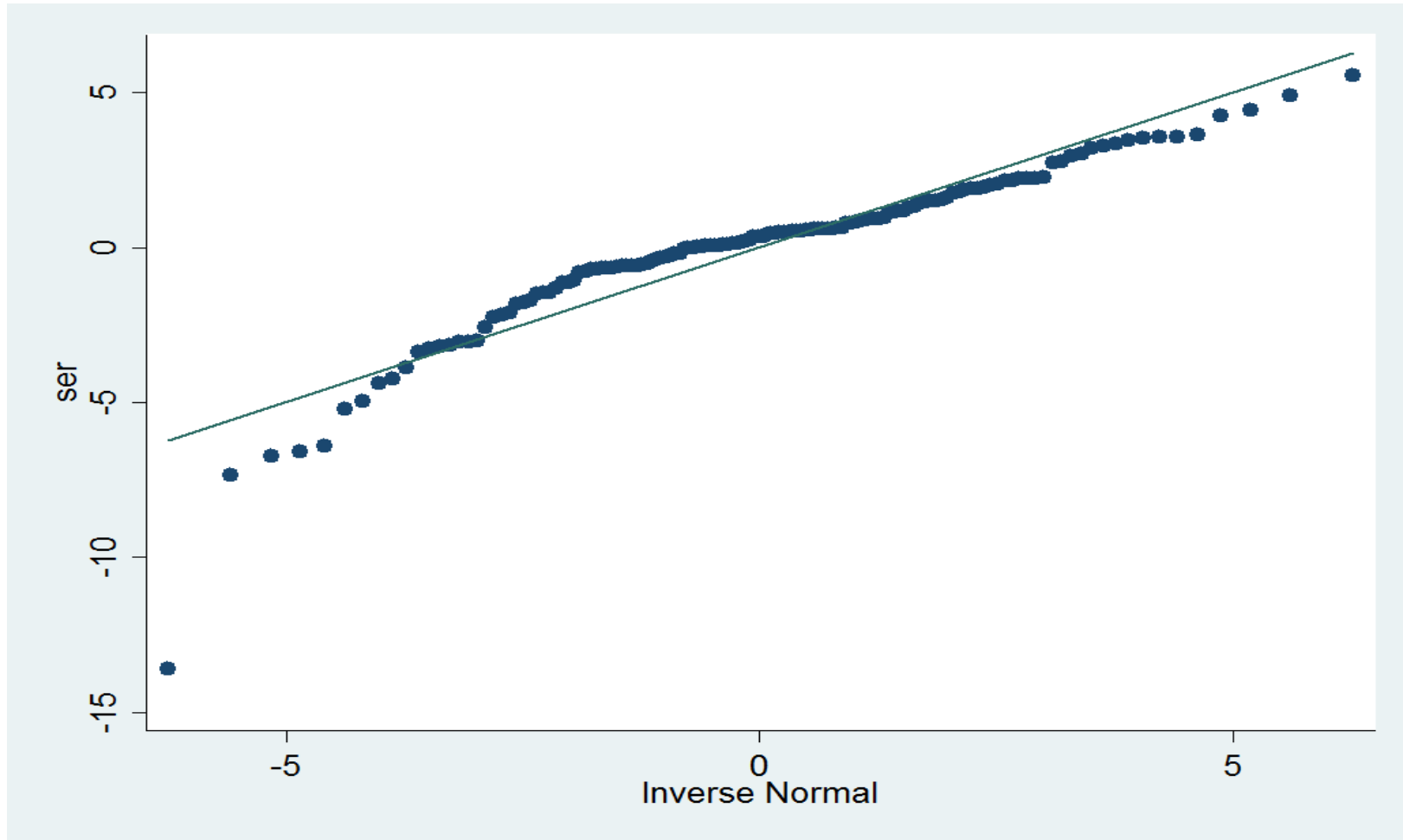
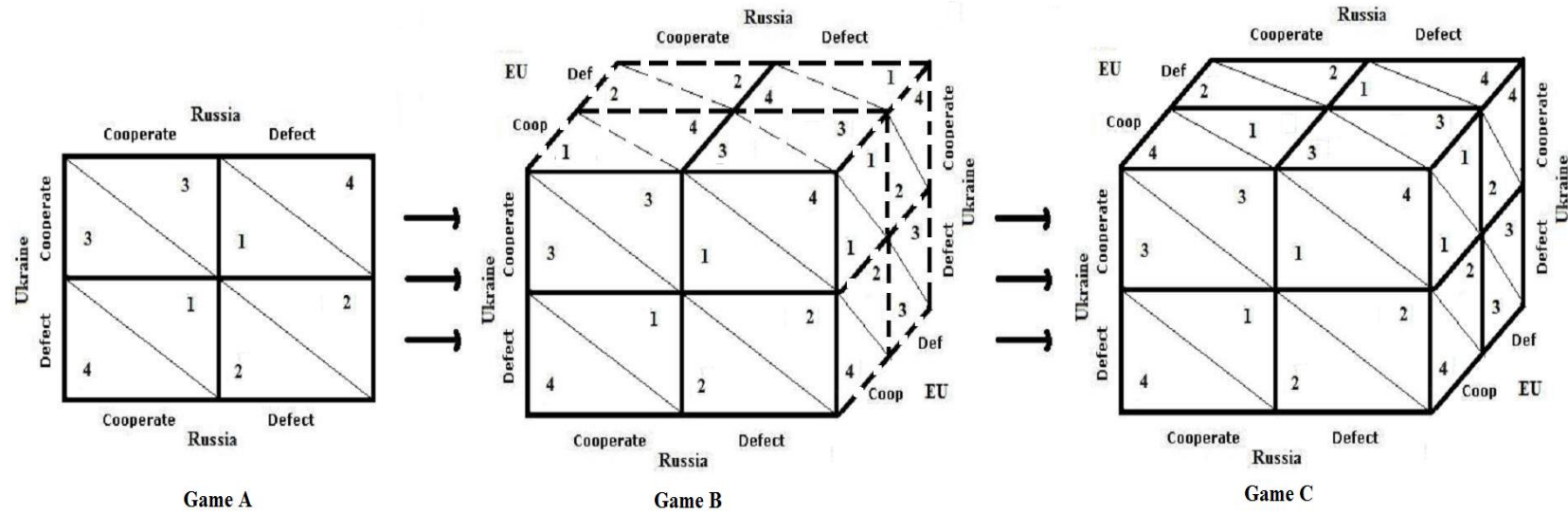


Figure 4: A Fully-Fuzzy game with three players (personal elaboration)



## COST AND BENEFITS OF NATURAL EXPERIMENTS IN POLITICAL SCIENCE

Elena Labzina  
Central European University Budapest

### ***Abstract***

*Natural experiment is a research design that is widely employed in modern Political Science. Yet, in the existing literature the features of the concept are ambiguous. The major aim of this article is to refine the related theory and argue natural experiments provide valid estimates in terms of causal inference. First, the author summarizes briefly and develops the related theory: the 'as-if' treatment randomization assumption is redefined with the introduction of the expected exchangeability treatment assumption, which enables their classification more as natural experiments. Second, based on the renewed theory, the author proposes an algorithm for the assessment of assumed natural experiments. Third, the algorithm is applied to five illustrative cases of recent natural experiments from Political Science. As a result, it is found that only two of them may be considered capable of providing valid inference. The major empirical finding is these two valid natural experiments are 'hidden' experiments, e.g. the individual(s) who were unaware that they assigned treatment had performed the randomization. This leads to the conclusion that the mysterious "nature" in nature experiments is human beings.*

**Keywords:** assessment algorithm, expected exchangeability condition, 'hidden' experiments, natural experiments

### **1. Introduction**

*Natural experiments* are in fashion in Social Sciences. According to Google Scholar, during the last five years 3370 articles have been published containing in the name the word-combination "natural experiment", which is almost half of all those published.<sup>1</sup> Yet despite their popularity, the theory on natural experiments is ambiguous. Probably the reason for this is that most of the articles study singular cases while only few investigate the underlying theory and quality of the research on the topic. In particular, it is still not entirely clear which benefits natural experiments bring in terms of causal inference.

Ideologically my paper investigates two almost distinct perspectives, which have been hardly ever analysed together. First, I look at the conditions of the "as-if" randomization and analyse whether they are satisfied in five recent works from

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1 Google Scholar: "Natural experiments", search only in Social Sciences, Arts, and Humanities: the overall number of results is 7760, for the period 2006-2010 – 3370. The request was made on September 6, 2011.

Political Science. In a way this part follows Thad Dunning's path.<sup>2</sup> In his paper he evaluates the quality of the natural experiments in terms of the plausibility of the "as-if" randomization assumption. In contrast to his work, I not only analyse the cases, but also develop the theory, making the satisfying of the crucial "as-if" randomization condition more feasible in real-life observational studies relaxing its requirements.

In his work Dunning mentions that other reasons violating "the success of natural experiments" exist, but does not provide any further discussion or assessment. Therefore a "beyond randomization" investigation is the second perspective of my paper, in which I employ the ideas that Jasjeet Sekhon and Rocio Titiunik<sup>3</sup> address in their paper. They underline that even given a perfect randomization, some treatment-control comparisons may not be justified, and even a proper control-treatment contrast may not be related to the investigated effect.

In the subsection on the validities (2.1) to make the overall theory more consistent, I combine the ideas coming from different authors. I find more dimensions of validity to make the theory complete. *Statistical* and *construct validity* are described following Shadish *et al.*,<sup>4</sup>; *ecological validity* is introduced using the ideas of Roe and Lust<sup>5</sup>; to define *content validity*, the understandings of Haynes *et al.*,<sup>6</sup> are incorporated. The subsections related to *experiments* (2.2) and *nature* (2.3) present a unique complex view on these seemingly obvious notions. I show that the definition of an experiment may be understood as having four levels and nature may be of three distinct types.

As a result, the overall case assessment in this paper is more detailed than those of Thad Dunning<sup>7</sup> and Jasjeet S. Sekhon and Rocio Titiunik<sup>8</sup>: their ideas along with the

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2 Thad Dunning, "Improving Causal Inference: Strengths and Limitations of Natural Experiments", *Political Research Quarterly* (Oct 2008), 282-293.

3 Jasjeet S. Sekhon and Rocio Titiunik, "When Natural Experiments Are Neither Natural Nor Experiments: Lessons from the Use of Redistricting to Estimate the Personal Vote," *Working Paper* (2010).

4 William R. Shadish et al, *Experimental and Quasi- Experimental Designs for Generalized Causal Inference*, (Houghton Mifflin Company, 2002), 33-103.

5 Brien E. Roe and David R. Just, "Internal and External Validity in Economics Research: Tradeoffs between Experiments, Field Experiments, Natural Experiments and Field Data," *American Journal of Agricultural Economics* (Dec 2009), 1266-1271.

6 Stephen N. Haynes et al, "Content Validity in Psychological Assessment: A Functional Approach to Concepts and Methods", *Psychological Assessment* 7(3), (Sep 1995), 239.

7 Thad Dunning, "Improving Causal Inference: Strengths and Limitations of Natural Experiments", 282-293.

refined theory are put together, developed, and “moulded together” into the assessment algorithm. To sum up, this work answers the broad question “do natural experiments provide valid estimates in Political Science?”

Structurally the paper consists of two main parts, theoretical and empirical, and their “mediator”, the assessment algorithm. In the theoretical part, I refine and improve the theory to understand the question better and make the answer more precise. First, I summarize the existing theory of validity. Second, I look at the definition of “an experiment” and discover that four levels of understanding exist. Third, I typify “nature” to clarify what “the agent” controlling the experiment is in a natural experiment. Fourth, I come to the crucial condition of an experiment, the treatment randomization. Then the theoretical findings are condensed in the assessment algorithm. In the empirical part, I apply the assessment algorithm to five examples of natural experiments from modern Political Science. The examples and the names of the cases are taken from Dunning’s work.<sup>9</sup> Lastly, the findings from both parts are summarized.

The practical purpose of this paper is twofold. On the one hand, it provides a modern theoretical tool to assess a supposed natural experiment. This evaluation may be performed even before the main part of the research, helping to prevent crucial pitfalls to appear in the study. On the other hand, the work presents the actual examples of caveats in modern works from Political Science, which may be generalized for a wider set of researches. Both qualitative and quantitative scientists can make use of this work: the former may be more focused on checking external validity, while the latter on the internal. Nowadays there is a tendency to converge quantitative and qualitative methods, and this paper may be considered a rare example of both.

## 2. Theory Refinement

### 2.1 *Types of Validity*

The purpose of this subsection is to identify the terms in which the quality of a natural experiment can be measured. For this purpose I will clarify the understanding of “validity” and look at its different aspects within “types of validity”.

Generally speaking, a valid statement is simply a correct or true statement. But what

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8 Jasjeet S. Sekhon and Rocio Titiunik, “When Natural Experiments Are Neither Natural Nor Experiments: Lessons from the Use of Redistricting to Estimate the Personal Vote.”

9 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 283.

does “a statement is valid” mean? In terms of causal inference, *the likelihood that an inference is correct is the validity of the inference*. In terms of effect estimation, *the extent to which an estimate of an effect is precise is the validity of the estimate*. A research method, being a measuring instrument, is valid if it provides valid estimates. To be more specific, it “measures what it is intended to measure”<sup>10</sup> and measures precisely.

In practical terms, validity is not a characteristic of a method but an inference, e.g. an instance of the method’s application,<sup>11</sup> since in each application obstacles to the validity are different. Theoretically *the expected validity of a method’s application* is approximately equal to *the validity of a method*. Importantly, the validity of a method can be considered multidimensional, where types of validity are different aspects of validity.

The two key types of validity are *internal* and *external* validities (see e.g. the article of Roe and Lust<sup>12</sup>). In the discussion the aim is to maximize their hypothetical sum. More types of validity – *construct*, *statistical*, *ecological*, and *content* - are brought in to assist the evaluation of the major types. While in the literature the definitions of external and internal validities do not differ significantly, the definitions of additional types and even the types themselves may vary. Consequently, it is important to underline where the definitions (for the additional types) employed in the paper come from. *Statistical* and *construct validity* are described following Shadish *et al.*,<sup>13</sup> (2002, 33-103); *ecological validity* is introduced using the ideas of Roe and Lust<sup>14</sup>; to define *content validity*, the understandings of Haynes *et al.*<sup>15</sup>, are incorporated.

To start with the key validities, *internal validity* can be defined as the extent to which a proposed causal relation is correct within a research design. More precisely,

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10 Edward G. Carmines and Richard A. Zeller, “*Reliability and validity assessment*,” (SAGE University Paper, 1979), 17.

11 William R. Shadish, Thomas D. Cook, and Donald T. Campbell. *Experimental and Quasi- Experimental Designs for Generalized Causal Inference*, 34.

12 Brien E. Roe and David R. Just, “Internal and External Validity in Economics Research: Tradeoffs between Experiments, Field Experiments, Natural Experiments and Field Data,” *American Journal of Agricultural Economics* (Dec 2009), 1267.

13 William R. Shadish, Thomas D. Cook, and Donald T. Campbell. *Experimental and Quasi- Experimental Designs for Generalized Causal Inference*, 33-103.

14 Brien E. Roe and David R. Just, “Internal and External Validity in Economics Research: Tradeoffs between Experiments, Field Experiments, Natural Experiments and Field Data,” 3.

15 Haynes, Stephen N., David C. S. Richard and Edward S. Kubany, “Content Validity in Psychological Assessment: A Functional Approach to Concepts and Methods”, *Psychological Assessment* 7(3), (Sep 1995), 239.

it is the validity of the statement that the treatment causes the investigated effect in the sample given in the settings. *External validity* is the extent to which a proposed relation defined for an individual design is valid for a more general design. In terms of units, a design has a high external validity if the results obtained based on a sample are valid for the population of interest. In the literature the common view is a trade-off between internal and external validities, and *natural experiments* lie in the middle of the scale.<sup>16</sup>

Among the auxiliary types of validity only statistical validity is directly related to internal validity, while others could be considered to be attributes of external validity. *Statistical validity* assessment is based on answers to two questions. First, do a presumed effect and cause covary? Second, what is the magnitude of the covariation? A significant mathematical covariation as such does not prove a causal inference, but its existence may be a signal to start a deeper qualitative and quantitative investigation. Practically, statistical validity is a technical and mathematical aspect of internal validity. Given an appropriate means of measurement, internal validity causes statistical validity but not *vice versa*.

*Content, construct* and *ecological* validities represent different perspectives of external validity. Assessment of external validity is not restricted to these, but looking at them explicitly may simplify and structure the assessment significantly. *Construct validity* is the validity of the terms used in a research design. Terms or names point to the definitions, or understandings, used in the design. *Ecological validity* is the extent of the possibility to generalize the setting(s) of the design to the universe of all settings of interest. In other words, it is a representation of a "sample" of settings to a "population" of settings for which an inference is performed. *Content validity* is the validity of measuring instruments employed in a design. This can be understood as a part of construct validity, since a measuring approach is embedded, explicitly or implicitly, in the definition of a term.

## 2.2 What is "an experiment"?

*Experiment* is one of the terms probably most frequently used in almost all sciences, including Political Science. However, it may often not be completely clear what lies behind the notion, which makes their validity analysis complicated. Hence, before moving further, it must be strictly specified. As an intuitive concept, it is problematic to define shortly and precisely. I argue that from the perspective of Social Sciences an *experiment* can be considered to have four nested definitions, each of which

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16 For example, see Thad Dunning, "Improving Causal Inference: Strengths and Limitations of Natural Experiments", 282-293 or Brien E. Roe and David R. Just, "Internal and External Validity in Economics Research: Tradeoffs between Experiments, Field Experiments, Natural Experiments and Field Data," 1266-1271 .

gradually adds more details to the understanding.

The *basic definition* is intuitive: as Shadish *et al.*, argue, the act of an experiment is “[t]o explore the effects of manipulating a variable”<sup>17</sup>. This view includes minimal details and is seemingly too broad to clarify what an experiment is in a more scientific understanding. Contrary to the first one, *the minimal definition* narrows the concept extensively emphasizing that the experiment is a design where “*the treatment [is] randomly allocated over the sample of experiment and is controlled*”<sup>18</sup>. This definition leaves a number of questions unanswered: What is also in the experiment except the treatment? Who assigns the treatment? What is known about the sample? These questions are crucially important from the perspective of internal validity, but remain unclear.

*The intermediate definition* is probably most often employed in Political Science and attempts to clarify the ambiguity. It states, first, that the effect of the treatment is compared to the effect of no-treatment units called *controls* or *control*. Second, the assignment of the treatments is randomized, which is a version of the minimal definition. Third, the treatment allocation, in addition to other experimental manipulations, must be under the control of the one who performs the experiment.<sup>19</sup>

A few practical remarks need to be made about the latter definition. First, why does it presuppose the presence of an actor who performs the experiment? I argue that this implicitly underlines the need for an actual randomness of the treatment allocation. This means that other sources of the effect are expectedly ruled out. In the case of Political Science, an assumption of the actual randomness - especially while working with historical data - may be excessively strong, and has to be examined carefully for each case. Second, the assumption of the existence of controls as a consequence of the presence of treatment units is extremely tentative. The supposedly ‘no-effect’ units may turn out to be affected by other “treatments” overlooked at first, since those treatments are unknown, and so not taken into account in the research.

*The full definition* requires an addition relative to the intermediate one: the sample of an experiment is supposed to be representative of the population for which the

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17 William R. Shadish, Thomas D. Cook, and Donald T. Campbell, *Experimental and Quasi-Experimental Designs for Generalized Causal Inference*, 507.

18 Thad Dunning, “Natural Experiments,” *Draft entry for the International Encyclopedia of Political Science*, (2010), 2.

19 Based on Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 282.



results are to be generalized.<sup>20</sup> This extension becomes crucially important from the external validity perspective as it justifies generalization.

### 2.3 What is “natural” or “nature”?

To begin with, in the word-combination “natural experiment”, “natural” points to the agent that can be labeled “nature”. However, this leaves unexplained what kind of “nature”. Without deeper analysis, since “natural experiments” are observational studies, “nature” seems to mean simply that no researcher has explicitly controlled the treatment allocation. The aim of this section is to clarify the features of the force (“nature”) that is “in charge”. This is needed to simplify the assessment, since the strong and weak points of concrete natural experiments may be a direct consequence of these features.

As I am going to show later, the absence of a human controller does not mean that no human has been involved in the allocation. The involved agents may have affected the treatment allocation significantly, but for them the process was not experimental. First at least initially, the randomness of the treatment assignment was not their aim. Second, there may be factors unrelated to the agents which may have affected the assignment. Other people, for example scientists interested in the case, have considered the conditions of the allocation (e.g. in the historical data) sufficient to claim randomness, or more precisely, the “as-if” treatment condition to be fulfilled.<sup>21</sup>

I claim that three distinct “natures” may take place. Their mixtures are also possible. First, in relation to games, probability theory uses the terms “*a state of nature*” or “*a state of the world*”. They refer to a set of external (to the players) conditions at a particular point of time. States of nature occur according to a known distribution.<sup>22</sup> Literally, in its turn “nature” makes a move, giving out a random value, which refers to a set of game conditions, which together constitute “a state of nature”. Supposing each “state of nature” equally probable, the “nature” becomes a synonym for perfect randomization with no human control. These are ideal conditions: the “nature” turns out to be an “appropriate” researcher controlling the treatment allocation.

Second, “nature” may be an existing but non-human agent. An example of this is a hurricane, a climate, a flood, etc. The answer to the question whether their behavior can be classified as random is not straightforward. This article is not a paper on

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20 William R. Shadish, Thomas D. Cook, and Donald T. Campbell, *Experimental and Quasi- Experimental Designs for Generalized Causal Inference*, 341.

21 This key condition is going to be discussed in the following subsection.

22 Roger B. Myerson, *Game Theory, Analysis of Conflict* (Harvard University Press, 1991), 352.

Climatology or Environmental Science which presents a detailed investigation of such a kind. Still, roughly and intuitively, the behavior of “natural” agents of such natural agents contains both “random” and “non-random” components. What is more important in the analysis is that at least two obstacles can be easily observed disallowing such agents to provide randomization of a treatment. First, the agents are outcomes of the environmental conditions, meaning that a probability, for example, of a flood appearing, is correlated with the characteristics of the area where it happens. In the language of statistics, this means the treatment allocation is not orthogonal to unit features. Second, in terms of inhabitants of the area an endogeneity, or a mutual influence, between effects of the factors and a likelihood of the factors is highly possible. This type of nature does not seem to provide sufficient conditions for a randomization.

Third, a consequence of a complex, often highly detailed, process may be referred to as “nature”. As a consequence, the treatment allocation is seemingly randomized, meaning no clear factors influencing the treatment assignment take place. In Political Science, most probably, a multi-stage social or political process may be the “nature”. Due to the complexity of a process, both endogeneity and additional covariates are hard to rule out. In this case, “nature” can hardly claim to provide a sufficient randomization.

The typology should probably be developed further. However, even in a very rough form, as presented in this paper, the classification makes the analysis of the validity of natural experiments easier, which will be shown in section 3.

#### *2.4 “As-if” and expected exchangeability treatment condition*

In a *natural experiment*, as in an experiment, a treatment assignment must be randomized. Contrary to the latter, in the former the treatment assignment is not random but “as-if” random.<sup>23</sup> This difference appears since a natural experiment is not controlled, but because of conditions it can be claimed that the treatment assignment is “as-if” random. Except for their definition, while dealing with *natural experiments*, the “as-if” part can be easily omitted: natural experiments are so favorable because they are seemingly as randomized as usual experiments.

The condition of treatment randomization, or “as-if” randomization, is the core feature of experimental designs. If the condition is unsatisfied, a design cannot be called an experiment or natural experiment. The idea of natural experiments seems problematic mostly because treatment randomization is extremely difficult to claim in observational studies. Consequently, relaxing the condition of treatment

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23 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 283.

randomization and redefining the “as-if” randomization, based on the relaxed requirement, will make the concept of *natural experiments* more justifiable.

In this section, first, I will give a definition of the condition of treatment randomization. Second, I will elaborate on the reasons why the requirements of the definition are crucial for experiments. Third, I will relax the requirements introducing *the expected exchangeability treatment assumption*. Lastly, I will look at the way it modifies the understanding of “as-if” randomization, the condition which enables labeling an observational study a natural experiment.

What is treatment randomization? According to Shadish *et al.*, treatment randomization or random assignment is achieved if “units to conditions are assigned only by chance”<sup>24</sup>. To be more detailed, randomization happens when units of an experiment are divided into control (C) and treatment, or experimental (E), groups randomly, meaning “using some mechanism that assured that each unit was equally likely to be exposed to E as to C”<sup>25</sup> (Rubin 1974, 689). As a result, the averages of all the characteristics of the units are the same in the treatment and control groups. Consequently, the estimation of the treatment effect is unbiased for a given setting. This is the main virtue of randomization of treatment assignment.

The information provided in the previous paragraph can be summarized into the following definition. *Treatment randomization condition is satisfied if, and only if, the treatment is assigned to units unconditional on their features. Each unit has the same probability of being assigned to the treatment.* Now I propose to take a step back and challenge the existing theory by asking two questions: which features of the randomization actually lead to unbiased estimators of an effect? Is the condition of treatment randomization so badly needed? If an effect of interest takes place in a sample consisting of units with expectedly similar features, then which particular units belonging to the control and treatment group should not influence the expected estimator of the effect? In other words, units are interchangeable between the groups, which brings me to the concept of *exchangeability*.

*Exchangeability* takes place if the joint distribution of a sample is the same as the distribution of every possible permutation of the sample.<sup>26</sup> The effect on a parameter, defined as the difference between the averages of the parameter in treatment and control groups, is a statistic that has a distribution. However, in the case of effect estimation, the main interest is not in the distribution but in the

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24 William R. Shadish, Thomas D. Cook, and Donald T. Campbell, *Experimental and Quasi-Experimental Designs for Generalized Causal Inference*, 248.

25 Donald B Rubin, “Estimating Causal Effects of Treatments in Randomized and Non-randomized Studies,” *Journal of Educational Psychology* 66(5), (Oct 1974), 689.

26 John Kingman, “The population structure associated with the Ewens sampling formula,” *Theoretical Population Biology* 11(2), (Apr 1977), 274–283.

expected effect, or in the expectancy of the distribution. Permutations in terms of a sample divided into controls and treatments mean that the units are reassigned.

I propose to introduce *the expected exchangeability condition* that is satisfied if the expected effect of all permutations of the original sample is equal to each other and to that of the original sample. The set of samples satisfying *the expected exchangeability condition* is larger than the set of those satisfying *the treatment randomization condition*, which increases the possibility of justification of natural experiments.

The difference between the conditions can be illustrated with a simple example. Imagine a sample consisting of  $n$  red and  $m$  green units. All red units are assigned to the treatment group (*non-randomly!*), but the color is claimed to be irrelevant in the sense of the measured effect. Consequently, despite the violation of the treatment randomization condition, the estimator of the effect is unbiased, since if some green elements are interchanged with the red ones the expected effect does not change, i.e. *the expected exchangeability condition* is satisfied. To sum up, non-random assignment is not a problem if it is conditional only on characteristics, which are orthogonal to the treatment effect.

*The expected exchangeability condition is satisfied if, and only if, the reassignment of treatments (within the sample) does not change the expected treatment effect. In the original assignment the units may have different propensities to be assigned to the treatment, but the factors, on which the propensity depends, are orthogonal to the treatment effect. The reassignment may be made after removing or without removing the factors influencing the propensity, after that each unit has the same probability of being assigned to the treatment.*

Based on the introduction of the expected exchangeability, a natural experiment can be redefined. *A natural experiment is an observational study, in which the expected exchangeability condition is satisfied.* As seen from the definition, the only advantage natural experiments provide in terms of causal inference (relative to other observational studies) is the “as-if” randomization condition, which can be equaled with the expected exchangeability condition.

### *2.5 Assessment Algorithm*

The practical purpose of this section is to summarize and improve the existing theory to assess natural experiments, or, being more precise, potential natural experiments. Two perspectives are addressed. First, what is the *validity* which is estimated? What “dimensions” does it have? Second, what are these natural experiments? Which of their specific features should be looked at with special attention?

In the following assessment algorithm (AA) these perspectives are reflected along with a critical view of the relevance of the assumed randomization to the compared treatments and controls. I claim that the latter problem is often overlooked in the analysis. The last two points of the algorithm are summarizing.

Steps to evaluate the validity of an assumed natural experiment:

1. Define the type of nature, according to the proposed in (2.2) classification:
  - a. As if someone flips a coin ("the ideal case").
  - b. Non-human "natural" agent (e.g. a hurricane or a storm)
  - c. Multi-stage process (e.g. social or political)
2. Is the "as-if" randomization condition satisfied? How?
  - a. Treatment randomization condition
  - b. Expected exchangeability condition
3. If the "as-if" condition is satisfied, then answer the question<sup>27</sup> :  
*"Is the proposed treatment-control comparison guaranteed to be valid by the as- summed randomization?"*
4. Based on the analysis of the previous steps, assess the proposed types of validity:
  - a. Internal
  - b. External
  - c. Construct
  - d. Statistical
  - e. Content
  - f. Ecological
5. Assess the overall success of the natural experiment.
6. Propose ways for improvement (optional).

This plan has both advantages and disadvantages. The main possible pitfall is a high dependence on the applicant. However, the drawback is significantly mitigated by a major benefit, the clear structure. Even if the results of two experts are different, it is easy to compare them. From a certain perspective this disadvantage may become an advantage, since the algorithm provides room for various opinions, keeping them within the set boundaries. Also, to apply the algorithm practically no deep knowledge of statistics is needed, which may be very important for qualitative political scientists.

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27 Jasjeet S. Sekhon and Rocio Titiunik, "When Natural Experiments Are Neither Natural Nor Experiments: Lessons from the Use of Redistricting to Estimate the Personal Vote," 2.

### **3. Empirical Study**

#### *3.1 Methodology*

The aim of this part is to assess five recent works from Political Science, provided by Dunning (2008, 283), which are claimed to be examples of natural experiments. The cases provide different illustrative examples of possible sources of randomization usual for Political Science: lotteries, differences in laws and regulations, weather conditions, jurisdictional borders, and individual random selection. The major interests of the analysis are to see whether (1) they are “real” natural experiments (2) they can be considered to be able to provide enough information to establish causal links and estimate the effects of interest.

I am going to employ the theory that I developed in the previous section. Relative to the existent literature, three novelties are presented. First, I analyse the plausibility of the “as-if” randomization condition not in the “usual” understanding (randomized treatment assignment), but from the perspective of the newly introduced expected exchangeability condition. Second, I investigate the quality of natural experiments with a focus on possible problems lying “beyond randomization” (points 3 and 4 in the assessment algorithm). I will suppose that the “as-if” condition is perfectly satisfied and look for the caveats which may still be present. Thirdly, I will elaborate on the experiments from the perspective of all types of validity, not only internal and external, but also construct, statistical, ecological, and content.

To prevent possible critiques, a few clarifications need to be made before the presentation of the cases. First, the analysis in this part is very tentative in the sense that the cases are not analyzed deeply to check whether certain types of concrete problems with validity really exist (or not exist) in the case. As stated, the actual validity is a characteristic of an instance of a particular research design application, conditional on certain particular and concretely defined units, treatments, settings, and effects. The aim of the assessments is to point out possible and most probable weak points in natural experiments, or, to be more precise, what are called natural experiments in modern Political Science. Consequently, it is not so important if an actual problem did take place, more important is the high possibility that it may be out there, and so it could appear in a similar case. Second, the purpose of the paper is not to identify all possible caveats in the taken cases but to focus on specific problems. Third, the assessment of the cases does not always strictly follow AA, but uses it as a guideline not as a strict plan. The cases are arranged “in ascending order”: each one is better than the previous in terms of validity.

### 3.2 Case Studies

#### 3.2.1. Effect of affluence on political attitudes

In the first case the randomization is provided by lotteries, which is a rare example of the first type of nature in Political Science. Despite the existence of unfair lotteries, this subsection is not about them. Here the purpose is to investigate the example of the use of supposedly perfectly randomized treatment, fair lotteries.

In his paper Doherty *et al*<sup>28</sup> investigates the impact of personal wealth on individual political attitudes. They employ the lottery wins to rule out the endogeneity between the income and political attitudes. The authors compare the winners of the lotteries with the people from general public via surveys. The major findings of the paper are that the lottery-induced affluence makes the attitudes towards state taxes worse and has less significant effects on the attitudes towards economic stratification and the overall role of the state in the sense of providing social benefits.

In this study the treatment is randomized, so the “as-if” treatment randomization condition can be considered satisfied. As a next step, the question whether the money won in a lottery significantly increases the wealth of a person needs to be asked. Above all, it is not entirely clear which income is meant, relative or absolute. It is probably the relative income that matters. Furthermore, if someone wins money they become richer but not definitely richer than their neighbor. Another weak point is the problem with the construct validity. The authors want to look at the change of wealth on political attitudes, but actually they estimate the effect of the increase of the wealth gained by luck on political attitudes. For example, if someone wins he may start to believe in destiny and less in the welfare state, since he is convinced that he is lucky and does not need state insurance. Importantly, then it is not money that changes his attitudes but the new belief in luck.

More than that, in the case the actual comparison is not between more and less wealthy people, but between the ones who have won and those that have not. To be more precise, the comparison is between the individuals who participated in the lotteries and have won and those who maybe never participated in any lottery and have not won. It is clear that two samples are taken practically from different populations, which completely spoils the internal validity.

The caveats are very significant, since four self-selections take place: the self-

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28 Doherty, Daniel, Donald Green, and Alan Gerber, “Personal income and attitudes toward redistribution: A study of lottery winners,” *Political Psychology* 27(3), (Jun 2006), 441–458.

selection to buy the lottery ticket; the self-selection to buy the lottery ticket and win; the self-selection to buy the ticket, win, and participate in the survey; and the self-selection to participate in the survey, while participation in the lotteries is unclear (the control group). The mutual interaction among these self-selections is unclear. For instance, if the participation in the survey is paid then the individuals taking part in it are most likely in need of money and have enough free time, i.e. unemployed, pensioners, or students. If a person wins money and still wants to participate in the survey, then he may be either simply greedy, strongly used to participate, or might be willing to show off. Dunning also mentions the problem of self-selection<sup>29</sup> in his paper.

To conclude, the case has significant problems with all types of validity. Above all, it compares individuals from different populations. In addition, the investigated effect is not one of interest, even if the self-selections are not taken into account. The elaboration on ecological and external validity of any kind makes no sense, since it is impossible to assess the setting in terms of the representation of broader settings, if the setting as such is incorrect. The same can be said about the internal validity: the controls and treatments are simply not comparable. This case may be considered very unsuccessful, and it may not provide any valid causal inference.

### 3.2.2 Bureaucratic delegation, transparency, and accountability

In his paper Stasavage<sup>30</sup> examines the effect of the transparency of the central bank on the disinflation costs in terms of output and unemployment (2003). The author argues that a higher transparency has a positive economic effect, e.g. the costs of disinflation are lower. In the work the transparency is expressed either in the regular forecasts of the central bank or its reports to the national parliament. According to Stasavage, country-fixed effects are insignificant, and so they are omitted in the analysis.

The source of randomization, "nature", may here be considered of the third type, since the level of the transparency is a consequence of a complicated multi-stage politico-social process. The state institutions and the transparency can be strongly endogenous, which makes the following analysis highly complicated. The treatment is one of the features of a country within the complex inter-temporal systems of effects involving history, current political regime, natural resources, geographical location, and neighboring countries. The transparency can hardly be claimed to be

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29 Thad Dunning, "Improving Causal Inference: Strengths and Limitations of Natural Experiments", 285.

30 David Stasavage, "Transparency, democratic accountability, and the economic consequences of monetary institutions," *American Journal of Political Science* 47(3), (2003), 389–402.



“as-if” random in any sense. Consequently, the case cannot be called a natural experiment.

However, I propose to pretend that the level of the transparency is “as-if” randomly assigned in the setting. Then the answer to the question AA.3 is positive, since the imposed treatment assignment (the level of the transparency of a central bank) is the feature, the effect of which is investigated. However, to rule out other possible treatments in this setting is hardly possible. For instance, some countries may be oil exporters, and then natural shocks of oil price increases are positive for them in terms of output (the taxes rise, social transfers increase, the internal demand increases, and so does output), while for the rest of the countries this shock leads to negative consequences. So, this is not only an example of another factor that may influence output and unemployment, but also the countries are strongly heterogeneous in relation to it.

As was argued in the previous paragraph, the internal validity is doubtful since other factors are not ruled out. The content and statistical validities are good, since the authors use the official economic data. The construct validity is fair: seemingly authors give clear names to the constructs in the design. Without going deeper, it can be said that the ecological and external validity of the case are fair (if the sample is representative). Still, certain problems related to country effects are unavoidable, but such concerns always take place.

To conclude, the major problem of the work is that it is not a natural experiment: the treatment is not random in any sense. Consequently, the validity may be assessed as poor. Dunning does not assess the case in his scale, so the comparison is not possible (2008, 289).<sup>31</sup>

### 3.2.3 Economic growth and civil conflict

The first case on which I would like to elaborate is the work of Miguel *et al.*<sup>32</sup> In their paper the authors analyse the impact of economic shocks on civil conflicts based on a sample of 41 African countries. According to the authors, the major obstacles in this investigation are presupposed endogeneity and omitted variable bias. Their solution is to use the instrumental variable of rainfall variation in the countries of the sample. The authors argue that, since irrigation systems are not widespread in the area, rain variation has a direct impact on economic growth. Importantly, they do not claim explicitly that their study is a natural experiment. However, the way

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31 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 289.

32 Edward Miguel, Shanker Satyanath, and Ernest Sergenti. “Economic shocks and civil conflict: An instrumental variables approach,” *Journal of Political Economy* 122, (Aug 2004), 725–753.

they deal with the treatment, rainfall variation, makes it possible to look at the case in this way (Dunning 2008, 284)<sup>33</sup>.

Following the assessment algorithm, to start, the “nature” here can be classified as being of the second type. Despite the endogeneity between individuals and weather condition being diminished, since the authors employ not the amount of rainfall but its variation, it may not be eliminated completely. The lack of irrigation is not enough to reject any adaptation to the rainfalls. Even supposing that agriculture is the only way to make a living in the region, the factors influencing wealth cannot be restricted only to rains. For instance, in the areas with a higher rainfall variation the inhabitants may be accustomed to it, and, hence, its impact is less. The possible ways of survival may be reserves or loans in a certain form, etc.

Furthermore, harsher conditions may make people cooperate more, and, in this case, the impact the higher rain variation on social conflicts may be even negative, which is opposite to the main result of the paper. The authors control for ethno-linguistic and religious fractionalization, but do not control for a level of trust in the society. Also, the effect of the rainfall variation may be different for different income levels of population, e.g. heterogeneous, and then overall generalized claims may become highly imprecise in the sense of magnitude. Moreover, heterogeneity is possible on the country level as well. Consequently, the “as-if” randomization condition may be considered unsatisfied: neither as the treatment randomization nor in terms of the expected exchangeability.

In terms of the case, AA.3 could be reformulated as “does the higher rainfall variation give enough grounds to divide the countries into those having bigger or smaller harvests, and as a result, more or less economic development?” Even if the answer is positive, and the exogenous effect exists, it is probably heterogeneous, so generalizations are problematic.

To sum up, I would like to summarize the discussion in terms of validities. The authors do not claim the results of the paper to be generalizable, so it is possible to forget about the ecological validity, and discussing external validity is not needed. The major problems in the case are in internal validity, since the “as-if” randomization condition does not take place. Therefore the overall validity may be assessed as poor. Dunning in his paper does not assess the case.<sup>34</sup> To conclude, the work does not provide any generalization, which makes its contribution limited, and even within the set boundaries, it is very problematic in terms of validities.

#### 3.2.4 Political salience of cultural cleavages

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33 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 284.

34 Ibid. 288.

In this case the source of the treatment is the “as-if” arbitrary set jurisdictional border. Posner<sup>35</sup> contrasts the ethnicities of Chewas and Tumbukas in two neighboring countries, Zambia and Malawi. In Zambia the people of the ethnicities are allies, while in Malawi they are adversaries. The major argument of the work is that cultural cleavages between ethnic groups matter in national politics only if the size of the groups is significant relative to the total population of the country. The hostility between the peoples, which results in political tensions as well, was investigated via surveys in a pair of Chewa and Tumbuka villages in the two countries (altogether 4 villages).

The “nature”, the source of randomization, in the case is the British colonial authorities. The author argues that the state boundaries are completely random. In reality, the treatment allocation, which is a consequence of a decision-making process, may not have been completely random. However, the factors (if any) which affected the allocation may not be correlated with the investigated effect of ethnic composition. Consequently, the expected exchangeability assumption is satisfied, and the case may be called a natural experiment.

The answer to AA.3 is positive. The treatment and control groups are perfectly comparable in the sense of the treatment. Internal validity may be considered fair, given the strong similarity between the countries, to be more precise, between the pairs of villages. However, the external validity is problematic. Although the results are claimed to be generalizable, the representation of the two pairs of villages relative to the rest of the country and other countries is doubtful. The sample is too small for any generalizations. Furthermore, on the country level other possible reasons for the hostility may not be ruled out completely. Such reasons, despite the overall similarity of countries, may be, for example, different politics of the former dictators or the amount of money borrowed from the IMF.

Additionally, this case has clear problems with methodology. The content and construct validity are questionable and unclear. The author asks certain questions in his interviews and, based on them, makes conclusions about the hostility in the countries. The ecological validity is seemingly weak: the general conclusions are based on the data coming from only two pairs of villages. The representativity of the people according to the population of the countries and to other countries does not look plausible. The statistical validity is good, while the internal one is questionable, since it is impossible to prove the existence of the channel of effect.

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35 Daniel N. Posner, “The political salience of cultural difference: Why Chewas and Tumbukas are allies in Zambia and adversaries in Malawi,” *American Political Science Review* 98(4), (Nov 1998), 529–545.

To sum up, this case is good in terms of the “as-if” randomization, but still problematic from many other perspectives. However, at least one improvement is clear: to enlarge the sample of villages. The overall validity of the case can be assessed as fair. Dunning locates the case in the middle of his scale.<sup>36</sup>

### 3.2.5 The effect of international monitoring on electoral fraud

In her work Hyde<sup>37</sup> looks at the effect of the international observers on the election-day fraud during the presidential elections in Armenia in 2003. The state officials of the country invited them to prove the fairness of the elections on the international level. Since the number of observers was not enough to cover all precincts, they had to allocate their time among randomly chosen voting stations. Their aim was to visit as many precincts as possible. The observers had no idea about the features of the area of the country; consequently, the treatment (their presence) can be supposed to have been assigned randomly. Practically, Hyde estimates the treatment effect on the electoral percentage of the incumbent, or the current president, in a voting station, which is considered to be proportional to the level of fraud.

In this case, the nature may be defined as either of the first type, e.g. random, or the third type, if the observers had certain unknown reasons to pick the precincts, for example, they may have not liked villages the names of which start with “A”. However, conditional on the fact that they had no knowledge of the region, then the expected exchangeability assumption may be considered satisfied, meaning that the factors that influenced the choice are uncorrelated with the effect. Consequently, the study is a natural experiment. The next question is whether the decision to visit a precinct actually makes the visit happen. This is true by the definition of the setting of the case.

In terms of internal validity the case can be considered good: the treatment and control units are comparable, the treatment may be considered the only major source of the effect valid for the whole country. However, it is possible to find additional local-specific factors which may have affected the percentage of the incumbent, such as the average local income level. The only possible weak point is the narrowness of the definition of fraud, which diminishes both internal and external validity. For example, theoretically, in different areas of the country the fraud may be in favor of different candidates.

The possibility for a generalization of the effect can be considered positive at least

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36 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 285.

37 Susan Hyde, “The Observer Effect in International Politics: Evidence from a Natural Experiment,” *World Politics* 60(1), (Oct 2006), 37-63.

for the Post-Soviet region, but only carefully conditional on the country-specific features. The good level of external validity is, above all, the consequence of a high ecological validity. One limitation is that the observers have been invited, and so it is possible that if their presence were imposed the effect would be different. The content validity is good by the precise definition of the settings.

To sum up, the case is a natural experiment: the “as-if” randomization condition is satisfied. The overall validity may be considered good. Unfortunately, Dunning does not locate the study on his scale,<sup>38</sup> and so the comparison is impossible. To improve the case it may be proposed to employ more precinct-specific controls, such as their location and the number of voters.

#### 4. Conclusion

Among five investigated case studies, which have been claimed to be natural experiments, only two satisfied the “as-if” randomization condition. The two sources of “successful” randomness – the random selection by the international observers of which precincts to visit, and the randomly set African state borders – can be summarized as “hidden experiments”. In both cases there were individuals who had made random choices, and so actually they were the experimenters. This evidence may lead to the major practical conclusion of the paper that randomization without human intervention is hardly possible: the mysterious nature turns out to be an experimenter who is unaware of his role.

Importantly, in both successful cases, the newly introduced expected exchangeability condition proved to be of great importance. Without “relaxing” the treatment randomization condition, proving the “as-if” randomization may be considered problematic. The expected exchangeability assumption enables ruling out the factors uncorrelated with the causal effect, making the analysis easier.

There are two major sources of problems to the validity. One common threat is the endogeneity in the treatment allocation, especially when the treatment is a consequence of a socio-political process, for instance, state laws. Another problem is the self-selection to treatment. The first case provides an example of severe multiple self-selections, when even a supposedly fruitful source of randomness, the lotteries, does not help to make a study valid.

The paper provides both theoretical and empirical findings. The main theoretical result is the redundancy of the treatment randomization condition: the “as-if” treatment condition may be equaled to the expected exchangeability condition,

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38 Thad Dunning, “Improving Causal Inference: Strengths and Limitations of Natural Experiments”, 289.

since it is sufficient to provide the unbiasedness of the estimates. The major empirical finding is that many of the assumed natural experiments may not be considered natural experiments at all. Interestingly, both “real” natural experiments are “hidden experiments”, in other words, the mysterious nature turns out to be human beings.

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## SECULARISATION OF THE POLITICS OF LAW: ON ROOTS OF LIBERAL DEMOCRACY

Candan Turkkkan  
New School for Social Research

### **Abstract**

*This paper offers a theoretical analysis of the interplays of secularization in the sphere of law and the sources of legality in liberal democracies. First section focuses on the sphere of law, and argues that not only its form and content, but also its enforcement has become secular. These surely happen simultaneously with secularization in a different yet related aspect of governance – namely, the practices of law-making. The following section argues that secularization in this particular area of who makes the law has taken place in conjunction with the rise of liberal, parliamentary, constitutional democracy that attributes the constituent power of the politico-legal system to the people. A direct effect of this is observable in the ways people identify (identity) with the politico-legal system and how the system represents (representation) the people have changed; this is extensively discussed in the last section.*

**Keywords:** secularization, law, legality, liberal democracy, identity, representation.

### **1. Introduction**

Discussions of secularization tend to diverge between two branches. The first discusses the process of secularization, in which context specific convergence (or divergence) of secular and religious practices have formed unique constellations of socio-political cultures. In this group, usually in reference the development of Western secular politics, with emphasis on various strains in it (for example, French vs. US), as well as structures in the post-colonial world (for example, the joint use of secular post-colonial constitutions and Sharia law), different evolutions of political systems depending on the religious culture of the region (multi-religious vs. one dominant religion) are subject to analysis. The second treats secularization as a feature of modernity, hence using secularization as an indicator of modernization. In this framework, secularization is portrayed as a violent demystification and disenchantment process in which identities, myths, customs and social imaginaries are uprooted and dissolved.<sup>1</sup> For the second group, secularization is still underway and keeps perpetuating violence (both symbolically and physically) on the individuals and the community.<sup>2</sup> These two branches of scholarship cannot be

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1 Max Weber, *The Protestant Ethic and the Spirit of Capitalism*. (New York: Routledge, 2005).

2 Charles Taylor, *A Secular Age* (Cambridge: Harvard University Press, 2007).



clearly separated. Modernity, which has been a product of the Western world, has been in a turbulently exploitative relationship with colonialism, hence bringing a specific type of Western<sup>3</sup> secularization with itself to the colonial world. This means, regardless of context, some areas of life have become secular.<sup>4</sup>

From the questions of multiple jurisdictions in Canada<sup>5</sup> to United States Supreme Court decisions on the use of tax payers' money to fund religious themed displays in public spaces<sup>6</sup> to debates about the Islamic veil in France<sup>7</sup>, recent debates on secularization focus predominantly on application.<sup>8</sup> Although there doesn't seem to be shortage of diverse issues and cases, the literature is still predominantly constricted to the liberal, constitutional democratic framework. This is mainly because the attempts to understand how the modern (Western) state came to be usually presume that the current liberal, constitutional democratic form is the best and the most successful form of state. Consequently, instead of tracing the interplays of certain historical processes in the ongoing development of various political formations, these attempts treat the liberal, constitutional democratic form as completed and trace its attributes in history. This paper aims to undo this peculiarity. As such, it treats secularization as a constantly enduring, open-ended and incomplete historical process and address the lack of analysis in the literature of

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3 I say Western because there are forms of secularization that have risen outside the Western world and are epistemologically radically different. Unfortunately however the destructive grip of colonialism has impeded, if not altogether prevented and eventually destroyed, these different forms of secularization. Genealogical studies of these forms of secularizations are more than necessary, but they are beyond the scope of this paper.

4 Although surely counter-conducts also exist. One only has to look at the roles of shamans and elders in various communities to see the non-secularized forms of conduct. Lowenhaupt Tsing, Anna. *In the Realm of the Diamond Queen: Marginality in an Out-of-the-Way Place*. (New Jersey: Princeton University Press, 1993).

5 Karena Shaw, *Indigeneity and Political Theory: Sovereignty and the Limits of the Political*. (New York: Routledge, 2008). Resnick, Larry. "Family Dispute Arbitration and Sharia Law". *BC Civil Liberties Association*. 2007. <http://www.bccla.org/othercontent/07Sharialaw.pdf> (accessed 2 13, 2010).

6 Thomas Van Orden v. Rick Perry, in his official capacity as Governor of Texas and Chairman, State Preservation Board, et al. 545 U.S. 677 (United States Supreme Court, June 27, 2005); Lynch, Mayor of Pawtucket, et al. v. Donnelly, et al. 465 U.S. 668 (United States Supreme Court, March 5, 1984).

7 Cecile Laborde, "Politics of Laicite." *Constellations* 2, no. 9 (2002): 167-183; Christian Joppke, "State neutrality and Islamic headscarf laws in France and Germany." *Theory and Society* 36, no. 4 (2007): 313-342.

8 Noah Feldman, *Divided by God: America's Church-State Problem--and What We Should Do About It*. (New York: Farrar, Straus and Giroux, 2006); Christopher L. Eisgruber and Lawrence G. Sager. *Religious Freedom and the Constitution*. (Cambridge, MA, USA: Harvard University Press, 2007).

the historical and genealogical evolution of secularization within the juridical codes of conduct and by treating.

Although the claim of this paper is historical, I aim to offer a theoretical analysis of the interplays of secularization in the sphere of law and the sources of legality in liberal democracies. For that, I will rely heavily on various political and juridical theories, but I will also use some genealogical and historiographical analysis. In the first section of this article, I focus on the sphere of law, and argue that not only its form and content, but also its enforcement has become secular. These surely happen simultaneously with secularization in a different yet related aspect of governance – namely, the practices of law-making. The following section argues that secularization in this particular area of who makes the law has taken place in conjunction with the rise of liberal, parliamentary, constitutional democracy that attributes the constituent power of the politico-legal system to the people. A direct effect of this is observable in the ways people identify (identity) with the politico-legal system and how the system represents (representation) the people have changed; this is extensively discussed in the last section.

## 2. Secularization of the Politics of Law

In *The Sacred Canopy*, Peter Berger defines secularization as “the process by which sectors of society and culture are removed from the domination of religious institutions and symbols”.<sup>9</sup> Among other reasons, this transformation might be attributed to the negotiations between ecclesiastical and ‘worldly’ authorities over tax and property rights<sup>10</sup> (1), or to the eventual success of scientific knowledge and technological sophistication gained through empiricism, as opposed to revelation, which have rendered “the central claims of the Church implausible”<sup>11</sup> (2), or to the need to govern and mediate religiously diverse societies (3). The first and the third are aspects of governance, whereas the second has major socio-cultural and political connotations. Coming together, they constitute one of the characteristics of modern governmentality.

For the purposes of this paper, I am going to focus on transformations that have arisen due to more practical needs (hence (1) and (3)). Specifically, these are transformations from the ecclesiastical to secular in three areas of law: i) secularization of the law-maker, ii) secularization of the form and the content of law, iii) secularization of application of law.

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9 Peter Berger, *The Sacred Canopy: Elements of A Sociological Theory of Religion*. (New York: Anchor, 1990), 107.

10 Ibid.

11 Pippa Norris and Ronald Inglehart. *Sacred and Secular: Religion and Politics Worldview*. (Cambridge, UK: Cambridge University Press, 2004).

## 2.1 *Secularization of the Law-Maker*

With secularization of the law-maker, I refer to changes in the precept of sovereignty, which has descended from God to king, then to the parliament and eventually down to the people. In *Security, Territory, Population*, Michel Foucault gives an interesting account of the process, even though he does not use the term secularization. He starts with the pre-Christian era in which sovereignty was a spiritual bond between the shepherd and his flock:

this reference to pastorship allows a type of relationship between God and the sovereign to be designed, in that if God is the shepherd of men, and if the king is also the shepherd of men, then the king is, as it were, the subaltern shepherd to whom God has entrusted the flock of men and who, at the end of the day and the end of his reign, must restore the flock he has been entrusted with to God.<sup>12</sup>

Pastoral power, as Foucault calls it, has several specific characteristics. First of all, unlike the princely power that will be epitomized with Machiavelli, pastoral power is exercised “over a flock, and...over the flock in its movement from one place to another. The shepherd’s power is essentially exercised over a multiplicity in movement.”<sup>13</sup> Second, as opposed to the impersonal nature of *raison d’état* of later centuries, pastoral power is exercised for the benefit of the sheep and the shepherd.<sup>14</sup> Therefore, third, pastoral power functions for a specific end, which takes the people on whom the power is exercised as its focus.<sup>15</sup> Consequently, this form of power has to consider each for the sake of all and all for the sake of each.<sup>16</sup> Finally, in this paradoxical way pastoral power is an individualizing sort of exercise.<sup>17</sup>

In Foucault’s narrative, pastoral power is altered with the rise of more territory oriented form of government, the establishment of a hierarchical Church structure and, with these, transformation of the pastorate into

an art of conducting, directing, leading, guiding, taking in hand, and manipulating men, an art of monitoring them [men] and urging them on step by step, an art with the function of taking charge of men collectively and individually throughout their life and at every moment of their existence.<sup>18</sup>

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12 Michel Foucault, *Security, Territory, Population*. (New York: Palgrave Macmillian, 2007), 123.

13 *Ibid.*, 125.

14 *Ibid.*, 127.

15 *Ibid.*, 129.

16 *Ibid.*

17 *Ibid.*, 128.

18 *Ibid.*, 165.

Note that Foucault is not talking about the individualizing power of the pastorate that was based on the contradiction between the each and the all. Instead, with the princely power, the purpose and the focus of power becomes “the higher unity formed by the whole.”<sup>19</sup> Chronologically speaking, this coincides with the era of the *supplice* (or the pre-disciplinary era), which perceived the actions against the law (illegality) as predominantly being against the sovereign Machiavellian prince.<sup>20</sup> As such, even though religious and political practices created a well-blended mixture, they do not get intertwined within the body of the state “at least until 18<sup>th</sup> century.”<sup>21</sup>

In the 17<sup>th</sup> and 18<sup>th</sup> centuries, with the gradual rise of disciplines (disciplinary power), certain characteristics of the pastoral power began to be adopted into the political powers of the modern state.<sup>22</sup> Most importantly, the population – or in the political theory terminology, the citizens - were expected to obey the state like they did to a pastor.<sup>23</sup> This process did not make the political power religious, but rather started to secularize the political theology. The rise of governmental rationality, or reason of state (*raison d'état*) continued to import religious symbolism and even religious practices into the political power, but at the same time, presumed “that the structures and values of the political order are neither innate nor revealed by God, but rationally fabricated by men.”<sup>24</sup> Religion did not disappear. On the contrary, it continued to appear in the theories of mercantilists, Physiocrats and classical liberals like Adam Smith,<sup>25</sup> albeit as the social and the moral dimensions of political economy. In this light, the framing of religious principles as the background to the neo-liberal economic policies in the 20<sup>th</sup> century is also no coincidence.

As Foucault reminds us, the rise of laissez-faire economics goes together with the rise of the concept of natural rights, a concept that challenged the divine right of kings and instead allocated the foundations of the political order in the ‘people’. As before, this constituency was not the flock of the pastoral power. Instead, depending on the tradition (French or British), they were either a group of individuals conscious of their vulnerability as individuals that were getting together to form a constituency through a social contract (*a la* Rousseau & Hobbes) or utility-

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19 Ibid., 129.

20 Michel Foucault, *Discipline and Punish: The Birth of the Prison*. (New York: Vintage Books, 1977).

21 Foucault, *Security, Territory, Population*, 154.

22 Ibid., 165.

23 Ibid., 165.

24 Ulrich K. Preuss, “Constitutional Powermaking for the New Polity: Some Deliberations on the Relations Between Constituent Power and the Constitution.” *Cardozo Law Review* 14 (1993): 640.

25 Foucault, *Security, Territory, Population*. and even later, in neo-liberals Michel Foucault, *The Birth of Biopolitics* (New York: Picador Palgrave MacMillan, 2008).

maximizers who choose the certainty of political order over the instability of a state of nature (*a la* Hobbes, Locke, Hume & Mill).<sup>26</sup> Legal rights gained through the social contract and the establishment of constituency (or constituent power) adds to the secularization of political order as the people are entrusted with to the right and the power of making laws.

## 2.2 *Secularization of Form and Content of Law*

Entrusting the people with the rights and the powers to make law explicitly implies the man-made nature of the laws. This brings me to the next point I want to discuss, the secularization of form and content of law. Here I refer especially to legal positivism, which accepts the law as man-made and more importantly, conceptualizes law as a body separate from ethics and morality.<sup>27</sup>

According to one of the most prominent critics of the legal positivist movement, Carl Schmitt, these two aspects of legal positivism (perceiving law as man-made and distinct from ethics and morality) is rooted in legal positivism's avoidance of the question of how to create order *ex nihilo*. Legal positivism, according to Hans Kelsen's *Pure Theory of Law*, considers only the "formal system of laws" and says little about initiation of order and sovereignty.<sup>28</sup> Moreover, in the liberal conceptualization of law, particularly in legal positivism, there is a strong aversion to arbitrary rule and despotism, which are "understood as a system that makes the particular or general will of the sovereign the principle of the obligation of each and all with regard to the public authorities."<sup>29</sup> In order to prevent the "[identification of] the obligatory character and form of the injunction of the public authority with the sovereign's will"<sup>30</sup> – that is despotism – the law-maker (and hence, the sovereign), is drawn "into the legal order so that he is eventually dissolved onto the rules of that order."<sup>31</sup> This is, Foucault argues, one component to which the Rechtsstaat – or the rule of law – rose in opposition to at the end of the eighteenth and beginning of the nineteenth century.<sup>32</sup> For Schmitt, on the other hand, this is

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26 In *The Birth of Biopolitics*, Foucault discusses this binary in terms of radical approach (British) and revolutionary approach (French).

27 David Dyzenhaus, "The Genealogy of Legal Positivism." *Oxford Journal of Legal Studies* 24, no. 1 (2004): 39-67.

28 Carlo Galli, "Carl Schmitt's Antiliberalism: Its Theoretical and Historical Sources and Its Philosophical and Political Meaning." *Cardozo Law Review* 21 (2000): 1597-1617.

29 Foucault. *The Birth of Biopolitics*, 168.

30 Ibid.

31 David Dyzenhaus, "Now the Machine Runs Itself": Carl Schmitt on Hobbes and Kelsen." *Cardozo Law Review*, 1994: 10.

32 Foucault. *The Birth of Biopolitics*, 168.

nothing less than submitting “human interactions to an impersonal order of rule”<sup>33</sup> which has altered the form of law:

Laws must be abstract and general, independent, from the particular will of the legislator and independent, too, from the particular ends of particular people. Their ‘standing’ characteristic is indicative of their persistence and endurance. Laws, then, must be distinguished from measures, which are always concrete, particular and extemporary.<sup>34</sup>

For the legal positivists, the conceptualization of law as abstract and neutral is due to the differentiation of the legal sphere from other spheres such as ethics, morality, society, religion, etc. However, for Schmitt, this is unrealistic. Law can never be as fully abstract, neutral and independent as legal positivists claim. Rather, during both its making and its application, law is influenced by multiple agents (people, judges and legislators), hence blurring the boundaries between the legal sphere and other spheres. To ignore the organic involvement of judges, for example, is to assume that judges are nothing more than “mere vending machines that mechanically dispense the law upon cases”.<sup>35</sup> Law, according to Schmitt, has a fluid nature; it is neither formal nor rigid and it evolves through decisions of agents involved in the process of its making and application.

This fluidity can be clearly seen in the US Supreme Court decisions in cases concerning, for example, the First Amendment. Although for some critiques of the Court, this is an obvious sign of inconsistency in jurisprudence and in the malfunctioning of the liberal legal system in general, I think it is more of an illustration of the difficulty (if not impossibility) of trying to separate politics and law. In many cases, judges’ views regarding the role of religion in public life plays as important a role in their decisions as the word of law.<sup>36</sup> Similarly, the political atmosphere of the era influences whether the issue is seen as worth taking to court or not.<sup>37</sup> Sometimes even the positivist aspect of law and law-making are challenged. Supporters of Alabama Chief Justice Roy Moore, who claimed, “they

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33 Dyzenhaus, "Now the Machine Runs Itself", 10.

34 Renato Cristi, "Hayek and Schmitt on the Rule of Law." *Canadian Journal of Political Science* 17, no. 3 (1984): 521-535.

35 John P. McCormick, "Three Ways of Thinking "Critically" about the Law." *The American Political Science Review* 93, no. 2 (1999): 413-428.

36 High days of legal separationism vs. Rise of values evangelicalism. Feldman, *Divided by God*.

37 For example, Thomas Van Orden v. Rick Perry, in his official capacity as Governor of Texas and Chairman, State Preservation Board, et al. 545 U.S. 677 (United States Supreme Court, June 27, 2005).

were standing up for the law of God, not the law of the Constitution” are provoking examples of this attitude.<sup>38</sup>

### 2.3 Secularization of Application of Law

The arbitrariness against which the rule of law has been enacted is embodied not only in the pre-disciplinary, Machiavellian prince. Although they have significant differences, certain aspects of the *Polizeistaat* overlap with despotism. Like the princely power, for which sovereignty is constituted by the conflation of the particular will of the Prince with the principles of public authority, for the *Polizeistaat* of the following centuries:

there is no difference of kind, origin, validity, and consequently of effect, between on the one hand, the general and permanent prescriptions of the public authorities – roughly, if you like, what we will call the law – and, on the other hand, the conjectural, temporal, local and individual decisions of these same public authorities – if you like, the level of rules and regulations.<sup>39</sup>

Consequently, when the rule of law arises, it arises in opposition to despotism as much as to the police state.<sup>40</sup> The rule of law state, then, will be “a state in which the actions of the public authorities will have no value if they are not framed in laws that limit them in advance.”<sup>41</sup>

This is closely tied to the application of law, which in the *Rechtsstaat*, creates a distinction “between, on the one hand, universally valid general measures and in themselves acts of sovereignty, and, on the other hand, particular decisions of the public authorities.”<sup>42</sup> As such, “the universally valid general measures” which are expressions of sovereignty – hence expressions of the constitutive power of the law-maker, that is the people, are differentiated from the decisions of the administrative

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38 Feldman, *Divided by God*, 232.

39 Foucault, *The Birth of Biopolitics*, 168.

40 I am aware that certain authors may disagree with Foucault’s analysis here, and pose the rise of the *Polizeistaat* in opposition to the arbitrariness of the absolutist rule. For example, Marc Raeff, *The Well-Ordered Police State: Social and Institutional Change through Law in the Germanies and Russia 1600-1800*. (New Haven CT, USA: Yale University Press, 1983); David F. Lindenfel, *The Practical Imagination: The German Sciences of the State in the 19th Century*. (Chicago, IL, USA: University of Chicago Press, 1997). By doing so, however, those authors conflate the Machiavellian ‘princely power’ with the absolutist regime. I don’t think this is right. Without going into this much important and much technical debate, I will only say that the misunderstanding arises because of Foucault’s utilization of a historical text as a socio-political concept and the other authors’ approach to this utilization as pure historical phenomena.

41 Foucault, *The Birth of Biopolitics*, 169. Hence Schmitt’s criticism above.

42 Ibid.

measures.<sup>43</sup> Consequently, “every citizen has the concrete, institutionalized, and effective possibility of recourse against the public authorities.”<sup>44</sup> Then, the rule of law state is “not just a state that acts accordance with the law and within the framework of law [but also, it is] a system of judicial arbitration between individuals and public authorities.”<sup>45</sup>

This necessitates another key promise of liberalism: Equality before the law. With respect to its application, this maxim translates into two distinct legal qualities: universal coverage of the rule of law, and singular redefinition of the individual as legal subject devoid of any other specifications (gender, ethnicity, title, etc.): First, “no man is made punishable or can be lawfully made to suffer in body or goods except for a distinct breach of law established in the ordinary legal manner before the ordinary courts of the land.”<sup>46</sup> Second, “every man, whatever be his rank or condition, is subject to the ordinary law of the realm and amenable to the jurisdiction of the ordinary tribunals.”<sup>47</sup> Lastly, “the general principles of the constitution (as for example the right to personal liberty, or the right of public meeting) are with us the result of judicial decisions determining the rights of private persons in particular cases brought before the Courts.”<sup>48</sup>

Law, by law, is the highest power to be. The adoption of rule of law as a system of government bestows upon the law certain characteristics. To begin with, it is no longer solely a simple set of rules describing how the state works.<sup>49</sup> Rather, it is a comprehensive code of conduct.<sup>50</sup> Neither any action, nor any individual or entity, can exist outside the law. Extra-legality is simply (and supposedly) unthinkable. Whether prohibited or allowed, everything must be inscribed in the law. This converts law secondly into a social signifier. Lastly, in a widely heterogeneous society, universal equality promised by the rule of law supplies the population with the necessary social glue. It provides the myth of accountability of the system against injustices, repression and inequality. The second criterion in particular seems to promise equality before and by law, regardless of background (ethnicity, gender, class, etc.).

Note the similarities between the administrative roles of religion and law: Both have strong emphasis on equality, either before God or before/within the larger legal

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43 Ibid.

44 Ibid., 170.

45 Ibid.

46 Albert V. Dicey, *Introduction to the Study of the Law of the Constitution*. (London: Elibron Classics, 2005), 183-184.

47 Ibid., 189.

48 Ibid., 191.

49 Carl Schmitt, *Legality and Legitimacy*. (Durham: Duke University Press, 2007).

50 Ibid.



mechanisms of the state. Both claim to be universal in the sense that both religion and law claim to cover everything and everyone who comes under their domain (whether within a specific territory of a state or between states, or within a specific community of believers). Both are social signifiers that disclose certain characteristics of the communities they exist in; and also reproduce these characteristics in the form of norms and/or codes of conducts through the practices they govern.

Surely, these similarities are not coincidental. However, they also shouldn't suggest a progressive reading of history in which through the secularizing grinds of modernity, the socio-political role of religion has been replaced by an objective and rational (science of) law. Instead, as I have argued with respect to the adoption of pastoral power practices (and concepts) into political power and the gradual secularization of the law-maker, these similarities I think rather point out the displacement of religion from its larger socio-cultural position as a code of conduct and the adoption of its practices into politics and law. Therefore, like before, this did not make the political power religious, but rather started to secularize the political theology.

On a different note, the adoption of the role of religion as the universal and abstract currency of conduct governing the socio-political relations into law is perhaps a part of the differentiation Casanova makes between the religious and the non-religious.<sup>51</sup> Yet note that this transformation does not suggest a strict separation between the content of the religious and the non-religious. On the contrary, they are mixed notoriously often, especially on practical questions like who provides certain social services, how public funds should be allocated to the groups or structures that provide these services, and how much of the state power and authority will be delegated again to these service providers are issues of contestation. Although most liberal constitutional democracies have check and balance structures to enforce separation and disentanglement of the religious and the non-religious, the traditional role of religion and religious institutions as providers of certain social services, for example, marriage and divorce practices, some welfare and aid practices (feeding the poor, homeless shelters, natural disaster aid, etc.), education (religious and non-religious) and medical services - turn these issues into explicit battlegrounds for the religious and the non-religious authorities. Other issues like zoning regulations, taxation, vouchers and certain state regulations also become battlegrounds albeit less due to their content (whether certain services will be provided according to religious norms or not) and more due to their form (whether the religious role of the service or the provider of the service in question influence or change certain elements in the application of regulations

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51 Jose Casanova, *Public Religions in the Modern World*. (Chicago: University of Chicago Press, 1994).

which wouldn't have been changed or influenced if the service in question was non-religious or provided by a non-religious organization).

In short, two different processes are unfolding at the same time: The first is the transfer of certain religious practices into the political power and the adjoining differentiation of the religious and the non-religious spheres. The second is the constant struggle between the religious and the non-religious over the allocation of public resources – that is, among other things, most importantly, money and physical and symbolic authority to regulate and decide on certain issues (although what these issues are also a part of the discussion). These two separate, yet deeply related struggles shape the constitution and the constituency of liberal, constitutional, parliamentary democracy and how they do so is the issue of the next section.

### 3. Politics of Identity and Representation in Liberal Democracy

Undeniably, law lays the foundation for liberal parliamentary democracies. However, it is important to point out that this foundational law is not any kind of law. As I have tried to show above, we are talking about a very specific type of law, one that has secular reasoning in its making and in its application. One can argue that the content is still open to discussion as the debates and decisions over gay marriage and abortion, for example, demonstrate. This, however, does not invalidate the point I am trying to make. Even if the subject-matter is seemingly religious or borders on the religious the way we discuss that subject matter has become largely secular.

In *Constitutional Theory*, Carl Schmitt notes that identity and representation are the fundamental characteristics of political unity<sup>52</sup> and, like law, they are not static concepts.<sup>53</sup> If secularization has changed the law in certain ways to generate the rule of law system and lay the foundations of liberal democracy, then it must have changed identity and representation in fundamental ways as well. Note that I am not making a unilateral causal argument. I think the historical elaboration of identity (the ways in which people identify with their socio-political regime) and representation (the ways in which the socio-political regime represents the socio-cultural imaginary of the people) have been much more complicated than a unilateral causal argument of secularization can explain. That is to say, secularization has been one of the many processes of change that identity and

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52 Carl Schmitt, *Constitutional Theory*. (United States: Duke University Press, 2008), 239.

53 Although why and how these concepts are not static are important points, that discussion is beyond the scope of this paper.

representation have gone through until the specific combination we see them in liberal, parliamentary constitutional democracy has occurred.

First, the strong tie between the two concepts: Any state form emanates from different articulations of identity and representation.<sup>54</sup> However, in no form we can find them purely and singularly; they always coexist. More importantly, political unity is produced through their performance.<sup>55</sup> In other words, relationships between identity, representation and political unity are reciprocal; identity and representation feed from political unity and political unity comes to existence via them. Then, as long as there is a political unity, identity and representation will have to be re-articulated and reproduced. This relationship is dynamic, and liberal democracy makes use of it by opening up various channels to enable the manifestations of changes amidst people.

Parliamentarism is probably the best way to absorb and reflect these simultaneous and continuous changes. It invests sovereignty in the people yet still assigns the parliament as the locus of lawmaking. As such, it asks for the citizens' obedience in return for letting them have a say in law-making. The assumption here is that by being involved in their making, citizens would identify with the laws. The law will be not only the fruit of their self-identification with the political order, but also their actualization via re-presentation within the political order:

[Identity:] There is no state without people and that a people, therefore, must always actually be existing as an entity present at hand. The opposing principle [representation] proceeds from the idea that the political unity of the people as such can never be present in actual identity and, consequently, must always be represented by men personally.<sup>56</sup>

Perhaps as another indication of the secularization of political theology, note the Catholic character of this conceptualization of representation which allows something to 'make present' its true essence by 'representing' it."<sup>57</sup> However, in a parliamentary system, such re-'presentation' is not possible since both the representatives and the representation are subject to the interests of different factions, groups and identities.<sup>58</sup>

This does not mean that performative aspect of the re-presentation of the political unity disappears. Instead, it gets enacted through the homogeneity between the

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54 Carl Schmitt, *Constitutional Theory*, 239.

55 Ibid.

56 Ibid.

57 Duncan Kelly, "Carl Schmitt's Political Theory of Representation." *Journal of the History of Ideas* 65, no. 1 (January 2004): 113-134.

58 Carl Schmitt, *The Crisis of Parliamentary Democracy*. (Massachusetts: MIT Press, 1988).

represented and the representative. Aiming to level out any potential differences between the identities of the two, homogeneity makes present the represented (political unity) in the representative. Moreover, homogeneity enables a workable combination of identity and re-presentation in the parliamentary system: If one of 'us' represents 'us', our political unity will be actualized within him/her; and because there is total homogeneity between 'us' and our representative, full political unity will be achieved. As long as this is fulfilled, the political form of the state does not matter: "Where the people as the subject of the constitution-making power appear, the political form of the state defines itself by the idea of identity. The nation is there."<sup>59</sup>

Note the secular form of the concept of homogeneity. Unlike the pastoral sovereignty of the shepherd or the territorial, pre-disciplinary sovereignty of the Prince, the basis of our union is not through some sort of deep philosophical or spiritual communion with and/or within our sovereign. Instead, the union is established on the basis of each one of us being alike with the every other. That is to say, with homogeneity, the emphasis is not on transcendence anymore but rather on identification. To add further nuance, note that the transcendence attributed to the pastor and to the Prince is such that the subjects as well as the sovereign are constructed through the reflections of each in the other. This double movement could be clearly seen in the gravure covering Hobbes' magnum opus. The Leviathan is neither an entity that is fully independent from its subjects, nor it is fully like them. He is created out of them. Subjects on the other hand become part of the sovereign entity only by being fully integrated into the transcendent body. Homogeneity, however, does not raise the dialectic of unity through transcendence. Instead, it epistemologically presumes that people who have commonalities can form a coherent unity given their individualities. The transformative force of secularization over identity and representation lie exactly on this re-articulation of the political unity. Even if the content of the commonness is religious, the form of entering into the unity has become secularized.

One may argue that homogeneity constitutes an extreme version of political unity. As its unnerving historical legacy suggests, the cult on the persona of the Fuhrer is very much like a religion. It incorporates the metaphors of the sheep and the shepherd, if not employing explicitly religious vocabulary. Moreover, it attempts to construct political unity through the concept of *Volk*, which speaks more to the communitarian *Gemeinschaft* rather than the individualizing *Gesellschaft*. These counter-arguments, although valid, are again about the content of the relationship within the political unity. The transformation I have been talking about, however, happens at the form of the relationship subjects construct with their political unity.

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59 Carl Schmitt, *Constitutional Theory*. (United States: Duke University Press, 2008), 239.

So even if the language and the imagery are religious, subjects are still expected to participate as individuals and not as parts and layers of the transcendent Leviathan. As such, even the totalitarian state-society is still a *Gesellschaft*. The political unity it has established still operates on and from the individual.

Could this form of identification – or more precisely, this specific interplay of identity and representation – come out in any form other than homogeneity? If not, how valid is it to talk about the secularization of political unity? Similarly, if through homogeneity we will not get too far from totalitarian state-society, then again, what is the point of talking about secularization of political unity?

#### 4. Relieving the Tension

Before discussing some of the implications, let me summarize the processes I describe here. Starting around the 16<sup>th</sup> century law started to provide certain socio-political functions that were previously sought out in the religious sphere. Law became a code of conduct that governed socio-cultural and economic practices. Eventually it penetrated into almost every aspect of life, regulating everything from production to health. An abstract currency, it signaled both to the members of the community and to the outsiders how a specific political unity functions. This means that the law came to carry markers specific to the political unity it was born from. At the same time, through its own practice, law re-presented and re-produced the identity of the political unity.

Unlike religion, however, law emphasized its man-made characteristics. This laid the foundations for liberal parliamentary democracy. With the investment of sovereign authority in the people, legislation was delegated to the parliament, thus further secularizing the form of law. At the same time, the explicit involvement of the people – albeit through their representatives – pushed them to self-identify with their political unity.

But because social functions which were previously shouldered by religion have become secularized, the mythical aspect of political unity has disappeared. Given that the relation between identity-representation and political unity has been rearticulated through this foundational myth, its disappearance would imply either the fragmentation and the eventual decay of political unity or the loss of legitimacy in the bodies and structures to which the sovereign authority of the people have been delegated.

One way to respond to these scenarios has been to take up the path of the legal positivists who argue for the *Grundnorm*. Assumed to be the foundational norms and principles of the political unity, the *Grundnorm* constitute the basis for other laws. Nonetheless, as Schmitt argues legal positivists and the idea of the *Grundnorm*

fall short of answering foundational questions. Especially in the face of problems of inclusion, legal positivists are silent. Moreover, they assume that law could be neatly separated from politics, and that the *Grundnorm* will be able to answer the normative questions when politics hit a wall. However, as Schmitt points out, the liberal theory of law ignores the highly participatory nature of application of law around which questions of inclusion mostly revolve.

Another way to deal with the consequences arising from the secularization of political unity has been to construct a communion based on homogeneity of identity. Although this takes away the tension between identity and representation, the consequences of trying to achieve homogeneity through the “eradication of heterogeneity”<sup>60</sup> is too obvious to require any further discussion.

How to relieve the tension secularization has put on the political unity? An elitist-conservative critique of our analysis would perhaps say that the socio-political order is functioning well, given that those in the West are not living in failed states, our institutions are working and there is (relative) peace and stability. After all, there is some uneasiness, conflict and violence in any society. A legitimate state should be able to establish and keep order in the face of some resistance. Full integration of everyone into the *demos* is impossible and unrealistic. Any system is, by definition, exclusionary. Therefore, it makes more sense to make use of already existing boundaries between insiders and outsiders rather than trying to re-enchant political unity through homogeneity. Moreover, the boundaries societies have are products of a historical legacy and as such, they are a part of a societal identity. Their preservation and re-presentation in our sovereign bodies and laws would strengthen our unity.

In contrast, a liberal-Enlightenment critique would emphasize the construction of an identity that is really overarching and in which everyone may feel related. Through some society-specific settings, common symbols and concepts that more people relate to could be found. These, then, could be reinforced through and into the social imaginary. Law, especially constitutions, may help us re-organize our societies. Synchronized with the social imaginaries, the constitution may provide more active integration of various identities into the socio-political unity. A new myth around the constitution as the source and manifestation of our socio-political will could be constructed. This myth would constantly be reinvigorated through constitutionalist practices and it would seek to reinforce a constitutional identity through the social imaginaries.

The liberal-Enlightenment critique hopes to re-enchant political unity through the constitution. However, unlike the elitist-conservative critique, it does not focus on

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60 Schmitt, *The Crisis of Parliamentary Democracy*.

boundaries as historical legacies and hence as an element of identity. Rather, the liberal-Enlightenment critique aims to perform the re-presentation of political unity in a body that is external to the political unity. However, in the long run, this overarching constitutional identity may end up not too different than a melting pot. Assimilationist tendencies may easily overcome the inclusionary aspects and consequently, the constitutional identity may come to embody, legalize and hence reproduce power relations within society. Moreover, the arguments for a higher normative role for the constitution with respect to state and society are not too different than the arguments for *Grundnorm*. As such, it has similar weaknesses.

Lastly, a Marxist critique would assert, amidst the discussions of the particular and universal, we seem to be missing the bigger picture. All these structures either function and/or at least presuppose the existence of the capitalist mode of production. As long as capitalism is sustained one way or the other, these clashes of identities will not end; power relations exist among identities because capitalism pushes our societies (at the collective level) and citizens (in the individual level) to competition, instead of cooperation. This criticism is valid, although it ignores the fact that capitalism does not account for every change these socio-political, cultural and legal structures go through. Certainly our identities have a 'capitalistic' side to them and they cannot be taken out of class relations for example, or their tight relation to the institution of property cannot be ignored. Yet capitalism is not the only transformative process; like secularization, it is one of many.

## 5. Conclusion

Limited or mixed government has always existed and we see an increased emphasis given to it throughout history. However, only with secularization of the law it has taken its present day liberal democratic parliamentary-constitutional form. As such, I think all of these criticisms have valid points. They all emphasize different yet related points about the transformative forces that shaped the preconditions of the current modern conceptions of liberal, parliamentary, constitutional democracies: Capitalism, or more generally, the mode of production, the content of political unity (insider-outsider relations, or more generally homogeneity-heterogeneity) and the form of political unity (position of law with respect to political unity).

In *The Birth of Biopolitics*, Foucault maps out the gradual intermingling of the economic practices, capitalism, with the formal practices, rule of law, which gave rise to neo-liberalism. In this paper, I have developed a preliminary theoretical exploration of how the juridical-economic convergence has shaped the tensions regarding the insider-outsider relations or homogeneity-heterogeneity that is the content of political unity. Now, given the increasing movement of people between borders, the establishment of supra-national institutions like the European Union, and the empowering yet also homogenizing aspects of global cyber culture and

global capitalism, this content is being significantly altered. In this respect, Justice Scalia's position about not using foreign law in interpreting the American Constitution, or similarly, debates around multiple jurisdictions – with respect especially to religious minorities – are very telling.<sup>61</sup> In both cases, each seems to want to use what they identify as theirs and their conceptualization of what is theirs is strictly exclusionary.

In the long term, I think, it is inevitable for this exclusionist, conservative approach to political unity to steer away from problems. All around the world we are already seeing various manifestations of this including the rise of values evangelicalism to political Islam. The battle being fought is not on anything other than the spirit of lawmaking and all the implications that follows from the secularization of this 'spirit' that I have discussed above. The question that still remains is whether we should challenge capitalism, or rule of law – or perhaps neo-liberalism itself.

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## BOOK REVIEWS

Nick Couldry, Sonja M. Livingstone, and Tim Markham, *Media consumption and public engagement. Beyond the Presumption of Attention* (New York: Palgrave Macmillan, 2010).

Lucia Vesnic-Alujevic  
Ghent University

The consumption of media in everyday life is not a new topic and has been present in different studies of media, political communication since the time when mass media began to play an important role in the society. However, it is interesting to study media consumption in contemporary society because of many changes on one side in media landscape, influenced by the appearance of new information and communication technologies, and on the other with the decrease of political participation in many democratic societies. For democratic governments, citizen participation, at the first place as voters, should be a key element in the process of establishing goals in a society. Mass media represents a place where ideas and interests can be freely presented and discussed, but they have also served as a sort of assistance for political participation, thus they have an important role both in everyday life and also in politics.<sup>1</sup>

Couldry, Livingstone and Markham's book "Media consumption and public engagement: Beyond the Presumption of Attention" is oriented toward media consumption and public connection as elements of daily practices of citizens, i.e. people's habits. The main topic of the book is the link between the private and the public through practices of everyday life. Media consumption is positioned between acting and non-acting, since media literacy is linked with action and media trust with inaction.

The book consists of three main parts: Theoretical Foundations, The Public Connection project and a Conclusion. It begins with a thorough literature review in the field of democratic theory, political sociology and media audiences. The literature review helps the authors to build a theoretical framework in which the main research question is embedded, being whether there is a mediated public connection outside the academic literature and in practice in everyday life. They then proceed to provide an answer for it, through the second experimental part of the book.

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1 Denis McQuail and Karen Siune (eds.), *Media policy: convergence, concentration and commerce* (London: Sage, 1998).

The authors seek to find a relation between public engagement and democratic politics through the analysis of different models of democracy, citizenship, political participation. After comparing different types of democracies, the authors come to the conclusion that the democracy in the UK is elitist and not participatory, which means that there is a lack of a stronger relationship between citizen engagement and government action.

Inevitable is the comparison of traditional media with the Internet, which is merging, omnipresent and interactive, and represents an increasing source of news for young people but also a valuable source for all citizens in time of emergencies. The authors notice that it leads to individualization, designated as a new “me-generation”, and fragmentation of media use, moving from mass mediated to multi-mediated culture. These new technological forms of interactive and participatory media have provided the further engagement of audiences, through online communication, connection and deliberation. Nevertheless, the authors state that the Internet optimism is risky, although it can lead to greater civic engagement and mediated public connection.

This book offers an innovative and original approach to studying media consumption and political engagement, which is shown in the empirical part of the book for which the methodology is explained in a very detailed manner. The authors have used, as a major tool the method of diaries, not directed in length, style or structure, in order to observe public communication close up. The diaries were written by 37 persons from England during 3 months. Other methods employed are two semi-structured interviews with the diarists and 13 focus groups with the same people. At the end, a survey was made to provide a context for the data from diaries. It included questions about citizen media consumption, media attitudes, political attitudes and political efficacy. This methodology provides us with plausible research in the domain of media consumption and public engagement and gives the responses on research questions raised at the beginning of the book.

The results have shown that media use is complex and multidimensional and that there are differences in media use and media consumption among diarists. The authors have compared key themes in press and in diaries to find differences between peaks in news coverage and audiences' attention. Media consumption can be considered as a habit but it doesn't guarantee an interpretative context. There is also a broader context of mediated public connection, because different values represent a bridge between the private and public world and can reinforce links between the habits of media consumption and a broader orientation. It is further concluded that there is no correlation between voting and time spent watching TV, but political interest is positively associated with news consumption. The results have also shown that political interest is highly mediated.

Declining political participation contributes to the declining of institutional legitimacy as well. The increasing pluralization leads to the transformation of “politics” and “public” life. There is no ideal type of mediated public connection. Media is used for orienting us to a world of public issues beyond private concerns, and it is not universal but has many individual forms. Therefore, the dynamics of mediated public connections is complex.

There are links between everyday media consumption and the wider social context, which should be taken into consideration. In the context of the digital divide, without stable habits of news consumption the authors are concerned that the gap between the connected and the disconnected will be bigger and exist for a longer time. The analysis of democratic engagement leads to the integration and understanding of media consumption, but there is still a call for government to take a practical steps and action in that sense. Also with that, regular interaction between citizens and media professionals is important because the interrelations between media and government, that citizens are aware of. The online world can extend contexts and networks that can facilitate dialogue with public representatives.

This book is aimed primarily for scholars, but also students, in the area of media studies and communication sciences and also broader of political and social sciences. The style of writing that the authors use is very easy to follow and the way of writing is interesting and maintains the reader’s attention. Sentences are rather short, clear and easy to understand and accessible even for broader audiences. The innovative methodology gives the book a special ease of reading by keeping the reader attentive and concentrated. Thus, it is necessary to say that the authors have thoroughly elaborated the research subject, both from the theoretical as well as empirical aspect and that it represents a significant contribution for the field of media studies.

**Iñaki Garcia Blanco, Sofie Van Bauwel, and Bart Cammaerts (eds.), *Media Agoras. Democracy, Diversity and Communication* (Newcastle-upon-Tyne: Cambridge Scholars Publishing, 2009).**

Daniel Șandru

“Petre Andrei” University of Iași

The normative theory of democracy often states that, among the conditions needed for democracy to function, consensus between leaders and social groups, freedom of speech and access to alternative sources of information are those which contribute decisively to the configuration of a public space wherein debate reveals

its significance in relation to “the fallacy of electoralism” stressed by the studies on democratisation. In other words, the contemporary understanding of democracy – also supported by empirical analyses specific to comparative politics – no longer illustrates the belief that this system resides only in “free and fair” electoral processes – a condition which is necessary but not sufficient for the existence of democracy – but stresses instead the need to include debate in decision-making processes, by giving an opportunity to speak to all the groups activating in the social space.

In this context, the studies published in the volume edited by Iñaki Garcia Blanco, Sofie Van Bauwel and Bart Cammaerts aim to analyse to what extent this diversity within the European Union is reflected, through media communication, in the public space specific to democratic debates. Starting from the reality of a diversity which reflects different identities, is shaped according to cultural space, ethnicity, sex, religion and sexual orientation, the volume undertakes the challenge of analysing the complexity of Western societies from a European perspective, focusing on how media institutions contribute to the configuration of the European public space and manage to involve the groups forming various facets of the same “European identity” in the establishment of a common decisional agenda as a result of public debate. The main argument focuses on the configuration of *Media Agoras*, symbolic spaces where citizens and diverse social groups would be able to express their interests as well as fight to include them in public agendas. Through media communication these Agoras manage to both build the architecture of social consensus and highlight the differences in the European area. Starting from here, the approach aims to clarify and even rethink the relation involving media, communication, diversity and democracy at the level of the European Union. The volume is divided into three parts, each of them presenting three studies. The first part covers the relationship between pluralism and the public sphere as it has been normatively identified by Habermas; the second focuses on how diversity is represented in media discourse and refers to case studies from Portugal and the Netherlands; the final part explores the practical matters involved in the formulation of European policies in the field of media communication and diversity representation. Being the product of a symposium held in Brussels in October 2007, on the subject of “Equal opportunities and communication rights: representation, participation and the European democratic deficit”, the book addresses specialists in communication, journalism and political science, as well as media managers or journalists, representatives of European NGOs or EU decision-makers.

Seen as a whole, the volume covers several issues concerning the relation between media communication and the representation of diversity in the European area. Combining normative perspectives and empirical approaches, the book stresses the social complexity of the European space as well as the problems, at the decision-making level, related to the articulation of media discourse - by institutions such as

the European Commission or the European Parliament - and in connection with the particularities of EU member states. On the other hand, aspiring to a general vision of "European democracy", since its beginning, the book's subtext includes an understanding of democracy in participative terms, seeming to ignore the empirical diversity of democratic models in European countries. On a more specific level, another observation is that although the book generally articulates a pro-diversity discourse in most of its studies with empirical references – based on discourse analysis or case studies –oriented towards the exclusive issue of gender inequality, for example, when referring to how popular Portuguese newspapers represent "the feminine" (the study signed by Carla Martins and Ana Jorge), when discussing moral citizenship and television discourse (Tonny Krijnen's study), when presenting the multidimensional model of reception studies (in the study carried out by Cláudia Álvares) or, finally, when studying some cases of transnational women's advocacy networks in the European Union (Sabine Lang's contribution).

The issue of gender inequality is acute even in the case of well-established European democracies but the situation is all the more poignant in new member states, such as Romania or Bulgaria. However, in agreement with the ideas displayed in the study authored by Ingrid Paus-Hasebrink and Christina Ortner – concerned with "the role of media for the attitudes toward Europe among socially disadvantaged groups" – decoding the issues the EU has to deal with from the perspective of diversity means considering and identifying the ways to involve in public debate "...all sub-populations – including sceptical groups such as socially disadvantaged citizens" (p. 75). Moreover, the aim assumed by the editors of this volume is to reveal how, with the help of *Media Agoras*, citizens and groups with diverse identities could strengthen the functioning of public debate and implicitly of European democracy. Or, when the issue of democratic deficit in media communication is approached only in terms of gender inequality, there is the risk for other aspects, at least as important from the viewpoint of diversity representation, to be ignored. Also, although the editors put forth a "European perspective" (p. 2), the book seems to fall short of this goal, at least from the viewpoint of empirical studies. This is precisely what an approach based on the methodology of comparative analysis would have allowed. In exchange, the analyses in the second part of the book are limited to Portugal (two studies) and the Netherlands, all of them approaching the issue of representing diversity from the perspective of gender inequality.

However, beyond the difficulty of supporting a "European perspective" by inferring general conclusions from particular cases – for example, the studies being gathered under a generalist title ("Representation and Diversity") – it should be stressed that the analyses in the book offer valuable methodological support for case studies. Otherwise, returning to an overall perspective, it is worth noting that the volume advances, both at the normative and the empirical level, a series of approaches able

to provide possibility conditions for the recalibration of academic and political debates concerned with the relation between media communication and the public space or between social diversity and democracy. Also, beyond the particular cases analysed, the volume provides guidelines for a better understanding of how European institutions debate media policies or the involvement of citizens and social groups in public debate and of how the latter receive the information about the evolution of the European Union.

Written in a clear manner – even when, at a normative level, they invoke sophisticated theories in the areas of cultural studies, sociology of public opinion or communication – and with substantial references to research in the field, the studies in the volume represent a needed explicative approach to the articulations of the European public and democratic space.

**Marc Morjé Howard, *The Politics of Citizenship in Europe* (Cambridge: Cambridge University Press, 2009).**

Ivana Tomovska

Centre for Regional Policy Research and Cooperation “Studiorum”

The empirical study of citizenship policy in Europe still represents a poorly understood topic. A number of studies concentrate on the rights and practices of citizens as well as the issues of new migrants and their citizenship status. However, to the present there has been very scarce analysis produced treating comparative studies of citizenship across Europe and providing both historical and quantitative analysis.

In his book Howard looks at the implications for immigrant integration, national identity and democratic politics in the modern era. In particular, he examines these questions through an empirical study of the citizenship policies of the respective ‘older’ member-states of the European Union (EU-15), with some reference to the new member-states (the ‘Accession-12’) towards the end. The book demonstrates the extensive implications of the growing and potentially volatile issue of citizenship policies and immigrant integration. This empirical study of citizenship policy enables a comparative as well as quantitative analysis of citizenship policies across the European countries. The book represents a valuable resource for other scholars researching this emerging issue, as well as for policy analysts and policy makers coming from the countries that are subject to analysis and from other countries. As Howard himself puts it, ‘one of the main purposes of this book has been to rejuvenate the study of citizenship in comparative perspective’ (p. 194) and one can most certainly argue that he has succeeded in his goal.



Howard's approach treats citizenship as a "legal category", focusing on the formal requirements for having access to citizenship, rather than on the rights, obligations, beliefs or practices of citizenship' (p. 4). Via an empirical baseline, Howard constructs a Citizenship Policy Index (CPI); according to the respective CPI score, countries can be categorized as: restrictive, medium or liberal. Afterwards the scholarly task is to investigate what makes a country historically liberal, restrictive or to demonstrate a shift from one category to another. In terms of policy-making, Howard presents a very strong, paradoxical argument: "nondemocratic elite-driven process may lead to more inclusive outcomes, whereas genuine popular involvement can result in a more restrictive laws and institutions" in one country (p. 200).

The methodology used contains research design that includes both medium-N cross-national analysis (for the creation of CPI) and more in-depth case studies of the EU-15, as well as of the 'Accession-12' countries in the last chapter. Howard looks at two sets of factors behind the drafting of citizenship policies: historical variations and factors explaining relative continuity or change in citizenship policies. The latter include (a) international and domestic pressures for liberalization and an absence of public discussions and popular involvement; (b) mobilization of public opinion by 'far right' political party on the issues related to citizenship policies, as a blocking force of liberalization. The Citizenship Policy Index (CPI) presented through a clear and logical framework (and can be appealing even to a qualitative method researcher) is a novelty. The case studies add to the richness of the research method and give the reader a clear and comprehensive insight into respective citizenship policies. The reader is invited to learn more about each presented case.

The book, indeed, covers a wide territory: one can argue at certain points there is too much to be covered by a single research project. Each chapter stands on its own, which makes it easier for the reader to choose the chapter they are interested in. The second chapter that covers the historical legacies of the countries in question seems to stand out from the rest of the chapters. However, one of the aspects considered in this chapter (whether a country democratized in the 19<sup>th</sup> century) is not all that clear; at first instance the reader might be in dilemma since all of the old member countries are considered mature democracies.

The 'New European Frontier', or the Accession-12 countries, as Howard calls them, deserve a book of their own. Perhaps Howard should have planned citizenship policies of the Accession-12 as his next research area, since it is obvious that the chapter dealing with those countries is not as developed as the previous chapters depicting the old EU member states. More specifically, a more in-depth analysis of the citizenship policies that were adopted at a later date, especially after 1989, is needed because this particular topic and development has been given little

attention. In the conclusion chapter Howard decides to address the question whether post-national or European citizenship could replace or challenge the national models. This question as such has not been set nor announced previously in the book and the reader cannot help but to wonder of the need to open such debate at the end of the book. Howard could have instead just focused on the limits of the legal approach to citizenship and the argument set previously in the book that populist movements can act as restrictors to citizenship policy liberalization in one country.

Undoubtedly, this is a relevant research subject and national citizenship does matter: "These two countervailing pressures – the need to incorporate more immigrant works within a context of an often xenophobic public opposition – will have to be resolved, in one form or another, over time. And political elites will struggle with these contradictory demands..." (p. 8). The fact that the book leaves room for further research is challenging, inviting other scholars to test the CPI and Howard's theories of liberalization and restrictiveness of citizenship policies. It would be interesting to see whether this approach can be applied to other countries, such as current and future EU candidate countries and other post-conflict and post-colonial states.

**Sigal R. Ben-Porath, *Tough Choices: Structured Paternalism and the Landscape of Choice* (Princeton: Princeton University Press, 2010).**

Jiří J. Šebek

Charles University in Prague

State paternalism smacks of an undue subordination to authorities, this is a common intuition. Sigal R. Ben-Porath might however change one's opinion as she has explored the term in depth in areas related to choice, regulation of intimacy, children and education, and oppressed and illiberal subcultures. While examining the value laden "paternalism", Ben-Porath managed to tap a strong vein which is present in contemporary liberal democracies, that of a link between the debate on policy and the practice of implementing political ideals in particular circumstances. Ben-Porath approached this "last mile" problem with a challenging claim: structured paternalism delivers real options to choose from to citizens whose limited circumstances would not otherwise allow them to realise their civic rights.

First, Ben-Porath summarised arguments regarding autonomy and freedom in, for example, John Stuart Mill and other contemporary liberal thought, namely the opportunity to make one's own life and the harm principle delineating the boundary of one's own freedom. Then she concluded that one needs to have a variety of options to choose from in order to attain these liberal ideals. Ben-Porath claims,

“these ideals are facilitated and pursued through the regulation of opportunities and choices, or, metaphorically, through cultivating a fruitful landscape of choice” (p. 9). She delimits the field of her inquiry to the process of choice by individuals in circumstances which are beyond policy making and ordinary regulation. The process is influenced by cognitive functions, cultural conditions and intimate habits. The keystone between the political and personal is, according to Ben-Porath, education which allows an individual to learn civic skills and become acquainted with various attitudes necessary for making informed choices. This particular disposition stems from Ben-Porath’s expertise as an assistant professor at the Graduate School of Education of University of Pennsylvania.

Ben-Porath presents her argument in the second chapter entitled “Why paternalism is good for you.” She finds that the “justified paternalism” (p. 20) would provide the best method to improve the well-being of individuals and expand their opportunities while respecting their inferred needs and helping them overcome the threshold conditions of civic equality. She rejects Isai Berlin’s concern that state paternalism led always to degradation of citizens by showing disrespect to the deepest human need for liberty, on the grounds that some forms of paternalism were justified as a component of social policy. Apparently, a rational paternalism in Ben-Porath’s understanding need not be coercive or treat an individual disrespectfully since its objects commonly display irrational behaviour. In the search for arguments in favour of this enlightened paternalism, Ben-Porath cites Mill’s call for a protection of individuals with impaired judgement and for those who might want to destroy their liberty by selling themselves into slavery. In these instances the “I know better than Thou” policy is apparently justified.

The positive paternalism would then reflect a moral diversity, differences of aim and preference, and a “bound rationality.” Ben-Porath explains the bound rationality as a cognition within a set of perceptions which do not reflect reality and thus cause irrational outcomes even though in itself the cognitive process is rational. Such a bound rationality is common in individuals who lack information and who are incapable of interacting with authorities for other reasons. Ben-Porath describes a need for the justified paternalism by citing supportive empirical evidence related to choices which some parents make when selecting schools for their children (pp. 129-135).

For this reviewer, the greatest contribution of Ben-Porath’s book is her fresh view on implementing constitutional and related rights in our complex societies. Ben-Porath cites many cases in the USA and UK in which one particular person, despite clearly having rights, lacks the opportunity to exercise them. Such is the case of Sarah (p. 100) brought up in an ultra-orthodox subculture having been barred even from developing the idea of a possibility of leaving that culture and becoming immersed in the mainstream society with different values, despite having an entitlement to do

so as a citizen of a liberal democracy. This level of detail uncovers the disparity between what Ben-Porath terms a “lip service of exit rights” and the facts of an individual’s life. Ben-Porath went on to argue that formal exit rights are not enough without implementing practicable strategies to allow an individual to create a new life based on new values (dubbed “entrance paths”).

Still, such a deep level of analysis does not seem to allow Ben-Porath to fully appreciate other aspects of implementing civic rights which incidentally made Isaiah Berlin or John Stuart Mill argue their case against the state’s patronage. Though Ben-Porath briefly mentions the is-ought argument originally pursued by David Hume, her point of view does not sometimes seem to payfull respect to Hume’s findings, either. Often, Ben-Porath assigned the authority to implement the last mile policies to the leviathan, the state. And, she often makes a moral argument in favour of it.

This however may be a great starting point for Ben-Porath’s further analyses. While thoroughly arguing her case for individuals impoverished in their choices, Ben-Porath might want to include in her analysis the fact that even the state is made up of other people living in their particular circumstances, having own biases and preferences. An administration can hardly be better than the people who serve in it. Ben-Porath’s further inquiries would also benefit from an additional emphasis on responsibility and its relation to morality as her line of thinking now allows her to make claims such as “ taking for granted any parent’s natural goodwill for her child as well as her innate capacity to act upon her good intentions is not justified” (pp. 85-86). Every time responsibility is taken away from an individual, such as the responsibility for parenting, some philosophers and even members of certain non-reflective subcultures would argue that the liberal democracy is indeed losing out.

After the century of a welfare or cradle-to-grave state, Ben-Porath correctly identified a need to build rather a different version of it, possibly a Big Mommy State. Her call to reconsider using paternalism in social policy might even be better heard as an argument for a political maternalism in which social realities truly reflect the liberal democratic ideals based on compassion and understanding by those in the position of power. Such a political theory would apparently require a shared responsibility between the individual and state, and this sharing would then result in an intriguing challenge to the classical moral premise of “I decide therefore I am responsible.”

**Emel Akçali, *Chypre: Un Enjeu Géopolitique Actuel* (Cyprus: A Current Geopolitical Game) (Paris: L'Harmattan, 2009).**

Ana Dinescu  
University of Bucharest

The end of the Cold War brought old conflicts back into the light. There were some instances when such conflicts bear immediate geostrategic relevance for international actors and practical considerations of the international organisations lead to medium and long-term solutions. Cyprus is one example in this vein, its Greek part being invited to become a full member of the European Union in May 2004, while the Turkish part was placed on a waiting list.

Emel Akçali's book aims to offer comprehensive information regarding the current status of the "Cyprus issue", by covering the geographical, historical and geopolitical aspects of the issue. As the author outlines, the book is nothing but "a modest contribution to the development of a new Geopolitics related to ethno-territorial conflicts from the international stage" (p. 7). Without an attempt to make predictions or to offer universal prescriptions, the reader has the opportunity to read between the lines and identify possible starting points for new creative diplomatic solutions.

The general perspective follows the directions of the "new geopolitics" (p. 31), a vision prompted by the conclusion of the incapacity of the modern state or inter-state system to answer contemporary conflicts (p. 29). This approach contrasts the old perception that ideologically discredited the old geopolitical perspectives. It encourages both the internal and external geopolitics of the states starting from an adequate knowledge of the spaces and the places (p. 31). By the inventory of the problems of the Cyprus issue, the book aims to offer further areas of study and specific research of the political, international and cultural issues.

The reader has the opportunity to find almost everything about Cyprus in the book: the history of the island, the political geography of the two parts, the main foreign actors involved, and the internal factors including the political parties, the media, and the economic influences.

The book is structured into three parts: the historical and geographical dimension of the question and The geopolitics of Cyprus, first the foreign actors and then the domestic actors. After introducing genealogically and descriptively the main elements of the problem, there are presented the main actors involved directly or indirectly in the configuration of the whole issue.

Even for a small island, the special character of its insularity – not isolated by the other more or less close neighbors – implies significant destabilization potential (p.123). With the accession to EU membership of the Greek part of the island, it represents a real door to Europe for the Middle Eastern countries including the states of Israel, Lebanon and Egypt, more significantly. But, at the same time, the European interests of these countries are not clearly outlined in order to have an adequate frame for the further interactions on the geopolitical stage. Given its geographical position, Cyprus represented and will continue to represent, a “terra promise” for asylum seekers and immigrants from neighboring areas, as well as the first choice for refugees during the common conflicts in the region. Equally, Cyprus played and will continue to play a big role as a neutral place for meetings, political dialogues or economic exchanges among partners from the area (p. 157, 174). We might question how much this role is detrimental for a final configuration of a solution as long as the immediate interests of the main actors involved are pledged towards maintaining the status quo.

In comparison with the old school of geopolitics, conflict as such is not considered by the author as a direct consequence of the geographical position and the island’s status, but rather as a result of using and abusing this status by internal actors and other external states directly involved.

The documentary material is very rich: recent historical sources, statistical data (e.g. demographic and economic), maps, pictures taken by the author aiming to illustrate in a way similar to a journalistic approach, the accuracy of the affirmations made, direct interviews with main actors involved in the decision-making process regarding the fate of the two parts of the island as well as international players, but also qualitative investigations made across the two communities, offering not a few ideas about how the future of the island could emerge. One of the most important aspects to be taken into account in the elaboration of a solution is finding the best path going beyond an ethnocentric perspective. In this respect, an increased presence of the European Union, but with a less euro-centrist emphasis might find adequate answers to the very specific issues of property rights, economic development or immigration. In this respect, a concentration on very descriptive aspects of the problem is succeeding in offering to the academic perspective food for thought in order to outline these adequate answers. A larger frame on the theory would suffer of a lack of pertinence.

At the same time, the limits of the study become visible when we have to deal with communities in conflict. The constraints are different, as the conflict narrative is made of small, but highly valuable details, conflictual identities built upon conflictual versions of the pasts. From this point of view, the simple description of a certain situation, without making the appropriate critical evaluations is not helpful for the academic approach. We are provided with data that is significantly

complicating a balanced and reliable approach, mainly when it concerns post-conflict solutions. The abundance of details could dissipate the relevance of the theoretical models appropriate for the cases discussed.

Fernard Braudel, one of the most passionate writers about the Mediterranean space, projected possible changes at the level of individual mentalities on the horizon of the "longue durée" – a mental space covering more than one generation and made possible by very fine repositioning of the ways of thinking. The potential for common bridges forcing the two communities of the island together exist: the environment, the social problems, the status of human rights are only few of the possible topics which could project the discussion between Turks and Greeks from the island of Cyprus to another level of understanding and solution-seeking.

Of course it is not possible to say everything about Cyprus in only one book. What this study succeeded to do is outlining, in as a comprehensive way as possible, the main subjects and challenges at the local, regional and international level. This is, in fact, the strong and the weak point of the research. At the end of the book you could find a significant number of topics to be further analyzed but the reader is mostly left to do the further configuration of the framework alone. Our perspective is enriched and from the qualitative point of view from which we could make conclusions based on the book's documentation.

The book represents a useful tool for international scholars and experts in the area of conflict resolution and the Mediterranean space, as well as for representatives of international organizations or journalists. As very clear theoretical statements are lacking, it is not very clear how much the special situation of the island could be used in analyzing other similar cases and, if so, which cases could fit for eventual comparison. A better academic exploration concerns the positioning of the other regional actors from the Mediterranean space and, mostly, how an eventual resolution could prompt a reconsideration of the map of solutions regarding the immediate area. At the end of the book the reader is enriched with more information about the Cyprus issue, but equally interested to find other resources in order to clarify the social, political and economic aspects revealed in the book.

**Quentin Skinner, *Hobbes and Republican Liberty* (Cambridge: Cambridge University Press, 2008).**

Mark Castelino  
Ludwig-Maximilians-Universität München

Historian Quentin Skinner's latest book deals with the notion of political liberty in the thought of Thomas Hobbes (1588-1679). Hobbes is well-known as a staunch

proponent of absolute monarchical government; thus it might seem strange at first glance that Hobbes's name should find itself associated here with republicanism, a political ideology most associated with rule by the people. However, one sees that the juxtaposition of the two terms in the book's title is not at all out of place once the book's content is taken into account.

Like Skinner's preceding works, such as *The Foundations of Modern Political Thought* (Cambridge, 1978) and *Reason and Rhetoric in the Philosophy of Hobbes* (Cambridge, 1996), the argument of this book is based on the author's particular method as first set forth in the late 1960's. According to this so-called "Cambridge" approach to the history of political thought, texts in this tradition can only be comprehensively understood in relation to the (historical) *context* in which they were composed and not exclusively or even primarily on their own terms; the "great books" which constitute the tradition of political thought would thus not be "free-standing," for their authors wrote them in the context of their contemporaries, a situation that may well lead an author into vitriolic confrontation with his opponents. In such a context, an author's *language* does not take a neutral position; rather, his words become *deeds* in the manner of philosopher J.L. Austin's "speech-act" theory. Hence Skinner says that in order to faithfully interpret Hobbes's texts "we need to recognize the force of the maxim that words are also deeds" (xvi). This particular account of Hobbes's idea of political liberty thus seeks to convey "Hobbes's political theory not simply as a general system of ideas but also as a polemical intervention in the ideological conflicts of his time." (*ibid.*)

Skinner states in the preface that the book purports to constitute two main contributions to existing Hobbes scholarship. First, while "most recent studies have focused exclusively on Hobbes's texts, without asking what might have prompted him to formulate and reformulate his distinctive arguments," Skinner has "tried to show how Hobbes' successive attempts to grapple with the question of human liberty were deeply affected by the claims put forward by the radical and parliamentarian writers in the period of the [English] civil war" (xiv-xv). Second, Skinner seeks to refute the "one cardinal assumption" prevalent in recent Hobbes scholarship "that seems to me untenable," namely that "Hobbes's beliefs, including his beliefs about liberty" did not change over the course of his writings (xv). Indeed, the very structure of the book is centered around the evolving character of Hobbes's notion of liberty, which according to Skinner changes markedly between each of Hobbes's three major works: the *Elements of Law* (1640), *De Cive* (1642), and the *Leviathan* (1651).

Skinner opens, however, with an account of Hobbes' early training in Greek and Roman grammar and rhetoric, in an effort to depict Hobbes as a "faithful follower of humanist literary practices," an enthusiasm which, though once renounced by Hobbes, surfaces in the form of the elaborate frontispieces which grace the original



covers of Hobbes' works. This, Skinner says, is because Hobbes' contemporaries held an "interest in matching word and image" because "visual images may be capable of exercising a still more potent effect" than mere words (7). Indeed, this book contains many such frontispieces, not only those from Hobbes' works but also those of his contemporaries. Perhaps the most famous of these can often be found on the cover of Hobbes's *Leviathan*, depicting the all-powerful sovereign as an "artificial" man who contains within himself the "natural men" by whom he is constituted for the sake of peace and prosperity in this "Commonwealth."

Within the larger structure of Hobbes' *oeuvre* as mentioned above, Skinner shows first that the notion of liberty as explained in the *Elements* is marked by a process of "de-liberation," whereby "we deliberate about whether to perform an action within our powers," a process which involves a weighing of "appetites, which incline us to act and our fears, which withhold us from proceeding," with the aim of reaching "a determinate will" (20). According to Skinner's method, works in the history of political philosophy must be understood in their historical context; the passage just cited may serve as an example of this approach, which permeates the book: Skinner shows that the will becomes here "nothing other than the name of the last appetite or fear that brings deliberation to an end," a result that Skinner sees as an opposition to "the entire scholastic understanding of the will as one of the permanent features of the human soul, the faculty that enables us freely to will and thereby freely to act" (25). Skinner amply documents such polemical debates (along with the appropriate frontispieces) which arose between Hobbes and his opponents, such as the Anglican Bishop, John Bramhall. It is precisely these sorts of often antagonistic interactions between Hobbes and his contemporaries that are held here as central to the development of Hobbes's conception of liberty.

Primarily, Skinner seeks to show that the development of Hobbes's notion of liberty achieves itself within the framework of polemical debate between Hobbes and his contemporary opponents who sought the institution of a republic or "free state." Hobbes's involvement in this debate can be seen in his definition of liberty in chapter 21 of the *Leviathan* as the "absence of *external* impediments to motion" (127). Skinner ably demonstrates that this change in Hobbes's definition of liberty did not arise of itself, but grew out of active debates over the notion of freedom. Because Hobbes now says that freedom consists in the absence of external impediments to motion (and not absence of absolute monarchical rule), freedom would now be consistent with monarchy (Hobbes's preference for stable government), whereas according to the opposing republican theorists, liberty would be possible only in a "free state" undergirded by constitutional law. For Skinner, Hobbes may be seen in such a way to modify his notion of liberty in the course of his works in response to his contemporary challengers.

This book is surely a valuable contribution to the existing body of Hobbes scholarship. Rich in well-documented references to figures of slight repute, but whose influence on Hobbes's thought can hardly be disregarded, this work doubtlessly constitutes one of the most important accounts of the Hobbesian idea of freedom. Expectedly, Skinner stresses the *context* of Hobbes's contemporaries in the development of his notion of liberty. Yet one might find in Skinner's approach an exaggerated emphasis on the historical and political context in which a text is composed. One might inquire as to the possibility of the independence of a text from the historical context of its origin; and one might well find in the *interaction* between the text and the individual reader a source of interpretation that *exceeds* those limits that the historical context of a text might demand of its interpretation. If this is the case, then Hobbes's books may well be susceptible of bearing a considerably wider scope of understanding than that which their historical context alone can furnish. That being said, this excellent book does itself contribute significantly to our understanding of Hobbes's notion of "liberty" in the framework of his *oeuvre* and as such ought to take an important place in the existing body of Hobbes literature.

**Richard H. Immerman, *Empire for Liberty, A History of American Imperialism from Benjamin Franklin to Paul Wolfowitz* (Princeton, Princeton University Press, 2010).**

Oana-Elena Brânda  
University of Bucharest

The academic profile of Richard Immerman places him in the field of US foreign relations research. That is why a book about the American Empire viewed from a conceptual and rather philosophical side came as a surprise. *Empire for Liberty, A History of American Imperialism from Benjamin Franklin to Paul Wolfowitz* is an effort to build along a chronological line, the argumentation to support today's existence of an American Empire. The book focuses on the evolution of the idea of an American Empire from the 18<sup>th</sup> century to present day. According to Immerman, the American Empire was built in two centuries, with extreme strains made not only by decision makers, but also by the people.

The six chapters of the book include the stories of six men who influenced the rise of the American Empire. Benjamin Franklin, John Quincy Adams, William Henry Seward, Henry Cabot Lodge, John Foster Dulles, and Paul Wolfowitz are powerful figures who have left a distinctive mark in the American history. With the exception of John Quincy Adams, who was the sixth president of the United States, all of them had remarkable positions in state affairs. What united them was the idea of building an Empire for Liberty, which was to extend the blessings of its nation to other nations worldwide and set an example as far as state evolution is concerned.

Immerman's choice of characters resides in each man's efforts made to accomplish this imperial dream. They were all true believers in America's exceptional destiny and each of them had pursued his own specific path to help turn the United States of America into an Empire. Franklin, for example, believed in the force of identity and citizenship, Quincy Adams advocated cementing liberty from slavery, Seward tried to establish a commercial empire, Lodge supported a US navy to pioneer US initiatives overseas, Dulles backed the idea of US leadership to ensure global peace and civilization and Wolfowitz embraced the credo that the US mission was to provide global democratization.

The topic is ambitious, being embedded in a wider literature characterized by similar endeavors.<sup>2</sup> The goal is to illustrate how these statesmen influenced and worked towards the goal of extending the newly forming United States to the status of an empire, within a dramatic historical context: slavery, the Civil War, the Civil Rights Movement, Vietnam, Kuwait, Afghanistan and Iraq are a few examples.

An interesting approach that Immerman uses is to oppose antagonizing views; for instance, he contrasts the mere existence of the US Empire with the fact that the US always seemed reluctant to pose as just another empire. If George Washington and Benjamin Franklin started the development of an American empire, as the antidote and the superior of all other existing empires, George W. Bush tried to put an end to it by stating that there is no such thing, argues Immerman. However, he extracts brand new ideas which show the US as an expanding empire. Its inner growth and external expansion are concomitant and interdependent, and Liberty is an integral part of this empire

From Immerman's perspective, empire and liberty are mutually reinforcing. In the 20<sup>th</sup> century, the empire the US built, which according to Immerman is the most powerful in world history, was based on global leadership, military superiority and the worldwide spread of institutions that bear the US emblem: NATO, the UN, the IMF, the WTO and many others. Nevertheless, it appears that the 19<sup>th</sup> century was the climactic moment for this empire for liberty because, in the 20<sup>th</sup> century, America turned into an empire of liberty for its own people only. The 21<sup>st</sup> century signifies the nadir of the American Empire for/of Liberty, because of its recent humiliation in Iraq and the consequences of the economic crisis. It is here that Immerman refrains from making assumptions but rather sets the scene and let's his readers draw conclusions by themselves. Is there a use for this Empire? This is the point at which his narrative becomes critical. Although his writing is generally

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2 For example, A.J. Bacevich's *American Empire: the Realities and Consequences of US Diplomacy* (2002), William Odom's *America's Inadvertent Empire* (2004), Todd Emmanuel's *After the Empire: the Breakdown of the American Order* (2004), and Rodrigue Tremblay's *The New American Empire* (2004).

balanced, here the author points out the malfunctions that occurred in US policy throughout the time, which led to the present dilemma.

The central case of the book rests as follows: the American empire is not as centralized, integrated and huge as the Roman one, nor colonial like the British, but rather an entity of ideas, mentalities, values and interests. Each of the six profiled people developed one of these features. The key point of the argument stands as simple: greatness can only come from inside.

Immerman points out the good and the bad sides of each of these men in a balanced way. One's lack of substance is counterbalanced with another's pragmatic solutions. He is also very sincere as far as these statesmen's motivations . A good example is the abolition of slavery, for the Empire' benefit.

A relevant drawback of this book is that the author does not explore the notion of "imperialism" too much. A juicy term like this one should be better exploited. Immerman only defines it and appears to believe that if he argues the case of empire, this would be quite enough to send the necessary signals that an empire generates imperialism. Another criticism that can be brought to him is that he ends the book too quickly and abruptly, when there was a need for a more refined analysis to address the issue of American Empire/imperialism in the times of George W; Bush, since it was then that the term of "American Empire" was reborn.

Overall, the book is very well written, with an attractive title and a well-polished argument. Richard Immerman seems to be a versatile author, eager to emulate the opinions of the people he chose as examples, advocating that in time, the American Empire and consequently its imperialism, served to bring freedom from slavery, extend economic benefits to the world, fight international Communism and become the crusader against global tyranny. There is a synergy between its interests, power and principles, which proves that America has a destiny to model the world to come. Moreover, Immerman's approach is innovative. By choosing six important figures in the American history and using their life goals and accomplishments to portray the way in which the American Empire's ideas evolved accross centuries he makes connections which reflect, in a unique way, a page of American history. The present Obama administration is not really considered, but it would make an interesting exercise to connect Immerman's present work, with another to be written in, let's say, 100 years from now.

The book constitutes valuable reading for both academics and laymen. However, the numerous references to American foreign policy theory and US foreign relations make it more suitable for academic purposes rather than just good spare time reading. It is a strongly recommended tool for those interested in solving the

mystery of what “American Empire” means and especially for those who would like to see how American political thinking evolved across the centuries.

**Ioannis N. Grigoriadis, *Trials of Europeanization, Turkish Political Culture and the European Union* (New York: Palgrave Macmillan, 2009).**

Omer Aslan  
Bilkent University

The concept of ‘Europeanization’ has gained a wide currency among the students of Turkey-European Union [EU] relations with much of the focus devoted to Turkey’s membership process and the EU’s influence on Turkey. Regarding the latter, scholars have utilized this concept to explain Turkish democratization reforms, which the incumbent Turkish foreign minister described as the “silent revolution,”<sup>3</sup> and Turkey’s reliance on soft power tools such as diplomacy and negotiations in foreign policy under the current government. Yet, as Erguder points out in his foreword to this book, although it has the potential to undermine the permanency and deeper internationalization of such reforms, how Turkish political culture has been evolving has remained understudied. Hence, Grigoriadis’ book seeks out to fill this gap. Taking Europeanization as the “goodness of fit” allows the author to clarify that, even though the EU is not the sole factor for the transformation that has taken place in Turkey, the EU has been a crucial pillar in the liberalization of Turkish political culture.

Grigoriadis carries out this task by elaborating on the continuity and change in four core areas where political culture exists: civil society, the state, the secularism debate and national identity in Turkey. With regards to the proliferation of civil society groups for the past few decades in Turkey, Grigoriadis acknowledges the impact of systemic factors such as the end of the bipolar international system and globalization. He also admits that the corrosion of the Turkish state icon, which he delineates as the “demystification of the state” due to domestic events such as the *Susurluk* incident and the deep economic crisis in 2000-2001, and the Kurdish issue, also facilitated the growth of civil society. The EU further enabled the expansion of the realm for civil society groups and associations to operate freely and more effectively by providing them with not only with financial assistance but also by pushing for legislative reform.

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3 Ahmet Davutoglu. “Europe Moet Beloften Jegens Turkije Nakomen” (Europe Needs to Make Good on Her Promises to Turkey), *De Volkskrant*; available at [http://www.mfa.gov.tr/article-by-h\\_e\\_ahmet-davutoglu-published-in-de-volkskrant-newspaper-\\_netherlands\\_-on-08\\_10\\_2009.en.mfa](http://www.mfa.gov.tr/article-by-h_e_ahmet-davutoglu-published-in-de-volkskrant-newspaper-_netherlands_-on-08_10_2009.en.mfa).

Turkey's 'strong state' tradition is a legacy of the Ottoman Empire: in a nutshell, citizens live to serve the state rather than the other way around. Griogoriadis demonstrates how this conception of the Turkish state, though arguably still held by the state elite, might be gradually but painfully evolving. While the influence, positive or negative, of other factors such as the United States after the 1990s, the armed conflict with the PKK [Partiya Karkaren Kurdistan] and the systemic change are all recognized, the EU helped change state-society relations by supporting radical reforms in civil-military relations to curb the interference of Turkish military in civilian politics. The EU has played a vital role in the reorganization and re-composition of the National Security Council to that end and in the closure of the State Security Courts.

If revolutionary transformation has occurred in other areas, the least development has arguably taken place in terms of the secularism debate. Even though the EU defended the rights of religious minorities in Turkey and exerted pressure on Turkey, which favored the *Hanafi* school over others with its policies, to introduce reforms to improve these rights, the actual outcome has not gone much beyond encouraging the government to instigate a societal debate on the issue. At the same time, the EU had been far less interested in urging reform to resolve the headscarf issue although the defense of the headscarf freedom in Turkish universities made constant references to the 'right of education', 'the principle of nondiscrimination', and the 'freedom of religion' being protected by the European Convention of Human Rights and other international human rights treaties (p.114).

With the end of the Cold War, the Turkish state's ability to keep the lid it had long and firmly clamped on rival national identity interpretations and expressions waned. The official, allegedly-homogenous, and secular Turkish national identity faced serious challenge by its own Kurdish, Alawite, and Islamic identity claims. The EU membership process further fanned the healthy yet sterile debate on how to render Turkish national identity more inclusive to incorporate its minorities, such as the Kurds and the Alawites. The pressure that the EU exerted on Turkey through reports such as "the working group on minority and cultural rights" materialized as the state channel started incremental broadcasts in Kurdish and some other minority languages.

At first glance, the EU's contribution to Turkey's democratization reforms seems to be indubitable. Grigoriadis adds to that the deeper and perhaps less visible change the EU has wrought in Turkish political culture. Yet, as the author deservedly notes, the EU's impact is not exclusive of other rival and equally valid explanations. Because "transformation may occur on the basis of "a multitude of coevolving,

parallel and not necessarily tightly coupled processes”<sup>4</sup> the author’s balanced take on the sway of the EU stands as a merit to be applauded. Besides, the clear general structure of the book, which makes it very convenient for the reader to follow the author's arguments, is surely praiseworthy.

Nonetheless, the book suffers from a contradiction. The author purportedly claims that the ECHR decision [to uphold the Turkish Constitutional Court’s decision to close down former Refah Partisi (Welfare Party) in 1998] demonstrated that “Islamic extremism could not be protected by European liberal democratic institutions....Like terrorism, Islamic fundamentalism could not expect support from European courts” (p. 110). However, elsewhere in the book he suggests that the ‘Just Order’ program of the Refah Partisi merely meant a more moral, transparent and honest government; the claim that the Welfare Party posed an existential threat to the Republic was exaggerated because the party only paid lip service to their 'Just Order' program (p. 104). It then becomes the legitimate to ask whether this means that the ECHR affirmed the closure of a popularly elected political party in government, which was forced to resign after the ‘soft coup’ in 1997, with no persuasive grounds and whether ECHR’s that decision contributed to the democratization of Turkey and the advance of “participant” elements in Turkish political culture. Given that Turkish constitutional court members looked to the ECHR decisions as supporting evidence to legitimize that party closure and ban on headscarves<sup>5</sup>, which the author admits (p. 118), and that the Turkish constitutional court continued to be the stumbling block against further democratization and reforms on the area of secularism debate, the ECHR’s seal of the closure of the Refah Partisi based on “sheer suspicion”<sup>6</sup> can hardly be conceived of as a positive encouragement by the EU for the liberalization of Turkish political culture.

In closing, in spite of the reservation noted above, *Trials of Europeanization: Turkish Political Culture and the European Union* proves to be a valuable reading thanks to the author's compelling knowledge of politics of the Turkish Republic since its founding as well as his astute utilization of the concept of ‘Europeanization’ to give the due credence to other possible explanations.

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4 Olsen quoted in *The Politics of Europeanization*, ed. Kevin Featherstone and Claudio Radaelli (eds.) (Oxford & New York: Oxford University Press, 2003), 4.

5 Cenap Cakmak, *Limits of the Constitutional Court As a Political Actor Shaping Turkish Political Landscape*, (Bilgesam: 2009); available at [http://www.bilgesam.com/en/index.php?option=com\\_content&view=article&id=220:limits-of-the-constitutional-court-as-a-political-actor-shaping-turkish-political-landscape-&catid=113:analizler-sosyo-kultur&Itemid=148](http://www.bilgesam.com/en/index.php?option=com_content&view=article&id=220:limits-of-the-constitutional-court-as-a-political-actor-shaping-turkish-political-landscape-&catid=113:analizler-sosyo-kultur&Itemid=148)

6 Gunes Murat Tezcur, “Constitutionalism, Judiciary, and Democracy in Islamic Societies,” *Polity* 39 (4) (October 2007): 479-501.

**Andreas Goldthau and Jan Martin Witte (eds.) *Global Energy Governance. The New Rules of the Game*, (Washington DC: Brookings Institution Press, 2010).**

Paula Ganga  
University Alexandru Ioan Cuza Iasi

Traditionally, when energy is discussed the focus is placed primarily on the supply side of the chain, on state-to-state competition in which one country's energy gain is another one's loss and on the struggle to achieve energy security and be protected against a possible "energy weapon". Both the academic and the policy worlds still use this zero-sum approach to analyze the energy domain while the changes that have occurred in the global energy landscape should have made this geopolitical paradigm obsolete. With these observations in mind the authors have embarked on addressing this research gap by shifting the focus of the energy discussion from a narrow security perspective to a broader governance-centered view on energy emphasizing the role played by rules and institutions.

In Goldthau and Witte's opinion, the sharp focus on access to resources has kept out of sight key developments that need to be addressed when trying to create effective global energy governance. The central role of increasingly global energy markets, the importance of the institutional framework that regulates the energy market and the significance of non-state actors (international energy companies, financial institutions, international and regional organizations) are in the editors' opinion some of the crucial issues that need to be addressed when energy is discussed. This book is a first attempt to use such a broad perspective to identify and analyze the "rules of the game" and the global energy institutional framework, the interplay between them as well as the consequences of these new developments on public policy.

In tackling a domain so far restricted only to a geopolitical framework, the editors had in front of them the challenge of summarizing a multitude of subtopics intrinsically connected to energy that have been previously overlooked. They divided the book into 4 parts, each collecting several chapters discussing significant aspects within that subtopic in the energy domain. The first part, *Global energy and trade and investment*, discusses the interplay between energy diplomacy and the energy markets (Goldthau), the existing institutional structure in energy trade (Selivanova), and governance solutions for the biofuels industry (Zarrilli). *Global energy and financial markets* addresses issues such as the role of national oil companies in the global energy market (Jaffe and Soligo), the challenges in the emergence of a global carbon market (Blyth), and the investment in low-carbon energy sources in the current context of the economic crisis (Huntington and Jojarth). Part three, *Short-term supply management and long-term energy cooperation* analyzes how the emergence of new high consumers in the energy



market such as China and India makes change necessary in the existing governance structure (Kohl), the role of LNG in a globalized gas market (de Jong, Van der Linde and Smeenk), and consumer cooperation in an uncertain market (Harks). The final section, *Emerging issues and outlook*, discusses efforts to make good governance part of the rules of the game in global energy (Benner and Soares de Oliveira) and the increasing importance of sovereign wealth funds in the global energy circuit (Manzer and Witte). Each part includes a policy perspective where solutions are put forth in order improve current deficiencies in energy governance.

The most innovative aspect of this book is its institutionalist perspective, going beyond traditional energy security to show the important role played by rules and institutions and how making these two aspects the linchpin of the energy debate could stem valuable solutions that will move the global energy market from a zero-sum game to a truly global arena where cooperation could be achieved. The book also has the advantage of offering the reader the possibility to fully understand the debate without requiring a great level of expertise in the field. Additionally, the authors achieve a balance between academic research and policy-oriented solutions making this publication relevant of a larger audience.

Another positive aspect of the book is the fact that it discusses energy in a “global” manner, as promised in the title, not only showing the global interconnectedness achieved by the oil and gas markets but also by analyzing a wide range of aspects in the contemporary energy trade. However, because of this attempt to maintain a global perspective on the domain, the book sometimes gives the feeling of skipping too quickly from one subtopic to the other. This feeling is still present even with the gathering of the chapters in four linked parts.

Overall the book achieves both its purposes: to widen the debate on energy by bringing into the discussion institutions and rules for the global energy market and to offer policy answers. The institutions need to fulfill several tasks such as correcting market failures, lowering transaction costs and setting standards and rules. Also, the authors encourage solutions, such as support for increased information sharing and transparency, inclusion into the energy equation of new consumers from the developing world, a reinforced focus on climate change and creating incentives for trade and investment in the current economic environment.

Throughout the book one central idea unites all the authors: the necessity to create a global energy governance structure equipped with rules and institutions managing the energy needs of all the actors involved in the process. Many of the authors discuss institutions such as the International Energy Agency, the World Trade Organization and the UN Framework Convention on Climate Change as well as their role in regulating and managing the various aspects of the trade in energy. However, in spite of promoting this new perspective on energy, the conclusions

reveal the fact that we are far away from a proper governance structure that is capable of dealing with the challenges of our energy needs. Moreover, Albert Bressant, for example, notices that in spite of the dramatic increase in the role of markets, international institutions and non-state actors, the “global energy system is now subject to a hybrid form of governance” (p. 276) and these new players have to work “within quantitative limits that are set by governments and not by the market itself” (p. 276). This makes the process of “reforming the rules of the game for global energy governance (...) a thoroughly political exercise [that] will require major efforts by all involved players” (p. 356). However, with this book the authors have opened the door towards a new way of thinking about energy relevant not only for research purposes but for actual long-term sustainable policy change.

**Hugh Compston, *Policy Networks and Policy Change* (Basingstoke: Palgrave Macmillan, 2009).**

Svetozar A. Dimitrov  
Central European University

Devising a theory of political science or public policy that can flawlessly predict the future is among the most sought-after goals of political scientists. While the subjective nature of studying human political behavior is unlikely to permit the formulation of a universally correct predictive theory, there are breakthroughs that doubtlessly give us applicable insight into forecasting future developments in public policy. With *Policy Networks and Policy Change: Putting Policy Network Theory to the Test*, Hugh Compston has attempted to make such a breakthrough.

Before reviewing what Compston proposes and analyzing the degree to which his theory can be verified, it is important to outline the core concepts and assumptions of the book. First of all, *public policy* is defined as “the activities of government as they affect those towards whom they are directed, such as provision of pensions” (p.1), as opposed to general political processes or government actions. One of the book’s core concepts, *policy networks*, is defined as interdependent political actors who exchange resources that they perceive as valuable to them. The actors are broadly defined and include a range of entities from senior officials to non-governmental organizations. Compston has also set some limitations to the predictive capacity of his theory. One is that the actions of policy network members cannot be expected to determine every single outcome in public policy, because various external influences and circumstances may often affect the functioning of a policy network. Finally, the author limits the scope of his study to the 12 most affluent EU member states, except Luxemburg.

Contrary to the views of many political scientists, who see policy network theory as an explanation of policy stability rather than policy change (p.34), the author has tried to adapt policy network theory into a tool that produces testable hypotheses to predict policy change. The way Compston goes about doing that is by first identifying major trends, which he calls *king trends*. These have to have been verified, to affect a large number of people, and to have operated in the 12 most affluent EU member-states in the past. They should also be expected to continue operating until 2020. The criteria are adequate, for the general analysis of public policy that Compston is making; in addition to that, the country criterion is particularly important because it highlights the degree to which public policy in developed countries, like the EU member-states, has become rationally predictable, while that is not the case in developing countries.

Using the theory on the way policy networks function, namely that policy change is determined by resource exchange and by the actors' perceptions, strategies, and norms, Compston has generated hypotheses about how king trends will affect public policy. It is worth highlighting parenthetically that by including perceptions into the list of considerations, Compston wisely controls for the irrationality of human nature.

In order to prove or disprove the hypotheses, the author tests them by verifying their propositions against data of recent policy trends. Finally, Compston uses Popper's falsification approach (p. 74) and accepts his hypotheses as proven if they hold true for 9 out of the 12 test countries. It should be further clarified that by *proven*, he means that the trend has been existing up to the present day and this allows us to make the educated guess that it will continue to operate.

Aside of the being clearly described, Compston's predictive theory is methodologically noteworthy, because it manages to test the validity of its propositions. Performing the latter convincingly is obviously the most challenging hurdle before proving that a predictive theory succeeds. As mentioned, Compston goes about testing his hypotheses by using evidence about recent (past) policy trends; some readers may initially interpret this as circular logic. Compston anticipates and addresses this issue, while also summarizing the testing process: He states that the methodology used to generate the *future policy implications* of every king trend does not refer to and does not require prior knowledge of recent policy trends, but rather relies on the *causal paths* formulated by the theory. The author concludes therefore that there is "nothing circular about using recent policy trends to test its conclusions about the future policy implications" (p. 72),

While Compston's argument regarding circular logic is true and convincingly removes most doubts, one would even better appreciate the validity of Policy Networks theory, if one could compare the propositions derived through the

theory's causal pathways and other hypotheses derives simply by analyzing past policy trends. It would also have been an intriguing addition if the author had included hypotheses based entirely on the analysis of data (past policy trends) and compared their validity to that of hypotheses derived through Policy Network theory.

In addition to its theoretical merits, the book also covers most king trends occurring in the European Union. The author has devoted a considerable part of his book to applying his methodology and formulating the policy implications of issues such as growing affluence, climate change, internationalization of production, population ageing and others. The book closes with an informative and thoughtful chapter on the future of public policy, which completes Compston's significant work with an analysis predicting developments like more business-friendly policies, more intrusive law enforcement, and other practical expectations, that could be applied to the work of both scholars and policy makers.

There is one omission to the list of king trends, which this reviewer would have been interested to read about. This is mass immigration from non-EU countries and the associated problem of insufficient integration, which regardless of one's political bias, is widely recognized as a significant challenge to the 12 countries that Compston works with. It has been occurring for decades, is convincingly verified, and affects a large number of people. Therefore, mass immigration from non-EU countries constitutes a king trend according to the criteria listed in the book. It is also a trend capable of altering public policy, according to the electoral literature invoked in the beginning of the book, by making long-term changes to Europe's demographics and therefore Europe's "electorate of social groups" (p.61), characterized by biases, identifications, interests in specific issues, etc. In this way, it is such a potentially influential trend that it could override other king trends described in the book, and as such merits attention.

The primary merit of *Policy Networks and Policy Change: Putting Policy Network Theory to the Test* is that Compston has successfully done something very difficult – create a convincing predictive theory, which positively responds to testing. He has done this in a clear and accessible writing style, and has analyzed some of the most important trends in Europe through the prism of the theory. He has also been successful in escaping the rigidity of other predictive theories, by giving enough weight to subjective factors like the changing perceptions of political actors. Compston can be credited with making a noteworthy scholarly contribution to the field of Public Policy.

## NOTES ON CONTRIBUTORS

Omer Aslan is a PhD student in Political Science at Bilkent University, Ankara. E-mail: [aslano@bilkent.edu.tr](mailto:aslano@bilkent.edu.tr).

Oana Elena Brânda is a PhD student in the History of International Relations at the History Faculty of the University of Bucharest. E-mail: [oana.branda@gmail.com](mailto:oana.branda@gmail.com).

Mark Castelino is a PhD candidate in Political Science at the Ludwig-Maximilians-Universität München, Germany. He holds MA degrees in Philosophy (Université de Montréal) and Political Science (University of Calgary). E-mail: [macastelino@hotmail.com](mailto:macastelino@hotmail.com).

Svetozar A. Dimitrov is a political analyst, whose current research interests include International Relations and History of Ideas. He holds an M.A. in European Studies (IRES) from CEU. Email: [svet19@gmail.com](mailto:svet19@gmail.com).

Ana Dinescu got her PhD in History from the University of Bucharest. She is a writer and translator currently living in Berlin, Germany. E-mail: [anadinescu@yahoo.com](mailto:anadinescu@yahoo.com).

Fabio Franch received his doctorate from West Virginia University in 2010. His current research interests are Research Methods, International Relations and Information Technology and Politics. E-mail: [ffranch@mix.wvu.edu](mailto:ffranch@mix.wvu.edu).

Paula Ganga is a graduate student at Georgetown University. She has received her M.Sc. in Global Governance and Diplomacy from Oxford University. E-mail: [pdg23@georgetown.edu](mailto:pdg23@georgetown.edu).

Patrick Hein is an independent political scientist affiliated with the Foreign Press Center of Japan. He has studied in Germany (Master), Japan (scholarship) and the USA (post-graduate degree). E-mail: [heinpt@yahoo.com](mailto:heinpt@yahoo.com).

Elena Labzina works at Center for Climate Change and Sustainable Energy Policy at CEU. She holds an MA in Political Science, MA in Economics, and BSc in Applied Maths. E-mail: [Labzina\\_Elena@student.ceu.hu](mailto:Labzina_Elena@student.ceu.hu).

Jiri Sebek is a PhD student at the Philosophy and Arts Faculty of Charles University in Prague. His area of research concerns social justice, John Rawls and nepotism. E-mail: [sebekj@gmail.com](mailto:sebekj@gmail.com).

Daniel Șandru is Associate Professor at the Faculty of Political and Administrative Sciences from "Petre Andrei" University Iași. He is the director of the Department of International and Public Relations. E-mail: [danielsandru2005@yahoo.com](mailto:danielsandru2005@yahoo.com).

Ivana Tomovska is a researcher at the Centre for Regional Policy Research and Cooperation "Studiorum" in Macedonia. She is an alumna of University College London and a Chevening scholar. E-mail [ivana@studiorum.org.mk](mailto:ivana@studiorum.org.mk).

Candan Turkkan holds an MA degree from the New York University (2010) and is currently enrolled in an MA program at The New School for Social Research (Department of Politics), E-mail: [candanturkkan@gmail.com](mailto:candanturkkan@gmail.com).

Lucia Vesnic-Alujevic received a PhD in communication sciences from Ghent University. Her major research interests include political communication, election campaigning, social media and European politics. E-mail: [lucy.vessal@gmail.com](mailto:lucy.vessal@gmail.com).

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